

MEDINA CITY COUNCIL MEETING MINUTES OF JUNE 7, 2005

The City Council of Medina, Minnesota met in regular session on June 7, 2005 at 7:03 p.m. in the City Hall Chambers. Mayor Workman presided.

I. ROLL CALL

Members present: Cavanaugh, Smith, Weir, and Workman.

Members absent: Brinkman

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, Police Chief Ed Belland, City Planner Rose Lorsung, City Planner Consultant Sarah Schield, City Administrator Chad Adams and Recording Secretary Mary Pappas.

I. PLEDGE OF ALLEGIANCE

II. ADDITIONS TO THE AGENDA

Adams requested adding item E regarding an award of contract for Phase I of public improvements for Bridgewater at Lake Medina to New Business and changing the Consent Agenda to item V. and the Auditor's Presentation to item VI.

*Moved by Smith, seconded by Cavanaugh, to approve the agenda as amended. **Motion passed unanimously.***

III. APPROVAL OF MINUTES

A. Approval of the May 17, 2005 Regular City Council Meeting Minutes

It was noted on page 2, the 7th paragraph, should state: "...e-coli samples that have been found in the stream ..."

It was noted on page 3, the 9th paragraph, "farms" is not plural and it should read "...pasture and not further down stream into the lake until the problem is fixed."

It was noted on page 4, the 13th paragraph, it should read, "Workman stated he should speak with the City of Independence."

It was noted on page 7, the 8th paragraph, it should read "She added a road improvement (ie: road overlay) on Highway 55 would force closure of some exits, so TIF monies would be a benefit for these properties."

It was noted on page 7, the 10th paragraph, it should read "...a benefiting property and TIF would only be applied to offsite infrastructure improvement."

It was noted on page 8, the 11th paragraph, it should read, "Larson stated up to a couple hundred thousand dollars may be saved."

It was noted on page 12, the 8th paragraph, it should read, "...the owner to go to get approval from the watershed district for drainage control issues."

It was noted in the May 3, 2005 minute corrections, it should read, "...it is wrong to throw usable items away."

*Moved by Weir, seconded by Smith, to approve the May 17, 2005 regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA

- A. Resolution Approving Raffle Permit for Cedar Crest Academy at Rolling Green Country Club on June 13, 2005.
- B. Resolution Approving Centerpoint Energy Ordinance by Title & Summary
- C. Postpone Public Hearing for Keller Estates Storm Water Taxing District to June 21, 2005.
- D. Approve Municipal Utility Service Agreement (Orono, Long Lake, Medina).
- E. Accept Donations for Hamel Legion Park Donor Wall in Amount of 1336.20.
- F. Approve Salary increase for City Planner Rose Lorsung.
- G. Approve Development Agreement for Park Ridge Acres Development.
- H. Approve Construction Cooperative Agreement with MnDot (TH 12 East of Town Line Road)
- I. Resolution Granting Final Plat to Leawood Farms
- J. Approve Development Agreement for Leawood Farms Development
- K. Approve Private Road Agreement with Robert Bradley
- L. Resolution Granting Final Plat to Independence Bay
- M. Resolution Authorizing City Administrator and Mayor to sign MnDot Cooperative Agreement.

*Moved by Smith, seconded by Weir, to approve the consent agenda. **Motion passed unanimously.***

VI. PRESENTATION

2004 Audited Financial Statements and Management Letter – Kern, DeWenter, Viere

Steve Wischmann and Joe Prom from Kern, Dewenter, Viere presented the City's 2004 Annual Financial Statement and Management Letter.

They explained there is a new statement page that summarizes long-term information. The auditors commented there is also a management discussion on pages 4-11 of the packet that summarizes and looks into the future. These pages also summarize the financial condition of the city, which explain Medina is in good shape.

The auditors noted on page 13 a summarized long-term perspective in government and business activities is given showing \$5.2 million in government and over \$2 million in the business area (water & sewer).

