

**INVER GROVE HEIGHTS CITY COUNCIL MEETING  
MONDAY, DECEMBER 12, 2011 - 8150 BARBARA AVENUE**

**CALL TO ORDER/ROLL CALL:** The City Council of Inver Grove Heights met in regular session on Monday, December 12, 2011, in the City Council Chambers. Mayor Tourville called the meeting to order at 7:00 p.m. Present were Council members Grannis, Klein, Madden and Piekarski Krech; City Administrator Lynch, Assistant City Administrator Teppen, City Attorney Kuntz, Public Works Director Thureen, Parks and Recreation Director Carlson, and Community Development Director Link.

**3. PRESENTATIONS:**

Mayor Tourville stated Interim Police Chief, Lt. Larry Stanger, would like to introduce the two new police officers.

Lieutenant Stanger introduced Officers Samantha Sautter and Jarid McCauley.

Officer Sautter graduated from North Hennepin Community College with a degree in law enforcement and completed her skills training through Alexandria Technical and Community College. She previously served as a Community Service Officer with the St. Louis Park Police Department and as a Special Deputy with the Hennepin County Sheriff's Office Mounted Patrol. Her official start date was December 1, 2011 and she was in week two of the department's field training process.

Officer McCauley graduated from Century College with a degree in law enforcement and completed his skills training through Hennepin Technical College. Prior to joining the Inver Grove Heights Police Department, he served as a reserve officer for the St. Paul Park Police Department and as a security officer General Security Service Corporation. His official start date was December 8, 2011 and he was in his first week of the official FTO process.

Lieutenant Stanger asked that everyone help him in officially welcoming Officers Sautter and McCauley to the Inver Grove Heights Police Department.

Mayor Tourville welcomed the new officers to the City on behalf of the Council.

**4. CONSENT AGENDA:**

Councilmember Klein removed Item 4H, Resolution Accepting Amendment No. 1 for Engineering Services from Bolton & Menk, Inc. for City Project No. 2012-09D - 65<sup>th</sup> Street, and Item 4I, Resolution Approving Special Assessment Deferral for City Project No. 2010-09D, South Grove Street Reconstruction Area 5, from the Consent Agenda.

Councilmember Grannis removed Item 4L, Approve Contract for Soil Testing by Braun Intertec, Inc. for 2012 Projects, from the Consent Agenda.

Councilmember Piekarski Krech removed Item 4T, Personnel Actions, from the Consent Agenda.

- A. Minutes – November 28, 2011 Special Council Meeting
- B. **Resolution No. 11-224** Approving Disbursements for Period Ending December 7, 2011
- C. Pay Voucher No. 1 for City Project No. 2010-22, Ravine Pond Erosion Mitigation
- D. Final Compensating Change Order No. 2, Final Pay Voucher No. 2, Engineer's Final Report, and **Resolution No. 11-225** Accepting Work for City Project No. 2011-09B, Sealcoating
- E. Pay Voucher No. 6 for City Project No. 2011-09D, South Grove Urban Street Reconstruction – Area 6
- F. Pay Voucher No. 1 for 2011 Storm Water Facility Maintenance Program, City Project No. 2011-17
- G. **Resolution No. 11-226** Accepting Geotechnical Testing Amendment No. 1 from American Engineering Testing (AET) for City Project No. 2012-09D – 65<sup>th</sup> Street
- J. Appointment of Board Member to the Gun Club Watershed Management Organization

- K. Delay Second Reading of an Ordinance Amending Inver Grove Heights City Code Title 9, Chapter 4, Section 9-4-1-2 and 9-4-1-3, Regarding Excavation and Fills
- L. Approve Contract for Soil Testing by Braun Intertec, Inc. for 2012 Projects
- M. **Resolution No. 11-229** Approving Joint Powers Agreement with the Bureau of Criminal Apprehension
- N. **Resolution No. 11-230** Approving the Application of the City of Inver Grove Heights for Fiscal Year 2012 Dakota County Community Development Block Grant Funding
- O. **Resolution No. 11-231** Committing Fund Balances for Specific Purposes and **Resolution No. 11-232** Committing Specific Revenue Sources and Confirming Restrictions for Specified Purposes in Special Revenue Funds
- P. Accept Donation to Inver Grove Heights Fire Department from H.W. Michie
- Q. Accept Donation to Inver Grove Heights Fire Department from American Legion Post 424
- R. Accept Donation to Inver Grove Heights Fire Department from Charlene Mattila
- S. **Resolution No. 11-233** Authorizing the Engagement of Survey Services to Support the City's Torrens Registration Proceedings to Establish Title to the City's Groveland Park Site

**Motion by Madden, second by Klein, to approve the Consent Agenda.**

**Ayes: 5**

**Nays: 0      Motion carried.**

- H. Resolution Accepting Amendment No. 1 for Engineering Services from Bolton & Menk, Inc. for City Project No. 2012-09D - 65<sup>th</sup> Street

Councilmember Klein stated a portion of 65<sup>th</sup> Street from Babcock Trail to Blaine Avenue was done once before and he was surprised to see that the subgrade was insufficient. He questioned if something was done incorrectly that resulted in the poor subgrade conditions.

