

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, OCTOBER 11, 2016, -7:30 P.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor Johnson at 7:30 p.m.

2. PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

3. ROLL CALL

PRESENT: Mayor Johnson, Councilors Betts, Spencer, Grotting and McCoy

ABSENT: None

STAFF: City Planner & City Administrator Mark Kaltsas, City Administrative Assistant Horner

VISITORS: Lynda & Jim Franklin, Sarah Borchers, Tom Stringer, Donna Hendley, Jay Fogelson

4. ****Consent Agenda****

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council minutes from the September 27, 2016 City Council Meeting
- b. Approval of Accounts Payable; Checks numbered 16540-16567.
 - For Information - Checks numbered 16534-16539 are Payroll Checks.

Motion by Betts, second by McCoy to approve the Consent Agenda. Ayes: Johnson, Grotting, Spencer, Betts and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

5. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.

McCoy requested to add 2 items to the agenda:

- a. Hwy 12 & 92 North east- bound lane concerns-it's rough and canted toward the road ditch.
- b. The Hwy 12 viaduct

6. REPORTS OF BOARDS & COMMITTEES BY COUNCIL AND STAFF

Spencer attended the following meetings:

- MnDOT Workshop Meeting October 5.

Grotting attended the following meetings:

- MnDOT Workshop Meeting October 5

McCoy attended the following meetings:

- MnDOT Workshop Meeting October 5

- Paul Stinson Flag Retirement Ceremony
- Maple Plain Fire Department Open House & Steak Fry
- West Hennepin Chamber of Council

Betts attended the following meetings:

- MnDOT Workshop Meeting October 5
- West Hennepin Chamber of Commerce Meeting
- Police Commission Meeting

Johnson attended the following meetings:

- Community Action Partnership Suburban Hennepin County Board Meeting
- MnDOT Workshop Budget Meeting October 5
- Maple Plain Fire Department Open House
- Retired Mound Westonka Superintendent spoke on the history of the Country Schools
- Police Commission Meeting
- Conference Call Emergency Management
- Orono Healthy Youth
- West Hennepin Chamber of Commerce

Horner attended the following meetings:

- MnDOT Workshop Meeting October 5
- Hosted an Election Equipment Testing Meeting
- West Hennepin Chamber of Commerce

Kaltsas attended the following meetings:

- MnDOT Workshop Meeting October 5

7. ORONO SCHOOLS REFERENDUM: PRESENTATION BY SARAH BORCHERS AND TOM STRINGER

Sarah Borchers, a School Board Member, gave a Power Point Presentation on the proposed Orono Schools Referendum. Among the things mentioned were the mission, the financial future, and there has been a decrease in funding. Education funding has dropped by more than \$600 per student from 2003 to 2016 when adjusted for inflation and pupil weighting changes. If this Referendum were to pass, the cost per student would be \$13.50 per month with the ability to offer more activities. Funding increases have not kept pace with inflation. Many Special Ed mandates remain unfunded by the state and federal governments, requiring districts to make up the difference with General Fund dollars. This costs us for just this school year \$1.4 million. The District would face a \$900,000 deficit without this funding. We need to add additional revenue in order to maintain the excellence as it is today. This leads to the 1st question which would increase our operating levy by \$400 per pupil. The cost is less than \$13.50 per month. Generate an additional \$1.25 million annually to maintain current levels.

We are growing in activities, serving 2800 kids. 85% of most middle school and high school students are involved in at least one activity. That impact amounts to a loss of \$1.8 million for us in 2016-17. We have the fewest numbers of full-sized gyms in our conference which makes it difficult to organize activities. The second question on the ballot proposes to construct an 80,000 square-foot indoor activities center attached to Orono High School.

There would also additional parking. The lost fields would be relocated. The Community Ed offices would be relocated. Five-sport multi-purpose courts along with track plus 2multi-use classrooms. There would be additional bleachers. The upper level would have a walking track with fitness area room. This would be available for community members during the day as well. Truly multi-purpose as there would be curtains between-batting cages, volleyball, tennis, basketball are just some of the options. There would be discounted rates for those who live in the district. Enrollment would not be increased. Revenue generator since we'd be able to host events. Because more options can be offered after school kids wouldn't need to be at school so late at night and can spend the time with their families. There'd be a dedicated wrestling space as well, which would free up space at the middle school. Cost structure management was shown. Total cost would be \$27 million which is \$346 per sq. foot. There would be no classroom dollars spent on this. Construction timeline-November 8 if passed then a group of 25 members of the district will get together to finalize with architects and engineering plans. Construction could begin summer/fall of 2017, with work going on during school time. Occupancy could be late summer/early fall of 2018.