They stated a full inventory of the City's infrastructure shows total capital assets of \$1.5 million. They added the condition of the City's capital assets is 26% of useful life and is used in accumulated depreciation. They noted this is very good.

They stated business activities are 23% again on the lower end of the range and a very good condition for capital assets from a future planning perspective.

They noted there are few liabilities; only \$320,000 at the end of 2004 and all have been paid off in 2005.

They commented on net assets, \$6 million is tied up in capital assets and this is a very positive result.

They also noted various components of City operations are funded through general revenues like taxes.

The City staff is small and that is a limitation regarding segregation of duties, although they have no recommendations for change at this point.

Cavanaugh asked the auditors if they had looked at cash management and risk in investments. He also asked if the City is managing their cash wisely.

The auditors stated nothing that looks out of place with cash management.

The auditors stated the graphs on page 3 and 5 are interrelated and tax capacity is based on market value of properties in the City.

Smith asked if this was mainly because of commercial properties being equalized for business.

The auditors stated this was due to increased property values and that the total levy increased 3% over the last few years. They added the tax capacity rate has declined based on city taxes, not school levies.

Smith asked if charges for sewer and water went into the general fund.

Adams said no, this is an enterprise activity.

Smith asked if the pie graph in the management letter addressing public safety includes building inspections.

Adams stated building inspections fall under public safety by statute requirements, but planning and zoning do not.

Smith stated the pie chart is not a good reflection, and looks like the police department takes over 50% of our budget and she added she would like to see a break-out of public safety numbers in the pie chart.

The auditors stated on page 9 there is a break down of public safety, fire, and emergency management and they do remain consistent.

The auditors pointed out the last graph shows debt service and there are enough assets available at the end of the year to cover all debt.

The auditors noted some suggestions for City staff were pursuing the status of some outstanding checks, which were over one year old. They added staff should follow up on these and if any are outstanding for more than three years, staff should report this.

Workman thanked the auditors and stated they did a very good job. He also thanked the City staff for their help on the report presented.

*Moved by Smith, seconded by Cavanaugh to accept the City's financial report as presented. **Motion passed unanimously.***

Smith asked staff about the positive amount of \$225,000. She stated typically this would have moved to the equipment fund and she is wondering if staff will do this.

Adams stated the transfers or maintaining in the general fund balance will depend on the 2006 budget. He noted the equipment fund is getting depleted and the City's needs for equipment replacement remain constant.

Smith asked staff to let the Council know at the appropriate time.

Adams agreed the Council may have to amend the budget at that time.

VII. COMMENTS

A. Comments from Citizens on Items not on the Agenda

None

B. Park Commission

Dillman noted the last meeting went well, the Park Commission is a good group and they will look at topics of interest, and will wrap up the capital improvement plan (CIP).

Adams stated the Park Commission will start meeting formally in August at the Community Building. He added the Park Commission has reviewed CIP information from staff they can begin to modify or approve.

Adams noted they now have about \$700,000 in park dedication fund balance and will be over \$1 million with recent project fees.

Cavanaugh asked when the Target park dedication funding would come in.

Adams stated maybe next year with between \$500-700,000, not including fees from the ballroom and other properties.

Smith asked if staff will provide a breakout of the items.

Adams stated yes.

I. Planning Commission

Lorsung commented on items the Planning Commission is working on.

She added the Ace properties concept plan for the Clydesdale site will be discussed at the next Commission meeting and on the June 21 City Council meeting.

Lorsung noted she is working on summer goals for the City's zoning code and at the next Council meeting, the agenda will also include the Dairy Queen lot combination, the Keller estates final plat, and the wetland situation. She added that Mike Leuer purchased the property brought forth previously by Dave Truax, and that request will also be presented for City Council denial/approval at the June 21 meeting.