Mr. Thureen stated he had never been involved with a project on that segment of 65<sup>th</sup> Street during his tenure with the City.

Councilmember Klein stated if the subgrade was done incorrectly he would like to know why.

Mr. Thureen explained that some of the side streets of 65<sup>th</sup> are the ones being recommended for reconstruction in the feasibility report. He stated Mr. Kaldunski would further address the issue when the feasibility report was discussed in another item later on the agenda.

**Motion by Madden, second by Grannis, to adopt Resolution No. 11-227 accepting Amendment No. 1 for Engineering Services from Bolton & Menk, Inc. for City Project No. 2012-09D – 65<sup>th</sup> Street**

**Ayes: 5**

**Nays: 0      Motion carried.**

- I. Resolution Approving Special Assessment Deferral for City Project No. 2010-09D, South Grove Street Reconstruction Area 5

Councilmember Klein questioned if all properties would be considered non-homestead as a result of action taken by the State Legislature.

Mr. Kuntz responded that a homestead classification still existed. He explained that recent legislation removed a tax credit from that classification.

**Motion by Klein, second by Grannis, to adopt Resolution No. 11-228 approving Special Assessment Deferral for City Project No. 2010-09D, South Grove Street Reconstruction Area 5**

**Ayes: 5**

**Nays: 0      Motion carried.**

**L.**      Approve Contract for Soil Testing by Braun Intertec, Inc. for 2012 Projects

Councilmember Grannis stated he would vote against the item because it involved contracting for services with Braun Intertec, Inc. He explained he opposed working with the company because of errors that were found in soil testing for a previous project in the City.

**Motion by Klein, second by Madden to approve Contract for Soil Testing by Braun Intertec, Inc. for 2012 Projects**

**Ayes: 4**

**Nays: 1 (Grannis)      Motion carried.**

**T.**      Personnel Actions

Councilmember Piekarski Krech recognized the employment of five (5) new firefighters.

Fire Chief Thill explained the new firefighters would start work with the department on January 1<sup>st</sup> and she would organize formal introductions at a Council meeting sometime thereafter.

**Motion by Piekarski Krech, second by Klein, to approve Personnel Actions**

**Ayes: 5**

**Nays: 0      Motion carried.**

Allan Cederberg, 1162 E. 82<sup>nd</sup> St., requested that further discussion be allowed on Item 4J.

**J.**      **Appointment of Board Member to the Gun Club Watershed Management Org.**

Allan Cederberg stated he has served as alternate to the Gun Club Watershed Management Board for over five years. He explained it is the alternate's duty to represent the City at Board functions if the City's appointed representative is unable to attend. He stated at the most recent meeting he was informed that the City's appointed representative had resigned from his position. He opined that he should have been automatically appointed to the vacant position and was insulted that the City did not do so. He formally submitted his resignation as alternate board member to the Gun Club Watershed Management Organization.

Mayor Tourville confirmed that the position was advertised.

Councilmember Piekarski Krech asked if Mr. Cederberg was notified that the position was vacant.

Mr. Cedarburg responded in the negative.

Mr. Thureen explained that the standard procedure for the organization was followed when the notice of resignation was received from Gary Johnson. The advertisement for the position was published in the official City newspaper. He stated the City had to assume that Mr. Johnson provided the same information regarding his resignation to the Gun Club Board in accordance with the Board's established protocol.

Mayor Tourville confirmed that the City would have to advertise for the alternate position that was left vacant by Mr. Cederberg's resignation. He explained that the Council would take formal action on Mr. Cederberg's resignation at the first regular meeting in January. He clarified that Mr. Cederberg would not have been automatically appointed to the vacant position simply because he was the alternate. He stated he would have had to apply for the position in order to be considered. He apologized to Mr. Cederberg for his confusion regarding the appointment process.