In summary, question 1 is to increase the operating levy to maintain current activity levels. Question #2 is an indoor activity center for our community members and students with a total tax impact of less than \$17.50/ month for the median home value.

Jim Franklin asked about the Day Distributing building and if that was considered as an option. Borchers was not aware of that building but noted other options were considered but they want to keep it on one campus.

8. JAY FOGELSON (APPLICANT/OWNER) REQUESTS THAT THE CITY CONSIDER THE FOLLOWING ACTION FOR THE PROPERTY LOCATED AT 4618 SOUTH LAKE SARAH DRIVE, INDEPENDENCE, MN (PID NO. 02-118-24-21-0005):

- a. **RESOLUTION NO. 16-1011-01** – Considering approval of a variance to allow a reduced side yard setback on both sides of the property which would permit a home and garage addition.

Kaltsas said in May of this year the applicant initially requested a 1'-2" setback on the east property line to allow for home and garage expansion. Planning Commissioners reviewed the request and did not find that it met the criteria for granting a variance. Planning Commissioners recommended that the applicant consider an alternative layout that increased the side yard setback. Commissioners were concerned that the minimum setback would not allow for access to the rear (lakeside) of the property as well as maintenance of the structure itself. In June, the applicant brought back a revised plan with a proposed setback of five (5) feet from the east property line. Commissioners reviewed the request and again found that the 5 feet was not adequate to accommodate access and maintenance of the property and structure. In August, the applicant again revised the plan and proposed an eight (8) foot setback along the east property line and a one (1) foot setback along the west property line. Commissioners were going to recommend denial of the requested variance. The applicant asked to have the item tabled again to review the plans and increase the requested setbacks.

The applicant has now revised the proposed plans and is seeking consideration of a fifteen (15) foot setback along the east property line and a 3.3 foot setback on the west property line. The City had previously granted the applicant a variance to allow a 3.3 foot setback along the east property line to construct a second story and deck using the historic house setback of 3.3 feet. The applicant is proposing to keep the driveway that provides access to the existing detached garage in the same location, one foot off of the east property line. The existing garage would be razed as a part of the proposed home expansion. The proposed expansion of the

existing home towards the street will have a potential impact on the property to the west; however, the addition would align with the existing home and provide/allow access to the rear or lake side of the property as recommended by the City.

Kaltsas said the City will have to consider if the revised plans adequately address the issues that were previously discussed. Several additional considerations that could be considered are as follows:

1. There have been several recent examples where the City granted a variance for a reduced side yard setback for properties in the shoreland district. The City previously granted a 14.7 foot variance to allow a 3.3 foot setback along the west property line. In many instances the City has provided or granted relief on one side of a property, but then maintained the requisite or near requisite setback on the opposite side of the property.
2. The adjacent property to the west received a variance to allow an addition (attached garage and bonus room) that has an 8 foot setback (10 foot variance) from the side yard setback. This property complies with applicable setbacks (18 feet) on the opposite side yard.
3. The property to the east meets the requisite side yard setback of 18 feet.
4. The building code requires a minimum of a 5 foot separation between a building and a property line (without making more onerous fire preventive building improvements).
5. The City could consider allowing a continuation of the reduced setback along the west side of the property to maintain an increased setback and access along the east side of the property.
6. The existing detached garage is located approximately 1'-10" from the east property line and can remain in its current location. The applicant could connect the existing detached garage to the existing home as long as all applicable setbacks are maintained. It appears that this connection would be possible without any variances. If this were to occur, the access to the back (lakeshore) property would be restricted.
7. The applicant will need to provide the City with an actual impervious surface calculation.
8. The applicant will need to provide the City with an engineered grading plan that depicts how the property will be graded so that no water is discharged onto the neighboring properties.
9. The home is connected to City sewer.

