

**COUNCIL MEETING
JUNE 10, 2008
7:00 P.M.
PAGE 1 OF 8**

**CITY OF DAYTON, MINNESOTA
12260 S. DIAMOND LAKE ROAD
HENNEPIN/WRIGHT COUNTIES**

PRESENT: Mayor Doug Anderson; 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, Public Works Director Rick Hass, Fire Chief Dennis Young, City Engineer Mark Hanson, and Administrative Assistant Debbie Maveus

CALL TO ORDER - 7:00 p.m.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

MOTION: Motion made by McNeil, seconded by K. Anderson, to approve the Agenda of the June 10, 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 May 27, 2008
- B. Approval of Work Session minutes of May 27, 2008
- C. Payment of Claims – June 10, 2008
- D. Dayton Fire General Meeting Minutes of April 17, 2008
- E. Res. #31-2008: Approving Dayton Emergency Operations Plan **S.R.#81-2008**
- F. Res. #32-2008: Acceptance of Donation from Residential Mortgage Group on behalf of Gene and Lori Hommerding
- G. Appointment of Vice-Chair of Park Commission **S.R.#82-2008**
- H. Consideration and Approval of 2008 Liquor Licenses: (no paperwork)
 - Dehn’s Country Manor – 3.2 Beer and Wine License
 - Sundance Golf & Bowl – On-Sale Liquor and Sunday Liquor
 - Daytona Golf – On-Sale Liquor and Sunday Liquor
 - French Lake Golf – 3.2 Beer On-Sale - Dayton Liquor – Off-Sale Liquor
 - Crow River Inc. (dba Dayton Bar & Grill) On & Off-Sale Liquor & Sunday Liq.
 - PDQ Food – 3.2 Off-Sale - Hayden Hills Golf – 3.2 Beer On-Sale

MOTION: Motion made by McNeil, seconded by Forseth, to approve the Consent Agenda of June 10, 2008.

COUNCIL MEETING
JUNE 10, 2008
7:00 P.M.
PAGE 2 OF 8

CITY OF DAYTON, MINNESOTA
12260 S. DIAMOND LAKE ROAD
HENNEPIN/WRIGHT COUNTIES

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

Nays: none

PRESENTATIONS:

- 1) *To Louisa Nikolova – 2007 Honorable Mention, State Fire Safety Poster Contest Winner*
Mayor Anderson presented a certification from the City of Dayton for her achievement in receiving the 2007 Honorable Mention award for the State Fire Safety Poster Award Contest, as relayed by Chuck Gaulke, Fire Education Officer from the Dayton Fire Department.
- 2) *To Sandra Nicholson, Principal of Dayton Elementary School – 13 Year Service Award*
Mayor Anderson presented a 13 Year Service Award to the Principal of Dayton Elementary School, Sandra Nicholson, recognizing her for her commitment to the school all those years. She thanked the City for all the support from the City and Staff throughout the years.

OPEN FORUM

Ron Touchette, real estate developer/representative from Queen of Peace/Guardian Angels properties located in the proposed West French Lake Project, came forward regarding the proposed sewer and water assessment, and his lack of information on the impact, and his objection to the project moving forward. Administrator Orduno suggested he be referred to Engineer Hanson to obtain information, and Mr. Hanson relayed he could update on the issue during his report on the utility improvements. Mr. Touchette requested proposed costs to the properties, benefit to the City, suggesting more discussion and another possible plan that would be best for all involved, although he had no suggestion for a specific alternate plan.

Joe Pazandak, 14100 Balsam Lane N., came forward to suggest that, a short type of prairie grass be planted in some of the NE Dayton Project restoration areas. He mentioned the median/boulevard at Balsam Lane and County Road #12, explaining the benefits and stating that he would donate seed. The Council received clarification that instead of burn-off being needed, mowing was sufficient. Benefits were durability for the soil conditions, lack of requirements for continuous mowing or watering, and reduction of maintenance costs. It was noted that with the shorter grass, it would not obstruct traffic or sight lines. Engineer Hanson relayed that different kinds of seeds can be investigated, and it was noted there were no issues with him or Director Hass. The Council suggested Staff work with Mr. Pazandak on the seeding. He mentioned he could take care of it, since he has the equipment.

COUNCIL BUSINESS

ITEM I – ACCEPTANCE OF THE 2007 ANNUAL AUDIT

S.R.#83-2008

**COUNCIL MEETING
JUNE 10, 2008
7:00 P.M.
PAGE 3 OF 8**

**CITY OF DAYTON, MINNESOTA
12260 S. DIAMOND LAKE ROAD
HENNEPIN/WRIGHT COUNTIES**

Prior to the Council Meeting, at the Council's Work Session, representatives from Kern, DeWenter, Viere, Ltd. (KDV) reviewed the Management Letter and Audited Financial Statements for the Fiscal Year Ended December 31, 2007.

