

# Administrator/Clerk's Report

To: Mayor and Council

From: John M. McCarthy

Date: March 31, 2008

## Consent Agenda

**Epic Service Contract:** We currently have two contracts with Epic Enterprises: 1) to clean city hall, and 2) to clean the pavilion at Memorial Park, the shelter at Mill Park and associated park grounds at both parks. Both contracts are on a year to year basis. Epic has done a good job in performing both contracts. There is no change in cost from 2008. I recommend approval of the contract with Epic.

**Wells Fargo Water and Sewer Bond Revenue Bonds Series 2005:** This is an interest only payment for the 2005 water and sewer bonds. The annual principal and interest payment is due in October. The City has made one principal payment on this bond and owes \$3,190,000. The bond will be paid off in 2025.

**Menards TIF Payment:** There were some questions about the compliance with the Business Subsidy Agreement. Menards has responded to the questions and the payment should be released.

**Expenditures:** The payment to the Northfield Ambulance Association includes an increase of \$0.25 per person. The dues have increased from \$1.25 to \$1.50.

## Public Hearing

**Ordinance 2008-01 Amending Chapter 101:** Staff has reviewed the fee structure and at this time, the recommendation is only to amend the fees listed in current Chapter 101.02. The Finance and Legislation Committee reviewed and discussed staff recommendations and made some slight changes. Most of the recommendations involve clarifying and adjusting fees. In addition, current item 5, a charge for water turn on and items 33 and 34 dealing with tax increment and abatement were removed from the schedule. The Finance and Legislation committee is recommending no change in the park rental fee from last year. We are behind on reservations for the summer and several possible renters have indicated they will look and rent elsewhere.

## Unfinished Business

**Minutes of February 25, 2008:** Councilor John Zander raised an objection to the minutes of February 25, 2008. He expressed concern as to a representation of City Attorney Paula Callies' statement concerning the appropriateness of Zander's commenting on minutes regarding the allegation he is not a resident of Dundas. I reviewed the recording of the February 25<sup>th</sup> meeting, particularly the approximately 10 minute section beginning around 1hr 10 min and 20 sec., of the meeting on March 13 and changed the representation to a direct quote.

Zander also requested inserting a statement regarding his belief the minutes were poorly written and that he had stated this at the time. After listening to the recording, I was not able to find a reference, by Zander in the recording of February 25, to the minutes being poorly written. He did claim there were inaccuracies but did not offer a correction.

In addition, Zander said he had asked not to participate in the discussion and had shared that at the last meeting (Feb. 25). Again, I could find no reference in the recording of February 25 to a request not to participate in the discussion during the January meeting.

Councilor Mazurek asked if Zander had the requested changes in writing. He said he did and I requested they be provided to me so I could make sure I understood exactly what was being requested. I did not receive the request at the meeting. I e-mailed the council on March 13 with a

review of the minutes, my clarification and requested any comments or concerns be communicated in a timely manner. Zander e-mailed me his requested changes on Wednesday, March 26, 2008.

**Administrator Status:** I am submitting a letter supporting my decision not to resign as Dundas City Administrator/Clerk.

**Lawn Mowing Proposal:** We have received 4 proposals for lawn mowing. Tom McMahon, Duane Meliza and I reviewed the proposals. Duane has discussed the understanding of the work plan and ability to complete the work with the company submitting the lowest cost proposal. Based on discussion and review, staff is recommending contracting with God's Country to provide lawn mowing services in the City of Dundas for the summer of 2008.

### **New Business**

**Ordinance 2008-01 An Ordinance Amending Chapter 101.02:** This ordinance adopts the amended fee schedule as Exhibit A.

**Ordinance 2008-02 Creating Hester Street Zoning District:** Dan Petrik has prepared a review of the public hearing. I have included the unapproved draft of the Planning Commission Minutes of March 20, 2008 in the packet.

#### **Review by Dundas City Planner, Dan Petrik**

##### **Background**

The Planning Commission held a public hearing on March 20<sup>th</sup> to hear comments regarding the proposed new Hester Street Zoning District. The purpose of this district is to connect the Highway 3 commercial area to the Downtown area with low intensity commercial uses and to serve as a welcoming gateway to draw activity downtown. This district was designed to include low intensity commercial uses and controls so as to not disrupt nearby, low-density land uses through high traffic generation, noise, appearance, or other nuisances.

The District is consistent with the Comprehensive Plan. During the last Plan update, both the text and map were revised to include policies supporting a low intensity business district along Hester Street. Creation of the Hester Street District was initiated through an application made by Diane and Eric Schrader. The Schraders have also requested to have their property rezoned to the Hester Street District. The Planning Commission is considering this request, but has not yet made a recommendation.

##### **Summary of Public Comments**

The public hearing was well attended. Three residents spoke in opposition to the creation of this district and three spoke in favor, including Diane and Eric Schrader. Reasons for opposition include concerns over parking, noise and possible vibrations associated with business uses and operations. Opponents expressed a general feeling that the area is residential in nature and that people bought properties with the expectation that the area would continue to be residential. One resident stated that a customer of the photography business parked in front of her mail box, thus potentially disrupting the delivery of mail. The car was moved upon her request, but her concern is that such conflicts will increase with additional business uses.

Supporters of the new District recalled that Hester Street once housed numerous businesses and that renewed business use in this corridor makes sense as a method to generate investment and revitalization of the City. The Schrader's summarized their existing conditional use permit to operate a photography business and use of the brick building for storage. The Schrader's emphasized their compliance with the permit and the quiet orderly nature of their past business practices. Those present expressed satisfaction with the Schrader's past business practices.

