

CITY OF WACONIA
June 20, 2016

Pursuant to due call and notice thereof, the regular meeting of the City Council of the City of Waconia was called to order by Mayor Jim Sanborn at 6:00 p.m. The following members were present: Jim Sanborn, Kent Bloudek, Lynn Ayers, Charles Erickson. Absent: Marc Carrier

Staff Present: Susan Arntz, Lane Braaten, Craig Eldred, Ann Meyerhoff, Nicole Lueck, Mike Melchert.

Visitors: Brad Schultz, Tim Hukriede, Mike Friedrich, Mike Berger, Mike Schultz, LeRoy Hendricks, Judy Foss, Peter Matthias, Scott Tuempi, Marta Beckett, Chris Weinberger, Claudia Weinberger, Paula Kirsch, Dave Kirsch, Brad Kerber, Ran Moonen, Kyle McCourt, Janet Lamkin, Glenda Noble, Roberta Werlich, Kyle Hegna.

Pledge of Allegiance was led by Mayor Sanborn.

ADOPT AGENDA: Two items were added to the consent agenda. Motion by Erickson, seconded by Bloudek to adopt the agenda as amended. All present voted aye. **MOTION CARRIED.**

VISTOR'S PRESENTATION: Michael Berger, 196 Carver Square came forward to express his concern to the Council about an excessive number of cars being parked at 1100 Spring Hill Drive and the safety issues it is causing.

ADOPT CONSENT AGENDA

- 1) Approve June 6, 2016 City Council Meeting Minutes.
- 2) Authorize Payment of June 20, 2016 Expenditures.
- 3) Motion to Approve Pay Estimate No. 11 to Park Construction for Trunk Highway 5.
- 4) Motion to Approve Pay Estimate No. 2 to GMH Asphalt for the 2016 Infrastructure Improvement Project.
- 5) Motion to Approve Pay Estimate No. 10 to GMH Asphalt for the 2015 Infrastructure Improvement Project.
- 6) Motion to Approve the Non – Waiver of Monetary Limits on the 2016-2017 Tort Liability Insurance Policy Renewal.
- 7) Adopt Resolution No. 2016-121, Appointing Election Judges.
- 8) Adopt Resolution No. 2016-122, Approving Temporary On-Sale Liquor License Application for Lions Club.
- 9) Adopt Resolution No. 2016-123, Authorizing Amendment to Capital Improvement Project.
- 10) Adopt Resolution No. 2016-124, Approving Windmill Creek 7th Addition Final Plat.
- 11) Adopt Resolution No. 2016-125, Approving Donation of Outlots J & K, Interlaken, and Outlot B, Interlaken 4th Addition.
- 12) Adopt Resolution No. 2016-127, Approving Variance Request by Ryan Moonen.
- 13) Adopt Resolution No. 2016-128, Approving Steep Slope Alteration Permit Request.
- 14) Adopt Resolution No. 2016-133, Approving Surplus Equipment & Sale – Weight Equipment.
- 15) Adopt Resolution No. 2016-135, Approving Developer's Agreement for Stonegate.
- 16) Adopt Resolution No. 2016-138, Accepting the Resignation of Firefighter Dusty Olson and Authorizing Recruitment.
- 17) Adopt Resolution No. 2016-136, Approving Temporary On-Sale Liquor License, Carver County Agricultural Society.
- 18) Adopt Resolution No. 2016-137, Approving Application for Exempt Permit, Carver County Agricultural Society.

Motion by Ayers, seconded by Erickson to Adopt the Consent Agenda as presented. All present voted aye. **MOTION CARRIED.**

COUNCIL BUSINESS

Audited comprehensive Annual Financial Report: City staff and the auditing firm of Redpath and Company have concluded the audit fieldwork and have prepared the City of Waconia Comprehensive Annual Financial Report for the year ending December 31, 2015. Andy Hering from Redpath and Company stated that in the course of audit field work, two audit findings were found.

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One of the audit findings is due to a prior period adjustment. It was found that several developments that were donated to the City in the years 2004-2009 were not included in the listing of capital assets the City maintains. Because of this, Public Services staff spent time over the course of 2015 putting valuation to these donated improvements. A prior period adjustment was included in the 2015 financial statements to correct the beginning balances for these assets. Staff has put processes in place to ensure the City Council formally accepts each development's infrastructure assets when final inspection occurs. With this approval process, finance staff will record any future infrastructure donations and begin depreciating them.

The second audit finding is a deficiency in collateral for the City's deposits. There was one local bank that did not have enough collateral pledged for the City's deposits in 2015. When the error was found, City staff and the bank quickly corrected it. Staff has put additional monthly processes and systems in place to ensure this is not an issue in the future.

