

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, FEBRUARY 14, 2012 – 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 and Councilmembers Betts, Fisher, Spencer and Wenck

ABSENT: None

STAFF: Clerk-Administrator Hirsch, City Attorney Vose, City Engineer Miller, City Planner Kaltsas

VISITORS: Mary Roehl, Bill Griffith, Joseph Zimmerley, Jim Kidd, John Utley, Steve Thompson, and Paul Kroening

4. CONSENT AGENDA.

Approve:

- Approval of City Council Minutes from January 10, 2012
- Approval of Accounts Payable for February, 2012
- Approval of the 4th Quarter Report, ABDO
- Approval to renew Liquor Licenses for Pioneer Creek Golf, LLC, Windsong Farm Golf Club, LLC and Ox Yoke Inn
- Approval of Resolution 12-0214-01 Granting approval of a conditional use permit to allow for a detached accessory structure that exceeds the size limitations as described in the City's Zoning Ordinance for William Thomas, 6775 Fogelman Road
- Approval for Mayor Johnson to attend the National League of Cities Congressional Conference in Washington D.C., March 11 – 14, 2012
- Approval to the LMC Insurance Trust for the City "not to waive" monetary limits on tort liability
- Approval of Resolution No. 12-0214-03 Establishing procedures relating to compliance with reimbursement bond regulations under the Internal Revenue Code
- Approval of Resolution No. 12-0214-05 recommending continuation of CDBG funding of Westonka Communities Action Network (WECAN)

Spencer had a couple minor changes to the January 10, 2012 minutes.

Motion by Betts, seconded by Fisher, to approve the consent agenda. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

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

Wenck added discussion of a joint task force possibly with Maple Plain.

Johnson stated there will be a public hearing for Vinland National Center financing.

Jerry Grewe asked to speak to the Council.

6. REPORTS OF BOARDS & COMMITTEES BY COUNCIL AND STAFF

- Spencer: Pioneer-Sarah Creek Watershed District Meeting, West Metro Alliance Meeting regarding zebra mussels, Planning Commission, Crow River Youth Hockey Ice Fishing Fundraiser
- Wenck: Executive Meeting for Lake Minnetonka Cable Commission
- Fisher: None
- Betts: Police Commission Meeting, Sensible Land Use Conference
- Johnson: Senior Community Services Annual Meeting, Orono Healthy Communities Meeting, Hennepin County Focus Group on Aging, Met Council State of the Region Annual Meeting, Northwest League of Cities Meeting, Community Action Partnership for Suburban Hennepin County Finance Committee Meetings (2), Police Commission Meeting, Sensible Land Use Conference, TMDL Meeting, Community Action Partnership for Suburban Hennepin County Board Meeting, Meeting with Dr. Kohl regarding Orono senior high school student lifestyles, Hennepin County Commissioners Meeting for Appointment to Community Action Partnership for Suburban Hennepin County, Second Harvest and Greater Lakes Food Bank Meeting, Caucus, Annual St. Paul Mayor's Reception for Winter Carnival, Annual Meeting for Drug Task Force, Governor's Mansion Event, Conference of Mayors Meeting, Orono School Board Meeting regarding 60th Anniversary, Chamber of Commerce Meeting
- Hirsch: Northwest League Dinner, Meeting with Hakanson Anderson, Meeting with ABDO regarding audit, Meeting with Pioneer Creek Golf Course, Meetings with Public Works Director regarding budget

7. PLANNING COMMISSION INTERVIEWS AND APPOINTMENTS.

Johnson reported Carl Phillips would like to serve another term, but he was unable to attend this evening's meeting. Keith Triplett reported that he would not be to serve another term due to other commitments.

We had one application for the replacement of Keith's position. His name is Steve Thompson; he had applied a year ago for one of the previous positions and didn't get appointed. He is still very interested in this position. Thompson stated he is interested in serving on the Planning Commission; he has lived here for 5 years and feels he would bring a good perspective to the commission, based on the variety of communities he has lived in and the issues involved in those communities.

Motion by Wenck, seconded by Betts, to appoint Carl Phillips and Steve Thompson to three-year terms to the Planning Commission. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

8. VINLAND NATIONAL CENTER – DISCUSSION UPDATE AND APPROVAL OF RESOLUTION NO. 12-0214-02 ORDERING THE PREPARATION OF REPORT ON IMPROVEMENT FOR SEWER ACCESS TO THE VINLAND NATIONAL CENTER (FEASIBILITY STUDY)

Johnson opened the public hearing.

Kaltsas reported there are several items from the last meeting. One was to see if the Tri City Agreement could be changed to allow for additional capacity to the sewer system to accommodate the Vinland National Center. The City looked for limitations in the system and found there is capacity to accommodate Vinland Center. However, the Met Council felt they are near their limits by the Maple Plain interceptor.