In response to parking concerns, staff indicated that areas on side streets (i.e. areas in front of mailboxes) could be painted yellow in order to selectively prohibit parking. The new District allows up to two of the required on-site parking spaces for business uses to be provided as on-street parking, all other required parking plus all required residential parking must be supplied on-site. This flexibility on parking requirements is needed due to the small lot size in the corridor. It is recognized that this flexibility will increase the use of Hester Street and some side streets for business related parking. Staff believes that there is sufficient capacity on these streets to meet additional parking demand.

### **Planning Commission Considerations/Discussion**

The Planning Commission discussed the issues raised by residents, but unanimously voted to recommend the new District. Major reasons for supporting the District include:

- Traffic is likely to continue to increase on Hester Street decreasing its suitability for residential uses. Small business uses along the Street would help buffer residential properties on side streets from traffic impacts.
- Greater use of Hester Street for on-street parking may have a calming effect on traffic speeds and help maintain the livability of the general residential area in the face of more traffic.
- Performance standards for new construction or for conversion of houses to business uses require higher quality materials and landscaping. These investments will improve the visual quality of the street and the overall impression of vitality for the City.
- Rezoning individual properties to this District will likely result in new investment in buildings and landscaping which will help build the City's commercial tax base.
- The new district includes sufficient controls and processes to manage the introduction of business uses and maintain compatibility with surrounding residential uses.

Staff concurs with the planning commission recommendation to create the Hester Street Business District and recommends approval of Ordinance 2008-02. (Motion)

**Resolution 2008-15 A Resolution Approving Volunteer Accident Coverage:** The league is making accident coverage for volunteers available. The cost is minimal on a annual basis. The league also offers coverage for volunteers on construction projects, but that is available on a project by project basis. I recommend approval of Resolution 2008-15.

**Resolution 2008-16 Supporting Charitable Gambling Operated by the Dundas Baseball Association:** This is a renewal of the Duke's license for charitable gambling. I recommend approval of Resolution 2008-16.

### **Administrator's Report**

**Financial:** As of the end of February, the City has spent \$126, 878 or \$38,526 more than last year. Some of the difference looks like it is attributable to the final adjustments in the audit which we have not done yet this year. The increase in the engineering fees in planning and zoning are primarily due to reimbursable charges related to the cell antennas located on the east water tower.

**Green Footprint Program:** The Dundasfootprint program is up and running. The Park and Recreation Advisory Board has done a great job. Look it up at [www.dundasfootprint.org](http://www.dundasfootprint.org).

**Bridgewater Township Zoning and Annexation Agreement:** The city has received information on the Rejoice Church project from John Kockleman, their architect. Staff will recommend incorporating the Public Hearing held by Bridgewater Township into our review. At this time, the city has not received information from Bridgewater Township concerning the Public Hearing.

**Real Estate Values and Levy:** According to an article in TwinCites.Com attributed to the Pioneer Press, home sale prices in Rice County have decreased by 30% from February of last year. A conversation with the auditor's office indicates they are reducing assessed values by 10% for 2008 payable in 2009. This will

impact the city's budget. New construction should lessen the impact of the loss of tax capacity. Although some reports indicate a drastic housing slump, 10 newly constructed Dundas homes have sold since the first of the year. We have issued two building permits for new single family homes and have another application in the review process.

**Rural Fire:** I met with the Rural Fire Board. I explained the City was concerned about not understanding how the costs were assigned. They have agreed to provide us with a more understandable method of calculating the cost assigned to Dundas.

**Stiehm v. Dundas:** The City has been notified the oral argument in the Matt Stiehm appeal of Judge Wolf's Summary Judgment dismissing with prejudice the employment claim against Dundas is scheduled for April 24, 2208 at Hamline University Law School..

**Minnesota Clerks and Finance Officer Institute:** Linda received a scholarship of \$150.00 toward tuition for Minnesota Municipal Clerks Institute of \$460.00 (balance owing will be \$260.00). This will be her third and final year.

**Complaint Report:** The City received one written complaint in February concerning real property. The name and identity of the person making the complaint is private data according to Minnesota Law. As we normally do, the Dundas Police cited the violation and gave a time to correct the problem. During the review of the violation, staff believes there may be additional violation(s) of a Conditional Use Permit which has been issued for adjoining property under the same ownership. The CUP provides for a periodic review by the city and we are examining our alternatives. Staff believes using the services of an independent inspector is a viable alternative to insure there is no appearance of bias.

**Property and Liability Insurance Coverage:** I met with Brad Ness concerning renewal of the property and liability coverage with the League of Minnesota Cities Insurance Trust. Duane helped with the review of property and values. We have not received a renewal amount. Our insurance renews on May 1, 2008. I am suggesting Finance and Legislation meet to review the renewal policy before the first meeting in April.

**Small Cities Development Grant:** We were informed on Thursday, March 27, 2008 the SCDP grant we applied for with Faribault was not funded. The Rice County SBDC will be informing the applicants.

**Kor property:** During the last three weeks, there have been three more parties interested in developing the Kor property. This is another items the council should address at the work session. We are waiting for the commissioner's decision on the property. Both the state and Rice County have agreed not to oppose the City's title.

**Storm Sewer problems:** Last week, the storm sewer outlet at Mill Street on the East side of the river froze up and caused some street and yard flooding. Some water evidently got into the basement of at least one residence. When we jetted (flushed) the sewer, it looked like there was a substantial build up of yard debris. We are going to be cleaning out the outfall area.

### **Committees and Boards**

**Finance & Legislation:** In addition to the changes in fees, the Finance and Legislation reviewed a draft of a 5 year budget projection and how the additional of an additional full-time police officer may impact the city's finances. They are recommending this and further information be discussed at the council worksession scheduled for Monday, April 7, 2008.

**Planning Commission:** The Planning Commission deferred a decision on the rezoning application of Eric and Diane Schrader to their April meeting.