

CITY OF APPLEVALLEY
Dakota County, Minnesota
May 26, 2011

Minutes of the regular meeting of the City Council of Apple Valley, Dakota County, Minnesota, held May 26th, 2011, at 8:00 o'clock p.m., at Apple ValleyMunicipalCenter.

PRESENT: Mayor Hamann-Roland; Councilmembers Bergman, Goodwin, Grendahl, and Hooppaw.

ABSENT: None.

City staff members present were: City Administrator Lawell, City Clerk Gackstetter, City Attorney Dougherty, Public Works Director Blomstrom, Assistant City Administrator Grawe, Finance Director Hedberg, Parks and Recreation Director Johnson, Police Chief Johnson, City Planner Lovelace, City Engineer Manson, Community Development Director Nordquist, and Police Captain Rehtzigel.

Mayor Hamann-Roland called the meeting to order at 8:01 p.m. Everyone took part in the Pledge of Allegiance to the flag.

APPROVAL OF AGENDA

MOTION: of Bergman, seconded by Goodwin, moving consideration of item 4.L – Approve Water Quality Improvement Cost-Share Program Agreements to the regular agenda and approving the agenda for tonight's meeting, as amended. Ayes - 5 - Nays - 0.

AUDIENCE

Mayor Hamann-Roland asked if anyone was present to address the Council, at this time, on any item not on this meeting's agenda. No one requested to speak.

CONSENT AGENDA

Mayor Hamann-Roland asked if the Council or anyone in the audience wished to pull any item from the consent agenda. There were no requests.

MOTION: of Hooppaw, seconded by Goodwin, approving all items on the consent agenda with no exceptions. Ayes - 5 - Nays - 0.

CONSENT AGENDA ITEMS

MOTION: of Hooppaw, seconded by Goodwin, approving the minutes of the regular meeting of May 12, 2011, as written. Ayes - 4 - Nays - 0- Abstain - 1 (Goodwin).

MOTION: of Hooppaw, seconded by Goodwin, approving issuance of a lawful gambling exempt permit, by the State Gambling Control Board, to Apple Valley Sons of the American Legion, Squadron 1776, for use on November 11, 2011, at the Apple

Valley American Legion, 14521 Granada Drive, and waiving any waiting period for State approval. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, approving issuance of a lawful gambling exempt permit, by the State Gambling Control Board, to Apple Valley Sons of the American Legion, Squadron 1776, for use on December 10, 2011, at the Apple Valley American Legion, 14521 Granada Drive, and waiving any waiting period for State approval. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, approving issuance of a Temporary On-Sale 3.2 Percent Malt Liquor License to Apple Valley American Legion, Post 1776, for use on September 10, 2011, outdoors at American Legion, 14521 Granada Drive; as described in the City Clerk's memo dated May 23, 2011. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, approving issuance of a Temporary On-Sale 3.2 Percent Malt Liquor License to Apple Valley American Legion, Post 1776, for use on September 17, 2011, at Fire Station No. 1, 15000 Hayes Road, as described in the City Clerk's memo dated May 23, 2011. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, authorizing issuance of a 1 to 4 Day Temporary On-Sale Liquor License to Apple Valley American Legion, Post 1776, by Minnesota Alcohol and Gambling Enforcement Division, for use on July 3, 4, and 5, 2011, outdoors at American Legion, 14521 Granada Drive, as described in the City Clerk's memo dated May 23, 2011. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, authorizing issuance of a 1 to 4 Day Temporary On-Sale Liquor License to Apple Valley American Legion, Post 1776, by Minnesota Alcohol and Gambling Enforcement Division, for use on August 28, 29, and 30, 2011, outdoors at American Legion, 14521 Granada Drive, as described in the City Clerk's memo dated May 23, 2011. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, adopting **Resolution No. 2011-77** terminating the financial advisor relationship with Northland Securities, Inc. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, adopting **Resolution No. 2011-78** amending 2010 and 2011 budgets. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, adopting **Resolution No. 2011-79** setting a public hearing, at 8:00 p.m., on June 23, 2011, to consider vacating drainage and utility easementson Lot 2, Block 1, Grandview Manor Second Addition, (12128 Grandview Terrace). Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, adopting **Resolution No. 2011-80** directing the Planning Commission to conduct a public hearing, at 7:00 p.m., on June 15,