**Motion by Klein, seconded by Piekarski Krech, to receive the letter of resignation from Mr. Cederberg**

**Ayes: 5**

**Nays: 0      Motion carried.**

**5. PUBLIC COMMENT:** None.

**6. PUBLIC HEARINGS:**

**A. CITY OF INVER GROVE HEIGHTS;** Approve Final 2012 Tax Levies and 2012 Budgets

Mr. Lynch explained the Council was being asked to adopt the final 2012 budgets and establish the final tax levies for 2012. He provided information on the number of full-time equivalent positions employed by the City and gave a brief history of how that number has fluctuated since 2007. He stated in September the City Council adopted a preliminary levy of \$15,736,146 and a preliminary general fund budget of \$17,798,300. City staff worked throughout the fall to reduce the levy and met with the Council during several subsequent work sessions. At the November 28<sup>th</sup> work session staff discussed the Council's options to lower the City's levy. He noted that the City must certify the levy and the budget to the County on or before December 28, 2011. He reviewed the differences between the amended 2011 budgets and the proposed budgets for 2012. He noted that the proposed 2012 budget for the City Facilities fund represented a large increase due to the completion of the Public Safety Addition/City Hall renovation project. He also noted that the Management Information Systems budget increased significantly due to the fact that it was underfunded in previous years and the increase in technology that is utilized in the new facilities. He compared the preliminary and proposed 2012 levies to the final 2011 levies. The proposed general fund levy decreased approximately 5% while Police & Fire increased 2.4% with the need for additional personnel and increased costs of operations. The general fund budgeted revenues and expenditures were discussed. He noted that the general fund budgeted expenditures were down 0.2% despite the addition of four positions including 2 police officers, an assistant fire chief and a public works laborer. The four additional positions were not new. Each position was budgeted for in 2011 and was not filled. The general fund budget accounts for a 1% increase in labor costs and increased expenditures in the Elections budget due to an election cycle in 2012. Other impacts on the general fund budget included a change to the Market Value Homestead Credit program and several one time transfers from other sources to reduce the levy. The elimination of the Market Value Homestead Credit program and the implementation of the Market Value Homestead Exclusion program resulted in a 4.4% impact on the City in terms of the amount of tax base available. The proposed 2012 budget was lower than the 2011 levy by \$460,661 and lower than the 2012 preliminary levy by \$934,458. He explained that an 11.4% increase in the tax rate was proposed in September and that was reduced to a 3.7% increase in the tax rate. Mr. Lynch said there are reductions in taxes. He explained that 0.43 cents of every tax dollar goes to the City, and the remainder is divided up amongst the county, school district and other tax districts. He reviewed how the Market Value Homestead Exclusion program resulted in a reduction to the City's tax base and a subsequent increase in the City's tax rate despite decreasing property values and a reduction to the levy.

Councilmember Klein asked if there would be any savings as a result of the heating and cooling system that was installed in the new City facilities.

Mr. Lynch explained that geothermal heating and cooling system that was installed is expected to save the City money over time.

Allan Cederberg, 1162 E. 82<sup>nd</sup> St., questioned why the proposed levy for the Watershed Management Fund was \$0.

Mr. Lynch stated the proposed levy for the Watershed Management Fund in 2012 was \$157,003, a \$0 change from the final 2011 levy.

Mr. Cederberg stated that Item 7G on the agenda related to taking money out of the budget and creating a separate fee. He questioned how the budget could be voted on before that item was considered by the Council.

Mr. Lynch stated that Item 7G related to taking labor costs for maintenance and repair of the storm water system out of the general fund and create a storm water utility fee that all properties in the City would pay. The general fund budget was reduced by \$300,000 from public works operations in anticipation of the Council adopting the storm water utility fee. He explained that if the Council chose not to create the storm

water utility fee, they would need to go back and identify a different funding source. The Council could utilize a funding source other than taxation if the implementation of a storm water utility fee was not adopted.

Mr. Cederberg expressed concern with the amount of money being put into the community center. He opined that the efficiency of facility should be improving as a result of the operational audit that was done several years ago.

Mayor Tourville stated that the efficiency has improved. He noted that they are always looking at ways to increase the revenues and decrease costs while providing a competitive program and an amenity to the City.

Councilmember Klein explained that improvements to the facility are being made in 2012 as a result of suggestions from the operational audit.

Mr. Lynch stated \$370,000 of the transfer is from the Host Community Fund, not general fund taxation, for capital improvements to the facility in 2012.

Mr. Carlson stated that the community center would be operating at approximately 86% efficiency and the operational audit deemed that a maximum of 90% could be achieved. He explained at the end of 2012 the amount that would need to be transferred to fund operations would be approximately \$350,000 and the balance of the transfer would be used for capital improvements.

Councilmember Grannis explained that the operational audit showed that there are no community centers in the United States that pay for 100% of their costs to operate. If 90% of the costs are able to be recovered the facility is considered to be doing well. He noted the two biggest costs are personnel and the heating/cooling of the facility. He stated the operational audit proved that community centers, by way of design, will never run as efficiently as private fitness centers.

Mayor Tourville noted that the community center is not part of the operating levy and it is an amenity that serves the community.

Steve Wilson, 2820 60<sup>th</sup> St. E., stated he had lived in the City for 18 months. He commented on the decrease in his property value and expressed concern that his taxes increased. He clarified that the dollar amount on the tax statement he was sent by the county would actually decrease if the proposed budgets and levies were adopted.

Mayor Tourville noted that the percentage of the increase is based on valuation.

Mary T'Kach, 7848 Babcock Trail, commended staff for reducing the levy during difficult times. She questioned what the plan was to keep taxes down in 2012 and encouraged everyone to look for opportunities to reduce costs.

**Motion by Klein, second by Madden, to close the public hearing**

**Ayes: 5**

**Nays: 0      Motion carried.**

Councilmember Piekarski Krech stated she was not happy that the budget could not be reduced further.

