

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, APRIL 27, 2015 - 8150 BARBARA AVENUE**

CALL TO ORDER/ROLL CALL The City Council of Inver Grove Heights met in regular session on Monday, April 27, 2015, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m. Present were Council members Bartholomew, Hark, Mueller and Piekarski Krech; City Administrator Lynch, City Attorney Kuntz, Community Development Director Link, Public Works Director Thureen, City Engineer Kaldunski, Finance Director Smith, and Chief Thill

3. PRESENTATIONS: None.

4. CONSENT AGENDA:

Mayor Tourville removed Item 4D from the Consent Agenda.

Councilmember Hark removed Item 4E from the Consent Agenda.

Councilmember Mueller removed Item 4H from the Consent Agenda.

A. Minutes of April 13, 2015 Regular City Council Meeting

B. Resolution No. 15-69 Approving Disbursements for Period Ending April 21, 2015

C. Resolution No. 15-70 Approving the Development Contract and related Agreements for the Plat of Blackstone Vista

F. Approve Request for Donation to Inver Grove Heights Days

G. Schedule Public Hearing

I. Personnel Actions

Motion by Piekarski Krech, second by Bartholomew, to approve the Consent Agenda.

Ayes: 5

Nays: 0 Motion carried.

D. Approve Proposal from SEH, Inc. for Engineering Services for Revisions to the City's Two Water System Emergency Generators to Meet EPA Emissions Standards

Mayor Tourville stated he would abstain from the vote.

Motion by Bartholomew, second by Mueller, to approve proposal from SEH, Inc. for engineering services for revisions to the City's two water system emergency generators to meet EPA emissions standards

Ayes: 5

Nays: 0 Motion carried.

E. Approve Proposal from EOR, Inc. for NWA Hydrologic and Hydraulic Model Update

Councilmember Hark questioned what hourly rate the consultant would charge the City.

Mr. Thureen explained the hourly rate varied based on the individual performing the work. He stated he requested a detailed breakdown of the rates from the consultant but did not receive the information in time to include with the agenda item.

Councilmember Hark stated the contract did not include attendance at meetings and questioned how much extra time that generally involved.

Mr. Thureen stated the proposal did not assume attendance at any meetings. It was not anticipated that the consultant would have to attend any commission or Council meetings. He noted attendance at any meetings would be at an additional cost to the City.

Councilmember Bartholomew stated he would prefer to table the item to review the detailed cost information.

Motion by Bartholomew, second by Hark, to table consideration of the proposal from EOR, Inc. for the Northwest Area Hydrologic and Hydraulic Model update to May 11, 2015**Ayes: 5****Nays: 0 Motion carried.**

H. Approve the Collective Bargaining Agreement between the City of Inver Grove Heights and the American Federation of State, County, and Municipal Employees (AFSCME), Local 1065, Council 5, for the Years 2015-2016

Councilmember Mueller suggested that the language pertaining to a \$300 allowance for a part-time CSO should be removed from the contract. He stated the City no longer had a CSO and had no plans to fill the position at this time.

Mr. Lynch stated the contract listed a number of positions and their corresponding salary ranges and the position of CSO was still listed. He explained if the Council wanted to formally eliminate the position separate action would need to be taken at a subsequent meeting. He noted any changes to the contract language would also need to be approved by the bargaining unit. He stated because the part-time CSO position was currently vacant there was nobody eligible to receive the allowance outlined in the terms of the contract. He added the Police Chief may choose to revive the CSO program in the future.

Mayor Tourville stated it did not hurt anything to leave the position in the contract. He opined any decision to eliminate the position should be discussed with the Police Chief.

Councilmember Piekarski Krech questioned why the uniform allowance for the Fire Marshal was increased.

Mr. Lynch stated during negotiations the bargaining unit requested an increase to reflect that the cost of goods was increasing. He explained staff felt the request was reasonable.

Councilmember Piekarski Krech stated she had never seen the Fire Marshal in full uniform.

Chief Thill stated the Fire Marshal did have a full uniform in addition to his regular apparel worn on a daily basis while in the office or out in the field. She noted his uniform varied based on the weather, site conditions, and job duties for the day.

