

**INVER GROVE HEIGHTS CITY COUNCIL MEETING
MONDAY, MAY 23, 2016 - 8150 BARBARA AVENUE**

1. CALL TO ORDER and 2. ROLL CALL

The City Council of Inver Grove Heights met in regular session on Monday, May 23, 2016 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, City Clerk Tesser, Parks and Recreation Director Carlson, Finance Director Smith and Public Works Director Thureen.

3. PRESENTATIONS: None.

4. CONSENT AGENDA:

- A. i. Minutes of April 25, 2016 Council Meeting
- ii. Minutes of May 2, 2016 Work Session Meeting
- B. Resolution 16-96 Approving Disbursements for Period Ending May 18, 2016
- C. Consider Approval of Subscription Transfer Consent of Pine Island Community Solar Garden Subscription Agreements with SolarStone Community LLC to Pine Island Holdco LLC
- D. Consider Approval of Canada Geese Management
- E. JIM DEANOVIC (BLACKSTONE HIGHLANDS); Approve a Resolution 16-97 providing a credit against Northwest Area connection fees for the plat of Blackstone Highlands.
- F. Establish a Special Session between City of Inver Grove Heights and School District 199 on July 12, 2016
- G. Accept and Adopt the Joint Powers Agreement between Dakota County and cities in Dakota County
- H. Receive Proposals and Accept Quote for Fire Hydrant Reconditioning
- I. Consider Resolution 16-98 Accepting the MS4 Annual Report for 2015
- J. Accept Proposal for Professional Services for Design and Construction Administration and Observation for Replacement of Water Treatment Plant Filter Room HVAC System
- K. Consider Resolution 16-99 Accepting Proposal for Engineering Services from SRF Consulting Group, Inc. (SRF) for Preparation of the Feasibility Report and Other Engineering Services for City Project No. 2010-09F – Upper 55th Street (T.H. 3 to Babcock Trail) Street and Utility Improvements
- L. Consider a Resolution 16-100 Receiving the Petition, Ordering a Feasibility Study, Ordering an Assessment Benefit Analysis, and Ordering a Geotechnical Investigation for City Project No. 2017-09E – 93rd Street/Abigail Court Area Reconstruction
- M. Personnel Actions

Councilmember Piekarski Krech pulled item 4D. Mayor Tourville pulled item 4E.

Motion by Mueller, second by Bartholomew, to approve the Consent Agenda 4.A- 4.M. Items 4D and 4E were pulled.

Ayes: 5

Nays: 0 Motion carried.

Councilmember Piekarski Krech asked Eric Carlson, Parks and Recreation Director if the City gets value out of the Canadian Goose management program. Mr. Carlson stated that last year the contractor removed 53 Geese from Adults to Goslings. He stated that staff will count to see based on the Geese removed if there is a difference in the numbers. He discussed that these are resident geese not migrate geese. He stated that the City had not managed the Geese population in some time; staff will look into whether this is effective.

Councilmember Piekarski Krech asked to keep good track of the numbers to make sure its cost beneficial and effective.

Councilmember Hark asked if they are the only provider out there. Mr. Carlson replied that they are the only provider with a DNR permit. Councilmember Mueller asked about the adults.

Mr. Carlson replied that the adults are processed at a USDA meat processor and then provided to Second Harvest. Goslings are donated to a wildlife organization.

Council discussed the cost of the program and asked Mr. Carlson to return to the Council with the quantitative measurements to show the effectiveness of the contract.

Motion by Piekarski Krech, second by Hark, to approve 4D to move forward with the contract.

Ayes: 5

Nays: 0 Motion carried.

Item 4E was removed by Mayor Tourville to discuss the importance of Blackstone Highlands and he briefly discussed the process it took to complete.

Pete Deanovic, 5100 Eden Ave, Edina, MN was present and thanked the Council and staff for assisting in the development.

Motion by Piekarski Krech, second by Bartholomew, to approve Item 4D. the Geese Management Contract was approved.

Ayes: 5

Nays: 0 Motion carried.

5. PUBLIC COMMENT:

Mayor Tourville discussed Ms. Flemming's letter. Staff will respond to the letter. The letter was received.

6. PUBLIC HEARINGS:

None.