**Motion by Klein, second by Grannis, to approve Resolution No. 11-234 adopting the Final 2012 Budgets, Resolution No. 11-235 adopting the Final Tax Levies for the Year 2011, Collectable in 2012, and Resolution No. 11-236 adopting the Final Watershed Management Taxing Districts' Tax Levies for the Year 2012**

**Ayes: 5**

**Nays: 0      Motion carried.**

**B. CITY OF INVER GROVE HEIGHTS; Approve Liquor License Renewals for 2012**

Ms. Rheaume explained that the City Council considers the renewal of liquor licenses on an annual basis. She stated 32 liquor licenses were eligible for renewal and background investigations were completed on

each applicant and reviewed by the interim police chief.

Mayor Tourville questioned if the requisite fees and liability insurance documentation had been received.

Ms. Rheaume responded in the affirmative.

Councilmember Klein asked if any action was required for the temporary licenses for non-profit organizations.

Ms. Rheaume explained that temporary licenses are approved on a per event basis, not annually.

**Motion by Madden, second by Klein, to close the public hearing**

**Ayes: 5**

**Nays: 0      Motion carried.**

**Motion by Madden, second by Klein, to approve Liquor License Renewals for 2012**

**Ayes: 5**

**Nays: 0      Motion carried.**

**7. REGULAR AGENDA:**

**COMMUNITY DEVELOPMENT:**

- A. WILLIAM KRECH;** Consider Resolution relating to a Variance to allow an Existing Structure to be located approximately 20 Feet from the Newly Created Lot Boundary for property located at 10195 Inver Grove Trail

Mr. Link reviewed the location of the property and explained that the property owner is deeding some land to the County for the Mississippi River Regional Trail. He stated the existing building had a current setback of 45 feet that would be reduced to 20 feet after the property is deeded to the County. The applicant requested the variance to recognize the existing building as a conforming building. Staff supported the request because the need for the variance was caused by the County's regional trail and there would be no changes to the use of the property or the impact on the neighborhood.

Councilmember Klein questioned if the applicant would retain the variance if he ever decided to expand the existing building.

Mr. Link stated the benefit to the variance is that it would allow the applicant to expand the building.

**Motion by Klein, second by Madden, to adopt Resolution No. 11-237 approving a Variance to allow an Existing Structure to be located approximately 20 Feet from the Newly Created Lot Boundary for property located at 10195 Inver Grove Trail**

**Ayes: 5**

**Nays: 0      Motion carried.**

- B. GERTENS;** Consider Resolution approving the Development Contract and related Documents for the Gerten Greenhouse Expansion approved earlier this year

Mr. Link explained in February the City Council approved a rezoning, the filling of wetlands, and a planned unit development plan that allowed Gertens to expand their greenhouses by approximately 300,000 square feet. He stated one of the conditions of that approval process was requiring a corresponding development agreement for the expansion project. He noted that the development agreement took a substantial amount of time to draft because of the technical aspects involving storm water and issues with Mn/DOT. Both Planning staff and the Planning Commission recommended approval of the development agreement, six (6) corresponding easement documents, and four (4) storm water maintenance agreements.

Lewis Gerten, 5500 Blaine Avenue, thanked staff for all the time and effort they put into the project.

Mr. Kuntz stated a large part of the work was determining a way to effectively manage the storm water. He explained that the development contract and corresponding documents put in place the

opportunity for the expansion and a storm water system that will work effectively.

Mary T’Kach, 7848 Babcock Trail, questioned if the Gertens operation was on city or well water.

Mr. Gerten responded that they operate on both city and well water.

Ms. T’Kach asked if there was anything in the development plan that would cause concern for a large draw down of the aquifer due to the expansion of the operation.

Mr. Gerten stated the new building would be connected to well water. He explained that the business uses city water primarily in the main store and for bathroom facilities. He noted that their operations actually use less water than they ever have because the methods of irrigation have become much more precise.

Ms. T’Kach explained her main concern is what would happen if the business was sold to another entity that did not operate as frugally as the Gertens operation. She questioned if there were provisions in the development contract that would regulate or prevent a large draw down of the aquifer in the future.

Mr. Link stated the City did not have the authority to get involved in the operations of the greenhouse.

**Motion by Madden, second by Klein, to adopt Resolution No. 11-238 approving the Development Contract and related Documents for the Gerten Greenhouse Expansion approved earlier this year**

**Ayes: 5**

**Nays: 0 Motion carried.**

**C. CITY OF INVER GROVE HEIGHTS;** Consider an Ordinance Amendment rezoning a portion of the Gerten Greenhouse property from A, Agricultural to Comm PUD, Commercial Planned Unit Development for property located at the northeast corner of Upper 55<sup>th</sup> Street and Blaine Ave.

Mr. Link noted there was an error in the staff report as approval of the rezoning would require a 4/5 vote. He stated the property was approximately 11 acres in size and was owned by Gertens Greenhouse. He explained the Commercial designation of the property would be more appropriate given the City’s long-range plans for retail development along the north side of Upper 55<sup>th</sup> Street. The property is currently used for the outdoor storage of plants and as growing fields. The City’s future intent would be to provide for a greater intensity of commercial use on the property. Both Planning staff and the Planning Commission recommended approval of the rezoning.

