

Adopted Minutes Regular Council Meeting February 12, 2013

Mayor Slavik called a Regular Meeting of the Plymouth City Council to order at 7:09 p.m. in the Council Chambers of City Hall, 3400 Plymouth Boulevard, on February 12, 2013.

COUNCIL PRESENT: Mayor Slavik, Councilmembers Wosje, Willis, Johnson, and Bildsoe.

ABSENT: Councilmembers Stein and Black.

STAFF PRESENT: City Manager Ahrens, City Attorney Knutson, Park and Recreation Director Evans, Public Works Director Cote, Community Development Director Juetten, Police Chief Goldstein, Deputy Fire Chief Springer, Administrative Services Director Callister, and City Clerk Engdahl.

Plymouth Forum

Aaron and Teresa Black, 1030 Pineview Lane, voiced their concerns of the speed of traffic in their neighborhood. There are two bus stops on Pineview Lane. Many cars go through the stop signs and vehicles have driven into neighbors' yards. They notified the police department, and they have done a good job monitoring the traffic. One of the police officers felt that the amount of citations that were issued in December and a portion of January were excessive. They stated something needs to be done to monitor the traffic and reduce the speed of the traffic coming down the hill. They suggested installing stop signs.

Don Hoffer, 935 Pineview Lane, also a resident who is concerned about the traffic in this neighborhood, stated that when he points to the stop sign, drivers give him the finger. He suggested a stop sign in front of his house.

Mayor Slavik stated that stop signs don't slow the traffic, and it makes it less safe as there is an expectation that motorists will stop. She stated many times it's the neighbors who are speeding. She asked Police Chief Goldstein if they could do additional enforcement, and she asked staff how long it has been since there was a speed study in this area. Public Works Director Cote replied it has been approximately 15 months since there was a speed study. When the weather permits, staff can look at this area to see if there could be other traffic calming measures. He stated staff can do another speed study this summer when conditions warrant it.

Councilmember Johnson asked about the police department's speed trailer. Police Chief Goldstein stated they did a speed study in this area previously and it showed that the majority of the traffic was traveling at or below the posted speed limit. However, the police department will have a greater presence, will document, and put out the speed trailer when the weather is better.

Presentations and Public Information Announcements

(4.01) Announcement of Human Rights Committee's Essay Contest Winners

Mayor Slavik announced that Jake Emerick received first place and Rachel Wyffels received second place in this year's Human Rights Committee's essay contest.

Councilmember Johnson requested that a letter be sent to Governor Dayton announcing the City's winners.

Approval of Agenda

Motion was made by Councilmember Bildsoe, and seconded by Councilmember Wosje, to approve the agenda. With all members voting in favor, the motion carried.

Consent Agenda

Motion was made by Councilmember Bildsoe, and seconded by Councilmember Willis, to adopt the Consent Agenda that included the following items:

- (6.01)** Special City Council Meeting Minutes of January 15, January 22, and February 5, and Regular City Council Meeting Minutes of January 22.
- (6.02)** Resolution Approving Disbursements ending February 2, 2013 (Res2013-032).
- (6.03)** Resolution Approving Change Order No. 1 and Payment No. 2 and final for the Revere Lane/6th Avenue/Kilmer Lane Project (12005 - Res2013-033).
- (6.04)** Resolution Approving Plans and Specifications and Ordering Advertisement for Bids for the 2013 Sanitary Sewer Lining Project (13008 – Res2013-034).
- (6.05)** Resolution Repealing Policy Relating to the Selection of Consultants (Res2013-035).
- (6.06)** Resolution Approving Interest Rate Reduction for the Interfund Loan from the Park Replacement Fund to the Ice Center fund (Res2013-036).
- (6.07)** Resolution Approving Cost Sharing Assistance Grant with the Board of Water and Soil Resources for the 400 Project (Res2013-037).
- (6.08)** Resolution Approving a final Plat and Development Contract for "Hampton Hills 5th Addition" for Property located West of Pomerleau Lake (2012102-F -Res2013-038) and a

Resolution Adopting Assessments for Trunk Sanitary Sewer and Water Main for Hampton Hills 5th Addition (2012102 – Res2013-039).