Councilmember Piekarski Krech opined it seemed like a rather large uniform allowance.

Mr. Lynch stated the uniform allowance for the Fire Marshal was proposed to increase \$40-\$60.

Councilmember Bartholomew stated he did not have an issue with leaving the CSO position in the contract. He opined he would hesitate to have to reopen the contract if the CSO position was budgeted for by the Police Chief in 2016 or subsequent years.

Motion by Bartholomew, second by Hark, to approve the Collective Bargaining Agreement between the City of Inver Grove Heights and the American Federation of State, County, and Municipal Employees (AFSCME), Local 1065, Council 5, for the Years 2015-2016**Ayes: 4****Nays: 1 (Mueller) Motion carried.**

5. **PUBLIC COMMENT:** None.

6. **PUBLIC HEARINGS:**

A. CITY OF INVER GROVE HEIGHTS: Consider Application for On-Sale/Sunday Intoxicating Liquor License from El Azteca for Premises Located at 5816 Blaine Avenue

Mr. Lynch stated the hearing was a continuation of the public hearing previously opened at the meeting on April 13th. He explained the Police Department was able to complete the background investigation and found no basis for denial of the request for a liquor license.

James Reyes spoke in favor of the applicant and encouraged Council to approve the liquor license.

Motion by Piekarski Krech, second by Bartholomew, to close the public hearing.

Ayes: 5

Nays: 0 Motion carried.

Motion by Piekarski Krech, second by Bartholomew, to approve the on-sale/sunday intoxicating liquor license for El Azteca, LLC dba El Azteca Mexican Restaurant for premises located at 5816 Blaine Avenue

Ayes: 5

Nays: 0 Motion carried.

7. REGULAR AGENDA:

FINANCE:

A. CITY OF INVER GROVE HEIGHTS: Consider Financing of 2015 and 2016 Projects

Steve Apfelbacher, Ehlers and Associates, discussed the authorization process for various projects being considered by the City. He reviewed the projects that had been identified to be financed in 2015 and 2016 including Argenta Trail, 70th Street, Northwest Area, the proposed Fire Station, and the Pavement Management Program. He noted the projects were included in the most recent CIP and identified in the cash flow projections to determine the impact of each project on the overall tax levy. He explained the budgeted numbers had changed and, in many cases, were higher than what had previously been included in the CIP. He noted the issuance of debt had to be authorized under a specific State statute.

Mr. Apfelbacher provided an overview of the authorization process to issue debt for the street-related projects (Argenta Trail, 70th Street, and Northwest Area) identified by staff. He stated the City would be required to develop a plan outlining the street reconstruction projects for the next five years and to hold a hearing to consider approval of the plan. He explained if the plan was approved it would be subject to a reverse referendum. He noted the entire approval process would take approximately four (4) months. If Council chose to proceed, staff would develop the plan and schedule the hearing for a regular meeting in July. The plan would require a unanimous vote of the Council in order to issue debt. He stated the major concern was that the Argenta Trail and 70th Street projects would likely begin in 2015 and the City would need money towards the end of the year in order to be able to pay the County. He recommended that the second phase of Argenta Trail be included in the five year plan.

Councilmember Hark questioned if all of the street-related projects identified would be included in the five year plan.

Mr. Apfelbacher replied in the affirmative. He noted the statutory authorization was the same for all street-related projects.

Councilmember Bartholomew clarified that staff would also contemplate incorporating other street projects into the five year plan with the exception of the Pavement Management Program itself.

Mr. Apfelbacher stated that was correct. He explained the approach in the past with respect to the Pavement Management Program was to consider those projects under the 429 statutory process because they were generally subject to special assessments. He noted once the five year plan was developed and approved it did not mean that the City was required to complete any of the projects identified. Subsequent Council approval would be required to move forward with any of the projects identified and to issue debt.

Mayor Tourville questioned if the proposed issuance of debt would jeopardize the City's current bond rating.

Mr. Apfelbacher stated the City would be pushing the envelope if all of the projects identified were carried out within the timeframes proposed. He noted that would be closely analyzed and monitored throughout the process and prior to any issuance of debt.

Councilmember Bartholomew stated the development of the five year plan would not affect the bond rating.