7. REGULAR AGENDA:

I. PARKS AND RECREATION:

A. Consider Approval of North/South Valley Park Master Plan Process

Parks and Recreation Director, Mr. Carlson presented the item. He discussed the South and North Valley Parks mission. Mr. Carlson summarized the amenities of the park. He went over the amenities life cycle with the Council and discussed that many amenities are coming to the end of its life cycle. He discussed the exploration of potential changes including larger picnic shelter, natural play area, small outdoor performance stage, additional parking for South Valley Park, Elimination of recreation building/ball fields in South Valley and other ideas realized from the public process. He explained the Master Plan process including Open Houses, resident feedback and creating the Plan.

Councilmember Bartholomew stated that the building has a life cycle and expires in 2020 and he recommended using the building until that time. Mr. Carlson stated he didn't know what the result of the Masters Plan was going to be. Mr. Carlson discussed the Master Plan process including an open house, workshop and final Master Plan. Parks and Recreation Commission recommends working with St. Paul River Front Corporation that would include 200 hours of staff time, assist staff in Master Plan process (design leadership and community engagement). The cost would not exceed \$20,000. Funding would come out of the Parks Capital Replacement Fund that has a balance of a little more than \$1,000,000.

Councilmember Hark asked about the process selection of the vendor. Mr. Carlson stated no formal proposal was requested. Staff received a proposal from the company. Mr. Carlson worked with the corporation to decrease the amount by \$30,000. He stated based on reputation of the company staff wanted a new set of eyes on helping to improve the Park System.

Councilmember Piekarski Krech stated she would rather have staff work on beginning part of the master planning. She stated that the replacement of the amenities is more important to her. Councilmember Piekarski Krech asked for other designers or groups to be involved. Mr. Carlson replied that staff does envision talking with the neighborhoods and the public regarding the large park. He discussed the other groups that they would want to hear from.

Councilmember Piekarski Krech stated she doesn't want the aesthetic of the natural setting changed at South Valley. Mr. Carlson stated staff doesn't envision major changes.

Councilmember Mueller expressed his discontent with a consultant coming on board at the early stages and wanted to wait one year. He discussed the Comprehensive Plan beginning and how that will help with this process.

Mr. Carlson responded that the Master Plan is not similar to the Comprehensive Plan. This Park Master Plan is more site detailed. The Comprehensive Plan is a long term vision of the City.

Councilmember Bartholomew asked Mr. Carlson why the timeline seems urgent with the deadline of November 1st. Mr. Carlson discussed the life expectancy of the amenities and the length of the process. Councilmember Mueller asked about the building and the ADA issues. Mr. Carlson stated major renovations would mean for us to look at changing the building to adapt to ADA.

Mayor Tourville discussed the popularity of the park from adults to kids. He stated the park is regionally known. He expressed his opinion of insufficient parking. He commented on the parking issues and the parking that is occurring on 70th Street. He added the he fully supports looking at the improvements.

Mayor Tourville asked Mr. Carlson to look at the programming. Councilmember Piekarski Krech commented maybe we should have them look at utilizing other parks. Mayor Tourville suggested a small task force to look at the park's issues in whole.

Councilmember Piekarski Krech discussed the level of activity for the regional park. She discussed the placement of the recreation programming and asked if programs should be going elsewhere.

Councilmember Hark asked if the Consultants could add years on the amenities to be extended. Mr. Carlson discussed the consultant's role and their level of expertise.

Councilmember Bartholomew asked about priorities of the parks and amenities.

Mr. Carlson discussed the investment of the dollars and where they should go because of the popularity and priority. PRAC stated the resources should be concentrated in South and North Valley Parks.

Councilmember Bartholomew commented that the CIP could deal with some of these issues as well.

Mr. Carlson discussed potential grants and partnerships that could happen once this process is moved forward. He used Swing Park as an example.

Councilmember Hark asked for some changes to the proposal to occur to decrease the amount.

In summary, the Council directed Mr. Carlson to go over the park amenities, reviewing programming and use of facilities as well as developing a task force to move this forward. Mr. Carlson commented that there is a subcommittee of the South and North Park. The item will return to the Council on June 27, 2016.

II. FINANCE:

B. Consider Accepting and Approving the Comprehensive Annual Financial Report (CAFR) for the Year Ended December 31, 2015, Management Letter and Other Required Report

Ms. Smith provided a brief summary of the item. Matt Voss and Steve McDonald with Abdo, Eick & Meyers presented the CAFR. Mr. Voss stated his presentation is a summary version since the Council went over the specifics at the May 2, 2016 work session. Mr. McDonald discussed the responsibility under the auditing standards. He stated their job is to give the opinion of the financial statements. They met that objective with an unqualified modified decision which is what the City was awarded and is the highest degree that can be received. Part of the audit is the internal controls of the City, basically the report is no findings which is good. State statutes require review of strict rules items such as how you spend money, bid a project etc. There were no issues of non compliance. The change this year is the new accounting standard to confirm with GAAP.