She explained the agenda will also include approvals for the Cudd project, authorization of approvals for Ryan (Target) project, and the Bradley conservation easement.

VIII. OLD BUSINESS

A. City Hall Improvements – Authorize Preparation of Plans and specifications and Advertisement for Bids.

Adams presented the concept drawings for the City Hall improvements. Staff was directed to prepare the plan for the June 7th meeting. Staff recommends authorization of formal plans and specs for the improvements. He added staff was targeted to keep the improvements and equipment under \$125,000.

Adams explained plans for presentations and visibility with the screen and projection. He stated the upgrades will allow for digital presentations, adding another work station, changing the public works area to a defined storage area and giving public works one office. He added the major costs are in lighting and upgrades in the bathrooms.

Cavanaugh asked about the storage behind the Council table and if the hallway is really necessary as it seems they will be losing space.

Adams agreed with Cavanaugh but stated it is a code issue. He noted it would be great to block off this hallway and make it more open storage space, but the hallway will be needed for exit and code.

Smith stated there is a need for a better proposal for the Council room seating.

Adams stated if there is a way to work around it, staff will. He added both administrative assistants on the east wing will have their office spaces together to meet the public and deal with walk-in traffic.

Smith noted these workstations are not all the way to ceiling.

Adams stated Smith was correct, but added the work stations will allow for some privacy, but will also have light and visibility coming through from the top.

Smith commented on the Council chambers and stated there are 40 seats now. Staff needs to come up with a better arrangement to allow for more seating. She added the Council can't limit the seating to only 46 seats.

Workman stated he did not remember when there had been more than 50 people at a City Council meeting in recent years and if there was to be a large turnout, staff could schedule it at the community center or more chairs could be set up if needed. He added staff is trying not to expand the footprint of city hall at all.

Smith stated this doesn't work and asked where will these people sit. She added the Council Chambers must have the capacity for people attending meetings. She noted she did not think the storage area was well planned either.

Smith explained she has a problem reducing the number of chairs in the chambers because it looks like the Council doesn't want public involvement. She added she will not change her mind on this and noted the storage space from this is not great.

Workman stated the Council has never and will never turn people away.

Adams stated we are not losing space in the Council room, we are just making it more efficient.

Smith asked if the plan could be turned the other way.

Weir asked how much space do we need per person for Council members at the table.

Maureen Bellows, architect for project, stated this has already been taken into consideration and the space has been made minimal for each council member.

Bellows stated they have to consider what code will allow them to do in this space.

Smith asked if it would meet code with storage on both ends of the Council chambers.

Bellows stated they will put as many chairs into the room as is allowed within code. She added certain aisles need to be clear also for fire code.

Adams explained the downstairs areas will be the processing and evidence room, the Police Chief's office will remain the same, and the records room will increase in space. He added there will be another office added for the police sergeant and for an investigator to be hired in 2007. He noted there will be more storage, and a break space for employees.

Smith stated this space will work better for the police and the upstairs works well, except for the Council Chambers.

The \$125,000 budget does not include upgrades to the bathrooms or much to the Council Chambers, nor does it include a telecommunications system.

Weir asked about the upstairs bathrooms and what types of upgrades were needed.

Bellows stated the bathrooms needed to be upgraded to 2005 vs. the 1970's look. She added they will need retiling and new fixtures.

Weir asked why this is needed.

Bellows stated it will cost \$12,000 for the bathroom upgrades and staff has stated these bathrooms are used everyday by staff and the public and are barely adequate. She added they do not project a clean image and this is staff's feedback.

Workman stated this may be a 5-year plan. He added the Council needs to look at this as a long-term project. He added he is in favor of the larger budget and get it to last longer.

Smith asked if this means public works will move out of the building.

Adams stated it is designed to allow for that if other staff is needed. Public works could move to the shop. Adams added that moving public works director to shop could be viewed as a pilot project to evaluate if moving new facility off-site is feasible.

