

CITY OF APPLE VALLEY
Dakota County, Minnesota
July 28, 2011

Minutes of the regular meeting of the City Council of Apple Valley, Dakota County, Minnesota, held July 28, 2011, at 8:00 o'clock p.m., at Apple Valley Municipal Center.

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, Parks Superintendent Adamini, Public Works Director Blomstrom, Assistant City Administrator Grawe, Finance Director Hedberg, Police Chief Johnson, City Planner Lovelace, City Engineer Manson, Parks and Recreation Department Assistant Perkins Monn, Community Development Director Nordquist, Fire Chief Thompson, and Golf Manager Zinck.

Others present: Parks and Recreation Advisory Committee Member DeFauw.

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 Grendahl, seconded by Bergman, removing item 4.H.1 - Acceptance and Final Payment on Agreement with Champion Coatings, Inc., for AV Project 2011-118, 2011 Reconditioning and Painting of Steel Fence Sections, Fence Support Posts, and Decorative Light Poles, from the consent 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 Grendahl, approving all items on the consent agenda as amended. Ayes - 5 - Nays - 0.

CONSENT AGENDA ITEMS

MOTION: of Hooppaw, seconded by Grendahl, approving the minutes of the regular meeting of July 14, 2011, as written. Ayes - 4 - Nays - 0 - Abstain - 1 (Grendahl).

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MOTION: of Hooppaw, seconded by Grendahl, approving issuance of a lawful gambling exempt permit, by the State Gambling Control Board, to Apple Valley Firefighters Relief Association, for use on September 17, 2011, at Apple Valley Fire Station No. 1, 15000 Hayes Road, and waiving any waiting period for State approval. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, proclaiming August 6, 2011, as "Community Gardening Day". Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, adopting **Resolution No. 2011-111** approving the Settlement Agreement and Release document for ponding easements, on Lot 19 and the west half of Lot 20, White Oak Ridge Addition, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, approving the reduction of financial guarantee for Cobblestone Lake Senior Housing (CDA) Natural Resources Management Permit from \$9,437.50 to \$1,000.00, as listed in the Community Development Department Assistant's memo dated July 28, 2011. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, approving **Resolution No. 2011-112** approving temporary extended hauling hours for the 2011 construction season for the annual excavating permit for Fischer Sand & Aggregate, LLP, and attaching conditions thereto. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, approving the Agreement for AV Project 2011-114, Bituminous Trail Fog Sealing, with Minnesota Roadways Company, in the amount of \$43,450.00, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, approving the Master Agreement with Quality Business Solutions (QBS) for Payment Card Industry (PCI) compliance services, as attached to the Finance Director's memo dated July 24, 2011, subject to final revisions as approved by the City Attorney, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, accepting AV Project 2011-108, 2011 Reconditioning and Painting of Steel Fence Sections, Fence Support Posts, and Decorative Light Poles, as complete and authorizing final payment on the agreement with Champion Coating, Inc., in the amount of \$58,476.00. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, accepting Liquor Store No.3 Repair as complete and authorizing final payment on the agreement with DayCo Concrete Company, Inc., in the amount of \$10,385.00. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, accepting AV Project 2010-111, Deep Well 20 Construction, as complete and authorizing final payment on the agreement with E.H. Renner and Sons, Inc., in the amount of \$84,029.10. Ayes - 5 - Nays - 0.

MOTION: of Hooppaw, seconded by Grendahl, approving hiring the seasonal and part time employees, as listed in the Personnel report and Addendum dated July 28, 2011. Ayes - 5 - Nays - 0.

END OF CONSENT AGENDA

COBBLESTONE LAKE SOUTH SHORE 5TH ADDITION

Mr. Lovelace reviewed the request by South Shore Development, Inc., for approval of a final plat and Subdivision Agreement for Cobblestone Lake South Shore 5th Addition. The 11.4 acre plat is generally located at the northeast corner of 160th Street and Elmhurst Lane and will consist of 24 lots and 2 outlots. The lots will be used for construction of 24 single-family dwellings, with Outlot A to be dedicated for an existing public trail and Outlot B reserved for future single family development.

MOTION: of Goodwin, seconded by Bergman, adopting **Resolution No. 2011-112** approving the final plat and Subdivision Agreement for Cobblestone Lake South Shore 5th Addition, and authorizing the Mayor and City Clerk to sign the same. Ayes - 5 - Nays - 0.

VALLEYWOOD CLUBHOUSE PROJECT

Mr. Zinck reviewed the staff report outlining the Valleywood Facility Task Force report and recommendation and the presentation on Valleywood clubhouse. He noted that the existing clubhouse, built in 1980 by the Dakota County Technical College, has reached the end of its useful life. Over the last 5 years, the clubhouse has experienced serious recurring issues, requiring more and more money to be put into it. The structural engineering and building inspections confirmed these issues. He commented on the analysis of the facility, the meetings with various professional consultants, and the summary of options. After analyzing the options, the Valleywood Facility Task Force determined the best option was to move forward with a new facility which can accommodate the larger golf tournaments. Mr. Zinck then reviewed the timelines associated with the construction of a new clubhouse as well as conceptual designs for the building, the site plan, and floor plans. He also described various efficiencies they hope to incorporate into the design.