No deficiencies were found. Compliance of reasonable assurance about financial statements there were no incidents found. The finance department did a great job preparing for the audit this year.

Mr. Voss went over the funds of the City including the General Fund, the target should be around 40-50% for the fund balance to compare to the expenditures, the city meets that target. The activity compares to budget showed a decrease of near \$100,000 but there was actually an increase of \$735,000. Mr. Voss stated that the revenues are less than 2% and was consistent. The expenditures varied by 3%.

Councilmember Hark asked what is a healthy target. Mr. McDonald stated that the guidance from the State, GFOA and the League discusses a range of 35-50%, with Cities we see usually about 50%, there may be a one-time revenue flow created such as we see large transfers and excess of 50% to the reserves for capital projects. He stated what we find is it can exceed the funds currently available which is a good policy to meet. Councilmember Bartholomew asked about the City's policy. Finance Director, Ms. Smith stated yes, its 40-45% of the next year's expenditures.

Mr. Voss highlighted the capital project fund and the increase of \$8 million but the earmarking involved in payment of not completed projects. Councilmember Bartholomew stated it's an issue of timing. Mr. Voss replied in the affirmative.

Mr. Voss also brought up the component of net transfers and using some internal resources for these projects. Overall there was a \$1.5 million net transfer. Another item, is the debt for improvement bonds at an amount over \$27 million. The debt service scheduled for the next five years and those scheduled payments will decrease, however the portion coming from the tax levy internally shows relatively consistency.

He went over the internal services funds and enterprise funds. Overall internal service funds maintains its own activity and this is very consistent from year to year. The enterprise funds of sewer bonds increase of \$1.5 million unspent from 2014. Discussed bonds unspent because of timing of unspent bond proceeds. Mr. Voss mentioned that a sufficient change was to the golf course most of it was because of the operations.

Mayor stated the audit has been discussed several times with the Council.

Councilmember Bartholomew thanked Finance Director Ms. Smith for her assistance.

Councilmember Hark commended the summary and the readability of the CAFR format.

The Council accepted and approved the CAFR as brought forward.

C. Resolution Authorizing Transfers Relating to the Financing of Projects and Payment of Debt Service in the Northwest Area (NWA)

Ms. Smith went over the resolution summary. She stated that this is in relation to the financing of projects and payment of the debt service in the NWA. Mr. Apfelbacher from Ehlers recommended several actions to help with the debt service. (3) three transfers were discussed and are outlined in the Council summary provided by staff. The projects will go forward as planned in the NWA.

Councilmember Bartholomew asked about the general fund and making sure the percentage does not reach under 40%. Ms. Smith responded that we will not go under 40% otherwise it wouldn't be recommended by staff.

Mayor Tourville stated that the recommendations were outlined in the previous work session.

Motion by Bartholomew second Hark to approve the Resolution 16-101 authorizing transfers relating to the financing of the projects and payment of debt services to Northwest Area (NWA)

Ayes: 5

Nays: 0 Motion carried.

III. COMMUNITY DEVELOPMENT:

D. ALFRED WILLENBRING; Consider the following actions for property located at 1185 80TH Street:

- a) an Ordinance Amendment to add “contractor’s yard with outdoor storage” in the A, Agricultural Zoning District as an Interim Use.**
- b) a Resolution relating to an Interim Use Permit to allow a contractor’s yard with outdoor storage.**

Mr. Link, Community Development Director, summarized the item. He discussed the request for the variance and the requirement of the 4/5 from Council on the ordinance amendment to the agricultural zoning district as an Interim Use. He stated the area will develop in the future. A landscaper's yard use he stated fits in with the property. There would not be a building constructed and is considered a low intense use.

Mr. Link stated that the Planning Staff and Planning Commission recommended approval with the provision that the property is guided as commercial to not set a precedence of allowing this type of use in agricultural zoned property.

Alfred Willenbring, 1225 80th Street, applicant was present to answer questions.

Mayor Tourville asked about the expiration of the 5 year lease contract. Mr. Willenbring answered that they would be given a notice of 60 days.

