

**CITY OF WACONIA**  
**March 21, 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, Charles Erickson, and Lynn Ayers. Absent: Marc Carrier

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

Visitors: Terry Hartman, Jeff & Tammy Born, Tod Hann, James & Nicole Mase

Pledge of Allegiance was led by Mayor Sanborn.

**ADOPT AGENDA:** Agenda amended removing item number 5 from Council Business. Motion by Erickson, seconded by Ayers to adopt the agenda as amended. All present voted aye. **MOTION CARRIED.**

**VISTOR'S PRESENTATION:** James Mase of 8 Goldfinch Drive made a formal request of the Council to reverse the ordinance that prohibits backyard chickens within City limits.

**ADOPT CONSENT AGENDA**

- 1) Approve February 29, 2016 City Council Meeting Minutes.
- 2) Authorize Payment of March 21, 2016 Expenditures.
- 3) Adopt Resolution No. 2016-61, Approving Temporary On-Sale 3.2% Malt Liquor License for Waconia Baseball Association.
- 4) Motion to Approve Use of Streets for the Walk on Waconia Even, Sat, April 23, 2016.
- 5) Motion to Approve Use of Streets for Lola's Lake Waconia Running/Walking event, June 4 2016.
- 6) Authorize Contract Pay Request #9, Park Construction – Trunk Highway 5 Construction Project.
- 7) Adopt Resolution No. 2016-62, Approving First Amendment to Solar Energy Contract – Oak Leaf Energy, LLC.
- 8) Adopt Resolution No. 2016-65, Second Site Plan Amendment: Nagel Assisted Living.
- 9) Motion to Approve lodging Tax Reimbursement from Waconia CVB, January – March 2016.
- 10) Authorize City Administrator to Sign MOU Agreement with Waconia ISD 110 on Design & Construction of Pedestrian Underpass for CSAH 110, Resolution 2016-71.
- 11) Adopt Resolution No. 2016-72, Authorizing Bolton & Menk to Design, Preparation of Plans, and Advertise CSAH 110 Pedestrian Underpass for Construction.
- 12) Adopt Resolution No. 2016-74, Authorizing City Engineers; Bolton & Menk to Prepare Feasibility Report for the Proposed 2017 Infrastructure Project.
- 13) Adopt Resolution No. 2016-75, Approving Cigarette License for United Petroleum, LLC.

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

**PUBLIC HEARING - Annexation Agreement with Waconia Township:** Mayor Sanborn called the Public Hearing to Order. Lane Braaten stated that the City of Waconia and Waconia Township desire to enter into a Joint Resolution for Orderly Annexation of certain road segments located south of Highway 5. The agreement, upon approval by the Council, will be submitted to the State for a final order of annexation. The State is required by statute to order the annexation within 30 days.

Mayor Sanborn asked for comments from Council Members and residents. There were no comments.

Motion by Ayers, seconded by Bloudek to Close the Public Hearing on the Annexation Agreement with Waconia Township. All present voted aye. **MOTION CARRIED.**

Motion by Erickson, seconded by Ayers to Adopt Resolution No. 2016-63, Joint Resolution for Orderly Annexation between the Town of Waconia and the City of Waconia. All present voted aye. **MOTION CARRIED.**

## CITY OF WACONIA

March 21, 2016

### COUNCIL BUSINESS

**ANNEXATION BETWEEN THE CITY OF WACONIA AND LAKETOWN TOWNSHIP:** Lane Braaten presented stating that the City of Waconia and Laketown Township desire to enter into a joint resolution for orderly annexation of a portion of old Airport Road. The agreement, upon approval by the township and City, may be reviewed by the State Municipal Boundary Adjustments, but shall within 30 days, be required to order the annexation of the described property in accordance with the terms of the joint resolution. The Joint Resolution has been reviewed by City staff and the City Attorney's office and approval is recommended. This joint resolution was considered and approved by the Laketown Township Board at their regular meeting on Monday, March 14<sup>th</sup>, 2015.

Braaten explained that the procedure for approving orderly annexation requests within the Orderly Annexation Area (OAA) has been agreed upon by the City of Waconia and Laketown Township.