2011, and make recommendations on an ordinance amendment related to variance requirements. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, adopting **Resolution No. 2011-81** approving plans and specifications for AV Project 2011-113, Deep Well No. 20 Pumping Facility, and authorizing advertising for receipt of bids, at 10:00 a.m., on June 30, 2011. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, approving First Amendment to Lease with Option Agreement with T-Mobile Central, LLC, for Hagemeister Park, as attached to the Public Works Superintendent's memo dated May 26, 2011, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, approving the Revocable Non-Exclusive License Agreement for advertising signage at Hayes Park Arena, with Apple Valley Hockey Association, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, approving the Agreement for Sports Arena Rubber Flooring, with Arena Systems, in the amount of \$24,850.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, approving the Agreement for Liquor Store No. 3 repair of screening wall and bollard, with DayCo Concrete Company, in the amount of \$10,385.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, approving the Intergovernmental Agreement with the Metropolitan Council, for 2011 Citizen-Assisted Lake Monitoring Program (CAMP), in the amount of \$2,200.00, for Cobblestone Lake, Farquar Lake, Long Lake, and Scout Lake, as attached to the Natural Resources Coordinator's memo dated May 26, 2011, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, accepting Quarry Point Safety Net Repair and Improvement Project as complete and authorizing final payment on the agreement with Mid-Metro Fence and Construction, in the amount of \$29,056.00. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Goodwin, approving the hiring of seasonal employees and resignation of employees, as listed in the Personnel Report dated May 26, 2011. Ayes - 5 - Nays - 0.

END OF CONSENT AGENDA

MUSIC IN KELLY PARK AT STAGE ONE

Mr. Johnson invited the public to the second annual “Music in Kelley Park at Stage One” concert series from 6:00 to 9:00 p.m. on June 17; July 1, 8, 15, 22, and 29; and August 5.

Ms. Debra McNulty and Ms. Paula Christiansen, representatives from the Apple Valley Arts Foundation, invited the public to attend these free music events at Kelley Park. The events are sponsored by the Foundation, the City of Apple Valley, and several local businesses. The public is encouraged to bring their families and lawn chairs and/or blankets. There will also be food and beverages, including beer and wine, available for sale. In addition, 24 bikes and helmets and 7 guitars will be given away throughout the series.

Councilmember Bergman commented on the individuals who have been flying the gigantic kites in Kelley Park. He suggested staff consider organizing a kite flying contest in the future or spread the word that Kelley Park is a good destination for kite flying.

Mayor Hamann-Roland said she recently met one of the individuals who fly the large kites and his name is Mike Alexander. She said Mr. Alexander expressed interest in having others join him to flying kites.

Mr. Johnson read the resolution proclaiming “Music in Kelley Park at Stage One”.

MOTION: of Grendahl, seconded by Bergman, proclaiming June 17, 2011; July 1, 8, 15, 22, and 29, 2011; and August 5, 2011; from 6:00 to 9:00 p.m. as “Music in Kelley Park at Stage One” and encouraging citizens to support and attend these free music events. Ayes - 5 - Nays - 0.

Mayor Hamann-Roland thanked the Apple Valley Arts Foundation for offering these fun, free events.

SALE OF GENERAL OBLIGATION BONDS

Mr. Hedberg said staff is seeking authorization to direct Northland Securities to market up to \$4,000,000 in General Obligation Bonds. That amount is comprised of two separate issues. One issue is for \$1,345,000, which is the remaining amount authorized in the 2007 Park Bond Referendum, and the other issue is a Storm Water Revenue Bond in the amount of \$2,600,000.

Mr. Steve Mattson, of Northland Securities, Inc., described the joint bond issue. He explained the City will save money by combining the two bond issues into one. The resolution authorizes a bond issue up to \$4,000,000. However, because the interest rates have gone down recently, the issue will probably be less than \$3,945,000. A conference call is scheduled with Moody’s Investor Services for next week. Once the bonds are sold, he will be back before the City Council requesting adoption of the final authorizing resolution.

