

COUNCIL MEETING
MAY 13, 2008
7:00 P.M.
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CITY OF DAYTON, MINNESOTA
12260 S. DIAMOND LAKE ROAD
HENNEPIN/WRIGHT COUNTIES

PRESENT: Mayor Doug Anderson; and Council members Phil Forseth, Scott Hoke, J. Kevin Anderson, and Tim McNeil

ABSENT: none

ALSO PRESENT: Administrator Samantha Orduno, City Clerk Sandra Borders, Assistant to Administrator Erin Stwora, Finance Director Richard Hill, Police Chief Richard Pietrzak, Public Works Director Rick Hass, Fire Chief Dennis Young, City Engineer Mark Hanson, City Attorney George Hoff, and Administrative Assistant/minute-taker Debbie Maveus

CALL TO ORDER - 7:15 p.m.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

MOTION: Motion made by Hoke, seconded by Forseth, to approve the Agenda of the May 13, 2008 Regular Council Meeting.

Ayes: D. Anderson, Forseth, Hoke, K. Anderson, McNeil

Nays: none

MOTION DECLARED PASSED.

CONSENT AGENDA:

- A. Approval of Council Meeting minutes of April 22, 2008
- B. Payment of Claims – May 13, 2008
- C. Approval of Liquor License (3.2 On-Sale – Non-intoxicating) for St. John the Baptist Catholic Church for August 2nd & 3Rd, 2008
- D. Approval of Gambling License for St. John the Baptist Catholic Church for August 2nd and 3rd 2008
- E. Liquor License for L & R Liquors, LLC / dba Dayton Liquor (New Owners)
Staff Report #66-2008
- F. Resolution 25-2008: Gambling License for Rogers Lions at Daytona Country Club
- G. Dayton Fire Department Meeting Minutes of March 20, 2008
- H. Consideration of purchase of Office Cubicle Panels for the City Office areas
Staff Report #67-2008
- I. Authorization to Purchase Computer System Server **Staff Report #68-2008**
- J. Consideration of Approval of Quote For Crack Sealing **Staff Report #69-2008**
- K. Resolution 26-2008: Approval of Support for Mayor Doug Anderson’s Application to the League of Minnesota Cities Board **Staff Report #70-2008**

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Council member Forseth got clarification on a couple of payment of claims. Council member McNeil questioned Item H – Purchase of Office Cubicle Panels, asking if the expense could wait until later in the year. Administrator Orduno clarified and relayed this purchase had no affect on the General Fund budget, since the item was budgeted for out of the Capital Outlay Fund.

MOTION: Motion made by McNeil, seconded by Forseth, to approve the Consent Agenda of May 13, 2008.

Ayes: D. Anderson, Forseth, Hoke, K. Anderson, McNeil
MOTION DECLARED PASSED.

Nays: none

OPEN FORUM

No one was present for Open Forum.

COUNCIL BUSINESS

ITEM L – SUSTAINABILITY CHAPTER FOR 2030 COMPREHENSIVE PLAN UPDATE **S.R.#71-2008**

Assistant to the Administrator Stwora reviewed that at their March 24th Special Meeting the Council asked Bonestroo to draft a Sustainability Chapter, creating a focus on green development to provide a framework of the Council's priorities for future development and policies. Bonestroo's representative, Ms. Goodroad, informed that other communities were implementing such chapters.

The Planning Commission reviewed the Sustainability Chapter at their May 1st meeting and commented they were opposed to political stance statements regarding global warming, so they suggested the rewording – Scientific consensus is that the global climate is warming and that human activity is responsible. Land use decisions, transportation systems, and energy use all have a major impact on greenhouse gas emissions. Under the Economic Development language, the Planning Commissioners suggested - Create self-sufficient community, equal number of jobs and working age residents. Staff asked for direction on whether this chapter should be included in the 2030 Comprehensive Plan Update.

The Council explained some of their concerns with the Sustainability Chapter, and Assistant to the Administrator Stwora asked if the Council would be more comfortable with a Policy Statement, instead of the inclusion in the Comprehensive Plan. It was suggested the Council send their comments to Stwora.

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MOTION: Motion made by Forseth, seconded by K. Anderson, to direct Staff to prepare a Policy Statement, with comments from the Council, to be brought back to the Council.

Ayes: D. Anderson, Forseth, Hoke, K. Anderson, McNeil
MOTION DECLARED PASSED.

Nays: none

**ITEM M – CONSIDERATION OF WATER/SEWER IMPLEMENTATION PLAN &
RESOLUTION #24-2008: ADOPTING 2008-2009 WATER, SEWER & AREA RATES
S.R.#72-2008**

Engineer Hanson and Finance Director Hill came forward and Hanson reviewed that the first Draft Implementation Plan, Water and Sewer Rate Study was presented to the Council April 22nd, and based on their input and other consideration the following is included in the new Plan: Time period extended from 3 to 5 years (2008-2012), a minimum/middle/maximum number of connections was projected over the 5 year period, 4 rate options, total revenue for 2008 through 2012 is presented for each rate option, expenses are divided between External (pass through) and Internal, cash flow for each rate option based on number of connections, rate options are compared to neighboring communities and to Historic Village based on different usage, and Fee Schedule for 2008-2010.