The Planning Commission recommended approval of the requested building addition and variances. The proposed expansion of the house and garage will provide access to the lakeshore side of the property. Historically, the City has considered granting variances which reduce the setbacks on one side of a property while maintaining the requisite setbacks on the opposite side. The existing lot is one of a handful of narrow lots in the City. The ability to improve these properties for the purpose of constructing a modern home typically requires some relief from the City's zoning ordinances. The City will need to determine if there is a hardship that warrants the requested variance and determine if it meets the criteria for granting the requested variance.

Jay and Rebecca Fogelson (Applicant) request that the City consider the following action for the property located at 4618 Lake Sarah Drive South (PID No.02-118-24-21-0005):

- a. A variance to allow a reduced side yard setback on both sides of the property which would permit a home and garage addition.
- b. The subject property is located at 4618 South Lake Sarah Drive. The property is a legal non-conforming property that does not meet the current lot and setback requirements. There is an existing home and detached garage on the subject property.

Kaltsas said the City granted a variance for this property in 2008 to allow the expansion of the existing home on the property. The variance that was previously granted, allowed the expansion of the home along the west property line, utilizing the existing 3.3 foot setback. The variance allowed the upwards expansion of the home, allowing a second story, and out (to the north) for additional space. Those improvements were made to the home in 2014 and now the applicant would like to expand the home again.

The applicant would like the City to consider granting two variances to the property. The variances requested would allow the expansion of the house and garage towards the east and west property lines. The applicant would like to expand the house and replace the existing garage. The applicant is proposing to expand the house and garage by constructing a connected garage and home addition. The applicant is proposing to setback the proposed addition 15' from the east property line and 14.7' from the west property line. The current detached garage is setback approximately 1'-10" from the east property line.

The subject property is considered a substandard lot of record in accordance with the City's Shoreland Ordinance Section 505.15.

505.15. Substandard lots. Lots of record in the office of the county register of deeds or registrar of titles prior to December 1, 1982, which do not meet the requirements of this section 505, may be allowed as building sites provided:

(a) such use is permitted in the zoning district;

(b) the lot of record is in separate ownership from abutting lands, and can meet or exceed 60% of the lot area and setback requirements of this section; and

(c) all requirements of section 705 of this code regarding individual sewage treatment systems are complied with.

Front Yard Setback:

Required: 85 feet from centerline or 50 feet from the ROW (@ 60% = 30 feet from right of way)

Proposed: 44 feet from the right of way

Side Yard Setback (as it relates to proposed addition):

Required: 30 feet (@ 60% = 18 feet)

Provided (West): 3.3" (variance of 14.7')

Provided (East): 15' (variance of 3')

Lakeshore Setback (East Side):

Required: 100 feet from Ordinary High Water Mark (@ 60% = 60 feet)

Proposed: 100+ feet

In addition to the setback requirements, properties located in the shoreland district can have a maximum impervious surface coverage of 25%. This property can have a maximum coverage of 5,757.75 square feet. The applicant will need to provide the City with an impervious surface calculation for the proposed house and impervious site improvements to verify that it does exceed 25%. Should the proposed impervious exceed 25%; the applicant will need to reduce the width of the driveway or utilize impervious pavement options in lieu of traditional paving methods.

There are several factors to consider relating to granting a variance. The City's ordinance has established criteria for consideration in granting a variance.

520.21. Standards for granting variances. Subdivision 1. The City Council may grant a variance from the terms of this zoning code, including restrictions placed on nonconformities, in cases where: 1) the variance is in harmony with the general purposes and intent of this zoning code; 2) the variance is consistent with the comprehensive plan; and 3) the applicant establishes that there are practical difficulties in complying with the zoning code (Amended, Ord. 2011-08)

Subd. 2. An applicant for a variance must demonstrate that there are practical difficulties in complying with the zoning code. For such purposes, "practical difficulties" means:

- (a) The property owner proposes to use the property in a reasonable manner not permitted by the zoning code;
- (b) the plight of the property owner is due to circumstances unique to the property not created by the landowner;
- (c) the variance, if granted, will not alter the essential character of the locality.