Mayor Hamann-Roland questioned what the issuance would cost if the issues were split.

Mr. Mattson said if the issue was split and sold the same day, it would probably cost \$6,000 to \$8,000 more. If the issue was split and sold on different days, the cost would probably increase by \$10,000 to \$13,000.

Councilmember Grendahl noted the Park Bond Referendum recap indicates there is \$835,000 remaining from the original authorized amount, yet this issue specifies \$1,345,000 for the Park Bond Referendum.

Mr. Hedberg said the \$1,345,000 is the remaining authority from the Park Bond Referendum. He said approximately \$430,000 was previously spent or committed. He then recapped those expenditures.

Councilmember Grendahl asked if the expenditures were for projects voted on during the referendum.

Mr. Hedberg said yes. In addition to specific large dollar items included in the referendum, there was also a number of smaller expenditures similar to the items included in the 2011A bonds.

Councilmember Grendahl said she thought several of those projects came in under bid. She also asked about the investment earnings.

Mr. Hedberg explained how projects were identified in the referendum and earned interest.

Councilmember Grendahl asked if citizens were being taxed for the improvements while the City was earning interest on the money.

Mr. Hedberg explained the flow of funds and pointed out the City paid capitalized interest on each of the bond issues. He added that both investment earnings and interest expenses would have been factored into the original estimates.

Councilmember Grendahl stated she does not believe this is the time to add debt. She does not think the businesses and taxpayers have the money to pay for it when they are having a difficult time themselves. She recommended the Council vote on the issues separately because she would like to support the storm sewer bond issue.

Mr. Mattson reviewed the annual tax consequences for various homes.

Councilmember Grendahl said she will not be supporting the park bond issue. She believes with some prioritization, some of those projects can be done within the existing Parks budget.

Mr. Mattson said prior to going out for the Park Bond Referendum he ran the tax consequences for various homes at the full authorized amounts. That information was published prior to the vote. The vote was positive. The interest rate for the 2007 and 2008 issues, as well as the proposed issue, is significantly lower than originally anticipated. In other words, homeowners will be paying less than the amount originally stated.

The Council and staff held discussion.

MOTION: of Goodwin, seconded by Bergman, adopting **Resolution No. 2011-82** authorizing issuance of \$4,000,000 General Obligation Park Bonds, Series 2011A, to Northland Securities, Inc., provided the interest cost is less than 3.75%.

Councilmember Grendahl asked about having the issues split.

Mayor Hamann-Roland asked if the issue could be split.

Mr. Mattson said the resolution before the Council this evening combines both issues, but resolutions could be prepared for each issue.

Councilmember Goodwin pointed out that one of the reasons the issues were combined was to save on the administrative costs.

Mr. Mattson said that is correct.

Councilmember Goodwin reminded everyone that the citizens voted for the park improvements and he is going to honor their vote.

The Council held discussion on the fees and voting on the issues separately.

Councilmember Grendahl suggested voting on a combined issue.

Vote was held on the motion: Ayes - 4 - Nays - 0 - Abstain - 1 (Grendahl).

COBBLESTONE LAKE SOUTH SHORE 5TH ADDITION

Mr. Lovelace reviewed the request by South Shore Development, LLC, for an amendment to the 2030 Comprehensive Plan Land Use Map, rezoning, and the subdivision by plat of approximately 11.4 acres of property located in the northeast corner of 160th Street W. and Elmhurst Lane. The amendment to the Land Use Map would redesignate the property currently platted as Outlot K, Cobblestone Lake Commercial 3rd Addition, from "MD" (Medium Density Residential/6-12 units per acre) to "LD" (Low Density Residential/3-6 units per acre). He then reviewed other aspects of the project and items that will require action by the Council at a future date. Mr. Lovelace indicated the project will be done in two phases and the roads for each section will be installed with each phase.

