

OFFICIAL PROCEEDINGS OF THE CITY COUNCIL

ADJ. REGULAR SESSION

SHAKOPEE, MINNESOTA

JUNE 21, 2011

Mayor Schmitt called the meeting to order at 7:00 p.m. with Council members, Pat Heitzman, Steve Clay, Matt Lehman and Pamela Punt present. Also present Mark McNeill, City Administrator; Kris Wilson, Assistant City Administrator; Jim Thomson, City Attorney; Judith S. Cox, City Clerk; R. Michael Leek, Community Development Director; Bruce Loney, Public Works Director/City Engineer; and Julie Linnihan, Finance Director.

The Pledge of Allegiance was recited.

Mayor Schmitt asked if there were any additions or deletions to the agenda. Mark McNeill said staff had no changes to the agenda.

Clay/Punt moved to approve the agenda. Motion carried 5-0.

In the Mayor's report, Mayor Schmitt said he attended the 169 Corridor meeting and discussed the impact of the possible government shutdown to the Highway 101/13 interchange project. Mayor Schmitt also attended the SCALE board meeting. Discussed were capital projects for the future. He attended the Minnesota Go program put on by Mn/DOT. He also attended the Chamber luncheon in which three legislatures also attended. Mayor Schmitt said there was also a girls youth softball tournament over the weekend and on Monday the Police Department's torch run for Special Olympics took place.

Mayor Schmitt asked if there were any additions or deletions to the Consent Agenda.

Lehman/Heitzman moved to approve the Consent Agenda. Mr. McNeill read the Consent agenda. Motion carried 5-0.

Lehman/Heitzman offered Ordinance No. 487, An Ordinance Amending Chapter 11 (Zoning) Regarding Variances, and moved its adoption. (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to accept with regret the resignation of Mr. Francis Hagen from the Transit Advisory Committee, and authorized the appropriate City officials to take the steps necessary to fill the vacancy created by Mr. Hagen's resignation. (Motion carried under the Consent Agenda)

Lehman/Heitzman authorized the appropriate City officials to execute the Signal System Agreement with Scott County for the replacement of a traffic control signal system on CSAH 101 and Stagecoach Road. (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to authorize the appropriate City official to enter into an extension agreement with WSB & Associates for Updates to the Comprehensive Water Resources Management Plan (CWRMP) for the City of Shakopee (estimated cost \$11,000-\$12,000). (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to approve Change Order #1 and authorize the expenditure of \$15,659 from the project contingency fund for plumbing-related changes to the new fire station. (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to approve the bills in the amount of \$626,313.98 and electronic transfers in the amount of \$404,749.25 for a total of \$1,031,063.23. (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to approve the minutes of June 6, 2011 and June 7, 2011. (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to approve the application and grant an on sale liquor license for all days of the week to Raceway Park Inc. dba Raceway Park, One Checkered Flag Boulevard, conditioned upon compliance with all licensing requirements of the City Code, effective July 1, 2011. (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to waive the requirement of the City Code Section 5.02, Subd. 9 for Stonebrook Golf Club LLC dba Stonebrook Golf Club, and approve the applications and grant an on sale and Sunday on sale liquor license to Stonebrooke Golf Club LLC dba Stonebrooke Golf Club, 2693 County Road 79, effective July 1, 2011. (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to authorize Police Chief Jeff Tate and one police captain to attend the IACP Conference to be held in Chicago, Illinois, October 22-26, 2011. (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to direct that the Employment Agreement with Police Chief Jeff Tate be amended to extend the take home city vehicle provision for an additional two years until May 31, 2013, or until such time as a replacement vehicle is needed, whichever is first. (Motion carried under the Consent Agenda)

Lehman/Heitzman offered Resolution No. 7105, A Resolution Authorizing Banking Services with Voyager Bank, and move its adoption. (Motion carried under the Consent Agenda)

Lehman/Heitzman moved to approve the application and grant a temporary on-sale liquor license to the Fraternal Order of Eagles #4120, 220 2nd Avenue West, for July 9, 2011, conditioned upon meeting all licensing requirements. (Motion carried under the Consent Agenda)

Mayor Schmitt asked if there was anyone in the audience who wished to speak on a topic that was not on the agenda. No one responded.

Julie Linnihan, Finance Director, introduced Kara Gaffy, CPA Audit Manager with Kern, DeWenter, Viere, Ltd. (KDV) who presented the 2010 comprehensive audit.

In an overview, Ms. Gaffy discussed the Comprehensive Annual Financial Report, Compliance with Government Auditing Standards/Legal Compliance Audit Guide and the Management Letter.

Ms. Gaffy discussed the City's material weaknesses, significant deficiencies and control deficiencies. This is due to the small number in staff in some divisions who control incoming and outgoing cash flow.

Overall Ms. Gaffy said that the City of Shakopee is in good financial standings with a Moody Bond rating of Aa2, which is a good rating.

Ms. Gaffy then summarized the required communication summary with regard to the auditing performance and process performed by KDV.

Lehman/Clay moved to accept the findings of the audit for 2010. Motion carried 5-0.

Mayor Schmitt asked for Council liaison report. Cncl's. Punt, Heitzman, Clay and Lehman had nothing to report.