Economic considerations alone do not constitute practical difficulties. Practical difficulties include, but are not limited to, inadequate access to direct sunlight for solar energy systems. (Amended, Ord. 2011-08)

Subd. 3. The City Council shall not grant a variance to permit a use that is not allowed under the zoning code based on the zoning classification of the affected property. (Amended, Ord. 2011-08)

520.23. Conditions and restrictions. The board of adjustments may recommend and the City Council may impose conditions on a variance. Conditions must be directly related to and must bear a rough proportionality to the impact created by the variance. (Amended, Ord. 2011-08)

Consideration of the criteria for granting a variance:

- a. Residential use of the property is consistent with the Rural Residential District. The applicants are seeking a variance that exceeds the typical setback granted for properties in this area.
- b. Each property in this area is non-conforming and typically requires relief from certain setbacks. The City will need to determine if the requested variance is unique to this property.
- c. The character of the surrounding area is residential. The proposed single family home is in keeping with the City's comprehensive plan.

Commissioners have reviewed this request on several occasions. Planning Commissioners were concerned about the initial request due to the potential impacts to the adjacent property, lack of access to the lake and inability of the applicant to maintain the proposed building expansion. Commissioners recommended that the applicant maintain access to the lakeshore side of the property. Commissioners asked questions pertaining to the proposed three foot setback and staff noted that it may require additional building/fire separation related enhancements due to the close proximity to the property line (less than five feet). Commissioners discussed that the current proposal allows access to the lakeshore side of the property and maintains relative consistency with past approvals where the City allowed a reduction on one side of a property while maintaining the required setback on the opposite side. Ultimately commissioners recommended approval of the requested variances due to the unique characteristics of the property and the existing home.

The City received comments from the neighboring property owner to the east. He stated that he was concerned with the proximity of proposed addition. He recommended that the City consider an increased setback from the east property line. The applicant stated that he has spoken with the property owner to the west and that he did not object to the requested variance.

The Planning Commission recommended approval of the request for a variance with the following findings and conditions:

1. The proposed Variance request meets all applicable conditions and restrictions stated in Chapter V, Section 520.19, Procedures on variances, in the City of Independence Zoning Ordinance.
2. The total impervious surface coverage for this property will not exceed 25% of the total lot area. The applicant shall submit an impervious surface calculation to the City at the time of building permit application. The calculation shall be prepared by a surveyor and shown on a site survey.
3. The applicant shall submit a drainage plan to the City at the time of building permit application. The drainage plan will be reviewed by the City to ensure that the proposed improvements do not adversely impact any of the surrounding properties relating to grading and drainage.
4. The Applicant shall pay for all costs associated with the City's review of the requested variance.
5. Any future improvements made to this property will need to be in compliance with all applicable standards relating to the Rural Residential and Shoreland Overlay zoning districts. No expansion of the home or impervious areas will be permitted without an additional variance request.

Motion by Spencer, second by Betts to approve RESOLUTION NO. 16-1011-01: Considering approval of a variance to allow a reduced side yard setback on both sides of the property which would permit a home and garage addition. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

9. Jim and Lynda Franklin (Applicants/Owners) request that the City consider the following action for the property located at 6615 Franklin Hills Road, Independence, MN (PID No. 15-118-24-12-0011):

- a. **RESOLUTION NO. 16-1011-02** – Considering approval of a Conditional Use Permit to allow an accessory dwelling unit on the subject property.

Kaltsas said several years ago, the City adopted an ordinance permitting accessory dwelling units as a conditional use in both Rural Residential and Agriculture zoning districts. The intent of the ordinance was to allow for “mother-in-law” type units to be located within the principle structure or a detached accessory building. The applicant is seeking a conditional use permit to allow a detached accessory dwelling unit to be constructed on the property. The detached accessory structure would be a standalone structure located on the property. The proposed accessory structure would be used a true “mother in law” unit allowing the homesteaded owners of the property a secondary living quarters for their use on the property.

The subject property has an existing principle home and several small accessory buildings on the property. The proposed accessory dwelling unit is comprised of one bedroom, a bathroom, a kitchen, dining and family room area. In order to allow an accessory dwelling unit, the applicant will need to demonstrate how they meet all applicable criteria for granting a conditional use permit. The City has criteria broadly relating to Conditional Use Permits and then more focused criteria relating specifically to accessory dwelling units.

An accessory dwelling unit must meet the following criteria:

Subd. 2. "Accessory Dwelling Unit." A secondary dwelling unit that is:

- (a) Physically attached to or within a single family dwelling unit or within a detached ^a accessory building that has a principal structure on the parcel; and*

The applicant is proposing to construct the accessory dwelling unit within a new detached accessory structure.

- (b) Subordinate in size to the single family dwelling unit; and*

The proposed accessory dwelling unit would be subordinate in size to the single family dwelling unit.