MOTION: Motion made by McNeil, seconded by Forseth, to accept the 2007 Annual Audit, as presented during the Work Session, contingent on clarification of a couple items discussed, including the Park Dedication Fees and Out-Of-State Travel Policy.

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

Nays: none

ITEM J – UPDATE WEST FRENCH LAKE UTILITY IMPROVEMENTS S.R.#84-2008
- Request for Lot Equivalency Credit from Ann & Rich Beach

Engineer Hanson distributed a PowerPoint Presentation and reviewed that the Council had held a Public Hearing for West French Lake Utility Improvements Project at their January 22nd meeting, and approved it as presented, authorizing preparation of plans and specifications. Staff has been meeting with property owners to review the project and easement needs. The memo, dated June 5th, reviewed the project costs from the Feasibility Report, findings from project/easement meetings with the property owners, and based on that were recommending a change in the scope of the project

Engineer Hanson's report mentioned the communication with Richard and Ann Beach, residents of W. French Lake Road, stating they were not planning to develop in the near future and were requesting to be assessed differently. Based on the meeting with the property owners in Parts 3 and 4 (which includes the Beach's), Staff proposed an alternate project, shown as Figure 3 of the proposed alternate project layout- a reduced project for Part 3 and elimination of Part 4. Parts 1 and 2 would remain as presented in the Feasibility Report. The estimated project costs would be \$4,147,500 and revenue for this alternate project would be \$4,188,200 (compared to \$6,075,100 and \$6,639,033 respectively). This proposal would serve current properties, but not undeveloped areas, considering the current housing market decline. He reviewed the summarized items for the Council to consider in moving forward with the West French Lake Utility Improvements Project forward: responses from the property owners, the alternate project which reduces the overall project cost/assessments, lengthening the assessment period from 10 years to 15 or 20 years, making the first payment due in 2010 instead of 2009, and constructing the remainder of Part 3 and all of Part 4 at a later date, as development occurs.

It was noted that the Queen of Peace assessment for Part 4, of which their representative was present at Open Forum, would be excluded in the Alternate project, if approved. It was clarified that this proposal would only serve existing developed land uses, excluding Dayton Park Properties and others properties not yet developed. The Council discussed possible development proposals, and suggested proceeding with the Alternate Project, which would had a total surplus of \$40,700.

**COUNCIL MEETING
JUNE 10, 2008
7:00 P.M.
PAGE 4 OF 8**

**CITY OF DAYTON, MINNESOTA
12260 S. DIAMOND LAKE ROAD
HENNEPIN/WRIGHT COUNTIES**

Administrator Orduno recommended obtaining additional financial information from the City's consulting Financial Advisors, which Engineer Hanson agreed. He suggested Staff start interacting with property owners not included and work on easement discussions with the Dayton Park Properties, in the alternate project. The Council stated they also wanted to know the 10/15/20 year differences, to determine the best option for increasing the years of assessment. There was *CONSENSUS* to proceed with the Alternate Project for West French Lake Utility Improvements, as presented as Figure 3, in the Proposed Alternate Project Layout dated June 2008 reducing Part 3 and eliminating Part 4 from the Project, and having Staff contact Springsted to get the requested financial information..

ITEM K – RESOLUTION #33-2008: AUTHORIZING \$30,000 PAYMENT TO HENNEPIN COUNTY FOR DAYTON'S COST SHARE OF GOOSE LAKE ROAD SR#85-2008

Engineer Hanson reviewed that the City of Dayton, in conjunction with Hennepin County and the City of Champlin, entered into Agreement PW 16-51-07 in May of 2007 to improve Goose Lake Road from Elm Creek Road to 109th Avenue. Per the agreement, Dayton's first payment is for 95% of the construction bid amount and 18% of the design and construction engineering. Hennepin County invoiced the City for \$483,951.70, with the remaining 5% to be billed at the time of project closeout late 2009/2010. Dayton's estimated amount was \$569,268.50, compared to \$509,422.84 at this time.

It was relayed that the \$17,000 assessment to Kevin Faulds would be applied to reduce the overall project cost and the cost responsibility to Nature's Crossing would also fund the remaining costs. The City's cost responsibility shall remain at \$30,000 in accordance with the Nature's Crossing Agreement.

MOTION: Motion made by McNeil, seconded by Forseth, to waive the reading and adopt Resolution #33-2008, as presented, to pay the City's share for Goose Lake Road Improvements from the General Fund, in accordance with the agreements with Nature's Crossing and Kevin Faulds.

