

CITY OF WACONIA
December 12, 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, Marc Carrier.

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

Visitors: Tom Ryan, Dean Hilgers, Leroy Kuntz.

Pledge of Allegiance was led by Mayor Sanborn.

ADOPT AGENDA: Two additions, one to consent and one to Council Business. Motion by Erickson, seconded by Carrier to adopt the agenda as amended. All present voted aye. **MOTION CARRIED.**

VISTOR'S PRESENTATION: None

ADOPT CONSENT AGENDA

- 1) Approve November 5, 2016 City Council Meeting Minutes.
- 2) Authorize Payment of December 12, 2016 Expenditures.
- 3) Adopt Motion to Approve Pay Estimate No. 7 to Sunram Construction.
- 4) Adopt Motion to Approve Pay Estimate No. 3 to Minger Construction.
- 5) Adopt Motion to Approve Pay Estimate No. 8 to GMH Asphalt.
- 6) Adopt Motion to Approve Multiple Pay Requests for Grandstand Project.
- 7) Adopt Resolution No. 2016-233, Authorize Approval of Turnback Acceptance Agreement.
- 8) Adopt Resolution No. 2016-234, Approving the 2017 Prosecution Contract.
- 9) Adopt Resolution No. 2016-235, Approving the 2017 Contract for Police Services.
- 10) Adopt Resolution No. 2016-236, Approving the 2017 Pay Plan.
- 11) Adopt Resolution No. 2016-237, Approving Contract for Vending Services.
- 12) Adopt Resolution No. 2016-238, Appointing Fire Department Officers.
- 13) Adopt Resolution No. 2016-239, Approving Appointments to Planning Commission, Park Board and Commission on Aging.
- 14) Adopt Ordinance No. 700 Amending Chapter 110 of Waconia City Code.

COUNCIL BUSINESS

2017 Budget for all General, Enterprise, Special Revenue, Capital Project and Debt Service Funds: Finance Director, Nicole Meyer presented information regarding the 2017 Proposed Budget and Levy. The Council approved the preliminary levy on September 19th. Tax statements were received by residents from Carver County that were calculated based on the preliminary levy. The total preliminary levy was \$7,225,677 with a tax rate of 52.783%. This was an increase of 7.14% from 2016. The proposed final levy will be approved on December 12, 2016. The total final proposed levy is \$7,225,677 with a Tax Rate of 52.783%. This was an increase of 11.0% from 2016. The City's overall Taxable Market Value increase 2.70% from 2016. This was due in part to increased building activity and improvements to the economy and housing market. The average valued home in Waconia decreased in value approximately 1.90%, the current average valued home is about \$242,300. 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 2017, property taxes on a residence valued at \$242,300 is split as follows: School receives \$708.55, County \$880.47, City \$1,197.47, School EMV \$304.73 and Misc. District, \$98.48. The residential use of City Tax Dollar for 2016 breaks down as follows: Special Debt Levy \$404.13, Safari Island \$50.68, Ice Arena \$71.35, Administrative \$153.96, Capital Equipment \$70.60, Planning & Inspections \$63.02, Fire \$61.02, Law Enforcement \$100.39, Parks \$56.77, Streets \$130.88 and Central Facilities \$34.69. For a Commercial Property with the value of \$1,000,000 the use of City tax dollar for 2017 is as follows; Special Debt Levy \$1,918.49, Safari Island \$240.58, Ice Arena \$338.70, Administrative \$730.88, Capital Equipment \$335.16, Planning & Inspections \$299.19, Fire \$289.67, Law Enforcement \$555.36, Parks \$269.48, Streets \$621.31 and Central Facilities \$164.70. The expenditure summary has total expenditures for 2016 of \$6,073,045 and in 2017, \$6,371,523 with a change of \$298,478. The revenue summary has total revenue for 2016 of \$6,418,166 and in 2017, \$5,866,489 with a

CITY OF WACONIA
December 12, 2016

decrease of \$551,677. Ms. Lueck stated that the City is budgeted for finish 2016 at 52% fund balance and end 2017 at a 40% fund balance.