- (c) Fully separated from the single family dwelling unit by means of a wall or floor, with or without a door; and*

The proposed accessory dwelling unit would be separated from the single family home.

- (d) Architecturally compatible with the principal structure (using materials, finishes, style and colors similar to the principal structure); and*

The proposed accessory structure has been designed to be architecturally similar to the principal structure. The structure has siding and architectural features that complement the principle home on the property.

- (e) The lesser of 33% of the above ground living area of the principal structure or 1,200 square feet, and no less than 400 square feet; and*

The principal structure has 2,425 square feet of above ground space not including the basement. 33% of 2,425 square feet equals 800 square feet. The applicant is proposing to construct an

accessory structure which will total 800 square feet. The proposed square footage would be equal to the permitted maximum of 800 square feet.

- (f) *Not in excess of the maximum square footage for accessory structures as permitted in this code; and*

The maximum accessory structure size for properties zoned Agriculture is 2% of the buildable (upland) lot area up to 10 acres and then it is no longer restricted. The applicant has 17 acres and therefore would comply with applicable standards.

- (g) *Has permanent provisions for cooking, living and sanitation; and*

The applicant is proposing to construct permanent provisions for cooking; living and sanitation (see attached depiction).

- (h) *Has no more than 2 bedrooms; and*

The applicant is proposing to have one bedroom within the accessory dwelling unit.

- (i) *Limited to relatives of the homesteaded owner occupants or the homesteaded owners of the principal structure. The total number of individuals that reside in both the principal dwelling unit and accessory dwelling unit may not exceed the number that is allowed by the building code; and*

The applicant is proposing that the accessory dwelling unit be occupied solely by family members.

- (j) *Uses the existing on-site septic system^b or an approved holding tank; and*

The property has an existing septic system as well as an approved holding tank. The applicant is considering using the approved holding tank initially and then possibly installing a new on-site septic for the proposed accessory dwelling unit. Any use of the existing holding tank is subject to the City's review and approval. Holding tanks also require an annual renewal and maintenance permit.

- (k) *Respectful of the future subdivision of the property and the primary and secondary septic sites. The City may require a sketch of the proposed future subdivision of a property; and*

Based on the proposed location to the east of the existing home, it appears that the proposed accessory structure will not impede the ability to subdivide the property or locate the secondary septic site.

- (l) *In compliance with the adopted building code relating to all aspects of the dwelling unit.*

The proposed accessory structure will meet all applicable building codes and will be required to obtain requisite permits.

^a *On lots less than 2.5 acres, the accessory dwelling unit must be attached to the principal dwelling unit or located/constructed within an existing detached accessory structure that meets all criteria of this section.*

b The existing on-site septic system will be required to be inspected by the City to ensure compliance with all applicable standards. Any system that does not meet all applicable standards shall be brought into compliance as a part of the approval of the accessory dwelling unit.

Kaltsas noted that the overall property is heavily wooded which will essentially mitigate potential visual impacts of the proposed accessory structure. The applicant is proposing to locate the structure in an existing opening in the wooded portion of the property (see below). The proposed location would meet all applicable setbacks. The proposed building would be 89 feet from the closest property line to the north. The required setback is 15 feet. The subject property is part of a larger overall development which has been incrementally developed by the owner of this property. This would blend in well.

The Planning Commission reviewed this request, and felt that this request meets the criteria for granting approval of an accessory structure ordinance and for granting a conditional use permit. There were no comments from the public hearing. The Commissioners recommended approval to the City Council with the conditions on this resolution.

Motion by McCoy, second by Spencer to approve RESOLUTION 16-1011-02: Considering approval of a Conditional Use Permit to allow an accessory dwelling unit. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

10. Donna Hendley (Applicant/Owner) requests that the City consider the following actions for the property located at 4150 Lake Sarah Drive South, Independence, MN (PID No. 02-118-24-43-0003):

a. RESOLUTION NO. 16-1011-03 - Considering approval of a Final Plat for a five lot subdivision of the subject property.

Kaltsas stated that before, it was the approval of the Preliminary Plat, and this is more like a formality to approve the Final Plat. Still to come is the Development Agreement. This is identical to the Preliminary Plat. We were waiting for finalization and approval of the wetland delineation, which we received. We were also waiting for finalization on final public sewer plan, which we also got.