Mr. Apfelbacher clarified the issuance of debt could affect the bond rating, not the development of the five year plan.

Mr. Kuntz explained the larger policy decision for the Council was what projects would be identified in the notice for the proposed hearing in July. He stated the amount of debt being proposed for authorization had to be clearly identified in the notice of the hearing.

Councilmember Piekarski Krech stated her understanding was that the hearing notice would have to include an estimate for each project that was proposed to be considered at a later date. She questioned if each individual project would then require unanimous approval by the City Council prior to debt being issued.

Mr. Apfelbacher stated approval of the plan required the unanimous vote of the Council. He explained the Council had to provide direction in terms of which projects they would like included in the plan, bearing in mind that including more projects would increase the amount of debt proposed to be issued.

Mr. Kuntz noted any project not identified in the plan would not be eligible to be funded through the issuance of debt under the statutory authority referenced.

Mr. Lynch noted staff's recommendation was to include as many projects as possible to provide the City with flexibility and viable funding options for consideration going forward. He reiterated none of the projects included had to be financed through the issuance of debt, but it would be an option available to the City.

Mayor Tourville questioned if the amount currently proposed for the Argenta Trail project was for both the northern and southern segments.

Mr. Kuntz replied in the negative.

Mayor Tourville opined the Council needed to consider including both segments of the Argenta Trail project in the five-year plan because it was unlikely to qualify for the 429 process.

Councilmember Bartholomew stated including the projects in the plan would also give the Council the flexibility to see how the issuance of debt would affect the City's bond rating at the time the project was considered.

Mr. Kuntz summarized that the Council wanted to see a broad list of projects on the plan, including the northern segment of Argenta Trail.

Mr. Apfelbacher recommended that the project to extend sewer and water in the Northwest Area to service various subdivisions be included in the overall scope of the proposed debt issuance. The overall cost would be paid back to the City over time through user charges within the Northwest Area.

He reviewed the authorization process for the proposed Fire Station. He stated the City would have three ways to authorize the issuance of debt for the project. He noted the benefits of each type of authorization process were still being analyzed and would be discussed by Council at a later date. He explained the Council would still be required to develop a plan and hold a hearing, however only a simple majority vote of the Council would be required for authorization. Such an authorization would still be subject to a reverse referendum. The second type of authorization would be to call for a special election to consider the issuance of debt for the project. The third type of authorization would involve leased revenue bonds issued through the EDA.

Mr. Apfelbacher provided a general overview of the tax implications outlined in the report. He noted the overall impact was based on the valuations in place at the end of 2014.

Councilmember Piekarski Krech clarified the tax impact would increase if any other street-related projects were included in the overall plan.

Mr. Apfelbacher replied in the affirmative.

Mayor Tourville asked staff to clearly identify each project and the corresponding cost estimates in the plan along with the projected tax implications.

Mr. Apfelbacher stated staff would begin developing the plan and would return in June to ask Council to call for the public hearing.

PUBLIC WORKS:

B. CITY OF INVER GROVE HEIGHTS: Consider Resolution Awarding Contract for the 2015 Capital Improvement Program, City Project No. 2015-10, NWA Trunk Utility Improvements, Argenta District (Alverno Avenue to Blackstone Vista Development) and City Project No. 2015-11, NWA 70th Street Lift Station, Argenta District

Mr. Kaldunski stated six (6) bids were received and the low bid was submitted by SM Hentges and Sons in the amount of \$2,083,708.48. He noted the easements required for the project had been secured.

Councilmember Piekarski Krech stated timing was going to be a critical issue on the project and she was concerned that the would not contractor allocate enough resources to do the job that needed to get done. She opined she was not completely satisfied with the work the contractor had done on previous projects in the City.

Mr. Kaldunski stated the completion dates were clearly outlined in the contract.

Councilmember Bartholomew questioned if there were any penalties included in the contract if the contractor failed to meet the completion dates.

Mr. Kaldunski stated the contract included a clause for liquidated damages.

Motion by Mueller, second by Bartholomew, to adopt Resolution No. 15-71 awarding the contract for the 2015 Capital Improvement Program, City Project No. 2015-10, Northwest Area Trunk Utility Improvements, Argenta District (Alverno Avenue to Blackstone Vista Development) and City Project No. 2015-11, NWA 70th Street Lift Station, Argenta District

Ayes: 5

Nays: 0 Motion carried.