(6.09) Resolution Accepting Donation of Real Property on Dunkirk Lane (Res2013-040).

(6.10) Resolution Approving the Purchase of a 400KW Portable Generator (Res2013-041).

(6.11) Resolution Approving Temporary On-Sale Liquor Applications for the Plymouth Arts Council for Events in 2013 (Res2013-042).

(6.12) Resolution Approving a Lease with Sprint Spectrum Realty Company LP, to Mount Communication Equipment on the Water Tower located at 14900 23rd Avenue North (Res2013-043).

With all members voting in favor, the motion carried.

Public Hearings

(7.01) Vacation of a Drainage and Utility Easement for Lot 1, Block 2, Heritage Woods Estates 2nd Addition

Public Works Director Cote reported on the proposed vacation.

Mayor Slavik opened the public hearing.

Mayor Slavik declared the public hearing closed.

Motion was made by Councilmember Willis, and seconded by Councilmember Wosje, to adopt a Resolution Authorizing the Vacation of Platted Drainage and Utility Easements within Lot 1, Block 2, Heritage Woods Estates Second Addition (Res2013-044). With all members voting in favor, the motion carried.

(7.02) Vacation of a Drainage and Utility Easement for Tract A and B, Registered Land Survey No. 1618

Public Works Director Cote reported on the proposed vacation.

Mayor Slavik opened the public hearing.

Mayor Slavik declared the public hearing closed.

Motion was made by Councilmember Bildsoe, and seconded by Councilmember Wosje, to adopt a Resolution Authorizing the Vacation of Drainage and Utility Easements within Registered Lane Survey No. 1618 (Res2013-045). With all members voting in favor, the motion carried.

General Business

(8.01) Financing Options for Peony Lane and Vicksburg Lane Projects

Administrative Services Director Callister reported on the Peony Lane project scheduled for 2014 and the Vicksburg Lane project scheduled for 2015 and 2016. He stated the Council discussed funding options for these projects at a special meeting held on September 11, 2011. The financing options included municipal state aid, G.O. Street Reconstruction Bonds, area charges, franchise fees, utility trunk fund, property tax levy, special assessments, and federal/state funding. He noted that staff is anticipating a general fund surplus from 2012, and \$2 million could be allocated towards the Peony Lane project.

He stated staff also identified the street reconstruction needs for the next 20 years and the revenues necessary to fund these needs. The result is that staff expects to maintain an \$8 to \$10 million cash balance in the street reconstruction fund through 2030. Because a portion of the Vicksburg Lane project will be reconstruction, staff has identified \$2 million from the street reconstruction fund to be utilized for this project. After this contribution, the street reconstruction fund is still projected to maintain a long term balance of \$6 to \$8 million.

He spoke of the funding for each project. He stated that the majority of the funding for Peony Lane would be generated through the issuance of G.O. State Aid Bonds, current and future Municipal State Aid (MSA) funds, and surplus funds. Current MSA rules allow MSA cities to request advancements of up to the lesser of \$4 million or five times their annual allotment to fund construction of state aid roadways. The advancement would be repaid by the City's future allocation of MSA funds. The City's current rate of allocation is approximately \$2 million annually, and since the City would be advancing \$4 million of future MSA funds, the G.O. State Aid Bonds could be structured so that the first year or two would be interest only payments. In total, there would be sufficient funds available to adequately fund the Peony Lane project.

The funding for the Vicksburg project relies primarily on the issuance of \$17.4 million in debt. Two types of debt will be utilized, G.O. MSA Bonds for \$8.5 million (repaid with state aid) and G.O. Street Reconstruction Bonds for \$8.9 million (repaid from property taxes or franchise fees). Staff is also recommending that the street reconstruction fund contributes \$2 million to the project.