1. No public hearing is required.
2. A letter or petition is submitted to the City by the owner of the property requesting annexation into the City.
3. The City accepts the letter or petition and adopts a joint resolution with the township approving annexation.
4. The joint resolution is forwarded to the State Municipal Boundary Adjustment.
5. The property owner complies with the tax reimbursement agreement to the Township. This is a payment to the township from the property owner equivalent to \$300.00 per acre (in 2006) with a 3% increase annually from the 2006 date.

This request is not typical as there is no underlying property owner requesting the property be annexed into the City. Further, the City and Township have agreed that no reimbursement is necessary as the property in question is a section of Airport Road.

Motion by Bloudek, seconded by Erickson to Adopt Resolution 2016-64, Approving the Joint Resolution for Orderly annexation between the City of Waconia and Laketown Township for a Segment of Old Airport Road. All present voted aye.

**MOTION CARRIED.**

### **INTERLAKEN 8<sup>TH</sup>/STONEGATE PRELIMINARY PLAT, ZONING AMENDMENT, VARIANCE**

**APPLICATIONS:** Lane Braaten stated that the City had received three land use applications from Hartman Communities, LLC for the property located at 1150 Somerwood Drive. The applications included the following:

1. Zoning Map Amendment to amend the City of Waconia Zoning Map and rezone the subject property to PUD, Planned Unit Development District from the current zoning of R-3, Medium Density Residential District
2. Variance Application to reduce the building and parking setback from any exterior PUD property line or abutting street to a minimum of 20 ft., versus the 40 ft. minimum required per Ordinance,
3. Preliminary Plat Application for the subject parcel. The Preliminary Plat, titled Interlaken 8<sup>th</sup> Addition/Stonegate, is proposed to include fifty-one (51) small lot, single-family parcels and two (2) outlots.

Braaten explained that the Planning Commission and staff would recommend the approvals with the following conditions:

1. The Interlaken 8<sup>th</sup> Addition/Stonegate Preliminary Plat shall be completed as approved and as conditionally revised by the Planning Commission and the City Council.
2. All applicable permits are applied for by the applicant with all supporting documentation and issued prior to the start of construction.

**CITY OF WACONIA**

**March 21, 2016**

3. The applicant shall obtain Carver County Watershed Management Organization (CCWMO) approval and permitting for erosion control and stormwater management. A copy of any approvals or permits shall be submitted prior to any land disturbing activities.
4. The applicant shall obtain a General Construction Stormwater Permit (NPDES) from the Minnesota Pollution Control Agency and submit a copy to the City prior to any land disturbing activities.
5. All indirect costs related to the permitting, review, and plans associated with engineering and administrative costs shall be paid by the applicant/owner.
6. The City shall provide the necessary street signage. The applicant shall provide the necessary escrow funds to cover all street signage and installation costs.
7. The applicant shall provide a copy of the approved Carver County Trail Permit.
8. The plans shall conform to the staff review memo dated February 16<sup>th</sup>, 2016 and the Bolton and Menk memo dated February 26<sup>th</sup>, 2016.
9. The watermain, sanitary sewer, grading, and stormwater issues shall be resolved to the satisfaction of the City Engineer and Public Services Director prior to the issuance of the building permit for the Interlaken 8<sup>th</sup> Addition/Stonegate development.
10. Compliance with applicable items contained in Chapter 1000 of the City of Waconia Subdivision Ordinance.
11. Execution of a Developer's Agreement for the Final Plat.
12. The applicant shall file an application of final plat approval within six (6) months following the approval of the Interlaken 8<sup>th</sup> Addition/Stonegate Preliminary Plat, unless an extension of time is requested in writing by the subdivider and granted by the Council prior to the six (6) month expiration date.

Terry Hartman of Hartman Communities, LLC came forward and gave an overview of the project.