Recommendations to implement a Water and Sewer Rate Implementation Plan based on Council input/goals were noted by Engineer Hanson and Finance Director Hill, along with their suggested Options: provide cash flow over a 5 year period where projected revenues/expenses are near equal - Rate Options 3 & 4 best; adopt rates that are similar to neighboring communities - Option 4 best; the existing users in the Historic Village do not experience a significant rate increase - Options 3 & 4 best; change the billing cycle from quarterly to bi-monthly, and monthly in the future, similar to neighboring communities; same rate structure for all of Dayton is the most efficient - recommendation to adopt the same rate structure, except the properties in the Champlin and Rogers's service area for now; adopt a rate increase of 5% per year through 2010; administrative/support rate for Dayton users served by Champlin will compensate Dayton fairly for its costs to coordinate with Champlin; the 2008-2010 Fee Schedule is developed from recent Comprehensive Utility Plans/Feasibility Reports prepared, comparable to neighboring communities and accurately reflects Dayton's costs; and implementing the rates and fee schedules immediately such that the new rates will be effective July 1, 2008, allowing the processes to be put in place in 2008, so adopted rates can be presented to the new users in NE Dayton.

Staff noted that the proposal is for a lean Operation & Maintenance Budget over the next few years, being sensitivity to current and neighboring rates, rate payer support, the uncertain timing of growth, and current economic conditions. The next step is to finalize the approach over the next few years to implement water and sewer rates based on Council direction and Staff input.

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The Council asked if all the bonding was taken out, which Staff stated was, explaining the process. A public notice was mentioned, but no date had been set. Engineer Hanson reviewed and explained the existing and proposed rates, with Option 1 being the original and highest charge. Council member McNeil asked about Option 4 – breaking even, but still losing money after first 3 years. Staff explained that the way to get a healthy fund is the number of connections, since 120 of them can not cover the costs. It was clarified that the numbers include industrial properties. It was suggested that by 2012, Dayton could have 600 connections. The rates do not include Capital Improvement projects, as rates are too small to include those.

Engineer Hanson stated that the Council would need to pick which Option they preferred (1 through 4). Council member Forseth suggested Option 2, which includes a little more than breaking even in 4 years; Council member McNeil suggested Option 3. That would be about \$600 per year, and the Council compared that to other utility costs. McNeil stated his concerns of the Historic Village rates increasing that much. It was explained how the rest of the City has been covering much of the Historic Village sewer and water costs for years. Staff explained their reasoning for the change to billing every 2 months.

Engineer Hanson suggested the addition of their preferred option to the resolution. There was much discussion on the differences/reasoning between Options 2 & 3, including sticker shock and limited incomes, complaints on existing rates, and knowing a lot more in two years on future connections. Mayor Anderson suggested #2 now, so rates would not have to be raised again in a couple years, Council member Forseth suggested it would be easier to decrease rates or not increase the 5%, than increase later. It was noted that there would only be a difference of \$16 on the quarterly bill.

The Council discussed the NE Dayton Sewer and Water Project and timeline of their connecting, and whether they should wait until more is known. Staff explained the reasoning and benefits to approve this now, including income for this year and the inclusion of Industrial properties now. Grant options for the Historic Village were suggested. Administrator Orduno mentioned the possibility of businesses/non-profit groups raising/providing funds to help subsidize rate increases. The loss of total collection/income was projected at \$8,000 - \$10,000 loss per year, plus loss of industrial/commercial revenue.

There was a suggestion of Option #3 for one year, and Option #2 the remaining 4 years, by Council members McNeil/K Anderson. Administrator Orduno suggested a full year cycle for the rest of 2008 and 2009, then revisit the rates. It was noted that the budgets would be discussed annually. There was discussion of the non-existence of Capital Equipment. Council member Hoke suggested fees be adopted separate from the quarterly charges.

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MOTION: Motion made by McNeil, seconded by K. Anderson, to approve Resolution #24-2008, with modifications. 3) Water and Sewer usage charges will be implemented under Option #3, as presented. The Fee Schedule Area Charges/Connection charges were approved, "subject to annual review". The new Water & Sewer Rates are to be effective July 1, 2008, and January 1st in subsequent years.

Ayes: Hoke, K. Anderson, McNeil
MOTION DECLARED PASSED.