The proposed subdivision would create four new lots along with the existing lot. The applicant has worked to develop the property in a manner that would respect the natural topography and wetlands, capture the best building site locations and limit construction of additional public infrastructure. The 4 new lots would be similar in size and configuration to the recently subdivided 5 acre lot (4850 County Road 11) with access to County Road 11. The applicant is proposing to maintain a larger, approximately 32 acre parcel, with the existing home and barns in order to continue to accommodate the use of the barn for horses. There are approximately 30 stalls in the existing barn. Based on the City's animal unit provisions, this property would need to be at least 31 acres to accommodate the existing barn. It is possible that the use of the barn would not be desired in the future. If the use of the barn were limited, the property could potentially yield several additional lots.

Lot 3 is the existing house. Access to Lots 1, 2 and 3 would be from Lake Sarah Drive South. All of the proposed lots along Lake Sarah Drive South meet the minimum frontage requirements. Lots 4 and 5 would be accessed off of County Road 11 and be required to share a driveway access and access easement. The proposed private access easement could serve both lots and would not trigger the need for a common driveway.

Johnson asked if there were any surprises in the wetland delineation. Kaltsas said it showed there are a couple new wetlands that weren't there before-along Lake Sarah Rd S. We just needed to make sure details such as the driveways worked.

Motion by Spencer, second by Grotting to approve RESOLUTION 16-1011-03: A final plat to permit a five (5) lot subdivision. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

11. A proposed text amendment to Chapter 5, Sections 506 of the City of Independence Ordinances as follows:

- b. **ORDINANCE 2016-05** – Considering an amendment to the Floodplain Ordinance following FEMA mapping changes made in 2016.
- c. **SUMMARY ORDINANCE 2016-06** – Considering a summary ordinance relating to the amendment to the Floodplain Ordinance following FEMA mapping changes made in 2016.

The Federal Emergency Management Agency (FEMA) has recently completed an update of the federal Flood Insurance Rate Maps (FIRMS). Along with the updated maps, the City is required to update certain local controls pertaining to the updated mapping information. The Department of Natural Resources administers the federal floodplain management regulations for the State of Minnesota.

The City has an existing Floodplain Ordinance which was adopted in 2005. There are several references and regulations in the City's ordinance that need to be updated as a result of the recent FIRM map changes. The DNR has reviewed the City's ordinance and provided recommended changes that will need to be considered. The City is obligated to have an ordinance which meets the federal guidelines prior to the maps becoming effective on November 4, 2016. Failure to adopt the requisite changes to the ordinance will cause for a City to be suspended from the National Flood Insurance Program.

Staff has reviewed the requested changes and prepared a draft of the City's ordinance for further review and consideration by the City. The changes primarily relate to the listed references of the associated floodplain maps as well as the addition of several definitions that need to be incorporated into the ordinance. Staff has taken the new floodplain mapping and overlaid it on top of the existing mapping to identify any changes. There are several areas where minor changes to the floodplain areas have occurred. The changes can be seen in the attached mapping exhibits. The City is required to notify all property owners of the mapping changes. The DNR has provided the City with a conditional

approval of the Floodplain Ordinance based on the changes provided in the draft ordinance. Residents who will be affected by these minor changes will receive a letter from FEMA. Those affected residents will just need to prove that their structure is not located in a floodplain. Kaltsas pointed out on the map near Roy Road and County Rd 50, as an example, that had no floodplain previously but now they do. The floodplain expanded. Johnson asked if that was all Rebecca Park Reserve, and Kaltsas confirmed it was. We inserted the necessary provisions into our Ordinance as provided by the DNR. Also some changes in our Ordinances related to how to raise a structure out of a floodplain.

Spencer asked about net gains and losses, and if they're related to a better mapping tool. Kaltsas said that the aerials are now more accurate and updated. Our water resource consultants say these are very miniscule. Spencer asked if there is an updated study, Kaltsas said there's not a full current one. Johnson said there's been mapping.

Motion by Spencer, second by Betts to approve ORDINANCE 2016-05- Considering an amendment to the Floodplain Ordinance following FEMA mapping changes. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, second by Grottings to approve SUMMARY ORDINANCE 2016-06- Considering a summary ordinance relating to the amendment to the Floodplain Ordinance following FEMA mapping changes made in 2016. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

12. Fee Schedule Update:

RESOLUTION NO. 16-1011-04 – Considering an update to the City's Fee Schedule.