Weir asked if public groups can also use Council Chambers for meeting.

Adams stated staff would limit public meetings during week, but added it probably will not be an issue, as City Hall doesn't get a lot of use during the week.

Cavanaugh asked what is the contingency line item for.

Bellows stated the alternative budget is less than \$100,000 and the bare minimum.

Workman stated he prefers to get the job done right the first time.

Adams stated staff recommends the architect prepare the plans and specs and added staff will look at Smith's concerns on chambers and the seating and storage issues.

Smith added she would like to request the architects use recycled paint and pointed out it is of good quality.

Bellows stated recycled paint has limited colors.

Smith stated it costs \$15 for 5 gallons and she has used it.

Workman stated staff and the architects can look at it.

Smith asked if there is a possibility of utilizing some kind of on site storage that is not in the building.

Workman asked her if she was referring to something like pods.

Adams stated maybe the Community Building can convert something for storage usage.

Workman stated they need to utilize storage that is the most cost-effective.

Bellows stated it would be better to look at digitizing or using off site storage.

Adams stated staff does plan on scanning documents to digitized storage, and the proposed renovations account for that digital storage.

Lorsung stated she was able to toss large amounts of paper and saved many items to electronic files. She noted Adams is looking at getting better scanners, to allow for more digitizing of files and records.

Adams added a new intern has been hired to possibly help with this project.

Weir commented she did not see room for all the staff people to sit on the plan of the Council Chambers.

Adams stated the City department representatives will continue to sit on the sides of the room and when they present, they will come forward to the podium and microphone.

Bellows added the larger budget includes a new sound system.

Cavanaugh asked if now would be the time to plan for televising the City Council meetings.

Adams stated if the Council wants this, Mediacom will do this for free. The Council has chosen in the past to not provide this service.

Smith noted televising meetings is considered to be more open government.

*Moved by Weir, seconded by Cavanaugh, to approve up to \$203,000.00 to refurbish the City Hall building and authorize the preparation of plans and specifications.. **Motion passed unanimously.***

A. Hamel Volunteer Fire Department – Approval of Bid for Engine 12 Replacement.

Adams stated the HVFD had received two bids for the Engine 12 replacement.

Staff recommends approval of the low bid, with up to a 10% contingency for necessary loose equipment. Both Hamel VFD and the City of Corcoran will pay a share of the vehicle. The City will be the title-holder and will need to sign a purchase agreement, upon review, staff recommends approval of the low bid and seeks authorization to purchase the vehicle.

Adams stated the City Attorney still has to review the purchase agreement on this. The cost is \$309,000 and extra dollars may be needed.

Workman asked about Corcoran's ownership percentage on the vehicle. He added possibly Medina purchase the whole thing and charge Corcoran a fee for usage.

Fire captain Tom Gregor stated all 3 parties have to pay shares according to contract and if anyone pulls out, that party loses. He added Medina is the major stakeholder here and Medina will likely not pull out.

Smith agreed with Workman to pay additional fees to more fully own the truck and charge the other cities for usage.

Gregor and Adams stated that cannot be done now, as an agreement has been signed with Hamel Fire and Corcoran.

Cavanaugh asked what happens if an injury occurs related to the truck.

Gregor stated Medina carries all the insurance. The Fire Department carries insurance as well.

Fire Chief Brandon Guest stated the actual title goes to Medina. If the fire department purchases the vehicle, it will be sales tax exempt. If it is purchased by the City, the state charges sales tax on the fire trucks.

Workman stated this saves the City \$20,000.00. He added the fire department would pay the initial payment and Corcoran and Hamel will pay their portions later.

Adams stated he needs to review final methods of financing before determining if Hamel Fire or Medina should purchase truck, but seeks direction to acquire the vehicle.