Mayor Tourville asked City Attorney Mr. Kuntz whether the City would have to relocate this tenant if this is accepted. Mr. Kuntz stated if the lease is not to a term than yes that could happen.

Mr. Willenbring discussed the specifics of the lease. The Council spoke about the risk and liability to the City.

Mr. Kuntz asked about the possible roadway in the property. Mr. Willenbring discussed the difference between the parcels.

Councilmember Bartholomew commented that the 60 day notice can be written in the contract.

Mr. Kuntz stated the issue that arises if the lease is not renewed because of government action then there is an argument that the government action ceased the lease. Mayor Tourville discussed the potential of the liability. Council discussed possible conditions.

Mr. Kuntz asked about where the 5 year term came from. He stated the argument can be raised if this event occurs. He also discussed the legal description attached to the property. Mr. Hunting, City Planner responded that the parcel description is the total amount of property.

Mr. Link discussed the conditions at length.

Mr. Kuntz commented that infrastructure will be gathered on the site and that it could become more than a contractor yard after which the infrastructure may not be used as an urban infrastructure. Mr. Link discussed the utilities and public action to the area.

Mayor Tourville commented to the applicant that this will protect both of us.

Mr. Link suggested tabling the item to come back to the next council meeting. The Council stated that the variance will be extended to the 60 days. By direction from Council staff will go over the language with applicant and come back to the Council. This item was tabled.

Motion by Bartholomew second Piekarski Krech to table the item and to revisit at the next Council meeting.

Ayes: 5

Nays: 0 Motion carried.

E. RUSS GOHL; Consider a Resolution 16-102 relating to a Variance to allow the construction of a garage 22 feet from the front property line for property located at 5935 Babcock Trail

Mr. Link summarized the item. He discussed the applicant's desire to clean up the property. The applicant will be removing structures. The front yard is actually the rear yard, which is different. He discussed the deep slopes and the limitation of terrain. This type of garage is quite common and is a reasonable use. Planning staff and Planning Commission approved the variance.

Mayor Tourville asked about setbacks and confirmed there are no impervious issues. Mr. Link responded in the affirmative and stated that the nearest neighbor supported the variance.

Motion by Piekarski Krech second Mueller to approve the variance Resolution 16-02.

Ayes: 5

Nays: 0 Motion carried.

F. CITY OF INVER GROVE HEIGHTS; Consider the Third Reading of an Ordinance 1315 relating to parking of recreational vehicles in the front yard in single family zoning districts.

Mayor Tourville stated that this item has been discussed with the Council several times. He asked Mr. Hunting whether staff understood the direction of the Council. Mr. Hunting responded in the affirmative. Mr. Hunting stated that there are no changes in the wording from the second to the third ordinance.

Mr. Hunting summarized the item and pointed out a small error in the staff report on maximum of 2 vehicles was in error. Councilmember Bartholomew asked if there were questions from residents. Mr. Hunting stated not since the first inquiries from the website.

Mayor Tourville discussed to association of the townhome residents and directed the residents to return to the association board to discuss the ordinance and lack of parking. He stated we have not heard more from those residents.

Motion by Piekarski Krech second Bartholomew to approve the third reading of the parking of the recreational vehicles in front yard Ordinance 1315.

Ayes: 5

Nays: 0 Motion carried.

8. MAYOR & COUNCIL COMMENTS

Mayor Tourville suggested having a neighborhood meeting at Riverside Park.

9. EXECUTIVE SESSION

Mr. Kuntz stated that the Council will go into an executive session in regards to the purchasing of or discussing counteroffers of the following pieces of real estate:

- A. Condemnation and Acquisition of Flannery Property, 1466 70th Street W and Glen Sachs Property, 1400 70th Street W. Pursuant to Minn. Stat. §13D.05, Subd. 3 (c)(3).
- B. Frank Rauschnot, 6840 Dixie Avenue Property Information. Pursuant to Minn. Stat. §13D.05, Subd. 3 (c)(3).
- C. Becky Austing, 6900 Dixie Avenue Property Information. Pursuant to Minn. Stat. §13D.05, Subd. 3 (c)(3).

Mr. Kuntz stated that the Director of Community Development and Public Works will join the meeting with the City Administrator and City Attorney.

Motion by Mueller second Piekarski Krech to approve going into the Executive Session at 8:35pm.

Ayes: 5

Nays: 0 Motion carried.

10. **ADJOURN:** Motion by Piekarski Krech, second by Mueller to adjourn. The meeting was adjourned by a unanimous vote at 9:50 p.m.