In a general overview of changes in the 2017 budget, Ms. Meyer 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 (\$0.41), sewer rates (\$0.70), storm water rates (\$1.00) and street light rates (\$0.05). There is no increase in water & sewer trunk fees. Safari Island will have 3% increase for all membership types and there will be an increase in ice rental rates for 2017-2018 ice season. On the expenditure side, City Staff is slated to receive a 2.0% cost of living increase and be allowed to move forward in their pay steps by position. There is an increase of about 6% in employee health benefit costs for both city and employees. Additional wages were added for additional public safety staffing. Contractual service costs were increased for Auditing, Assessing, Software license agreements and Legal & engineering services.

Additional revenue changes for 2017 include:

- Estimates established for building permit activity based on upcoming projects and development items.
- Loss of about \$90,000 in local government aid in 2017.
- Increased transfer to Capital Equipment fund for equipment replacement needs(\$100,000).
- Decreased transfers to Safari Island Community Center and Ice Arena for operations (\$53,000).
- Added transfer to PIR Capital Project fund for technology and software upgrade needs in 2017(\$67,000).
- Continued capital improvements and replacement work throughout the City in 2017.

Ms. Meyer stated that a summary budget by funds and departments will be on the City website.

Motion by Erickson seconded by Ayers to Adopt Resolution 2016-240, Adopting 2017 Budget for all General, Enterprise, Special Revenue, Capital Project and Debt Service Funds. All present voted aye. **MOTION CARRIED.**

Motion by Carrier, seconded by Bloudek to Adopt Resolution 2016-241, Approving the Final Levy Collectable in 2017. All present voted aye. **MOTION CARRIED.**

Proposed Sign Plan for Waconia Crossing Commercial Development: Lane Braaten stated that Mr. Tom Ryan, on behalf of KTJ 290, LLC, has submitted a Sign Plan for the Sudheimer Retail Addition, which the City Council approved on November 7th, 2016 via Resolutions 2016-215, 2016-216, 2016-217 and 2016-218. The aforementioned resolutions approved the Sudheimer Retail Addition Preliminary and Final Plats, and the Site Plan and Design Review for Lots 1, 2 and 3 of the Sudheimer Retail Addition.

The City Council was informed in November that the applicant intended to submit a sign plan for the Planned Development District requesting sign regulations differing from the existing Sign Ordinance. As such, the applicant is requesting monument signage for the three properties which exceed our typical sign ordinance regulations.

Braaten went over the B-1 Highway Business District and Highway Design District Sign Standards for Monument Signs. He stated that the applicant has submitted the proposed monument signage for consideration for Lots 1, 2 and 3, Block 1, Sudheimer Retail Addition.

PARCEL	FRONTAGE*	B-1 STANDARD SIGN AREA (based on frontage)	PROPOSED SIGN AREA
Lot 1	261.42 ft. (along Hwy. 5 frontage)	120 sq. ft. maximum**	120 sq. ft. maximum
Lot 2	183.75 ft. (along Hwy. 5 frontage)	40 sq. ft. maximum	100 sq. ft. maximum
Lot 3	220.27 ft. (along Hwy. 5 frontage)	50 sq. ft. maximum	100 sq. ft. maximum

* Street frontage calculations are based on the sign location indicated on the attached site plan provided by the applicant (see Attachment #1).

** City code allows additional sign area for multi-tenant signage.

CITY OF WACONIA
December 12, 2016

1. Lot 1 - The proposed multi-tenant monument sign proposed for Lot 1, Block 1, Sudheimer Retail Addition meets the City Code Sign standards for Sign Area, which allows one multi-tenant monument sign per Premises of record for a multi-tenant site if the sign area for each such monument sign does not exceed 120 sq. ft. But, the proposed multi-tenant sign does not meet the 150 square foot monument sign structure requirement and therefore needs to be considered as part of the proposed Sign Plan for the development district.
2. Lot 2 - The applicant is proposing a monument sign for Culver's to be located along Hwy. 5 not to exceed 100 sq. ft. in sign area. The City Council should consider if allowing a monument sign well over the sign area allowed of 40 sq. ft. meets the standards stated above, or if the monument sign should meet the existing sign standards for the B-1, Highway Business District. The applicant has not, as of yet received the dimension drawings of the proposed Culvers sign and therefore is requesting sign area similar to the Holiday Gas Station.
3. Lot 3 - The applicant is proposing a monument sign (in the location of the pylon sign shown on the attached site plan) for a Holiday Gas Station to be located along Hwy. 5 not to exceed 100 sq. ft. in sign area. The City Council should consider if allowing a monument sign double the allowable City Ordinance standards for the B-1 zoning district meets the sign plan standards stated above.

