

CITY OF WACONIA
December 14, 2015

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, Charles Erickson, and Lynn Ayers, Marc Carrier

Staff Present: Susan Arntz, Lane Braaten, Craig Eldred, Mike Melchert, Ann Meyerhoff, Craig Sinclair, Nicole Lueck, Angel Smith, Angie Perera

Visitors: Mark Zeller, Mikki Zeller, Jen Thalhuber, Nicole Sullivan, Todd Hann

Pledge of Allegiance was led by Mayor Sanborn.

ADOPT AGENDA: Motion by Erickson, seconded by Ayers to adopt the agenda presented. All present voted aye.
MOTION CARRIED.

Mayor Sanborn presented Nicole Lueck with a Certificate of Achievement for Excellence in Financial Reporting for the 2nd year in a row.

VISTOR'S PRESENTATION: Ms. Nicole Sullivan gave a presentation regarding allowing fowl/chickens within the Waconia City Limits.

ADOPT CONSENT AGENDA

- 1) Approve December 7, 2015 City Council Meeting Minutes.
- 2) Authorize Payment of December 14, 2015 Expenditures.
- 3) Adopt Motion Authorizing Pay Estimate No. 6 to Park Construction.
- 4) Adopt Ordinance 691, Amending Chapter 1100 of the Waconia City Code Related to Permits, Licenses and Fees and to Authorize Publication.
- 5) Adopt Resolution No. 2015-290, Approving 2016 Pay Plan.
- 6) Adopt Resolution No. 2015-284, Approving Mutual Agreement for 2015-2016 Winter Towing Services Provided by Colony plaza of Waconia, MN.
- 7) Adopt Resolution No. 2015-285, Authorizing Award of Interlaken Trail Grading & Base Preparations to Schneider Excavating.
- 8) Adopt Resolution No. 2015-286, Authorizing Staff to Apply for LGU Cost Share Project Funding from Carver County Water Management Organization for Calendar Year 2017.
- 9) Adopt Resolution No. 2015-283, Appointing Fire Department Officers for 2016.
- 10) Adopt Resolution No. 2015-291,292,293,294, Appointing Board & Commission Members.

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

COUNCIL BUSINESS:

AMENDED EQUIPMENT LEASE SHARING AGREEMENT BETWEEN CITIES OF WACONIA & NORWOOD

YOUNG AMERICA: Craig Eldred asked for approval of the Lease Agreement with the City of Norwood Young America for the calendar years of 2016-2021. The Shared Lease Agreement spells out the fixed value costs for each organization for a two-year period. After the two-year period the lease values will be determined based upon each community's use of the sweeper. In addition to each community's use, and throughout the remaining four-years the City of Waconia will be reimbursed annually the amount of \$1,000.00 for compensation of the 40% trade value of Unit 22.

Eldred stated that the City of Waconia is the Lead Agency in the agreements with MacQueen Equipment and the financial institution of Merchants Bank who is carrying the Lease Agreement. Requirements of the agreements have been provided to Norwood Young America along with a copy of the Shared Lease Agreement. Annual

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payments to MacQueen Equipment and Merchants Bank are due immediately after the first City Council meeting of a given calendar-year beginning in 2016 and ending in 2021.

Motion by Bloudek, seconded by Ayers to Adopt Resolution 2015-282, Approval of Amended Equipment Lease Sharing Agreement Cities of Waconia and Norwood Young America. All present voted aye. **MOTION CARRIED.**

2016 BUDGET & LEVY PUBLIC INFORMATION MEETING: Finance Director, Nicole Lueck presented information regarding the 2015 Final Budget and Levy. The Council approved the preliminary levy on September 21st. Tax statements were received by residents from Carver County that were calculated based on the preliminary levy. The total preliminary levy was \$6,588,614 with a tax rate of 49.877%. This was an increase of 2.25% from 2015. The total final final levy is \$6,507,534 with a Tax Rate of 49.197%. This was an increase of 9.0% from 2015. The City's overall Taxable Market Value increase 7.86% from 2015. This was due in part to increased building activity and improvements to the economy and housing market. The average valued home in Waconia increased in value approximately 5.59%, the current average valued home is about \$247,000. Ms. Lueck reviewed 6 properties that the City follows tax changes on. There are 3 residential properties and 3 commercial properties. She reviewed each properties market value and total tax bill changes.