Kaltsas stated that there are a number of sewer connections identified in the Comprehensive Plan, a number of which have not been utilized. The Met Council asked the City to agree to not exceed the number of connections identified in the 2030 Comprehensive Plan until after 2018. He stated they currently are using 184 connections, have 80 stubbed or committed connections, and 25 undesignated connections. He stated that it would be plausible to use the undesignated connections for the Vinland Center project without exceeding the total number of 289 connections by 2018. Right now they are looking for the equivalent of 20 connections for Phase 1 of the Vinland Center project.

Kaltsas reported there has been discussion of bringing Loretto online to the system. However, Medina does not want to see their capacity limited, but are willing to do work on a five year capital improvement plan, which would include making some needed improvements to the system. Johnson verified that this isn't detracting from the current discussion of Vinland Center's ability to connect.

Kaltsas stated that if the City Council is comfortable moving forward, the Met Council would like an amendment to the Comprehensive Plan and the Tier II Sanitary Sewer plan updated. Kaltsas reported on the timeline for a Comprehensive Plan Amendment. The other piece would be looking at sewer improvements.

Wenck asked about doing the feasibility study prior to Met Council approval of the application. Kaltsas stated that to meet Vinland's time table, they would need to do both concurrently.

Miller outlined the process to complete the improvements. The feasibility study will present costs associated with the project. Vose stated the pipeline would be to the benefit of the Vinland Center and they are the only ones that would be assessed for it.

Vose stated that there are two issues: extension of sewer services and the conduit financing. The conduit financing was not identified in the agenda. Vose suggested adding the item to the agenda for purposes of record keeping.

Motion by Wenck, second by Spencer to close the public hearing at 8:25 p.m. All ayes. MOTION DECLARED CARRIED.

Motion by Betts, seconded by Wenck, to add Vinland Center conduit financing (Resolution No. 12-0214-01A) to the agenda. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Wenck, seconded by Fisher, to approve Resolution 12-0214-02 Ordering Preparation of Feasibility Report on Vinland Center Improvement, not to exceed \$2500. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

8A. PUBLIC HEARING. CONSIDERATION OF RESOLUTION 12-0214-01A GRANTING PRELIMINARY APPROVAL TO THE PROPOSED ISSUANCE OF A REVENUE NOTE UNDER MN STATUTES, SECTION 469.152-469.165 AS AMENDED.

Johnson opened the public hearing.

Utley stated that official notice was noticed in the legal papers and they could legally move forward taking action tonight. He explained the process and reason for a conduit and revenue bond financing, which is allowable by MN Statutes. He emphasized this revenue bond financing allows for tax exempt financing and the city is not liable and there is no recourse back to the city to satisfy the debt and will not affect the Cities credit rating. Each year the city is allowed to issue a certain number of bonds, as long as they don't go over \$10 M. Johnson reported the city has done this type of financing before. Hirsch stated the City would collect approximately \$14,000 in revenue that is designated to the Park Fund.

Johnson asked for public comment. There was none.

Motion by Wenck, seconded by Spencer, to close the public hearing. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, seconded by Betts, to approve Resolution 12-0214-01A granting the Preliminary Approval of the Proposed Issuance of a Revenue Note under Minnesota Statutes, Section 469.152-469.165. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

9. APPROVAL OF THE 2012 FEE SCHEDULE

Betts questioned the fee for water heaters and suggested bringing the fee down to \$50.00. Wenck agreed.

Wenck would like to see sewer fees rounded to an even number. Hirsch explained this is how they add up when you increase by a percentage, but would make the changes.

Wenck questioned fire and emergency services for Vinland Center. Hirsch explained this was already reviewed by Council but she will get the figures after the first quarter. Wenck would like to see the figures again.

Betts would like the fee schedule to become effective March 1, 2012, rather than in the middle of the month.

Motion by Betts, seconded by Wenck, to approve the 2012 fee schedule with minor changes, effective March 1, 2012. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

10. REVISIT THE SHARED REVENUE COMPENSATION PROGRAM ARRANGEMENT IN REGARDS TO RANDY'S SANITATION FOR THE YEARS 2012 AND 2013.

Johnson explained there was a split vote on the issue at the December 13, 2012 meeting.

Motion by Wenck, seconded by Betts, to revisit the shared revenue compensation program with Randy's Sanitation from the December 13, 2011 meeting. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Hirsch stated that a representative from Hennepin County was present to answer any questions of the Council. Paul Kroening, Recycling Program Manager for Hennepin County Department of Environmental Services, said they work with the city recycling coordinators for cities. He reported that he had met with city staff and was notified at that time the city was discussing revenue sharing. He reported of about seven or eight cities within Hennepin County that currently use the revenue sharing, though most cities that contract with Randy's Sanitation do not. He stated the recyclables are a commodity and act as such. He stated that currently they are trending down a little bit. but that is usual after the holiday season. He stated the current blended average (of all recyclables) is about \$120 a ton.