Nicole Lueck stated that a copy of the report was provided to the City Council prior to the meeting. In addition, a copy of the final report will be available for review by the public at City Hall.

Motion by Erickson, seconded by Ayers to Adopt Resolution No. 2016-132, Accepting Audited Comprehensive Annual Financial Report as of December 31, 2015. All present voted aye. **MOTION CARRIED.**

Variance Request by Chris Weinberger: Lane Braaten explained that the City had received a Variance Application from Mr. Chris Weinberger (the "applicant") to construct a new home on his property located at 208 Main Street East. The variance is necessary as the parcel accesses off of an alley, is quite small (8,203.2 sq. ft.) and the applicant is proposing a 16.7 ft. front yard setback, a 24.9 ft. rear yard setback and a proposed hardcover surface of 34.6% versus the 25 ft. front yard setback, the 30 ft. rear yard setback and the 25% maximum hardcover allowed in the R-2, Single-Family Residential District and the Shoreland Overlay District.

Braaten went over the variance review criteria and variance analysis. He then said that the Planning Commission considered the application at their regular meeting on June 2nd, 2016 and at a special meeting on June 14th, 2016 and recommended approval of the Variance request by Chris Weinberger, via a 5-0 vote.

The Planning Commission considered the application at their regular meeting on June 2nd, 2016 and at a special meeting on June 14th, 2016 and recommended approval of the Variance request by Chris Weinberger, via a 5-0 vote.

If the City Council approves the setback and hardcover surface variance submitted by Mr. Weinberger, the Planning Commission and City staff would recommend the approval upon the following conditions:

- 1) The home be constructed as proposed and as conditionally revised by the Planning Commission and City Council.
- 2) All applicable permits are applied for by the applicant with all supporting documentation and issued prior to the start of construction.
- 3) The applicant shall install storm water mitigation acceptable to the Public Services Director.
- 4) Upon completion of the project the applicant submit an As-Built Certificate of Survey to show the home was constructed in the exact location proposed, the impervious surface is in compliance with the approval, and the existing non-conforming deck has not be moved or expanded in any way.

Council Member Ayers asked if there were any plans run the alley all the way through. Braaten responded that he did not know and that all the homes were built around it.

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Motion by Ayers, seconded by Erickson to Adopt Resolution No. 2016-126, Approving the Variance Request by Chris Weinberger to construct a new home at reduced setback requirements and hardcover exceeding the lot requirements stated in the R-2, Single Family Residential district and the Shoreland Overlay District for the property located at 208 main Street East. All present voted aye. **MOTION CARRIED.**

Lion's Field Grandstand Improvement Project: Craig Eldred reminded the Council of the preparations with the Waconia Baseball Association (WBA) for creation of a major improvement to the Lion's Field Grandstand. This process started back in early 2014 with hopes of kicking off the project within that calendar year. However, as the project scope was being developed several considerations were derived to focus on creating a meaningful yet cost effective project for the community. On February 2, 2015, the Council requested that Staff review this project further in hopes of lowering the project cost for construction. On March 16, 2015, it was the Council's desire along with the Board Members of the WBA to work on further funding acquisitions to fill the projected funding gap of \$400,000. Since that time the WBA has worked to fill the funding gap through requests and partnership strategies.

At the June 6, 2016 work session, the following items were discussed as options to reduce the funding gap:

- 1.) Removal of roof segments on the grandstand.
- 2.) Storm water improvements with reduced costs.
- 3.) Annual contributions from Independent School District (ISD) #110 were moved from the operating maintenance budget to the project budget.
- 4.) Information on the current WBA pledged balances were discussed. The total pledges that are estimated to be paid by completion of the project are \$222,000 (The total pledges to date are \$349,754). The Lion's Club has already committed to a total of \$125,000 over 10 years and has paid their 2014-2015 contributions. It is expected they will pay their 2016 contribution in December for a total donation balance to date of \$37,500.

Nicole Lueck came forward and went through the financing plan stating that the City plans to issue lease revenue bonds for the project. The financing plan includes a request for proposal to all local banks to assist with financing this recreational facility. The bonds are planned to be a 10 year bond. In the RFP process, the City can request a flexible structure of repayment depending upon how the financing fits into the City's 30 year financial plan. This means the City could request higher, lower, or evenly set principal repayment. After the project is bid and if bids are accepted, City staff can put these models together for the City Council to review and consider.

The bonds are estimated to be issued at about \$1,000,000. In looking at this with an even repayment of principal and interest, the City would increase its annual debt service payments by about \$117,230 annually. This new debt service payment would be reduced each year by the Waconia Baseball Association's pledges/donations, the Lions Club's annual donation, and contributions committed by ISD #110. These pledges would reduce the City's annual debt service payment to about \$66,000 per year for 10 years. The \$66,000 in debt service would be added to the City's annual special debt levy.