Motion by Ayers, seconded by Erickson to Adopt Resolution No. 2016-66, Approving the Proposed Zoning Map Amendment to rezone the subject parcel from R-3, Medium Density Residential District to PUD, Planned Unit Development District. All present voted aye. **MOTION CARRIED.**

Motion by Erickson, seconded by Bloudek to Adopt Resolution No. 2016-67, Approving the proposed Variance Application to the PUD Development Standards to allow building and parking to be setback a minimum of 20 ft. from any exterior PUD property line or abutting street versus the 40 ft. minimum required by Ordinance. All present voted aye. **MOTION CARRIED.**

Motion by Bloudek, seconded by Ayers to Adopt Resolution No. 2016-68, Approving the proposed Interlaken 8<sup>th</sup> Addition/Stonegate Preliminary Plat Application for the development of 51 small lot, single family parcels for the property located at 1150 Somerwood Drive. All present voted aye. **MOTION CARRIED.**

**AWARD OF CONSTRUCTION CONTRACT WITH GMH ASPHALT CORPORATION FOR THE 2016 INFRASTRUCTURE IMPROVEMENT:**

Craig Eldred gave a brief overview of the improvements which consist of , but are not limited to, the reconstruction of portions of Maple Street, Fifth Street, Cherry Street, Interlaken Crossing(Old Airport Road Gravel) including sanitary sewer, water main, and storm systems within the entire roadway right of way, and roadway surfaces. Additional work consists of Street Overlays of Cherry Street, Industrial Boulevard, Wildhurst Road, Deerfield Road, Sunset Boulevard, and Airport Road. Including but not limited to Hilks Lake Park improvements, CSAH 10 Trail improvements, First Street Storm Water Reuse, and Amenities.

Staff received bids on March 15, 2016 at 10:00 a.m. at City Hall. GMH Asphalt Corporation came in with the low bid at \$3,209,603.93.

**CITY OF WACONIA**

**March 21, 2016**

Motion by Erickson, seconded by Ayers to Adopt Resolution No. 2016-69, Authorize and Award Construction Contract with GMH Asphalt Corporation for the 2016 Infrastructure Improvement Project in the amount of \$3,209,604.00 and Staff Purchasing Allocations of \$70,000.00. All present voted aye. **MOTION CARRIED.**

**AWARD CONSTRUCTION CONTRACT TO MINGER CONSTRUCTION FOR PHEASANT RIDGE LIFT STATION IMPROVEMENT PROJECT AND STORM WATER REUSE PUMPING SYSTEM INSTALLATION:**

Craig Eldred stated that bids were received March 15, 2016 at 11:00 a.m. with Minger Construction coming in with the low bid of \$207,722.70. Eldred asked the Council to authorize allowing for a construction contract to be drafted allowing improvements to occur based upon the bids and City supplied materials. The Contract would be awarded to Minger Construction for Pheasant Ridge Lift Station Improvement Project; CIP Project 19 and storm water reuse pumping system installation for 10<sup>th</sup> Street/TH 5 storm water improvement; Project 415 in the amount of \$207,722.70 and staff allocations of \$92,350.00 for supplies and materials to be provided.

Motion by Bloudek, seconded by Erickson to Adopt Resolution No. 2016-70, Authorizing Award of Construction Contract to Minger Construction for Pheasant Ridge Lift Station Improvement Project and Storm water Reuse Pumping System Installation for 10<sup>th</sup> Street/TH 5 Storm Water Improvement. All present voted aye. **MOTION CARRIED.**

**SALE OF GENERAL OBLIGATION BONDS, SERIES 2016A – 2016 INFRASTRUCTURE IMPROVEMENT PROJECTS & EQUIPMENT CERTIFICATES:**

Nicole Lueck presented stating that staff has been working with Ehler's on the issuance of bonds to fund the 2016 infrastructure projects. The City budgeted to issue General Obligation 429 improvement bonds, revenue bonds, and equipment certificates to fund the project costs included in the feasibility study and quotes accepted for replacement capital equipment. She gave a breakdown of the 2016 infrastructure projects and equipment along with the identified funding sources.