Councilmember Bildsoe asked staff how certain they are with land acquisition costs. Public Works Director Cote replied as time progresses, land values are increasing. The figures outlined in the staff report were conservative three months ago, but are now the market prices.

Councilmember Wosje asked about development fees for developers as those roads are going to be heavily used in the future. Public Works Director Cote replied from a staff's perspective, there wasn't a strong sense from the Council to pursue. It would be hard to do on Vicksburg Lane, but there could be a portion on Peony Lane. Councilmember Wosje stated in terms of an

equitable tax, a development fee would get the City closer to the user in helping to pay for some of these improvements.

Councilmember Willis stated regarding franchise fees for the private utilities, he's curious as to why nobody discusses franchise fees for water and sewer utilities. He asked if it's correct that the reason for the franchise fee, in part, is because the utility companies use the public rights-of-way. Administrative Services Director Callister replied yes. He stated the rationale for collecting the fee is that the utilities are in the rights-of-way tearing up the streets and therefore reducing the life of the streets. He noted that some communities use the franchise fees for general expenses. He discussed his handout that illustrated who received permits for work in the rights-of-way in 2012.

Councilmember Willis stated he wants to get to the point of equity from a users perspective. He feels the Council should consider leading the way and putting the burden on its own utilities. He requested that the Council weigh in on this point.

Councilmember Johnson asked if the City would still collect the right-of-way permit fees aside from the franchise fees. Public Works Director Cote replied yes.

Mayor Slavik and Councilmember Johnson stated they would like information if the City is in line with other communities and the utilities are being treated similarly.

Councilmember Willis stated he thinks that utilities should help to repair the streets as they affect the longevity of the streets. Councilmember Bildsoe asked if that's the case, what about garbage trucks, school buses, construction equipment, etc.

Mayor Slavik stated this is rhetorical, similar to the State requiring governmental entities to pay sales tax.

Councilmember Willis stated the City had just as many permits for work in the rights-of-way in 2012 as did the utility companies. He stated utilities who create a burden on cities due to damage to the roads should help pay for the repair of those streets.

Councilmember Wosje stated residents will think that a water and sewer franchise fee would be a tax on a tax, and that concerns him.

Councilmember Bildsoe agreed and stated he likes the idea of a franchise fee as all participants in the City help pay for the roads. It's a method to collect money from a broader group of people to pay for two major roads. He stated he prefers to not have a City utility franchise fee, as it sounds like it's another fee to the water and sewer bill. Therefore, he prefers the franchise fee to be on private utilities.

Councilmember Johnson stated she doesn't believe there would be enough votes on the Council to support a City utility franchise fee. She suggested there be further discussion on the concern raised by Xcel for rights-of-way permit fee when there would be a franchise fee. She supports

the funding options that were presented for both projects this evening. She doesn't support a development fee as Councilmember Wosje suggested as she doesn't want to overburden Ward 1 residents as those fees get passed down to the homeowner.

By request of the Council, they discussed the proposed construction schedule for Peony Lane in 2014.

The majority of the Council agreed to the funding sources for both projects as outlined in the staff report. There was no interest for development fees. Staff is to report back to Council, after they have checked with other cities, on whether the City would charge for permits in the City rights-of-way for private utility companies. The Council will continue the discussion of whether there should be a City utility franchise fee when there is a full Council present.

Councilmember Johnson also suggested that staff consider increasing the franchise fee to cover the \$135,000 the City would lose in right-of-way permit revenue.

City Manager Ahrens added that the franchise fee figures will be included in this year's budget process which would allow the Council another review.

Reports and Staff Recommendations

(9.01) Legislative Update

Mayor Slavik announced that she would be testifying on a bill tomorrow for construction of a general purpose third lane on I-494.

Administrative Services Director Callister noted a meeting has been scheduled with Minnesota Department of Transportation Commissioner Zelle on March 6 from 3:00 p.m.-4:00 p.m. This meeting has been noticed.

Adjournment

Mayor Slavik adjourned the meeting at 8:48 p.m.



Sandra R. Engdahl, City Clerk