ISD #110 would continue to make contributions to the project after the bonds are paid off. The City could decide to restructure the financing to take these funds into consideration or use the funds for future improvements at the facility.

There are several recommended items that need to be addressed upon an acceptable bidding and award process. These include:

1. Successful RFP for funding the grandstand improvement project including acceptance of the lease revenue bonds.
2. Formalization of a new agreement between the City, WBA, and ISD #110 for the funding period life-cycle of the grandstand improvement project.

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3. The grandstand roof will be bid as an alternate allowing flexibility to fund such an addition to the project.
4. If funding allocations allow, a singular maintenance shed would be constructed outside of the ball field area down the first base side-lines as discussed at length previously.

Upon City Council approval, we estimate the project to follow the schedule detailed below:

- June 20, 2016 - Authorized Project for Bid
- June 30 – July 21, 2016 - Bidding Period
- July 21, 2016 - Bid Opening at City Hall
- August 1, 2016 - Award Project
- September 6, 2016 - Construction Start Date
- March 17, 2017 - Substantial Completion
- April 7, 2017 - Completion Date
- June 2017 - Final Restoration (completed in-house)

Staff recommends approval of this request for City Council action; this authorizing the grandstand improvement project for bid with the emphasis of bidding the grandstand roof as an alternate. In addition, if funding is available the final project proposal will include the construction of a maintenance structure for housing of batting backstop and turf maintenance equipment.

Council Member Bloudek asked if the bids were going to be with or without the roof. Eldred responded that they would bid both with and without to see where they come in giving flexibility.

Motion by Bloudek, seconded by Ayers to Adopt Resolution No. 2016-134, Authorizing Approval of Lion's Field, Waconia Baseball Association, and City partnership Grandstand Improvement Project for Bid. All present voted aye. **MOTION CARRIED.**

Variance Request and Steep Slope Alteration Permit by Frank & Judith Foss: Lane Braaten stated the City had received a Variance Application and Steep Slope Alteration Permit Application from Frank and Judith Foss (the "applicants") to construct a new home on the property located at 224 Lake Street West. The variance is necessary as the applicant is proposing expansion within the front yard setback and the Steep Slope Permit is necessary as the average slope is approximately 12% in the Shoreland Overlay District.

Braaten went through the variance review criteria, analysis and planning considerations. He also presented the steep slope alteration permit procedures, alteration permit analysis and planning considerations. The Planning Commission reviewed the Variance and Steep Slope Land Alteration Permit at a special meeting on Tuesday, June 14th, 2016 and recommended approval via a 5-0 vote.

If the City Council chooses to approve the setback variance and steep slope permit submitted by Mr. and Mrs. Foss, the Planning Commission and City staff would recommend the approval upon the following conditions:

- 1) The home be constructed as proposed and as conditionally revised by the Planning Commission and City Council.
- 2) All applicable permits are applied for by the applicant with all supporting documentation and issued prior to the start of construction.
- 3) The construction entrance shall be made up of 1.5 inch clear rock.
- 4) A silt fence shall be installed near the construction entrance on Lake Street.
- 5) Soil piles must be mulched within 5 days without any activity, instead of the typical 14 day requirement, due to working in the steep slope adjacent to Lake Waconia.
- 6) The steep slope shall be monitored and temporary log rolls be placed if necessary to support downstream silt fence towards Lake Waconia.

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- 7) A second silt fence or log roll shall be placed ahead of the silt fence indicated on the Erosion Control Plan.
- 8) Street sweeping as necessary should be completed along with storm water inlet protection on Lake Street near the entrance to the building site.
- 9) Upon completion of the project the applicants shall submit and As- Built Certificate of Survey to show the improvements have been completed as proposed.

Motion by Erickson, seconded by Ayers to Adopt Resolution No. 2016-129, Approving the Variance Request and Steep Slope Alteration Permit submitted by Frank & Judith Foss to construct a new home at reduced front yard setback on a steep slope located in the R-4, Mixed Residential District and the Shoreland Overlay District for the property located at 224 Lake Street West. All present voted aye. **MOTION CARRIED.**

Variance Request by Peter Matthias: Lane Braaten stated that the City has received a Variance Application from Mr. Peter Matthias (the “applicant”) to construct a new home on the property located at 12 Point Drive. The variance is necessary as the applicant is proposing a 21.9 ft. front yard setback, a 6.7 ft. side yard setback and a proposed hardcover surface of 31.1% versus the 25 ft. front yard setback, the 10 ft. side yard setback and the 25% maximum hardcover allowed in the R-2, Single-Family Residential District and the Shoreland Overlay District.