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

Nays: none

ITEM L – CHANCE ORDER NO. 3, N.E. DAYTON CONTRACT 2 – S.R. WEIDEMA, INC.
S.R.#86-2008

Engineer Hanson reported that Staff has finalized Change Order No. 3 for Contract 2 with S.R. Weidema, Inc., in the amount of \$96,182.84, which includes three parts -- realignment of the sanitary sewer to Nostalgia Woods and the removal of the existing lift station/septic tanks (-\$128.60), replacing wood chip backfill through the muck excavation on North Diamond Lake Road with granular soils (\$66,636.06), and replacing the wet silty soil discovered on North Diamond Lake Road

**COUNCIL MEETING
JUNE 10, 2008
7:00 P.M.
PAGE 5 OF 8**

**CITY OF DAYTON, MINNESOTA
12260 S. DIAMOND LAKE ROAD
HENNEPIN/WRIGHT COUNTIES**

with a granular soil (\$29,675.38). The financial responsibility will be accounted for in the financing for the NE Dayton Project.

Photos of the poor soil were provided to the Council, and they received clarification on the soil borings. The Council asked if there would be County participation, and Engineer Hanson reported on the last response from the County. He explained that this section was to be overlaid by the County, at a cost of about \$40,000. It was suggested he contact those above County Staff and explain the better product they would receive. There was a suggestion by Administrator Orduno, of a letter being sent to the County Commissioner and entire County Board, about their discontent with the County's working with Dayton. There was *CONSENSUS* by the Council to have the entire Council sign a letter, prepared for the next meeting. Administrator Orduno mentioned a request that Hennepin County provide costs on what they have spent in Dayton in the last 10 years, to which the Council agreed she should make a request.

MOTION: Motion made by Forseth, seconded by McNeil, to approve Change Order No. 3, NE Dayton Contract 2, as presented, for S.R. Weidema, Inc, in the amount of \$96,182.84.

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

Nays: none

**ITEM M – ORDINANCE #2008-14: AMENDING DAYTON CODE RE: TEMPORARY SIGNS
REQUIRING PERMITS & FEES** **S.R.#87-2008**

Assistant to the Administrator Stwora stated that the Council had , directed Staff to add language to the sign ordinance permitting religious, civic, school, and public organizations to receive a temporary sign permit free of charge. A Public Hearing was held at the June Planning Commission meeting, where was no public comment. The Commissioners reviewed the amendment, recommending approval.

MOTION: Motion made by Forseth, seconded by McNeil, to waive the reading and adopt Ordinance #2008-14, approving the amending of the Dayton City Code Section 1001.20 regarding Temporary Signs Requiring Permits & Fees.

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

Nays: none

REPORT OF OFFICERS

COUNCIL UPDATES

Council member Forseth mentioned CSAH #12's poor condition with the excessive and dangerous

**COUNCIL MEETING
JUNE 10, 2008
7:00 P.M.
PAGE 6 OF 8**

**CITY OF DAYTON, MINNESOTA
12260 S. DIAMOND LAKE ROAD
HENNEPIN/WRIGHT COUNTIES**

street ruts, and there was discussion of the large amounts of dollars the County receives through taxes and the little return by Dayton residents. Engineer Hanson suggested *CSAH #12 and Pineview and CSAH #121* may get overlays when the street projects are done by the City. The Council suggested adding the request of portions of those roads being repaved, to the letter to the County. Council member Kevin Anderson thanked Staff for posting the *pedestrian sign in the Historic Village*, and he and Council member McNeil relayed that it seemed to be making a difference.

ASSISTANT TO THE ADMINISTRATOR

Assistant to the Administrator Stwora mentioned her Memo, dated June 10th, regarding the *Quilling Property on Lawndale Lane*. She updated the Council on a wetland issue in which the DNR and City are involved. Secondly, she presented a *proposed letter to the residents of the NE Dayton Project* area, regarding the sewer and water hookups and connections. She requested the Council's comments within the next couple days, since she wants to get the information to residents and business next week.

FIRE CHIEF

Fire Chief Young mentioned the *training four of the fire fighters had been completed* recently, and that the previous evening *extrication tools* were reviewed for practicing with this week.

CITY ENGINEER

a) Update on NE & SW Project Costs

Engineer Hanson referenced information in his memo, dated June 5th, regarding Budget Update – NE Dayton/Wicht Industrial Park, which included a financial summary of each project to date. He mentioned that the NE Dayton Project is estimated to exceed the bond sale budget, while the Wicht Industrial Park Project is estimated to be less. He reviewed items contributing to the NE Dayton overage. Hanson informed the Council that he included additional costs for Wicht Industrial Park to overlay CSAH 81 verses a seal coat (\$25,000) and funding for a concrete section verses bituminous in Holly Lane between the railroad crossing and CSAH 81 (\$20,000). If the Council agrees, both items will be brought back for formal consideration at their June 24th meeting.