Mr. Zinck reviewed the conceptual estimates. He said Bossardt prepared the estimates based on current bids. The Valleywood Facility Task Force worked with the Finance Department and the City Administrator regarding financing options for the project. The then reviewed the Task Force's funding recommendation and repayment plan.

Mr. Russ DeFauw, Chair of the Parks and Recreation Advisory Committee, said the City Council tasked the Parks and Recreation Advisory Committee to change the business model at Vallewood. They made multiple changes and are now happy with the current business model. He stated Vallewood has made a profit the last five years. The Committee believes Vallewood will continue to make a profit and that a new facility will improve its profitability. The new clubhouse will serve as a community asset and will not require a taxpayer subsidy. He recommended the City Council approve the project.

Mayor Hamann-Roland noted it is not good business sense to have maintenance costs beyond the value of a building.

Councilmember Goodwin distributed a handout which described four alternatives. He explained his thoughts on the project and recommended using \$1,250,000 in Park Dedication Funds. He then reviewed the projected Park Dedication revenues based on the 2030 Comprehensive Plan phasing estimates as listed in his handout. If everything goes according to plan, the City will receive over \$9 million in Park Dedication in the next eight years and over \$22 million in the next 19 years. He stated the projected Park Dedication revenue is a key element that makes the project feasible. He added that the cost of the facility will be paid back by those using the facility. He spoke about a possible public-private venture. However, the drawbacks of a public-private venture include increasing the cost of the building by at least \$1.5 million and the removal of mature oak trees which would be necessary to increase the size of parking lot in order to accommodate a larger facility. He could not support either of those changes to the proposed project.

Mayor Hamann-Roland stated Morrissey and Associates commented on the trees at Vallewood. They said the value of golf course is not only in the beautiful greens but in the beautiful trees.

Councilmember Grendahl noted the proposal designates antenna lease revenues to finance the sanitary sewer improvement. She questioned where those funds are currently going.

Mr. Hedberg responded they are currently deposited into the General Fund.

Councilmember Grendahl questioned if that would create a deficit in the General Fund that would need to be made up.

Mr. Hedberg stated the full revenue amount is not budgeted in the General Fund.

Councilmember Grendahl asked what would happen with the money designated as Contingency if it is not needed.

Mr. DeFauw said he believes it would be the Committee's intent to return any remaining funds to the City.

Councilmember Grendahl commented about the size and cost of the proposed building. She thinks the design is grandiose and questioned building a new clubhouse in these economic times. She

commented on the ice arena and the fact that the General Fund subsidizes that enterprise fund. She feels the taxpayers are on the hook because Vallewood would never be able to get a loan at the proposed rate. She is also concerned about using money from the Capital Improvement Fund. She noted the Council is considering an assessment policy because there is not sufficient funding to rebuild roads. She questioned spending money on a clubhouse when there is not enough money for roads. She indicated she could support a \$1 million clubhouse but not a \$3 million facility in this economy.

Councilmember Hooppaw said when he was going door-to-door last fall, he was surprised at the number of residents who were asking when the City was going to do something about the clubhouse. He took a tour of the building in January. He has a construction background and it was very clear to him that the building has exceeded its expected use. He is not excited about spending \$3 million on a new clubhouse and he would not support it if the money was going to come out of the General Fund without a repayment plan. However, he sees this as an opportunity to do something the private sector either cannot or will not do in this environment. The fact that the clubhouse will not cost the taxpayers is a win-win situation. He questioned whether the City would allow the private sector to operate a building in that condition. He further stated he could not support sinking \$2 million into an old building. He also does not believe this building can be built for \$1 million. Based on the unique things that have been discussed, he can support the project.

Councilmember Bergman said the size of the building was partly determined based on the desire to transition to electric golf carts in the future versus using golf carts that rely on fossil fuels. If this building was smaller, a pole barn would also be needed. The Task Force determined it was financially prudent to include the necessary space for the golf carts with the clubhouse. He does not think the building is grandiose, but rather right sized and comfortable. He commented that the ice arena loses money year after year. He wondered at what point the City should reallocate its funds to an enterprise fund that is making a profit. He believes the new clubhouse will complete the upgrade of the City's existing parks. He added that if a citizen does not play golf at Vallewood they are not paying for it. He supports the project 100 percent.

Mayor Hamann-Roland said youth athletics is an investment in children. There is a value to having kids stay connected and healthy because they have activities in which they can participate.

Councilmember Goodwin noted several of the big park projects have already been completed, yet the City still anticipates receiving significant funds through Park Dedication and those funds must be spent on parks.

Mayor Hamann-Roland stated the future Park Dedication dollars also played a factor in her decision and her ability to support the project.

Mr. DeFauw pointed out that it is their intention to pay the loan off as fast as possible.

Councilmember Grendahl asked how many months Vallewood is open.

Mr. DeFauw said weather permitting, the course is open approximately eight months.

Mr. Zinck added that they will continue to look for additional revenue opportunities, such as renting the facility out in the winter.

Councilmember Grendahl said golf is a very unpredictable sport.