C. CITY OF INVER GROVE HEIGHTS: Consider Resolution Receiving Feasibility Report, Scheduling a Public Hearing, and Authorizing Preparation of Plans and Specifications for the 2014 Improvement Program, City Project No. 2014-11, Argenta Trail South Project Area Street Improvements, including Amana Trail and 77th Street West

Mr. Thureen reviewed the project area and the scope of work proposed. The estimated project cost was \$14,425,000. He noted the City's estimated share of the cost was \$6.6 million dollars. He requested that the Council remove the authorization to prepare plans and specifications as changes were made by the consultant and would be brought back at the next regular Council meeting as a separate item for approval. The proposed funding source was either street reconstruction bonds or another source as identified by the City Council. He explained ordering the project would be contingent upon the Council approving a financing plan for the project and a joint powers agreement with the County for the acquisition of property and construction of the project.

Councilmember Piekarski Krech questioned why the City's share of the project costs was still at 45%. She opined that the connection was more of a benefit to the City of Eagan than to Inver Grove Heights.

Mr. Thureen stated the County would review the policy for the northern segment of Argenta Trail if a future six-lane roadway was considered. The southern segment was still subject to the standard policy of a 55/45 cost share because a standard four-lane roadway was proposed.

Councilmember Mueller questioned if five (5) parcels would still need to be taken.

Mr. Thureen stated that was the worst case scenario. He noted the project needs were still being considered.

Motion by Bartholomew, second by Mueller, to adopt Resolution No. 15-72 Receiving the Feasibility Report and Scheduling a Public Hearing for the 2014 Improvement Program, City Project No. 2014-11, Argenta Trail South Project Area Street Improvements, including Amana Trail

and 77th Street West

Ayes: 5

Nays: 0 **Motion carried.**

ADMINISTRATION:

D. CITY OF INVER GROVE HEIGHTS: Consider First Reading of an Ordinance relating to Massage Therapist and Massage Business Licensing

Bridget McCauley Nason, LeVander, Gillen, & Miller, presented the draft of an ordinance relating to the licensing of massage therapists and therapeutic massage businesses. She stated the City's current ordinance dated back to 1974 and did not adequately address the scope of issues related to the practice of therapeutic massage. The proposed ordinance would repeal the existing chapter in the City Code and would replace it with a new ordinance that would bring the code up to date with respect to terminology and the provisions related to the licensing of massage therapists and businesses. She provided an overview of the terminology that was updated. The proposed ordinance required massage therapists to obtain a license from the City and to prove compliance with specific educational requirements. Therapeutic massage businesses would also be required to obtain a license from the City. She explained a number of exceptions were included in the proposed ordinance, including statutorily mandated exceptions or exemptions. She stated the proposed ordinance also clearly identified the grounds for license suspension, revocation, or denial. She noted a subsequent ordinance would be required to update the zoning code to make the terminology uniform throughout the code.

Councilmember Mueller questioned if the City had any current massage therapists operating out of their home.

Ms. Nason stated she would work with staff to determine if any current massage therapists operated out of their homes.

Motion by Piekarski Krech, second by Hark, to adopt the First Reading of an Ordinance relating to Massage Therapist and Massage Business Licensing

Ayes: 5

Nays: 0 **Motion carried.**

COMMUNITY DEVELOPMENT:

E. MATTHEW GENZ: Consider an Ordinance Amendment to Title 10 of the City Code (Zoning Code) to Amend the Definition of Dwelling/Dwelling Unit, and to add the Use of Supervised Student Housing as an Interim Use in Single Family Residential Zoning Districts

Mr. Link explained New Aspiration International House was a non-profit organization that established a program that offered students from Mongolia the opportunity to further their education at Inver Hills Community College. The program allowed students to live with another family in a single-family home. Students were required to adhere to a strict set of guidelines including the prohibited use of vehicles. He stated the City's ordinance did not currently provide for such a use, and a change to current definitions was required. Staff recommended that the use be recognized as an interim use to give the City the opportunity to review the approval and go through a public process to issue a permit. Staff also recommended that the program be limited to eight (8) students. The Planning Commission did not recommend approval of the request. Inver Hills Community College supported approval of the request.