**Motion by Klein, second by Madden, to adopt Ordinance No. 1249 rezoning a portion of the Gerten Greenhouse property from A, Agricultural to Comm PUD, Commercial Planned Unit Development for property located at the northeast corner of Upper 55<sup>th</sup> Street and Blaine Ave.**

**Ayes: 5**

**Nays: 0 Motion carried.**

#### **PUBLIC WORKS:**

**D. CITY OF INVER GROVE HEIGHTS;** Resolution Receiving Feasibility Report and Scheduling Public Hearing for the 2012 Pavement Management Program – City Project No. 2012-09D, 65<sup>th</sup> Street (from Babcock Trail to Cahill Avenue and Neighboring Streets)

Mr. Kaldunski stated the project would consist of the reconstruction of a number of roads, most notably 65<sup>th</sup> Street from Babcock Trail to Cahill Avenue. He explained that the overall project cost was estimated to be \$6.77 million. Approximately \$84,000 of mill and overlay work would be completed, approximately \$6.6 million in reconstruction work. He noted that a number of pond outfall and drainage feature improvements would be included in the project, as well as routine maintenance of the storm and sanitary sewer systems, and watermains. The project would follow the traditional assessment program, with approximately \$2.4 million, 36%, being assessed. The City’s contribution to the project would be approximately \$1.6 million, and approximately \$2.7 million in municipal state aid would be utilized for the project. Staff recommended that the Council accept the feasibility study and schedule a public hearing in January.

Councilmember Klein questioned why a mill and overlay could not be done on 65<sup>th</sup> Street. He opined that something was amiss when the road was previously reconstructed because it should not have deteriorated to the extent that it did.

Mr. Kaldunski stated that the segment of 65<sup>th</sup> Street ranging from T.H. 52 to Babcock Trail was reconstructed in the early 90's, and the pavement has lasted approximately 20 years. He explained that the soil borings revealed that approximately four (4) inches of bituminous was placed on approximately six (6) inches of gravel on top of slightly more than two (2) feet of aggregate base, similar to current City standards. He noted that the road may have deteriorated because of the existence of clay and sandy soils underneath the base, which can contribute to water problems. Another contributing factor could have been that the aggregate base that was used was a combination of recycled asphalt and bituminous, and no drain tile was placed in the road. He explained that an upgraded drainage system is one of the improvements included with the project to help remove excess water from the sub grades.

Mayor Tourville stated they have found that particular area of the City to be very wet.

**Motion by Klein, second by Grannis, to adopt Resolution No. 11-239 receiving Feasibility Report and Scheduling Public Hearing for the 2012 Pavement Management Program – City Project No. 2012-09D, 65<sup>th</sup> Street (from Babcock Trail to Cahill Avenue and Neighboring Streets)**

**Ayes: 5**

**Nays: 0      Motion carried.**

**E. CITY OF INVER GROVE HEIGHTS;** Resolution Receiving Feasibility Report and Scheduling Public Hearing for the 2011 Improvement Program, City Project No. 2011-08, 66<sup>th</sup> Street (from Concord Boulevard to the Swing Bridge Pier at the Mississippi River)

Mr. Kaldunski stated the project was initiated by the City Council as part of the Heritage Village Park Master Plan in conjunction with the Rock Island Swing Bridge. He explained that two different options for the project could be considered.

Mr. Kaldunski explained that Option A would consist of a mill and overlay on portions of 66<sup>th</sup> Street, reconstruction of the intersection of 66<sup>th</sup> Street and Doffing Avenue utilizing new right-of-way, construction of the 66<sup>th</sup> Street parking lot for visitors to the Swing Bridge pier, extending sanitary sewer and water service to the future restroom/kiosk at the trailhead and the paving of the existing railroad embankment from 66<sup>th</sup> Street to a future deck overlook and from the overlook to River Road. Option B would consist of a mill and overlay for all of 66<sup>th</sup> Street from Concord Boulevard to Donnelly Avenue utilizing existing right-of-way, construction of the 66<sup>th</sup> Street parking lot for visitors to the Swing Bridge pier, extending sanitary sewer and water service to the future restroom/kiosk at the trailhead and the paving of the existing railroad embankment from 66<sup>th</sup> Street to a future deck overlook and from the overlook to River Road.

Mr. Kaldunski stated that the total estimated project cost for Option A was \$1,200,000 and the estimated project cost for Option B was \$920,000. The proposed project would receive funding from several sources including: The Pavement Management Fund, Dakota County Turnback Funds, Park Fund and Grants, the Water Fund, the Sanitary Fund, Railroad Funds and special assessments.

Mr. Kaldunski reiterated that Option A would require the acquisition of additional right-of-way. 66<sup>th</sup> Street would be widened to 28 feet from Concord Boulevard to Doffing Avenue, and to 32 feet from Doffing Avenue to Donnelly Avenue. The width of Doffing Avenue would be increased to 40 feet and Donnelly Avenue would be widened to 32 feet at the intersection with 66<sup>th</sup> Street.