Braaten said that the Planning Commission, at their regular meeting on December 1st, 2016, discussed the sign plan in detail and found the three proposed monument signs to be acceptable and therefore recommended approval of this application.

He expressed that staff has concerns regarding the proposed monument signage for the Culver's and Holiday sites as the proposed monument signage exceeds our current sign regulations by at least double the standard square footage. Braaten asked council to consider how the proposed square footage of these individual signs may impact the requests of neighboring commercial developments not located within a development district, which will be limited to monument signs at least ½ the size of the ones proposed for the afore-mentioned sites.

In addition, staff does not agree that there are unique visibility issues with the site requiring a larger sign than other properties along Highway 5.

Council had a discussion regarding the sign ordinance and the reasons we have it in place.

Motion by Carrier, seconded by Bloudek to Deny Resolution 2016-242, Approving the Proposed Sign Plan for Waconia Crossing Commercial Development. All present voted nay. **MOTION DENIED.**

Reasons for denial included, that the sign ordinance was drafted with a lot of consideration and Council needs to maintain the standards. There seems to be no special circumstances to warrant a change and Council doesn't want to set a precedent by changing things that are in place for a reason.

Hilgers and Tenth Street Preliminary and Final Plats: Lane Braaten said that the City has received a preliminary and final plat application from Dean Hilgers for the properties located at 10580 10th Street West. The preliminary and final plat, titled Hilgers and Tenth Street, is proposed to include two (2) commercial parcels. The subject parcel is currently home to a used car sales lot. Further, the applicant received approval of an Interim Use Permit (IUP) in 2012 to allow for the unsurfaced parking lot, which was originally set to expire on September 1st, 2015. Prior to the expiration of the IUP in 2015 the applicant requested an extension as a portion of his property was being used for construction purposes during the Hwy. 5 project and the reconfiguration of 10th Street West. The City Council approved the IUP extension request allowing the unsurfaced parking lot to remain until December 31st, 2016. A second extension request has been submitted by the applicant as part of this plat and redevelopment of the property.

CITY OF WACONIA
December 12, 2016

Braaten stated that the City of Waconia staff have reviewed the Hilgers and Tenth Street Preliminary Plat drafted by Otto Associates, dated October 18th, 2016 and revised on November 19th, 2016, and provide the following comments:

Streets/Access

The applicant is not proposing the construction of any streets and/or accesses at the time of this application. Future access points to the subject parcels will be reviewed at the time of Site Plan review.

The plans indicate the dedication of the right-of-way for a segment of Fischer Way (shown on the preliminary plat as “Ford Frontage Road”) and 10th Street West, which is consistent with City Ordinance requirements.

Easements

Section 1000.06, Subd. 4 of the City Ordinance requires drainage and utility easements at least 10 feet wide, centered on the rear and side lot lines of abutting lots and shall have continuity from block to block and lot to lot. The submittal information is recommended to be updated to reflect the required drainage and utility easements and staff has noted this as a condition of approval.

Lots

The subject parcel is zoned B-1, Highway Business District, which requires a minimum lot area of 17,500 sq. ft. and a minimum lot width of 100 ft. The proposed parcels are in conformance with the afore-mentioned standards.

Outlots

The applicant is not proposing any outlots as part of the Hilgers and Tenth Street Plat.

Public Land Dedication, Open Space

City Ordinance requires at least 10% of the gross land in a subdivision shall be dedicated for parks, schools, playgrounds and open space. The City, upon consideration of the particular type of development proposed in the subdivision, may require larger or lesser amounts of land to be dedicated if it determines that the present and future residents of the subdivision would require greater or lesser amounts of land for such purposes. Further, City Ordinance requires payment in lieu of land if the area is not suitable or desirable for park/playground/open space purposes.