Indirect costs (primarily legal/construction engineering), were discussed by Engineer Hanson, mentioning items that could cause the overage to be increased. The Council noted that the project was about 1% over Budget, which was impressive for a project of its size, but they wondered how the difference would be financed. Options of assessment interest, Administrative Fees adjustments, and a temporary loan from the General Fund was discussed. There was clarification on the amount of money available for the Project and Hanson thought this was fairly close to expectations. He responded that the majority of the overage was because of additional easement costs, which brought

**COUNCIL MEETING
JUNE 10, 2008
7:00 P.M.
PAGE 7 OF 8**

**CITY OF DAYTON, MINNESOTA
12260 S. DIAMOND LAKE ROAD
HENNEPIN/WRIGHT COUNTIES**

about discussions of the accuracy of appraisals. Hanson reviewed the Bond Sales Summary with 2006 and 2007 comparisons. Interest from the assessments would pay back the General Fund, it was relayed by Mr. Hanson.

Staff reported that more prepaids of assessment have been received than expected, and Staff agreed the City's Financial Advisors should be contacted to recalculate the numbers and lack of interest that would accrue over time as a result of increased prepaids. The Council asked about the water tower completion and it was relayed that the April weather did not allow for it to get done, so it will need to be rescheduled.

Regarding SW/Wicht Project, Engineer Hanson relayed his and Director Hass's suggestion because of the condition of the road, to add to the project the overlay of CSAH #81, instead of seal coat (\$25,000), since the shoulders on both sides are being torn up during the project work. The Council suggested that the City does too much already on county roads, and does not receive much from the county, so they recommended not upgrading to overlay, if the county is not participating in the costs.

It was recommended that Staff contact the County and add this request/issue to the letter being sent to them from the Council, and discussing it with them before the next Council meeting. Engineer Hanson informed the Council of his being approached by Cemstone requesting a concrete section, instead of bituminous at Holly Lane between the railroad crossing and CSAH #81 (\$20,000). The Council agreed that if Cemstone did not want to participate, they would not agree to the upgrade, but otherwise they would consider it.

**b) Update on NE Dayton Project Property Issues
(Vinewood Storm Sewer/Seeding of Boulevards/Hemlock Lane Improvements)**

Engineer Hanson's Staff report mentioned the letter from Joe Kimmel dated May 28th, stating concerns of the storm water design in *Vinewood Lane*. He reviewed the course of action agreed upon and the resident's satisfaction. The Council mentioned that there were residents who had not wanted curb and gutter on Vinewood, but that the road was not what they expected. They reported that most residents are happy with how it was restored. Engineer Hanson explained the three Options and estimated costs to assist in the storm sewer drainage issues and concerns, with Option 1 – 870' of drainage pipe at approximately \$40,000 recommended. Hanson explained that, from an engineering/public works perspective, the design and construction of Vinewood Lane is consistent with information presented to the residents and Council, but additional storm sewers could be constructed, if desired. He recommended the Council review the information and determine if any changes were desired. The Council asked if it was necessary to decide now, which it was not.

Next, Engineer Hanson referred to the Construction Notice, dated May 30th, that was in response to the many calls received by *NE Dayton Contract 3, Area 5 residents about restoration and reseeded* of boulevards and existing lawn areas. The information addressed the concerns and summarized the

**COUNCIL MEETING
JUNE 10, 2008
7:00 P.M.
PAGE 8 OF 8**

**CITY OF DAYTON, MINNESOTA
12260 S. DIAMOND LAKE ROAD
HENNEPIN/WRIGHT COUNTIES**

actions taken to improve the current situation. He informed that the seeding contractor is responsible for maintaining the seeded area until June 16th, when the City will evaluate if it is acceptable. He reviewed their responsibilities and plans to insure the seeded area is free of weeds. The Council had discussion that residents could help in the process, as well.

Lastly, Engineer Hanson mentioned the meeting with the three property owners on the west end of 134th Avenue opposite *Hemlock Lane*, who previously submitted a petition to not be included in the Hemlock Lane Improvement Project. Staff reviewed the bid results and the assessment based on including and not including their properties in the Project, to which all three confirmed they did not want to be included. Therefore, the notice for the Assessment Hearing on June 24th for Hemlock Lane Utility and Street Improvement Project does not include them. The project cost and assessment for utility and street improvements for the project, per the notice, will be Project Cost - \$578,468 and Assessment - \$36,728/Lot (1.5 LE).

ADJOURNMENT

MOTION: Motion made by Forseth, seconded by McNeil, to adjourn to a C.I.P Work Session.

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

Nays: none

APPROVED: June 24, 2008 ATTEST: _____