Mr. Kaldunski noted that Option B would utilize existing right-of-way. In this option, 66<sup>th</sup> street would be widened to 28 feet from Concord Boulevard to Donnelly Avenue. Doffing Avenue would be widened to 32 feet at the intersection with 66<sup>th</sup> Street. Donnelly Avenue would be widened to 32 feet at the intersection with 66<sup>th</sup> Street.

Mr. Kaldunski recommended that Council accept the feasibility report and schedule a public hearing to consider ordering the project on January 23<sup>rd</sup>.

Councilmember Klein reiterated that Option B would be less expensive. He questioned how much the

County would contribute to the project.

Mr. Kaldunski stated that the County would provide a fair amount of funding. He explained that staff recommended splitting the project into two separate projects, a park improvement project and a City street improvement project, in order to meet established guidelines for assessments.

Mayor Tourville opined that it would be prudent to look at both options.

Mr. Kuntz questioned if staff intended to have two separate contracts.

Mr. Kaldunski clarified that there would be two separate contracts so staff would not have to worry about assessments getting too low and the City could retain access to the bonding. The park improvements would be funded generally through funds received from DNR grants and Dakota County. He stated staff is in negotiations for the additional right-of-way and they hope to have a determination, based on those negotiations, as to whether or not Option A is feasible. He noted construction needed to be completed by June 30, 2012 in order to utilize grant money that was awarded to the City.

Councilmember Klein questioned why they would even consider Option A.

Mr. Lynch explained that it would create a better entrance to park, trail head and parking area for the facility if the City was able to proceed with Option A.

Mayor Tourville explained he would abstain from the vote because it involved SEH, Inc.

**Motion by Grannis, second by Madden, to adopt Resolution No. 11-240 Receiving Feasibility Study, Scheduling Public Hearing, Authorizing Appraisal Services, and Authorizing Preparation of Plans and Specifications for City Project No. 2011-08, 66<sup>th</sup> Street Improvements (from Concord Boulevard to the Swing Bridge Pier at the Mississippi River) and Resolution No. 11-246 Establishing City Project No. 2011-21, Park Improvements (66<sup>th</sup> Street Parking Lot and related Trails), Receiving Feasibility Report and Authorizing Preparation of Plans and Specifications**

**Ayes: 3**

**Nays: 1 (Klein)**

**Abstain: 1 (Tourville) Motion carried.**

**The City Council took a five minute break.**

**F. CITY OF INVER GROVE HEIGHTS; Resolutions Establishing Utility Rates for 2012**

Mr. Thureen explained that for the past several years the City has adjusted water and sanitary sewer rates based upon recommendations in a study completed by the City's financial consultant, Ehlers and Associates. The recommended rate adjustments were the same as in previous years, 2.5% for water and 3.5% for sanitary sewer.

Allan Cederberg, 1162 E. 82<sup>nd</sup> St., questioned why the rates were being increased.

Councilmember Piekarski Krech stated that the sewer and water fees pay for the maintenance of the infrastructure.

Councilmember Grannis explained that the City's financial consultant examined the City's projected ongoing costs for the utility infrastructure and recommended an average of how much the rates should be increased annually. He noted future needs were estimated for the entire City.

**Motion by Klein, second by Madden, to adopt Resolution No. 11-241 Establishing Sewer Utility Rates for 2012 and Resolution No. 11-245 Establishing Water Utility Rates for 2012**

**Ayes: 5**

**Nays: 0 Motion carried.**

**G. CITY OF INVER GROVE HEIGHTS; Consider Resolution Concerning Storm Water Utility Fee Schedule**

Mr. Thureen explained that the storm water utility assigns costs to parcels based on the premise that parcels that have a high percentage of impervious surfaces, which generate large volumes of runoff,

would be charged more than land uses that have a small amount of impervious surface and generate less runoff. He stated that one of the major benefits of a storm water utility fee is that it would provide the City with a dedicated funding source for the mandated storm water system management tasks that the City must complete annually. It would also provide for payment of fees by parcels that are tax exempt and therefore do not currently pay for the operation and maintenance of the storm water management system.

Mr. Thureen explained that staff was directed by Council to prepare a fee schedule for a storm water utility that would generate annual revenue of \$300,000. Staff was also directed to remove current storm water related expenditures from the proposed 2012 budget to help offset the new storm water utility fee. A draft fee schedule was prepared and posted on the City's website and published in an issue of Insights. Staff refined the schedule, confirming that parcels were in the correct fee category. Four public information meetings were held, with a fee schedule that was updated based on the status of parcel review at that time. The final fee schedule, as presented, was further revised based on the City-wide results of the parcel review.