Councilmember Bergman stated he would prefer to see the road completed for both phases versus the temporary installation of turn-arounds.

Mr. Blomstrom spoke about the challenges of road systems that remain incomplete for multiple years.

Mr. Jacob Fick, of South Shore Development, confirmed the reason roads are not installed until each phase is developed is due to cost.

Councilmember Hooppaw questioned whether the road off of Elmhurst Lane is a sufficient distance from 160th Street.

Mr. Lovelace said the City's traffic consultant reviewed the projected traffic volumes from the Alternative Urban Areawide Review (AUAR) for the entrance off of Cobblestone Lake Parkway. There were never any concerns identified for the entrance off of Elmhurst Lane.

Mr. Fick stated the entire site, including the roads, will be graded at one time. It should be evident to the public that the road will continue beyond the barricades.

The Council and staff discussed various ways for the developer to communicate future road and subdivision plans to potential buyers.

Mr. Fick responded that their sales reps disclose future development plans to buyers to limit liabilities.

Mr. Lovelace said the Planning Commission had lengthy discussions relative to sidewalk connections and the orientation of the homes on various lots. He then reviewed key points related to each topic. He further said the Planning Commission held a public hearing on the project on May 4, 2011. To date, there have been no adverse comments or concerns received from neighboring communities or agencies.

Councilmember Bergman asked about connecting the sidewalks to the trail system.

Mr. Fick said this subdivision has sidewalks on both sides of the street as well as trails on all four sides. He said most locations do not have an internal trail connection from the neighborhood. Instead, they have sidewalks that connect to the trail systems. If this was a higher density product, it may be different, but this is a single family home subdivision so it is designed a bit differently.

The Council held discussion on the sidewalk and trail connections.

Mr. Fick said the layout is tight. They can take a look at adding trail connections, which take approximately 30 feet, but that means they would likely lose one or two lots.

Mr. Lovelace said when this item comes back to the Council, staff will provide some distances from various lots for additional information.

Mr. Paul Scanlan, 15682 Duck Pond Way, suggested looking at how the access points affect the entire Cobblestone Lake area and not just this neighborhood. He would like trail access points on the northwest and southeast corners of this subdivision.

Councilmember Grendahl questioned the loss of revenue if the developer had to give up two lots. She also asked who is responsible to maintain the trail.

Mr. Lovelace responded that the trails would likely be dedicated to the City, which means the City would be responsible for maintenance.

Councilmember Grendahl asked about the costs associated with plowing and maintaining the trails. She then asked if the addition of trail connections is a potential deal breaker.

Mr. Fick said the cost of the trail is not the biggest issue; the main concern is the potential loss of one or two lots. He explained how this development is a way for South Shore Development to maintain its momentum.

Councilmember Hooppaw pointed out the only action this evening is the Comprehensive Plan amendment. There will be plenty of time for additional discussion regarding the sidewalks and trails. He said gathering the additional information on distances to connections and the impact on the loss of lots will be helpful for future discussions.

Councilmember Goodwin asked if the Planning Commission reviewed this matter.

Mr. Lovelace said the Planning Commission reviewed and voted on it. They did not recommend adding the trail connections. The motion passed 5 to 1.

MOTION: of Hooppaw, seconded by Goodwin, adopting **Resolution No. 2011-83** amending the 2030 Land Use Map of the Comprehensive Plan to redesignate Outlot K, Cobblestone Lake Commercial 3rd Addition from "MD" (Medium Density Residential/6-12 units per acre) to "LD" (Low Density Residential/3-6 units per acre), as recommended by the Planning Commission; and authorizing submittal to the Metropolitan Council. Ayes - 5 - Nays - 0.

PARKS AND RECREATION ADVISORY COMMITTEE MEMBER RESIGNATION

Mr. Johnson reviewed his memo, dated March 23, 2011, regarding the resignation of Parks and Recreation Advisory Committee Youth Representative Matthew Mittelsteadt, creating a vacancy on the Committee with a term expiring March 1, 2014.