The Council and staff continued discussion.

The Council thanked the Parks and Recreation Advisory Committee, the Valleywood Facility Task Force, and staff for their work on this project.

MOTION: of Goodwin, seconded by Hooppaw, approving the recommendation of the Valleywood Task Force to replace the current Valleywood clubhouse facility using Park Dedication Funds and a loan from the Future Capital Projects Fund as outlined in the Golf Manager's memo dated July 25, 2011. Ayes - 4 - Nays -1 (Grendahl).

MOTION: of Goodwin, seconded by Bergman, approving the Agreement for professional services as Architect for Vallewood Clubhouse with CNH Architects, Inc., and authorizing the Mayor and City Clerk to sign the same. Ayes - 4 - Nays -0 - Abstain - 1 (Grendahl).

MOTION: of Bergman, seconded by Goodwin, approving the Agreement for professional services as Construction Manager for Vallewood Clubhouse with Bossardt Corporation, and authorizing the Mayor and City Clerk to sign the same. Ayes - 4 - Nays - 0 - Abstain - 1 (Grendahl).

ABANDONED AND IMPOUNDED VEHICLE ORDINANCE AMENDMENT

Ms. Gackstetter gave the first reading of an ordinance amending Chapter 90 of the City Code regulating abandoned vehicles and impoundment of vehicles. The recommended changes will reduce costs and improve efficiencies and accountability. The three main changes being proposed are allowing first notices of impoundment to be sent by regular mail, eliminating the requirement for vehicles to be sold prior to a time when towing charges equal the value of the vehicle, and adding a requirement that the towing contractor implement and comply with all City ordinances and policies regulating abandoned vehicles and impoundment of vehicles. The ordinance amendment was prepared by the City Attorney. The Council accepted the first reading. The second reading is tentatively scheduled for August 11, 2011.

LODGING TAX ORDINANCE AMENDMENT

Mr. Grawe gave the first reading of an ordinance amending Chapter 113 of the City Code regulating lodging tax. The City has two hotels that pay lodging tax. Due to administrative processes required to close out their monthly books, calculate and process the month-end reporting, and send the information to their management, the hotels had issues remitting their tax

payments within the 25 days required by ordinance. This resulted in late fees. The hotels requested an ordinance amendment that would extend the lodging tax remittance deadline from 25 days to 45 days so that payments can be made in a timely manner and they could avoid late fees. City staff and the Convention and Visitors Bureau Board agreed the request was reasonable.

MOTION: of Hooppaw, seconded by Grendahl, waiving the procedure for a second reading and passing **Ordinance No. 922** amending Chapter 113 of the City Code regulating lodging tax. Ayes - 5 - Nays - 0.

ELECTRONIC SOUND EQUIPMENT ORDINANCE AMENDMENT

Mr. Lovelace gave the first reading of an ordinance amending Chapter 130 of the City Code regulating electronic sound system or audio equipment. The amendment provides clarification for the City's enforcement officials. In early July, staff sent a letter to all restaurants in the City with outdoor dining areas to make them aware of the proposed changes. Only one inquiry was received. The ordinance amendment was prepared by the City Attorney.

Councilmember Bergman asked if the noise is measured from the point of source or the property line and if the ordinance would apply to residential properties as well as commercial properties.

Mr. Lovelace stated he would need to check how the distance is measured but that the ordinance would apply to all properties.

Councilmember Bergman suggested a second reading of this ordinance so that he could get further clarification from staff.

The Council accepted the first reading. The second reading is tentatively scheduled August 11, 2011.

STAFF ITEMS

Mr. Lawell announced various meetings in connection with the Beyond the Yellow Ribbon Program. He then thanked staff, the City Council, and citizens for their participation in the American Institute of Architects (AIA) Design Assessment event which took place last week.

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

Fire Chief Thompson provided details regarding a public safety emergency response exercise scheduled for August 13, 2011.

COUNCIL COMMUNICATIONS

Councilmember Bergman said he thought the AIA event was fabulous. He asked Mr. Nordquist to present to the City Council at an informal meeting how the Planning Department intends to move forward with the information and recommendations.

Councilmembers Grendahl and Goodwin asked staff to revisit the City's sign ordinance prior to elections next year.

Councilmember Goodwin requested the City Attorney provide further clarification regarding a newspaper article they received relative to expressing their opinion on land use issues.

Mayor Hamann-Roland invited everyone to "Music in Kelley Park at Stage One" from 6:00 to 9:00 p.m. on July 29 and August 5. She then announced that she was elected to the Corridors of Opportunity Board as requested by the Council.

CALENDAR OF UPCOMING EVENTS

MOTION: of Grendahl, seconded by Goodwin, approving the calendar of upcoming events as included in the City Clerk's memo dated July 28, 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 Goodwin, to pay the claims and bills, check registers dated July 20, 2011, in the amount of \$888,562.37; and July 27, 2011, in the amount of \$1,068,157.37. Ayes - 5 - Nays - 0.

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

The meeting was adjourned at 9:44 o'clock p.m.

Respectfully Submitted,

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

Approved by the Apple Valley City Council on 8-11-11.