Mr. Thureen reviewed how the rate structure was established. He stated the fee structure would consist of three (3) different final rates. The "rural" rate was for parcels that are agricultural, vacant, undeveloped, or open space. The "urban" rate was for developed parcels served by a storm sewer system that is maintained by the City. The "NWA Developed" rate was for developed property in the Northwest Area. Rural properties would be charged the base rate, urban properties would be charged the base rate plus the urban surcharge rate, and developed property in the Northwest Area would be charged the base rate plus the Northwest Area developed surcharge. He noted that the fee calculations included a reduction in parcel acreage for mapped wetland areas. The proposed fee uses a minimum per parcel annual fee of \$6. He explained that the minimum fee was established to insure that annual costs for city-wide planning, managing, and permitting tasks were covered. Credits could be provided toward the surcharge portion of the fee for parcels with storm water management facilities that are maintained by the property owner per a Storm Water Facilities Maintenance Agreement, Development Contract, or an Improvement Contract with the City. He noted that while the credit system was still being developed, final credits would be determined prior to the implementation of billing. He stated that an appeal process was also established for property owners who believe that the actual storm water runoff volume from their site is substantially different from the calculations for the utility group their parcels are included in.

Mr. Thureen stated if adopted the implementation of billing would not begin until the third quarter of 2012. The item would need to be added to existing utility customer bills and accounts would need to be established for those parcels not currently served by utilities.

Councilmember Klein questioned if any feedback was received from the Chamber of Commerce or the local issues group.

Mr. Thureen stated Chamber wanted the City to do everything possible to keep costs down for businesses.

Councilmember Piekarski Krech opined that the fee structure was confusing and expressed concern that residents would have difficulty calculating what they would have to pay. She stated people want to know how much money they are going to have budget for.

Mayor Tourville suggested that residents be sent an estimate of what the fee for their property would be a few months prior to the first billing cycle. He stated this would provide residents an opportunity to ask questions.

Mr. Thureen stated staff would host an open house to help explain the final product and fees.

Mr. Kuntz questioned if staff would come back to the Council with a resolution establishing the policy process for approving credits.

Mr. Thureen responded in the affirmative and stated that a credit scale would be developed in accordance with the design standards that have been established over time.

Councilmember Klein stated he was opposed because it is another tax.

Councilmember Piekarski Krech stated the proposed fee would be a way to spread the costs out over the entire City and make sure that every property that generates storm water because of its impervious surface would be contributing to the expenses. She reiterated that right now the only people who pay for storm water are those who pay taxes. She stated that she would be in favor of giving people credit for not having impervious surface.

Councilmember Klein stated that citizens already pay for the infrastructure and should not be asked to pay more.

Councilmember Piekarski Krech explained that not everyone in the City pays taxes. Only homeowners in businesses pay taxes and the storm water utility fee would spread the costs over the entire City.

Councilmember Grannis stated that the storm water utility fee is meant to address the ongoing maintenance of the system, not the construction costs. He opined that proposed system was fair because everybody who generates storm water is paying for it versus just those citizens who pay taxes.

Mayor Tourville stated if \$300,000 is taken out of the operating budget and it is placed into a storm water utility fund, and it is then spread out over every parcel that produces storm water, the percentage that is paid goes down. He supported establishing the fee because it would spread the costs out over everyone that produces storm water.

Councilmember Klein stated he would support implementing a storm water utility fee in the Northwest Area because that was always the plan.

Councilmember Piekarski Krech stated if the \$300,000 was added back into the budget, the Council would have to significantly increase taxes.

Councilmember Grannis asked Mr. Thureen to confirm that even if the City was not doing the type of storm water control that it is in the Northwest Area they would still be looking at implementing a similar storm water utility fee.

Mr. Thureen responded in the affirmative. He explained the discussion regarding a city-wide storm water utility fee became more serious in 2005.

Mr. Lynch explained that an average value home would see a \$5 change in the tax bill in 2012. He stated if the \$300,000 was added back into the general fund the tax bill would increase by \$23. He reiterated that ongoing maintenance and operation of existing infrastructure needs to be addressed.

**Motion by Grannis, second by Piekarski Krech, to adopt Resolution No. 11-242 Establishing Storm Water Utility Rates Effective January 1, 2012**

Allan Cederberg, 1162 E. 82<sup>nd</sup> St., opposed any additional fees. He opined that it would adversely affect the number of people wanting to live in the City. He questioned why the fees were so much higher in the Northwest Area.

Mayor Tourville reiterated that the storm water in the Northwest Area is being handled much differently than it is in other areas of the City.

Councilmember Piekarski Krech clarified that the fees for the Northwest Area only increase when the land is developed.

Willie Krech, 9574 Inver Grove Trail, stated that most residents do not understand that a storm water utility fee is being established. He stated he pays a lot of money in taxes and does not want another fee added. He suggested outsourcing the maintenance to find out what the actual annual costs are.

Mr. Thureen clarified that the base fee consists of city-wide costs.

Mr. Cederberg questioned why the proposed fees have increased 20% from what people were told in September.

Mr. Thureen stated residents were told at the open house in September that the calculations at that point

were still a work in progress. The rates continued to change as properties moved to different groups.

Mary T'Kach supported the implementation of the storm water utility fee. She suggested that the Council remove 100% of the costs for storm water management from the general fund budget and place them in the storm water utility so the costs are transparent. She suggested that the City might try to save money by reducing storm water runoff via a public education process. She questioned how much more money would be needed for maintenance and operation costs after major rainfalls.

Councilmember Madden stated that the City has taken major rainfall events into account.

Mayor Tourville questioned when the credits would be calculated.