MOTION: of Bergman, seconded by Hooppaw, accepting the resignation of Parks and Recreation Advisory Committee Youth Representative Matthew Mittelsteadt and thanking him for his dedicated service to the City of Apple Valley. Ayes - 5 - Nays - 0.

WATER QUALITY IMPROVEMENT COSTSHARE PROGRAM AGREEMENTS

Councilmember Bergman said the Water Quality Improvement Cost Share Program is a great program. He asked the number of grants available and how many years the program will be in place.

Mr. Blomstrom said ten grants are funded in the 2011 operating budget. He added it will be up to the Council's discretion whether they continue to fund the program in the future.

Councilmember Bergman asked various questions regarding maintenance of the improvements and what happens if the individual or individuals who the City has the agreement with sells or leaves their property.

Mr. Blomstrom said staff weighed the cost of recording an encumbrance against the property with the grant, and determined it was not cost effective. He noted most of the homeowners are also making a personal investment because the improvements cost much more than the amount received through the grant.

Councilmember Bergman asked to see colored pictures of some of the improvements.

Mr. Blomstrom said they will be happy to provide pictures, diagrams, and promotional materials of various projects.

MOTION: of Bergman, seconded by Hooppaw, approving the Water Quality Improvement Cost Share Program Agreement with Ravi K. Rai and Catherine Rai Cardenuto, for raingarden, at 15960 Fennel Court, in an amount not to exceed \$500.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Bergman, seconded by Hooppaw, approving the Water Quality Improvement Cost Share Program Agreement with Frank J., Jr., and Cynthia Stetz for shoreline buffer, at 14237 Footbridge Way, in an amount not to exceed \$500.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Bergman, seconded by Hooppaw, approving the Water Quality Improvement Cost Share Program Agreement with Joyce A. Anderson, for raingarden, at 15241 Dupont Path, in an amount not to exceed \$500.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Bergman, seconded by Hooppaw, approving the Water Quality Improvement Cost Share Program Agreement with Charles W., Linda M., and Amy N. Hiivala, for raingarden, at 14366 Ebony Lane, in an amount not to exceed \$500.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Bergman, seconded by Hooppaw, approving the Water Quality Improvement Cost Share Program Agreement with Mark C. and Penelope A. Linde, for shoreline buffer, at 13765 Fernando Avenue, in an amount not to exceed \$500.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Bergman, seconded by Hooppaw, approving the Water Quality Improvement Cost Share Program Agreement with Frederick E. and Jill L. Daneau for shoreline

buffer, at 12706 Florida Lane, in an amount not to exceed \$500.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Bergman, seconded by Hooppaw, approving the Water Quality Improvement Cost Share Program Agreement with David R. and Tammy F. Marsh, for raingarden, at 13814 Evergreen Court, in an amount not to exceed \$500.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

COMMUNICATIONS

Mr. Lawell congratulated Jan Reiner and Bruce Lafrenzen on their retirements, after 22 and 33 years of service, respectively. Mayor Hamann-Roland thanked them for their dedicated service.

Mr. Blomstrom gave an update on the Cedar Avenue transitway construction project.

Mayor Hamann-Roland invited the public to the Memorial Day celebration at the Apple Valley American Legion, beginning at 11:00 a.m.

CALENDAR OF UPCOMING EVENTS

MOTION: of Grendahl, seconded by Hooppaw, approving the calendar of upcoming events as included in the City Clerk's memo dated May 23, 2011, and noting that each event listed is hereby deemed a Special Meeting of the City Council. Ayes - 5 - Nays - 0.

CLAIMS AND BILLS

MOTION: of Bergman, seconded by Grendahl, to pay the claims and bills, check registers dated May 18, 2011, in the amount of \$1,191,615.10; and May 26, 2011, in the amount of \$540,816.63. Ayes - 5 - Nays - 0.

MOTION: of Bergman, seconded by Grendahl, to adjourn. Ayes - 5 - Nays - 0.

The meeting was adjourned at 9:32 o'clock p.m.

Respectfully Submitted,

/s/ Pamela J. Gackstetter
Pamela J. Gackstetter, City Clerk

Approved by the Apple Valley City Council on 6-9-11.