Braaten touched on the variance review criteria, analysis and planning considerations. The Planning Commission reviewed the Variance request at their regular meeting on Tuesday, June 2nd, 2016 and recommended approval via a 5-0 vote.

If the City Council chooses to approve the setback and hardcover surface variance submitted by Mr. Matthias, the Planning Commission and City staff would recommend the approval upon the following conditions:

- 1) The home be constructed as proposed and as conditionally revised by the Planning Commission and City Council.
- 2) All applicable permits are applied for by the applicant with all supporting documentation and issued prior to the start of construction.
- 3) The applicant shall install stormwater improvements to mitigate the proposed impervious surface on the parcel. A final stormwater plan shall be reviewed and approved by City staff prior to the issuance of a building permit.
- 4) The building plans shall be reviewed by City staff prior to building permit issuance to insure compliance with all other applicable City Code requirements and the new home shall not extend outside the approved building envelope.

Council Member Ayers asked if the existing building was going to be taken down. Lane replied that yes it would.

Motion by Erickson, seconded by Bloudek to Adopt Resolution No. 2016-130, Approving the Variance Request by Peter Matthias to construct a new home at reduced setback requirements and hardcover exceeding the lot requirements stated in the R-2, Single Family Residential District and the Shoreland Overlay District for the property located at 12 Point Drive. All present voted aye. **MOTION CARRIED.**

Variance Request by Dan Kurth: Lane Braaten stated that the City has received a Variance Application from Mr. Dan Kurth (the “applicant”) to allow a side yard setback of 5 ft. on the east side of Lot 13 (579 Tiffany Ln.) and to allow a 5 ft. side yard setback on the west side of Lot 12 (585 Tiffany Ln.) versus the 6 foot minimum side yard setback requirement stated in the Waterford 3rd Addition Planned Unit Development.

Braaten touched on the variance review criteria, analysis. The applicant is proposing a reduction in the side yard setback to allow a modified version of the existing homes being built in the development to be located on the two subject parcels. The subject parcels, Lots 12 and 13, Block 1 of Waterford 3rd Addition, are different than the

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other 18 lots that were platted in that the two lots in question share a 20 ft. wide drainage and utility easement in which Mr. Kurth cannot develop. The easement located between lots 12 and 13, Block 1, Waterford 3rd Addition is home to a storm sewer line. This, for all intents and purposes, makes the setback from the shared side lot line a distance of 10 ft. versus the required 6 ft. setback required as part of the PUD. Mr. Kurth has indicated in his variance statement for both properties that the 8 homes he has already constructed in Waterford 3rd Addition have all been 32 ft. wide as there has been no 10 ft. easements to contend with on other parcels. If the City were to grant the 1 ft. variance requested he would be able to modify his existing building plans to construct a functional home while staying out of all of the platted drainage and utility easements on the two parcels.

The Planning Commission reviewed the Variance request at their regular meeting on Tuesday, June 2nd, 2016 and recommended approval via a 5-0 vote.

If the City Council chooses to approve the side yard setback variance submitted by Mr. Kurth, the Planning Commission and City staff would recommend the approval upon the following conditions:

- 1) The proposed structure meet all other minimum site requirements stated in the Waterford 3rd Addition.
- 2) The proposed home shall be located outside all drainage and utility easements and final grading of the property shall be subject to the review and approval of the Public Services Department.

Motion by Ayers, seconded by Bloudek to Adopt Resolution No. 2016-131, Approving the Variance Requests by Dan Kurth to allow a 5 ft. Side Yard Setback for the Properties located at 579 and 585 Tiffany Lane. All present voted aye. **MOTION CARRIED.**

ITEMS REMOVED FROM CONSENT AGENDA: None

STAFF REPORTS: Craig Eldred gave a short explanation on the TreePod Biofilter that was approved on the Consent Agenda. To answer some questions from Council he stated that a tree is planted in the Pod and whatever isn't used by the tree will go into the storm sewer. It is expected to be installed by Fall at Fountain Park and the maintenance is not any more than what is already done with the rain gardens.

BOARD REPORTS:

Councilmember Erickson – No Report

Councilmember Bloudek – No Report

Councilmember Carrier – No Report

Councilmember Ayers – Shared that the Chamber has an upcoming Coffee Connection and is asking for donations for the Fireworks Display. She will also be attending League of Minnesota Cities Conference focusing on Innovating Ideas for Cities.

Mayor Sanborn – Special Meeting of the Planning Commission, June 14, 2016.

ANNOUNCEMENTS: None

ADJOURN:

Motion by Erickson, seconded by Carrier to adjourn the meeting at 7:12 p.m. All present voted aye. **MOTION CARRIED**

Jim Sanborn, Mayor

ATTEST: _____
Ann Meyerhoff, Office Assistant