

MINUTES OF A WORK SESSION OF THE
INDEPENDENCE CITY COUNCIL
THURSDAY, JANUARY 10, 2019 –7:00 A.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a work session of the Independence City Council was called to order by Mayor Johnson at 7:00 a.m.

2. ROLL CALL

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

ABSENT: None

STAFF: City Administrator Kaltsas, Administrative Assistant Beth Horner, City Attorney Vose, ABDO Steve McDonald and Liz Lindrud

VISITORS: A large group of people were present in regard to the Drake Street Property discussion. The mayor had announced at the beginning of the meeting that this meeting was a “work shop” and the only discussion would be between council members and staff- no public comments.

3. General Administration

a. Short Term Investment Strategy:

- o Discussion on City’s short-term investments and possible change to 4M investment fund.

Kaltsas said Staff looked at opportunities to increase short term interest earnings on the City’s available cash balances. The City currently has funds invested in a short-term CD, money market account and checking account. The City has approximately 1.7 million in cash funds and investments. The City met with a representative from the 4M fund that is offered through the League of Minnesota Cities to review interest rates on short term investments. Based on the information provided and analyzing current and estimated balances, it appears that the City could realize approximately \$15,000 more annually by investing in the 4M funds rather than with the Bank of Maple Plain. All the City’s banking could still be maintained at Maple Plain and the City would transfer funds as necessary to the checking account. A summary of the existing and estimated cash funds available and estimated earnings in the existing and proposed conditions is shown below for Council’s review. Staff is seeking discussion and direction relating to a possible change in short term investments funds.

Johnson asked if anyone talked to the Bank of Maple Plain about rates. Lindrud said she spoke with them about rates but so far was just given the standard information. Johnson asked if we compared rates and Kaltsas said that yes, the rates were compared with other banks. Betts said it was smart to do this now.

b. Sewer Rate Discussion:

- o Discussion on recent sewer rate study and possible update of sewer rate study.

Kaltsas said the Metropolitan Council recently completed a study of municipal sewer rates in the metro area. Independence was identified as the municipality with the highest sewer rate (sewer rate study attached). The City was contacted prior to the holiday by the Pioneer Press about an article that was being prepared relating to sewer rates. Staff wanted to briefly discuss the City’s current sewer rates and the condition of the sewer

fund heading into 2019 based on several years of increased revenues. The City has increased sewer rates by 8% in 2017, 10% in 2018 and is projected to increase rates by 10% again in 2019 (see table below). The City annually adopts sewer rates in the fee schedule.

Grotting asked how much it was to replace a lift station. Kaltsas noted that we are not replacing but rather upgrading and that cost is between 7500-10,000. He noted the system is aging and is going to need more repairs. Betts said with the added density south of Maple Plain that would provide more hook-ups to the system. Kaltsas said right now there are 36 lift stations serving 220 homes. Grotting asked if all the lift stations were critical. Kaltsas said it was designed this way with the lakes and topography changes. Johnson asked how many lift stations Greenfield had and Kaltsas said it was similar to ours, but they have more hookups.

c. E. Lake Rebecca Road Vacation:

- o Discussion on vacation of road through from CSAH 11 into Lake Rebecca Park.

Kaltsas said the City has historically owned and maintained E. Lake Rebecca Road north of CSAH 11 to the Independence/Greenfield border in Lake Rebecca Park. Staff has noted that the road is in poor condition and no longer directly serves any residents of the City. Council directed staff to move forward with vacating the street and staff has been working with Three Rivers Park District relating to the vacation. Three Rivers has verified their interest in obtaining the right of way. It is anticipated that Three Rivers would maintain a secured access to the existing shelter (pink star on aerial below). Three Rivers has noted that they would reach out to Greenfield regarding the change. It is anticipated that the road vacation would be formally brought forward to the City Council after proper notice is given.

d. Settlement Agreement for 5835 Drake Drive Property:

- o Discussion regarding possible settlement agreement with property owner.

Kaltsas said the City has previously discussed the concerns expressed to the City relating to the use of the subject property and staff has discussed the issues with Council. Over the past year, staff has had several meetings with the business owner operating on the property located at 5835 Drake Drive. Based on the discussions with the property owner, a draft Settlement Agreement has been prepared which would set the framework for the property owner making application to the City for an Interim Use Permit (see draft agreement attached). The discussion has revolved around the notion that the City's zoning ordinance allows Horticulture as a permitted land use in the Rural Residential Zoning District.

The City defines Horticulture as follows:

"Horticulture." The use of land for the growing or production of fruits, vegetables, flowers, cultured sod and nursery stock, including ornamental plants and trees, for the production of income.

Based on recent issues relating to several permitted uses, it is recommended that the City review the zoning ordinance and potentially update/clearly define the permitted uses and definitions relating to horticulture, forestry, forestry products processing and agriculture to ensure that they align with the intent of the rural residential and agricultural zoning districts. Staff will present the proposed settlement agreement and discuss this issue further at the workshop.