*Moved by Smith, seconded by Weir, to authorize staff to approve the low bid plus the contingency fee, to authorize purchase of the fire truck. **Motion passed unanimously.***

IX. NEW BUSINESS

A. Business Subsidy Policy – Public Hearing

Adams stated staff previewed at previous meetings the need to adopt a policy for the City. He noted a memo from Batty is attached to the staff report that provides an overview, along with a draft policy. He added staff is not recommending approval of the policy, but encourages discussion during the public hearing.

Batty presented the business policy details and stated there is a draft agreement in the staff packet that can be adopted at this Council meeting. He added the exercise at this meeting by the Council simply sets the table by adopting a broad policy.

Weir stated she would like to add under 4.01 A. that no direct assistance will be given to any business, only off-site infrastructure assistance will be offered.

Batty stated this may limit the type of assistance that could be given over time and would eliminate land write-downs. He suggested the Council adopt the policy as a potential agreement. He added the Council should not establish a write-down, but allow broad discretion to grant or not grant business subsidy. He noted if the policy is too strict, the Council will have to go back and change it later and that is not the ideal circumstance.

Smith however stated she does not want the policy to be so loose that anything is open. She added it should not be so general that it doesn't mean anything either. She also asked staff and Batty if this public hearing was listed in the paper and stated staff should have given residents more notification.

Workman stated if no one is interested in this, or it doesn't affect them, the Council will not get anymore people here to discuss it than are hear already.

Cavanaugh reiterated this is just setting a policy, and it needs to be liberal enough so the Council doesn't have to go back and change it later.

Batty stated the public hearing was in the newspaper and added it was impractical to send a mailed notice.

Smith stated it was not published on the Medina website and added the staff needs to get the information out to City residents. She added this policy allows the City to do TIF and it refers to minimum wage also.

Workman stated the Council can leave the minimum wage up to the State.

Batty stated in Minnesota, where there are no city taxes, this is a dilemma. He added the statute says it will not create a minimum wage.

Batty commented the Council can adopt a policy that deals with wage and job goals.

Smith noted the real issue is that retail is notorious for paying minimum wages and having mostly part-time workers, so they don't have to pay benefits. She commented the City needs to have a benchmark livable wage so we don't get a subsidy from state and this is something to consider.

Workman stated he is hesitant here as this could limit businesses.

Cavanaugh commented that restrictions on business could force small businesses to move from Medina to Plymouth where such restrictions do not exist.

Smith noted we might want to reconsider this especially since Medina is giving financial assistance to businesses and they are taking advantage of it. She stated Medina is picking up the bill and providing TIF money to companies who may end up on a list where the majority of their employees have to go on MN Care.

Workman stated he thinks it's a stretch to say TIF is a subsidy. He commented TIF is public infrastructure assistance.

Batty again noted the Council is looking at providing a generic document that has been adjusted for Medina and which will have to be changed a little to be more specific. He added he was trying to draft a loose and flexible document to address anything that comes up and he noted it can always be modified later.

Workman stated this can be looked at on a case-by-case basis.

Workman opened the public hearing at 9:02 p.m.

Dick Picard, 2765 County Rd. 19 asked Batty if it is mandatory the City have this policy.

Batty stated if the City wants to grant a business subsidy, it must have a policy in place.

Picard stated the Council is a political body, and when they enter private enterprise, for example, the smoking ban, it is unfair to some and not others, and people lose their jobs because of that law. He noted in his background in business, whenever a political body gets involved in business, they will be accused of favoritism or discrimination, whether true or not.

Picard added people don't understand TIF and subsidies to businesses like Target. He added people are misinformed and it is dangerous for the City to get involved with

wages, location, prices charged, items carried, hours open. He noted these are things the patrons decide, not the Council.

Phil Zitlow, 825 County Road 24 suggested the Council may have put the cart before the horse. He stated he doesn't like the word "subsidy" and added "incentive" is a better term. He explained incentive implies we are trying to get someone to come here and implies the City has an economic development plan.