We updated the Community Room Usage Policy, and we needed to update our fee schedule-particularly weddings. Also, there has been confusion regarding our planning and zoning application fees, particularly escrow accounts and application fees. Historically the message has been they pay the application for processing and an escrow just in case there are additional costs, then get the escrow fee back. Actually those consultant fees are subtracted from the escrow accounts. The escrow checks used to be kept in a file, then those checks are 2 years old. Now we take, cash and deposit escrow, and bill back for services outside application costs. This includes a Planning Commission meeting and report, a Council meeting and report, meeting with applicant, site visit, staff time. This can't be done for less than \$500. Then with water, engineering and legal fees, can add another \$500. We wanted it to be cleaner. Staff compared this with 10-12 other cities. There should be a revenue stream and then off-set the cost to actually provide the service. We require \$500 application fee and \$1500 escrow fee for most. Administrative time adds up to hours which include mailings for public hearings, publication, mailing labels, letters, etc... We feel the \$500 just about covers administrative time but doesn't include any consultant time. Out of \$1500, they will maybe actually get \$1000 back. We suggest we keep the fee the same, but reverse the escrow and application fees. This should be clearer that the application fee is not refundable.

Betts asked if we give them an itemized list of costs per service. Kaltsas said we provide consultant specifics but not administrative/staff time. Betts thought it would make sense to do the larger amount first so it wouldn't be confusing. Katsas said generally, it's \$500-700 to process one application. We have it in place, but it's just confusing as many think they're getting the whole escrow back. Johnson said if it's up to \$750 for general but questioned if we charge \$1500 if we'd keep the whole thing. Kaltsas said it usually costs \$1200. Grotting likened it to an ala carte method. Like a project we saw tonight has been here 4 different times, so had to update each

report, etc... Now they'll get bill-not only did we use the application and escrow, but more. They submit an application, go through fees, setbacks, etc.. They come back with site-plan and discuss with them. We have a site visit and then put together the staff reports. Others involved are City attorney records the resolution, water engineer, or if there's a street issue we'd bring in our public works or consultant. Our fees are for reviewing the consultant results. After, they get itemized bill. McCoy asked for clarification about the application fee-\$750 is not reimbursable. Kaltsas said that's correct. Kaltsas said regardless of application he needs to do all the same process. Application fee is not refundable so would be easier if they knew they'd write a check for \$1250 and wouldn't get it back. Vose mentioned a lot of these costs are beyond the City's control, but others are in the City's control such as legal fees. If there's back and forth time, that's extra. He explained the staff is trying to front-load costs. Johnson said we don't want to pocket any extra money, and Vose clarified it's illegal to make a profit from an application fee. The City Council has to adopt the fee schedule staff composes. There are quite a few where we weren't able to capture the correct revenue. We're just trying to be upfront with people. Spencer felt it's a hefty jump for a text amendment. Kaltsas said he could come up with simple text amendment. Spencer thought Type I for simpler, and a Type II for more involved. Betts asked if most City's call it escrow, Vose said typically a deposit. Johnson was concerned about our reputation for overcharging.

Motion by Betts, second by McCoy to Table RESOLUTION NO. 16-1011-04-Considering an update to the City's Fee Schedule until language can be changed. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

McCoy said some residents have approached him about Highway 12 traveling east, 92 N thru lane, it is wavy/canted. He drove it himself and he experienced the same thing. Johnson suggested we inform MnDOT. He's driven it also and agreed. Going west is fine, but not east.

Motion by McCoy, second by Betts to recommend MnDOT correct rough lane going east on Hwy 12 and 92 N. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

McCoy mentioned Burlington Northern was talking of taking viaduct on Townline Rd out and replace with dirt bed. He felt it was highly traveled. Propose to work with Medina, Orono, and Three Rivers Park to try to have at least a 12x12 culvert. Grotting wondered about emergency response vehicles using this. Kaltsas asked Mayor Johnson about an easement there. Johnson thought the easement should still be there. We should let Hennepin County know we're not in favor of closing it.

Motion by McCoy, second by Spencer to support continued access. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, second by Grotting to adjourn at 9:00 p.m. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Respectfully Submitted,

Beth Horner/ Recording Secretary