The Park & Recreation Board reviewed the Hilgers and Tenth Street Preliminary Plat at their meeting on December 1st, 2016 and determined that the area is not suitable or desirable for land dedication, so they have recommended a cash payment in lieu of land. The Park & Recreation Board has recommended payment in the amount of \$6,900.00, which is consistent with City Ordinance dedication requirements for commercial property. The calculation for determining the park dedication cash payment is indicated below based on the City Ordinance requiring \$5,000 per gross acre of a commercial development.

$$\$5,000 \times 1.38 \text{ acres} = \$6,900$$

For purposes of this development staff has not included the area dedicate for road right-of-way.

Pedestrian Ways and Trails

City Ordinance states *“Subdividers shall define and construct a meaningful pedestrian circulation system subject to City approval which connects to the major trail system and to schools, parks, and shopping areas and shall provide easements to accommodate such movement. Said pedestrian ways shall be coordinated with those of adjacent subdivisions and the Comprehensive Plan.”*

Sidewalks

There is an existing sidewalk along 10th Street West. The future development of Lots 1 and 2, Block 1, of the Hilgers and Tenth Street Plat will require consideration of pedestrian ways and trails connecting to said sidewalk as part of the Site Plan review for each of the parcels.

Trails

CITY OF WACONIA
December 12, 2016

There is an existing bituminous trail section along the Hwy. 5 corridor. The future development of Lots 1 and 2, Block 1, of the Hilgers and Tenth Street Plat will require consideration of pedestrian ways and trails connecting to said trail segment during the Site Plan review for each of the parcels.

Landscaping

The landscaping of the properties will be reviewed and approved as part of the Site Plan and Design Review Applications for each of the subject parcels at the time of development/redevelopment.

Utilities & Storm Water Management

The utility and storm water elements will be reviewed and approved as part of the Site Plan and Design Review Applications for each of the subject parcels at the time of development/redevelopment.

The Planning Commission held a public hearing on December 1st, 2016 regarding this application and recommended the City Council approve the Hilgers and Tenth Street Preliminary and Final Plat via a 5-0 vote.

Motion by Bloudek, seconded by Erickson to Adopt Resolution No. 2016-243, Approving the Hilgers and Tenth Street Preliminary and Final Plats. All present voted aye. **MOTION CARRIED.**

Deadline Extension for Interim Use Permit: Lane Braaten explained that the City has received a request from Dean Hilgers (the “applicant”) to extend the deadline for the Interim Use Permit (IUP) granted by the City for the unsurfaced (gravel) parking lot on the subject property. The initial IUP was approved by the City Council in 2012 and extended in May 2015 as the City was working through the Hwy. 5 project, the realignment of 10th Street West, and the construction of Fischer Way, which impacted the subject property. The current IUP for the unsurfaced parking lot is set to expire on December 31, 2016.

The applicant has requested additional time as he is currently working through development/redevelopment plans for the subject parcel, which is indicated by the Hilgers and Tenth Street Preliminary and Final Plats considered by the City Council this evening.

The Planning Commission reviewed the application on December 1, 2016 and recommended approval of the IUP via a 5-0 vote. If the City Council chooses to approve the extension of the variance submitted by Mr. Hilgers, the Planning Commission and City staff would recommend approval upon the following conditions:

1. The Interim Use Permit shall expire on September 1, 2017

Motion by Ayers, seconded by Erickson to Adopt Resolution No. 2016-245, Approving Deadline Extension for Interim Use Permit for 10580 10th Street West. All present voted aye. **MOTION CARRIED.**

Purchase of 136 Elm Street South: Lane Braaten stated that as part of the Downtown Master Plan, the plan recommends the addition of parking along 2nd Street, Waconia, MN. The City Council had extended an offer to the Masonic Lodge for the acquisition of the property they own at 136 Elm Street South. They have accepted the offer. The offer for purchase is as follows: the City will pay \$148,300 for the acquisition of the property, we will pay the closing costs, and the closing date will be schedule on or before December 15, 2017 as mutually agreeable between the parties.