He added history taught the City a lesson. He stated the City didn't give an incentive to Polaris, but did to Thorpe Distributing. Maybe the City got ahead of themselves with Target. He stated the City was trying to build Uptown Hamel, but now has given Target an incentive to come here. He added maybe the City needs to take a time out and ask what they really want from economic development. He noted maybe the City wants law offices, or medical offices, but will have to put an incentive plan in place first. He added maybe the City needs to step back and see the big picture first. He stated if the City did not grant an incentive to Target, they would have come here anyway. Maybe if the City had an economic development plan in place, they wouldn't have to worry about it.

Workman closed the public hearing at 9:11 p.m.

Weir stated the Council has no choice but to adopt a business subsidy policy.

Batty stated he called it a business subsidy because that's what the statute calls it. He commented subsidy is not the best word. He added the City has gotten along without a policy such as this for the last 10 years. However, he added, if the City wants to grant a subsidy to Target, the Council will have to put a policy in place.

Workman asked if the Council wants to go ahead with TIF plans for Ryan Companies, do we have to have this policy in place.

Batty stated yes, if the City wants to utilize TIF, it must have a policy in place.

Weir stated even if a subsidy is not directed to Ryan, it's an indirect subsidy.

Smith stated but for Target being here, what infrastructure needs does the City have right now. She stated this clarifies the issue and the real "but for" is this wonderful benefit to the City. She explained she wants to see a new sewer line, but the problem is, most of the improvements come because this developer wants to come to this City.

Smith added she will look at, what are the real benefits coming to the city from TIF money that need to be done, and that wouldn't have to be done if that particular development was not here. She stated the developer needs TIF money to make these improvements and her dilemma is, how much is going to get done with this development driving the improvements.

Workman stated it is a tradeoff, and the Council needs to decide if the benefit is good enough to have the trade off.

Cavanaugh stated the Council is talking about Target, which is scheduled at a later date, and this issue is only about policy.

Smith stated the livable wage needs to be added to the document.

Workman stated he hates the words “business subsidy” and he thinks businesses should make it on their own. However, he added, the Council will have to go with what the guidelines and statutes require in order to make it work. Therefore, the City will need to have a policy.

Weir asked if the policy could be tied in with a dollar amount, such as one job per amount of assistance.

*Moved by Weir, seconded by Cavanaugh, to accept the business subsidy policy and to add information about a livable wage, and each business must create one new full-time job with every \$100,000 of assistance. **Motion passed unanimously.***

B. Resolution Vacating Drainage & Utility Easement and Vacating Hunter Road Dedicated in the Plats of Cherry Hill farm and T.R.A. Addition

Adams explained this resolution involves the City vacating drainage and utility easements, as well as vacating the Hunter Drive cul-de-sac on the Ryan Companies site. The vacations are subject to the approval and recording of the plat for the project. Staff recommends approval of the resolution.

Workman opened the public hearing at 9:29 p.m.

Workman closed the public hearing at 9:30 p.m.

*Moved by Weir, seconded by Smith, to authorize vacating drainage & utility easement and vacating Hunter Road dedicated in the Plats of Cherry Hill Farm and T.R.A. addition. **Motion passed unanimously.***

C. Resolution Providing for sale of \$830,000 General Obligation Improvement Bonds, Series 2005B (Park Ridge Acres)

Adams stated the City has agreed to finance the public improvements through bonds, to be reimbursed over the next five years by special assessments when lots develop. If the lots do not develop in five years, the property owner will have to pay the balance of the principal/interest due. He added staff recommends approval of the resolution to provide for the sale of G.O. bonds. He added the City will also receive \$121,000 from MnDot to support the infrastructure costs.

Dave Callister, Ehlers and Associates presented the presale report to summarize the financing of the bonds. He explained they are five-year term bonds. He added if the lots are sold in an expedient manner, there is a 3.5 year call-date. He noted the City would want to pay this off early for cash flow.