Vose stated this was a creative way to solve a property dispute. This would allow some form of business subject to an Interim Use Permit. He noted there would be a formal process before the Planning Commission and Public Hearing. Vose said the current zoning does not permit a full-blown landscaping business. The land owner disputes this and views it as using the property for horticulture purposes. Vose said there are also accessory building limits and the total size of the buildings on this property exceeds the limit set by City

Code. The landowner argues that some of the outbuildings should not be considered as they were built before the limits were in place and should be grandfathered in. Vose noted under the proposed arrangement employees would park off-site and one hoop house would go away seasonally which would impact the total square footage. Spencer noted this would be an Interim Use Permit after going through the normal process and could be tied to sale of the property, etc. Betts noted the main concern with this item is that it is in the rural residential district. Kaltsas said it gets down to interpreting the “intent” of an ordinance. Vose stated there is nothing in the language that a temporary building does not count towards square footage. Spencer asked if applicant agreed and Vose stated yes.

e. Accessory Building Height:

- o Discussion relating to possibility of alternative review options.

Kaltsas said the current ordinance is more of a one size fits all intent but that does not necessarily apply to everything. He said the thought is maybe there could be an “architectural review board” that would look at applications that don’t meet the standards per the ordinance. Betts asked if there was a height limit on homes being built and Kaltsas said the limit is 35 feet. Kaltsas said he didn’t want to create more layers rather hopes to simplify the process.

f. Revocation of Conditional Use Permits No Longer in Use:

- o Discussion and review of possible revocation of CUP’s.

Kaltsas said the City has reviewed all the active conditional use permits over the last year. The City initially notified property owners of the intent and need to review the conditions of the conditional use permit and asked owners to contact the City to schedule an inspection. The City has identified a handful of conditional use permits on property where the CUP is no longer in use. In addition, the City has several property owners that have not contacted the City to schedule an inspection following four separate notification letters being sent. The City intends to send one final letter to those property owners informing them that the City Council is going to consider revocation along with the date and time of the meeting. A list of all CUPs’ and their status is attached. CUP’s that would be considered for revocation are highlighted in red. CUP’s that are still in the process of being inspected are highlighted in blue. There is a total of 18 CUP’s that would be recommended for revocation. Staff would like Council to review the list and provide any comments and or insight relating to the proposed revocation.

Kaltsas said all CUP holders have received three notices to date. All attempts and inspections are recorded. Johnson suggested a registered letter could be sent to confirm receipt.

g. Planning Updates:

- o Update on several planning items.

Kaltsas said a new plan was sent in for the Otten development and he wanted to ask Council what they thought about a potential application. He said the new plan is 48 lots with 3 units an acre. Betts said the City could not support this infrastructure. The new plan proposed is not addressed in the Comp Plan. Johnson stated something like this is the only hope to fix sewer financing.

4. Public Works

a. Engineering Services:

- o Discussion about adding additional consultant to engineers list.

Kaltsas said the City has two engineering firms that currently provide engineering services to the City. The City has been using the services of Bolton & Menk to prepare information relating to the Comprehensive Plan and to prepare updated sewer mapping. Staff would like to have the option of continuing to utilize Bolton & Menk's services for other similar projects while still maintaining the ability to use Hakanson Anderson for water resources/wetlands and MSA for general civil projects. Adding one additional consultant to our approved list of consultants would provide the City with the best possible service options depending on the project. The Council would consider this along with the annual appointments.

b. Lake Sarah Sewer Line Crossing:

- o Discussion relating to existing sewer line running under Lake Sarah.

Kaltsas said Public Works continues to analyze, inspect and repair the sanitary sewer system. During an inspection and review of the sewer along Sunset Lane, the City reviewed the existing 4" pressure line which crosses underneath the channel on Lake Sarah at the end of Sunset Lane. This pressure line runs underneath the channel and is not currently encased in any sort of protective layer. Public Works identified this pipe section as a potential weakness in the City's overall sanitary sewer system. Should the City experience a leak and or break in this line, it would be difficult to repair in a timely manner and would affect a considerable number of homes in Independence and Greenfield. In addition, it has been estimated that the repair of a break or leak in this pipe could cost close to \$100,000 due to the complexity of boring a new pipe below the channel. Public Works met with one of the contractors that does sewer repair work for the City and asked him to look at the issue and provide a general idea of how the issue could be resolved in the future. It was determined that the City could correct the potential weakness in two different ways:

- o Bore a casing under the channel and run a new pipe inside the casing.
- o Install a new force main south along Lake Sarah Hts. Dr. from the point of channel crossing to Sunset Drive Staff would like to further discuss this issue with Council.

5. ADJOURN

Mayor Johnson adjourned the work session at 8:45 a.m.

Respectfully submitted,

Trish Gronstal, Recording Secretary