Nays: D. Anderson, Forseth

ITEM N – CONSIDERATION OF ASSESSMENT APPEAL SETTLEMENT WITH WICHT INDUSTRIAL PARK/DAYTON HOLDING/CEMSTONE & CEMSTONE W.A.C. AGREEMENT

Attorney Hoff presented for consideration a Wicht Industrial Park/Dayton Holding/Cemstone Settlement Agreement and a Cemstone WAC Agreement. Both Exhibit A – Appendix B Final Assessment Roll Details, Wicht Industrial Park/SW Dayton Phase 1A Utility & Street Improvements, dated October 4, 2007, and Exhibit C – Dayton Holding and John E. Wicht lawsuit information were handed out by Hoff. He discussed several small language items that needed clarification and potential modification. In addition, based on information from the County, there appeared to be a discrepancy in the amounts to be paid in 2008 in the chart attached to the Settlement Agreement. If the Council still finds the terms of the Settlement Agreement acceptable, that they approve it, subject to the City Administrator and City Attorney approving the final language of the Agreement and clarify and potentially modify the amounts paid for 2008 reflected as Credits for 2008 Payments, shown on the chart attached as Exhibit B to the Settlement Agreement.

MOTION: Motion made by McNeil, seconded by Forseth, to approve the Wicht Industrial Park/Dayton Holding/Cemstone Settlement Agreement & Cemstone WAC Agreement, as presented and clarified by the City Attorney.

Ayes: D. Anderson, Forseth, Hoke, K. Anderson, McNeil
MOTION DECLARED PASSED.

Nays: none

ITEM O – CONSIDERATION AND PARTICIPATION IN THE 1,000 FRIENDS PLANNING GRANT

Assistant to the Administrator Stwora relayed she attended the Question and Answer Session for 1,000 Friends of Minnesota, along with Council members McNeil and Forseth, learning applications were due this Thursday. She commented that it was a 6 year plan, then restarting the framework again. She handed out Sample Funding Formulas (high and low end cost estimates) shown at the meeting, which needed to be budgeted, between \$2,400 and \$100,000. It was clarified it was matching funds, and a cyclical framing.

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Assistant to the Administrator Stwora relayed that Bonestroo is 99% sure they are included as a considered planning organization. She relayed the amount of Staff time it would take to prepare the application. Council member Forseth reviewed information on the McKnight Organization and relayed how they were very open about their agenda of needing to follow their framework to receive funding. He suggested there was no reason the City should not apply. It was relayed that in June the first approval of applicants would be known, and by July funds could come in. By then, if was relayed, the City would find out if they received the DNR Grant. There was a question of the ability to use both grants. Administrator Orduno mentioned putting the 2008 \$30,000 budgeted amount in a fund for use when needed.

MOTION: Motion made by Forseth, seconded by McNeil, to direct Staff to submit the application to participate in the 1,000 Friends Planning Grant, as presented.

Ayes: D. Anderson, Forseth, Hoke, K. Anderson, McNeil
MOTION DECLARED PASSED.

Nays: none

REPORT OF OFFICERS

COUNCIL UPDATES

Council member McNeil handed out a proposed *Proclamation of Matthew Robert Lee Day* on May 26, 2008. He mentioned a Golf Tournament and St. John the Baptist Church's dedication of memorial flag pole at their cemetery on Memorial Day. Attorney Hoff questioned the appropriateness of it, and it was suggest a different date be chosen -- May 27th.

MOTION: Motion made by McNeil, seconded by Forseth, to proclaim May 27, 2008, as Matt Lee Day.

Ayes: D. Anderson, Forseth, Hoke, K. Anderson, McNeil
MOTION DECLARED PASSED.

Nays: none

Council member Hoke thanked Staff for their help on *Clean up Day*.

CITY ADMINISTRATOR

Administrator Orduno reported that Thursday, May 22nd at 8:30 a.m., Staff would be reviewing the *RFP's for the Public Facilities Master Plan*. Council member Hoke was recommended to attend.

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ASSISTANT TO ADMINISTRATOR

Assistant to the Administrator Stwora mentioned a call from a resident on Baxter Avenue who has not hooked up to City utilities and desires a *demolition permit for the Historic Village property*. She relayed it could be in a good location for the City to purchase and widen the boulevard. There was **CONSENSUS** for Staff to get more information.

POLICE CHIEF

Chief Pietrzak noted that the *School Picnic/Public Safety Open House* would be held Tuesday, May 20th at Dayton Elementary School. He reported on the *Safe and Sober enforcement*, and invited the Council to view the new squad car.

CITY ENGINEER

Engineer Hanson and Staff reported on the *Tilden Avenue Project*. Upon discussion of a *County Road #121/ Pineview Lane traffic count*, there was **CONSENSUS** by the Council.

CITY ATTORNEY

Attorney Hoff explained the need to adjourn to a *Closed Session* to discuss the litigation matters regarding the Miller Property.

ADJOURNMENT

MOTION: Motion made by Hoke, seconded by McNeil, to adjourn to a Closed Session for the purpose of discussion of litigation matters involving the Miller Property.

Ayes: D. Anderson, Forseth, Hoke, K. Anderson, McNeil

Nays: none

MOTION DECLARED PASSED.

APPROVED: May 27, 2008 ATTEST: _____