He added \$830,000 is the amount to be assessed and there would be no principle payments for first 2 years.

He noted these are special assessment bonds with rates at 2%. He explained they are general obligation bonds, which means they are backed by the City but the City has the obligation to pay off the bonds.

Weir asked if there is any doubt MnDot will pay the \$121,000.

Adams stated the City has a signed agreement with MnDot on this.

Batty stated the City is assured to receive up to a maximum of \$121,000, however the City may get something less than this. He added the City's intention is the actual price of the project minus what MnDot pays the City, so the City is protected.

Workman asked if the City is the first lien holder on this project.

Batty stated yes.

Callister stated the City has an Aa3 bond rating. The resolution is here to get the process started.

*Moved by Weir, seconded by Smith, to authorize sale of the General Obligation Improvement bonds. **Motion passed unanimously.***

D. Resolution Approving Plans and Specifications and Advertisement for Bids for Phase II of Public Improvements (Bridgewater at Lake Medina)

*Moved by Smith, seconded by Weir, to authorize resolution approving plans and specifications for Phase II of Public Improvements (Bridgewater at Lake Medina). **Motion passed unanimously.***

E. Awarding contract for Bridgewater for \$169,000.00

*Moved by Smith, seconded by Weir, to authorize awarding the contract for Bridgewater Phase I for \$169,000. **Motion passed unanimously.***

X. CITY ADMINISTRATOR REPORT

A. Hamel Community Building – Punchlist and Change Orders

Adams stated Qwest accidentally cut electric lines while installing service to the building. The City feels Qwest should pay the bill on this and Staff recommends the City hold off paying for at least another 2 weeks and work with the construction manager to resolve this issue. If Qwest does not pay, City may have to fund a portion.

Cavanaugh asked if the service providers' insurance pay it.

Adams stated he will check on this, but Qwest has not acknowledged responsibility.

B. Staff Needs Analysis report

Smith commended Adams on preparing a professional report for the staff needs analysis.

Workman added the report is very professional, clear and well done. He noted it looks at our needs and justifies them.

Adams explained implementation of the staff hirings will occur through separate approval, but recommended a study be completed on hiring a building inspector/code enforcement officer versus maintaining a contractual service.

Weir stated it may be better to outsource this project.

Smith stated she is not supportive of hiring outside sources for inspections.

Adams stated there is enough expenditure going out to justify a full-time person being hired for inspections.

Smith stated staff can look at the numbers and see how do we solve the code enforcement issue.

*Moved by Smith, seconded by Weir to accept the staff needs analysis report. **Motion passed unanimously.***

A. Code Enforcement Update

Lorsung stated staff has researched and compiled CUPs to date and has organized them by the month adopted. She added each month staff pulls them and goes out into field to make sure the owners are following the CUP requirements. She commented some months there are at least 15 CUP's.

She added there has not been a lot of review of CUP's over the years, so staff is behind on this. It will take more than a simple procedure. She explained there will be conditions where many are out of compliance.

She stated there are 12 to review in July 2005 so at each Council meeting, staff will have 6 memo's on each CUP. She asked for the Council's support on this as staff has been asked to do this and they need to treat each business fairly when reviewing the CUP's. She added staff will begin this week going into the field and reviewing the CUP's.

Lorsung stated she receives 5-10 calls per week with complaints and she does follow up and make calls. She stated she will need some direction for code enforcement from the Council. She added there are also many zone districts that are out of compliance.

Lorsung explained staff is trying to be more progressive and proactive in code compliance.

Workman stated the Council will support CUP's be enforced or changed and added the same will hold true with code enforcement. He noted complaints will go down if we do a better job on this. He pointed out he understands time and manpower are difficult situations.

Lorsung added 50% of calls she receives are about illegal businesses and commercial activity in residential areas.

Adams stated staff is taking a team approach with the police and consultants on this. He added staff really needs the Council's support to back up staff and explained this will also involve legal resources and expense at some point.