<b>2016 Infrastructure Breakdown</b>	<b>Feasibility Study Costs</b>	<b>Low Bid with Contingency and Engineering</b>	<b>Funding Source Identified</b>
Street/Utility Reconstruction	\$ 3,110,400	\$ 2,514,606	GO 429 Bond/115 Sewer Revenue/444 Water & Storm Water Revenue
Interlaken Crossing/Airport Road	\$ 813,400	\$ 846,903	GO 429 Bond
Bituminous Overlays	\$ 674,400	\$ 543,696	GO 429 Bond
CSAH 10 Trail	\$ 92,600	\$ 92,139	GO 429 Bond
Hilks Lake Park	\$ 36,800	\$ 14,660	GO 429 Bond
2016/2017 Dump Truck & Loader	\$ -	\$ 715,000	Equipment Certificates
<b>Total:</b>	<b>\$ 4,727,600</b>	<b>\$ 4,727,005</b>	

Lueck said that the City has issued General Obligation 429 bonds in the past for public improvement projects. The City has the authority to issue these types of bonds for projects related to street reconstruction and infrastructure improvements. To issue 429 bonds, a portion of the bond must be paid with special assessments related to the project area that was improved. The City has budgeted to pay future fees not covered by special assessments with a special debt levy. Staff has been working with Ehler's to ensure the City meets the 20% threshold using the lowest of the calculation for special assessments based on the current financial policy or appraisal. The total for all special assessments related to the 2016 infrastructure improvement project is estimated at \$1,300,000.

**CITY OF WACONIA**  
**March 21, 2016**

General Obligation 115 bonds are bonds that can be issued only for sanitary sewer projects. Under Minnesota Statute 115.46, the City may issue these bonds to aid in financing sewer projects and repay the debt using special assessments, revenue, or a special debt levy if needed. At this time, the City plans to pay these bonds with revenues and special assessments in the sanitary sewer fund. Also, the City will be issue 444 revenue bonds for those portions of the projects related to water and storm water. These are revenue bonds that must be repaid with revenues in the enterprise funds from sales or special assessments paid by the City's customer base.

The City has issued equipment certificates in the past for larger equipment needs. This year, the City budgeted to issue equipment certificates for both a front end loader and replacement dump truck. These purchases total approximately \$457,000. In addition to these two items, staff is recommending the Council consider issuing bonds for the dump truck replacement project budgeted for in 2017. This will allow staff to order the truck and start making purchases for it in 2016. These types of trucks can take almost a year to be fully put into service. Doing this now will allow the truck to be in service the winter of 2017 when it is most needed.

Todd Hagen from Ehler's presented the pre-sale report for the Council's consideration stating that he would be back for the Council meeting on April 18<sup>th</sup> with the bids.

Motion by Erickson, seconded by Ayers to Adopt Resolution No. 2016-73, Providing for the Sale of General Obligation Bonds, Series 2016A – 2016 Infrastructure Improvement Projects & Equipment Certificates. All present voted aye. **MOTION CARRIED.**

**ITEMS REMOVED FROM CONSENT AGENDA:** None

**STAFF REPORTS:** Craig Eldred stated that water meter replacement will be starting soon. Residents will get a letter with information on who to contact, phone numbers and an e-mail link to Ferguson Water Works.

On Saturday, April 16<sup>th</sup> (9-11:30 a.m.) there will be a Waconia Waters Forum where residents can find out the health status of Lake Waconia, the surrounding Lakes and Receiving Streams. And what can be done to assist in protecting the Lake.

Arbor Day , April 21 at 6:00 are invited to help plant trees in Waterford Park and join in spring cleaning of the department's Adopt-A-Trail section of the Dakota Rail Regional Trail.

Public Services open house will be held on Saturday, May 7<sup>th</sup>. Staff will be on hand to show residents how things are run. The water tower will also be open.

**BOARD REPORTS:**

Councilmember Erickson – Attended the Waconia Township Board Meeting discussing annexation.

Councilmember Bloudek – Attended the Park Board Meeting where Hilks Lake playground equipment was chosen.

Councilmember Carrier – Absent

Councilmember Ayers – No Report

Mayor Sanborn – Attended the Planning Commission Meeting.

**ANNOUNCEMENTS:** Fire Department Pancake Breakfast, Sunday April 10, 2016

**ADJOURN:**

Motion by Bloudek, seconded by Erickson to adjourn the meeting at 7:35 p.m. All present voted aye. MOTION CARRIED

**CITY OF WACONIA**  
**March 21, 2016**

---

James P Sanborn, Mayor

ATTEST: \_\_\_\_\_  
Ann Meyerhoff, Office Assistant