Matthew Genz, applicant, stated the organization had been incorporated since 2013. He provided an overview of the history of the organization and the establishment of the program. He stated he currently had six (6) students living in his home and he was looking to relocate closer to Inver Hills Community College.

Councilmember Piekarski Krech questioned why they chose to partner with Inver Hills.

Mr. Genz stated a primary reason was Inver Hills' strong relationship with the University of Minnesota and the wide-range of course offerings that provided more opportunities for the students to pursue various

degrees.

Councilmember Mueller questioned how the students would get to class if they were unable to drive.

Mr. Genz stated he and his family currently provided transportation to the students.

Mayor Tourville clarified the zoning change would allow anyone to establish a similar program in the City.

Mr. Link replied in the affirmative. He noted the ordinance was intentionally written very specifically to establish criteria for approval of a similar interim use.

Councilmember Piekarski Krech stated she wanted to ensure that each person would have enough space to live comfortably.

Councilmember Bartholomew suggested adding a requirement that the interim use permit would only be issued to a valid 501(c)(3) organization. He also suggested limiting the number of students allowed to six (6).

Mr. Kuntz stated the City would need to articulate why the entity selection would make a difference in terms of allowing the interim use. He noted the ordinance already limited the issuance of an interim use permit to an organization rather than to any individual.

Councilmember Hark questioned what the criteria were by which interim uses were evaluated.

Mr. Link stated the criteria were similar to that of a conditional use permit.

Councilmember Hark stated he liked the way ordinance was worded and felt that making it an interim use built in certain protections for the City to be able to monitor and regulate the situation more closely.

Councilmember Bartholomew opined limiting it to 501(c)(3) organizations was important because it narrowed the scope of what type of organization the interim use permit could be issued to and prevented a for-profit entity from attempting to establish the interim use.

The Council discussed the payment of property taxes by a non-profit organization.

Mr. Genz questioned how he could be assured that the Council would grant the interim use before he purchased a home.

Mr. Link stated the purchase of the home could be contingent upon the applicant obtaining the interim use permit.

Councilmember Bartholomew stated he would like to be able to have more control over the number of people allowed based on the square footage of the home and to make the interim use permit difficult to obtain.

Councilmember Piekarski Krech questioned if the organization would be exempt from property taxes.

Mr. Link stated staff would bring additional information to the second reading.

Motion by Piekarski Krech, second by Hark, to adopt the first reading of an Ordinance amending Title 10 of the City Code (Zoning Code) to Amend the Definition of Dwelling/Dwelling Unit, and to add the Use of Supervised Student Housing as an Interim Use in Single Family Residential Zoning Districts

Ayes: 5

Nays: 0 Motion carried.

F. ELEANOR SCHMANDT: Consider an Ordinance Amendment Rezoning Two Properties from R-1A, Single Family Residential to R-1C, Single Family Residential for properties located along 49th Street and Brent Avenue

Mr. Link reviewed the location of the property. He explained up to this point in time the subject properties had not been serviced by City utilities. As a result of the Leyde development, the City was in the process

of extending sewer and water to the area, including to the subject properties. The properties were currently zoned R-1A. In order for the lots to be buildable, they needed to be rezoned. Both Planning staff and the Planning Commission recommended approval of the request.

Dan Seliga, 4904 Boyd Avenue, spoke in favor of the proposed rezoning request.

Motion by Piekarski Krech, second by Mueller, to adopt Ordinance No. 1292 rezoning two properties from R-1A, Single Family Residential to R-1C, Single Family Residential for properties located along 49th Street and Brent Avenue

Ayes: 5

Nays: 0 Motion carried.

G. CLASSIC CONSTRUCTION: Consider the following resolutions for property located between 10967 and 11305 Clark Road:

- i) Resolution relating to a Preliminary and Final Plat for the plat of Lighthouse Holdings Addition
- ii) Resolution relating to a Conditional Use Permit for the service of semi-tanks, trucks and trailers, including equipment, parts and tires in the I-2 zoning district
- iii) Resolution relating to a Variance to allow entrance driveways and radius greater than allowed and to allow storage/parking up to the property lines to the outlots.