Belland stated there is an option of going the criminal route or the civil route on these CUP's.

Workman stated the primary issue here is quality of life. He explained he would like to see Adams come up with a specific budget for this. He added if the City can get more police support for this also, it will help.

Smith stated there hasn't been support from the Council in the past. She noted if a well-known resident comes forward with substantial holdings, the Council will need to hold their ground here. She added the Council will need to prioritize here especially with visibility pollution and will need to look at home-based business uses also.

Lorsung also stated some problems have been with storage on site and landscaping businesses with large trucks parked in residential areas.

Cavanaugh asked if later this year staff and the Council will go through policies and ordinances for fairness.

Lorsung stated there hasn't been enough staff resources, and many ordinances should be adjusted.

Smith added the Council needs to be supportive and keep CUP's consistent.

Workman stated the Council would like to hear updates on the codes, and asked staff to keep it as part of future agendas.

Smith stated if Council Members receive calls on CUP's, please make sure the complaint is presented at the next meeting.

Workman also added if Council members receive calls, they should confer with staff.

D. Acquisition of Laptop Computer

Adams recommended the purchase of a laptop for under \$3000. The laptop will be wireless and will be used for presentations.

*Moved by Smith, seconded by Cavanaugh, to approved acquisition of a laptop computer. **Motion passed unanimously.***

E. Drug Task Force Update

Police Chief Belland stated all complaints in this area are being addressed, and search warrants have been filed. He added certain people have been taken off the streets. He added the results have been phenomenal and this task force is benefiting Medina greatly.

Belland added when the budget comes up, he will ask to keep this task force employee and it is justified. He added numbers show it will take \$25,000 – \$30,000 to fund this position and he wants the Council to be aware of this when he comes forward with this. He added he is proud of what has been accomplished this first year and stated Meth labs have also been found and a couple of Meth arrests have been made also.

Smith asked if the police find waste, what is done with it.

Belland stated there are no costs related to this and the Drug Enforcement Administration (DEA) does the clean up. He added the operating costs to do the buying, hire agents, informant payment and the cost of officers is \$21,000.

Cavanaugh asked what types of offenders are primarily being arrested.

Belland stated most are dealers. He added 125 charges have been brought about during this phase.

G. High Speed Internet

Adams stated the Lake Minnetonka Communication Commission is studying high speed wireless internet and wants to know if area cities are interested. Adams recommends the City respond yes.

Smith asked about the wi-fi.

Adams stated density is a problem here for City to possibly take upon ourselves. He added wi-fi has been very successful in Chaska and Buffalo, and stated Minneapolis will also be providing citywide wi-fi.

XI. MAYOR & CITY COUNCIL REPORTS

Cavanaugh asked what is happening with the Independence sewer hook-up and stated he understood if it were bad, Independence would require that residents hook-up if the tested septic systems failed.

Lorsung stated she called on this, but Independence hadn't responded on this yet.

Adams questioned if someone is not compliant, if they must hook up or simply come into compliance.

Workman asked staff to please get the correct information from Independence on this issue for the next Council meeting.

Workman stated he is meeting with the City of Corcoran as they want sewer and water hook up on Hwy. 55 in the northwest quadrant. He stated they will discuss this but Medina does not want to develop our northwest quadrant.

Adams stated the Council may have to do a Comprehensive Plan amendment on this.

VIII. APPROVAL TO PAY THE BILLS

Moved by Weir, seconded by Smith to approve the bills, order check numbers 27971-28034 for \$147,244.70, and payroll check numbers 19300-19320 for \$25,222.52.

Motion passed unanimously.

IX. ADJOURN

*Moved by Smith, seconded by Weir, to adjourn the meeting at 10:25 p.m. **Motion passed unanimously.***

Bruce D. Workman, Mayor

Attest:

Chad M. Adams, City Administrator-Clerk