He stated that Hanover has a very good revenue share program. However, variability is the risk and that would be if the commodity goes below the processing price per ton. He suggested if the City were to go with a revenue share program, to keep some reserves from a really good year. The only time that commodities really went down was during the height of the recession in 2008-2009, but they have been making a steady comeback.

Johnson inquired about the length of the contract. Hirsch stated that would have to commit for 2012 and 2013. However, she stated that the City will have a higher contracted amount per household in the revenue share program, but the City would never owe them money over that contracted amount.

Vose inquired if the City would like to check the prices received for commodities and what resources are available to do so. Kroening reported there are trade publications Hennepin County also uses to look at those indexes. He stated the City could also contact Hennepin County to inquire about those and some contracts even require the hauler to copy the page of the publication that lists the indexes.

Fisher asked what amount was budgeted for this year. Hirsch stated it was for the lower amount, but if they chose to do the revenue share program, the amount would be less as it is taken off of the monthly bill.

Johnson stated he is more comfortable with the option of revenue share and Betts felt they did not have all of the information previously to make a good decision.

Motion by Spencer, seconded by Wenck, to approve the revenue share program with Randy's Sanitation for 2012-2013. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

11. 2012 BUDGET AMENDMENT – RESOLUTION NO. 12-0214-04 DECREASING THE 2012 BUDGET BY ANOTHER \$75,000.

Hirsch prepared a report for budget revisions for the budget amendment.

Johnson reported that Council pay would be changed to a per meeting basis.

Motion by Spencer, seconded by Wenck, to approve Resolution 12-0214-04, decreasing the 2012 Budget by another \$75,000. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

12. CANCEL AND RESCHEDULE THE TUESDAY, AUGUST 14, 2012 CITY COUNCIL MEETING DUE TO THE 2012 PRESIDENTIAL PRIMARIES BEING HELD THAT DAY.

Motion by Betts, seconded by Fisher, to cancel the City Council meeting scheduled for August 14, 2012 due to the Primary Election and reschedule it to Tuesday, August 7, 2012. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

13. MISC./OPEN

Citizen Task Force - Wenck suggested a three member citizen taskforce to discuss restructure of government and to see if Maple Plain would do the same. Johnson asked for clarification. Wenck stated the taskforce could look at all possibilities for cost savings or a merger of cities and/or of city services.

Wenck wants to see ways to save money. He felt that even if Maple Plain did not want to participate, he felt it is worthwhile, though it may work with more people. Johnson wanted to be sure that the charge of the task force is made very clear. Betts felt it may help educate citizens. Hirsch stated at the Northwest League meeting she attended there was some discussion of job sharing because Maple Plain is looking for a new public works employee. Johnson asked this be placed on the next meeting.

Apple Distillery -Jerry Grewe, 7845 Turner Rd and 1080 County Road 92, stated that he has been working on making the apple orchard profitable. He stated there are 36 private wineries in the state that produce 1,750,000 gallons of alcohol per year. He reported the State has passed a Statute to allow the Fine Farm Winery Act which would allow the orchard to use their apples to make wine and other hard distilled spirits. A high end distilled spirit would be something like vegan vodka infused with flavor. Grewe stated the margins are good without a lot of waste. Some of the left over mash could be used as a pharmaceutical to help patients. They would need about 20,000 trees and would most likely be honey crisp apples.

Johnson stated that he did inform Grewe of the process to go through, but that Grewe would appreciate any feedback from the Council at this point before he moves forward. Wenck asked if it would require different zoning. Kaltsas reported it would be a CUP and text amendment because they have no commercial use that allows a distillery. Grewe would also like to have wine tastings but did not want that to take the majority of his time. Betts asked if the distillery would be more focused on wine than vodka. Grewe replied it will have to be based on market evidence.

Grewe discussed several different types of boilers that can be used in the distilling process. Betts inquired if there would be any odors coming from the property. Grewe stated that would not be any more odors than would come from an apple orchard. Johnson inquired if there is currently a conditional use permit on the property now or if it will need to be an amendment to the conditional use permit. Kaltsas reported staff is still working out the details.

12. ADJOURN

Motion made by Wenck, seconded by Fisher, to adjourn the meeting at 9:10 p.m. Ayes: Johnson, Betts, Fisher, Spencer, and Wenck. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Respectfully submitted,

Kimberly A. Olson, Recording Secretary

DRAFT