In 2016, property taxes on a residence valued at \$247,100 is split as follows: School receives \$770.31, County \$731.46, City \$1,141.86, School EMV \$309.86 and Misc. District, \$101.15. The residential use of City Tax Dollar for 2016 breaks down as follows: Special Debt Levy \$361.78, Safari Island \$59.69, Ice Arena \$77.33, Administrative \$156.42, Capital Equipment \$53.06, Planning & Inspections \$59.62, Fire \$49.15, Law Enforcement \$94.75, Parks \$59.73, Streets \$129.74 and Central Facilities \$40.59. For a Commercial Property with the value of \$1,000,000 the use of City tax dollar for 2016 is as follows; Special Debt Levy \$1,862.68, Safari Island \$307.32, Ice Arena \$398.15, Administrative \$805.35, Capital Equipment \$273.17, Planning & Inspections \$306.95, Fire \$253.05, Law Enforcement \$485.047, Parks \$307.54, Streets \$668.00 and Central Facilities \$208.99. The expenditure summary has total expenditures for 2015 of \$5,722,373 and in 2016, \$5,881,055 with a change of \$158,682. The revenue summary has total revenue for 2015 of \$5,801,027 and in 2016, \$5,868,027 with a change of \$67,139. Ms. Lueck stated that the City is budgeted for finish 2015 at 43% fund balance and end 2016 at a 40% fund balance.

In a general overview of changes in the 2016 budget, Ms. Lueck stated that there are no proposed increases in licensing, permit, or administrative fees. An increase is proposed for monthly utility user rates for water rates (\$0.75), sewer rates (\$0.00), storm water rates (\$0.50) and street light rates (\$0.00). There is no increase in water & sewer trunk fees but an increase in commercial & residential storm water trunk fee. Safari Island will have \$20-30 increase depending on membership type. On the expenditure side, City Staff is slated to receive a 2.5% cost of living increase and be allowed to move forward in their pay steps by position. Staff will receive a benefit contribution increase form 2015 for single \$160 and \$380 for family coverage. Employees will also have an out of pocket expense increase of 2.9% from 2015. The increased benefit expense is due to the federal affordable care act requirements. Additional wages were added for one public services maintenance worker split between street and storm water departments. There are also increases due to needs in the fire department for equipment and training as well as repair and maintenance expense in parks for trail improvements and fog sealing. There was a decrease in transfer to Capital Equipment fund for equipment replacement needs in 2015 (\$100,000).

Motion by Erickson, Seconded by Carrier to Adopt Resolution 2015-287, Adopting 2016 Budget for all general , Enterprise, Special Revenue, Capital Project, and Debt Service Funds. All present voted aye. **MOTION CARRIED.**

Motion by Ayers, Seconded by Carrier to Adopt Resolution 2015-288, Approving the Final Levy Collectable in 2016. All present voted aye. **MOTION CARRIED.**

DENY REQUEST FOR AN AMENDMENT TO THE CITY CODE TO INCLUDE A DEFINITION FOR A "DAY MENTAL HEALTH TREATMENT FACILITY": Angie Perera stated that Cedar House, Inc. is an out-patient community based mental health service provider and are currently located in Albert Lea, Austin, Faribault, Jordan, Northfield, and Waconia. Their current location in Waconia is at 44 1st St. W. and is within the B-3 Central Business District. "Medical clinics" are permitted uses in the B-3 district therefore their current location is in compliance with the City Code.

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The Cedar House is seeking a new location within the community and Jennifer Thalhuber (the applicant) has submitted an application on behalf of The Cedar House for the consideration of the proposed amendment to the City Code to specifically include a definition for a “Day Mental Health Treatment Facility” (within City Code Section 900.04, Definitions) and to allow the use as a Permitted Use with Special Restrictions in the R-1, Single-Family Residential District (City Code Sections 900.05, Subd. 2., A., B., C., D., & E).