Mr. Link reviewed the location of the property. He stated the operation would consist of semi-truck and trailer repair, retail parts distribution, and a trailer dealership. He noted the business was a 24-hour operation. The proposal was for an 82,000 square foot facility with 80-100 employees. He provided an overview of the proposed site plan. He explained one variance related to the entrance off of Clark Road. The applicant requested an entrance that was wider than what was typically allowed. Staff supported the request because of the type of use proposed and felt the wider entrance would better accommodate the heavy truck traffic and wider turning radius of such vehicles. The second variance related to the setback from an internal lot line. He noted staff did not have any concerns related to the setback variance as it would not have an impact on adjacent properties. He explained the applicant requested a reduction to the proposed park dedication fees. The applicant requested that the pond area be excluded from park dedication requirements. After consultation with the City Attorney, it was determined that the ordinance did not allow for such a reduction and a separate ordinance amendment would be required. The ordinance did allow for a reduction based on wetlands and that credit was already factored into the calculation of park dedication fees. He stated both Planning staff and the Planning Commission recommended approval of the requests.

Dean, owner of North American Trailer, provided information on the growth of his business since 2008 to demonstrate the need for a new facility. He requested consideration of a reduction in park dedication fees. He stated the finished acreage of the site was approximately 16 acres and that was what he felt the park dedication fees should be based on. He noted there were several wetlands on the property.

Mr. Kuntz summarized the ordinance provisions which regulated the calculation of park dedication fees. He stated the applicant's request would require an ordinance revision.

Councilmember Piekarski Krech questioned what the requirements were for the landscaping plan.

Mr. Link explained the landscaping requirements were dictated by ordinance. He stated the amount of landscaping required was based on the frontage and linear footage of the property.

Councilmember Piekarski Krech stated it made more sense to require infiltration plantings to protect the wetlands. She opined it seemed that the amount of landscaping required for an industrial area was overkill.

Councilmember Mueller questioned who would be liable for the runoff into the ponds.

Mr. Kaldunski explained there were agreements in place outlining how the stormwater runoff would be handled.

Mr. Link stated staff could review the landscaping plan to determine if more plantings could be implemented near the wetlands.

The applicant stated he was being asked to pay park dedication fees for property that could never be used. He requested that the Council consider some sort of adjustment to the fees.

Councilmember Piekarski Krech questioned why a credit could not be given for the stormwater runoff collected on the property from other neighboring properties.

Mr. Link reminded the Council that the developer designed the site in a very specific manner and it was assumed that the lost acreage was factored into the purchase price of the property.

Mr. Kaldunski reviewed the stormwater plan for the site.

Councilmember Piekarski Krech questioned if the applicant's property was collecting drainage from other properties.

Mr. Kaldunski replied in the affirmative.

Mayor Tourville stated the City had to treat everyone fairly in terms of the calculation of park dedication fees.

Councilmember Piekarski Krech questioned what could be done to incentivize this development.

Mr. Link stated the City did not currently have a financial assistance program in place.

Councilmember Bartholomew questioned if the buildable area could be defined differently for the I-2 zoning district.

The Council directed staff to look for ways to provide some financial relief to the applicant to account for the buildable area used to calculate park dedication fees.

Mr. Kuntz suggested further discussion could be held with the applicant through the discussions related to the improvement agreement. He stated the improvement agreement had to be brought back for Council approval at a later date.

Motion by Piekarski Krech, second by Mueller, to adopt Resolution No. 15-73 approving a Preliminary and Final Plat for the plat of Lighthouse Holdings Addition, Resolution No. 15-74 approving a Conditional Use Permit for the service of semi-tanks, trucks and trailers, including equipment, parts and tires in the I-2 zoning district, and Resolution No. 15-75 approving a Variance to allow entrance driveways and radius greater than allowed and to allow storage/parking up to the property lines to the outlots

Ayes: 5

Nays: 0 Motion carried.

8. MAYOR & COUNCIL COMMENTS:

9. ADJOURN: Motion by Mueller, second by Hark, to adjourn. The meeting was adjourned by a unanimous vote at 10:10 pm