Motion by Bloudek, seconded by Ayers to Adopt Resolution 2016-244, Approving purchase of 136 Elm Street South, Waconia, 75.0501450 and Authorizing staff to formalize Purchase Agreement. All present voted aye. **MOTION CARRIED.**

Approve Plans & Specifications, Authorize Advertisement for Bid: Craig Eldred explained that staff is requesting the approval of Plans and Specifications and authorize Advertisement for bid the proposed 2017 Infrastructure Improvement Project. He referenced previous discussions regarding the proposed roadway and utility improvements guided as part of the Waconia School District’s modifications of Clearwater Middle School to a future High School campus site. The latter segments are to be bid as part of the Carver County led improvement process, which the State, County, City, and Waconia School District are partnering in funding defined segments of roadway and utility improvements.

CITY OF WACONIA
December 12, 2016

Street & Utility Improvement Areas:

Street	From	To
Community Drive	Safari Island Entrance	Future CSAH 110 Roundabout
94 th Street	High School Garden Entrance	Future CSAH 110 Access
County State Aid Highway 110	TH 5 Including Roundabout	Community Drive

We normally hold Open House events for Improvement Projects proposed for the community. Since ISD 110 staff members were involved in design of the project from the start, we have decided to provide public review of the proposed improvements when the entire CSAH 110 roadway, utility, and corridor improvements are secured and approved by the Minnesota Department of Transportation.

Staff feels this is a viable infrastructure improvement project supported by the transportation study completed in November 2015, for multi-modal access modifications near the renovated Waconia School District property.

Proposed Project Schedule:

Upon approval bid are expected to be open in January with award of the proposed work in February. Roadway and utility improvements will start in early Spring, depending on weather. Work will commence on or within the 94th Street segment, waiting on the Community Drive segment until the School District dismisses for the summer in early June.

Motion by Erickson, seconded by Carrier to Adopt Resolution 2016-246, Approve Plans & Specifications and Authorize Advertisement for Bid the 2017 Infrastructure Improvement Project. All present voted aye. **MOTION CARRIED.**

Assistant City Administrator Job Description: Susan Arntz stated that the Personnel Committee has recently reviewed the job description for the Assistant City Administrator position and is recommending changes to the job description. The primary changes include:

- Shifting role categories to put Human Resources first, Communications second, and General Administration third.
- Removing supervision of the IT Technician. This role will be supervised by the City Administrator with assistance from the Finance Director. In time, or depending on the skills of the next hire, this role may shift back to the Assistant position.
- Enhance and add language regarding the Communications areas of responsibilities.
- Add language regarding communication between and amongst co-workers; this language will likely be included in all job descriptions as they are updated.

In addition, the Personnel Committee re-evaluated the proposed salary scale for this position. Upon review, we believe it is necessary to reduce the scale by 4.8%. These changes have been updated in the proposed budget presented earlier this evening.

If approved, we will start external recruitment immediately and will accept applications until the position is filled, with first consideration for applications received by January 27th. There will be an opportunity for the City Council to participate in the final round of interviews in mid- to late February.

Motion by Ayers, seconded by Carrier to Approve changes to Assistant City Administrator Job Description and authorizing recruitment. All present voted aye. **MOTION CARRIED.**

ITEMS REMOVED FROM CONSENT AGENDA: None

STAFF REPORTS: Ms. Arntz gave a reminder that Winter parking is still in effect. If someone needs special accommodations they can call the Sheriff.

CITY OF WACONIA
December 12, 2016

The Boy Scouts are not doing curbside pickup of Christmas trees this year. Information on where trees can be dropped off and a list of haulers that will pick up will be in the newsletter.

BOARD REPORTS:

Councilmember Erickson – Merry Christmas!

Councilmember Bloudek – Thank you to Public Services for snow removal.

Councilmember Carrier – Personnel Committee met the past 2 weekends and very pleased to see the interest and response for committee seats.

Councilmember Ayers – Attended a Chamber event at the Curly Willow.

Mayor Sanborn – Had 13 interviews for the commissions. Happy to see the great community involvement.

ANNOUNCEMENTS: Winter Parking is in effect.

ADJOURN:

Motion by Carrier, seconded by Erickson to adjourn the meeting at 7:22 p.m. All present voted aye. MOTION CARRIED

James P Sanborn, Mayor

ATTEST:

Ann Meyerhoff, Office Assistant