The applicant has indicated that the proposed “Day Mental Health Treatment Facility” would be the principal or primary use of a property in the residential zoning districts, providing services to outpatient clients during daytime business hours. Staff’s interpretation of the City Ordinance would place the services being provided by the Cedar House as a “medical clinic” or “clinic” use since the term “outpatient” is typically defined as “a patient who receives medical treatment and who is not hospitalized overnight but who visits a *hospital, clinic, or associated facility* for diagnosis or treatment”.

“Medical clinics” are permitted uses in the downtown area within the B-2 General Business District, within the B-3 Central Business District, and within the B-4 Health Care Business District. “Medical related clinics/uses” are also allowed as a permitted use within the B-1 Highway Business District. The applicant’s current location in Waconia is located within the B-3 District and is therefore in compliance with the uses allowed within the City Code. The applicant is requesting that the City Code define the proposed use and allow said use as a “Permitted Use with Special Restrictions within the R- 1 Single-family Residential District”.

The applicant is proposing the following suggested definition: “*Day Mental Health Treatment Facilities – approved by the County for human services serving ten (10) or fewer persons and being located no fewer than 2,000 feet to another approved facility*”.

The applicant has indicated that the reason for the zoning amendment request is that “the above proposed use is very similar in nature to currently approved uses already granted by the City of Waconia” in the residential districts and referencing “Uses Permitted with Special Restrictions under category (c) for daycare facilities”. The applicant’s reference is being made to City Code Section 900.05, Subd. 2, A. subpart 4. c. which states: “Day care facilities licensed by the State of Minnesota serving ten (10) or fewer persons” is a Permitted Use With Special Restrictions within the R-1 Single Family Residential District. The applicant has also shared with staff that if this ordinance amendment were approved they would have more options for locations within the community.

Perera presented the different use types described in the City Code.

The Planning Commission, via a 5-0 vote, recommended denying the request for the ordinance amendments as proposed by the applicant at their meeting on December 3rd, 2015. The recommendation to deny the request was based on the reason that the proposed use was not deemed as appropriate as a permitted use with special restrictions within residential district; and furthermore recognizing that the City Code states that the intent and purpose of the R-1 Single-Family Residential District is to “provide for areas within the City primarily intended for low density residential development as designated by the Comprehensive Plan”. The Planning Commission also concurred with staff that the proposed use would be difficult to track without a permit process if the proposed use were to be restricted from not being located within 2,000 feet from another facility (as the applicant requested within the proposed definition for a “Day Mental Health Treatment Facility”.

Mayor Sanborn shared his thoughts stating that this service is much needed in Waconia, as well as Carver County. He agrees with the Planning Commission that a request of permitted uses with special restrictions is too broad. He would like to work something out to have these services in the City.

After discussion by the Council, Mike Melchert came forward and explained that different use types, as described by Perera.

Mayor Sanborn stated that he thinks it would be better suited as an interim or conditional use rather than a permitted use.

Susan Arntz asked if there was interest on the Council’s part in changing the code to some other use and would like to provide work direction to the planning commission as to what they would like to create.

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After discussion Council came up with a list for the Planning Commission to work on:

- Business Requirements – parking, hours of operation
- Dispensing of Medication
- Overnight vs. Day only
- Whether or not it will be a permanent residence
- Outpatient vs. Inpatient
- Signage
- More understanding of interim and conditional use

Motion by Erickson, Seconded by Bloudek to Adopt Resolution No. 2015-289, Deny request for an Amendment to the City Code to include a definition for a “Day Mental Health Treatment Facility”. All present voted aye. **MOTION CARRIED.**

STAFF REPORTS: Susan Arntz presented the 2016 Council Meeting Schedule and the Council discussed changes.

BOARD REPORTS:

Councilmember Erickson – No Report
Councilmember Bloudek – No Report
Councilmember Carrier – No Report
Councilmember Ayers – No Report
Mayor Sanborn – No Report

ADJOURN:

Motion by Bloudek, seconded by Carrier to adjourn the meeting at 7:30 p.m. All present voted aye. MOTION CARRIED

James P Sanborn, Mayor

ATTEST: _____
Ann Meyerhoff, Office Assistant