Mr. Thureen stated more exact information would be available in February.

**Ayes: 4**

**Nays: 1 (Klein) Motion carried.**

#### **ADMINISTRATION:**

#### **H. CITY OF INVER GROVE HEIGHTS; Consider Resolution Adopting the City of Inver Grove Heights 2012 Capital Improvement Plan (CIP)**

Mr. Lynch explained the 2012-2016 plan was previously reviewed by the Council. He noted that projects would need to come before the City Council for final approval.

Councilmember Piekarski Krech stated she did not agree with everything that was included, but acknowledged that it was just plan.

#### **Motion by Piekarski Krech, second by Grannis, to approve Resolution No. 11-243 adopting the City of Inver Grove Heights Capital Improvement Plan (CIP)**

**Ayes: 5**

**Nays: 0 Motion carried.**

#### **I. CITY OF INVER GROVE HEIGHTS; Consider Resolution Setting Forth License Fees, Administrative Service Fees and Permit Fees**

Ms. Teppen stated license, administrative, and permit fees are adopted on an annual basis. She noted two of the fees were amended, including the fees associated with land alteration permits.

#### **Motion by Grannis, second by Piekarski Krech, to adopt Resolution No. 11-244 Setting Forth License Fees, Administrative Service Fees and Permit Fees**

Mr. Cederberg pointed out that no fees were listed for two types of liquor licenses.

Ms. Teppen stated the omission of the corresponding fees was an oversight.

Ms. Rheaume stated the cost was \$100 annually for a 3.2 off-sale license and \$350 annually for a 3.2 on-sale license and \$30 per event for a temporary on-sale intoxicating liquor license.

Mr. Cederberg commented on the cost of agendas and minutes and questioned why some documents were not printed as double-sided copies. He stated if the City is going to charge .25 cents per page for copies they should be double-sided.

Councilmember Piekarski Krech noted that agendas and minutes can be viewed on and printed from the City's website, free of charge.

**Ayes: 5**

**Nays: 0 Motion carried.**

#### **J. CITY OF INVER GROVE HEIGHTS; Discuss and Provide Direction Regarding Names of Rooms at Public Safety/City Hall**

Ms. Teppen explained that the item was placed on the agenda at the request of Councilmember Grannis. She stated there are a total of ten (10) rooms available for holding meetings in the new Public Safety/City

Hall facilities. Staff temporarily named a number of the rooms, primarily for ease of use and scheduling. She explained the room directly adjacent to the Council Chambers was designated as the Mayor's Conference Room at the suggestion of Mayor Tourville. The intent was to display photos of former Mayors, along with the current Mayor & City Council in the room.

Councilmember Klein suggested getting donations from the previous Mayors.

Councilmember Grannis suggested that the conference room adjacent to the Council Chambers should be named after a street or a location in the City to maintain the theme with names of the other conference rooms in the building.

Mayor Tourville stated the idea was to use that conference room to honor the former Mayors of the City.

**Motion by Klein, second by Madden, to retain established names of rooms in the Public Safety/City Hall building**

**Ayes: 4**

**Nays: 1 (Grannis) Motion carried.**

**K. CITY OF INVER GROVE HEIGHTS; Discuss and Provide Direction Regarding City Logo**

Ms. Teppen explained staff contacted the Graphic Arts department at Dakota County Technical College earlier in the year to inquire whether a possible student project could be to update the City's logo. At the start of the Fall semester, students in a particular graphic arts class were given the assignment. Four logos were developed, and the Council reviewed them and selected one to further consider. Council also requested that the designer make the letters thinner. She presented the two final designs to be considered. She explained that once the Council decides which logo to move forward with, staff would begin to incorporate the new logo on materials after current supplies were exhausted. She noted that the vinyl logos on the City's fleet would not be changed until the vehicle was replaced.

Councilmember Piekarski Krech stated she likes the logo that Town Square Television uses on City meeting broadcasts because it is the old logo with Inver Grove Heights written in script across the bottom. She said the proposed logos look too plain.

Mayor Tourville asked staff to look at the logo used by Town Square Television and bring it back with the Inver Grove Heights script incorporated in different color options.

**No Action was Taken on this Item, Council Direction Only**

**8. MAYOR & COUNCIL COMMENTS:**

**A. CITY OF INVER GROVE HEIGHTS; Discuss and Determine Performance Evaluation Tool & Process for Evaluation of City Administrator**

Mayor Tourville asked for feedback from council members on the performance review process for the City Administrator. He asked if any changes to the format were necessary.

Councilmember Grannis suggested completing the paper review first and then meeting as a group with the City Administrator.

Mayor Tourville stated a meeting would be scheduled sometime in January or February for the performance review.

Councilmember Klein discussed the scheduled events for Holiday on Main Street.

**9. EXECUTIVE SESSION:**

**A. Discuss Lakeland Bank Litigation**

Councilmember Grannis did not attend the executive session.

**10. ADJOURN:** Motion by Madden, second by Piekarski Krech, to adjourn. The meeting was adjourned by a unanimous vote at 12: 30 a.m.