Lehman/Clay moved to recess for an Economic Development Authority meeting at 7:23 p.m. Motion carried 5-0.

Mayor Schmitt reconvened the meeting.

Lehman/Heitzman moved to recess for five minutes. Motion carried 5-0.

Mayor Schmitt reconvened the meeting at 7:50 p.m.

Michael Leek, Community Development Director, presented Council with the Planned Unit Development (PUD) Amendment Request for Dean Lakes PUD.

Mr. Leek said the Ryan Companies has made application for a PUD Amendment to the Dean Lakes PUD. The original PUD approval allows for development consistent with the approved development plan only, specifically, commercial, residential, and business park uses. The applicant is requesting to amend the PUD to allow the planting and harvesting of agricultural crops for seven years on 60 acres of vacant property designated for business park development.

Mr. Leek said that if the request was approved by Council, Scott County Taxation Department noted that the request would reclassify the property to an agricultural status beginning 2012. Reclassification would result in approximately \$231,000 less taxes being collected which would include \$7,600 less to the City of Shakopee.

Mr. Leek said the Planning Commission recommended to the City Council the approval of the request subject to conditions.

Casey Hankinson, Vice President, 6615 Parkwood Lane, Edina of Ryan Companies, Chris Brink, Civil Engineer of Ryan Companies and Dale Coffman from Outdoor Vision who Ryan Companies contracts with for farming were present to answer questions from Council.

Mr. Hankinson discussed the initial intent Ryan Companies had for the Dean Lakes properties and that is for business development. However, the 90 acres of business park within the property has been very slow to develop. Mr. Hankinson said that Ryan Companies is now paying \$1.2

million dollars in taxes with the current configuration. Mr. Hankinson said the company has been able to absorb the amount for the last couple of years but they are now trying to find a way to help curb the cost.

After Council asked questions of Mr. Hankinson, Mayor Schmitt asked for a motion.

Clay/Lehman moved to deny the request for the PUD amendment and direct staff to prepare a resolution of denial. Discussion followed.

Mayor Schmitt asked if the other properties in the City that are zoned industrial and vacant at this time, if they are being taxed as agricultural land. Mr. Leek said he would have to check the County classifications for those properties.

Ms. Punt commended Ryan Companies for the plans process they have gone through which included keeping the adjacent residences apprised of their plans.

Cncl. Lehman said he would support the plan but not for seven years. Mr. Hankinson reminded Cncl. Lehman that if any of the 35 conditions in the resolution are not followed, the amendment could be denied. Mr. Hankinson said that the reason for seven year amendment was to eliminate going through the process again.

Mr. Clay said his objection to the request is not about agriculture but about taxes. He believes that the City has helped Ryan Companies with the development with tax abatement and changed the use to residential and commercial.

Chris Brink, 14317 Kipling Ave. S., Savage, Engineer for Ryan Companies, addressed Council stating that farming would maintain the property esthetically for the surrounding residents.

Mayor Schmitt asked for a vote on the motion. Motion failed 3-2 with Cncl. Punt, Cncl. Heitzman and Mayor Schmitt opposing.

Heitzman/Punt moved to approve Resolution No. 7106, Approving An Amendment to the Planned Unit Development for Dean Lakes Allowing Agricultural Uses.

Cncl. Lehman said he would approve the motion if the motion was to change the length of the amendment.

Mayor Schmitt asked for a vote on the motion.

Motion carried 3-2 with Cncl. Lehman and Cncl. Clay opposing.

Mr. Leek presented Council with the Discussion of Regulations Regarding Pawnshop Locations.

Mr. Leek said that effective August 1, 2011 the Legislature has repealed a provision in statute that prohibited pawnshops from being any closer to "gambling casinos" than "ten driving miles". With the change, there would be increased opportunities for new pawnshop locations within the City of Shakopee.

Mr. Leek asked Council to provide direction whether to consider changes to the Shakopee City Code to address the changed circumstances.

Jeff Tate, Shakopee Police Chief, said that if an additional pawn shop were to locate to Shakopee, his department would see an increase in work load. He also said that last year the two current pawn shops took in over 100 items that were stolen outside of Shakopee and approximately 80 items that were stolen within Shakopee.

Mayor Schmitt asked that staff work with Chief Tate and Mr. Thomson to draft amendments to both City Code Chapters 6 and 11 for Council consideration.

Ms. Linnihan, Finance Director, presented Council with the Performance Measurement Program. Ms. Linnihan said that 2010 the legislature created the Council on Local Results and Innovation. The group established 10 performance measures for Counties and Cities that would provide a guide for determination of effectiveness and efficiency of existing services. To participate in the program, cities must submit a report to the Office of State Auditor by July 1, 2011, consisting of a declaration of intent to participate.

Council discussed the pros and cons of the Performance Measurement Program.

Heitzman/Lehman moved to not participate in the Performance Measurement Program. Motion carried 5-0.

Mayor Schmitt asked if there any other business or Council concerns. Cncl. Heitzman asked when the sidewalks going across the railroad tracks on Second Avenue and Spencer Street are going to be finished. Bruce Loney, Public Works Director/Engineer said the City has not been able to confirm with the railroad company when the project will be finished.

Cncl. Lehman said he's received a few phone calls regarding road conditions between Main Street and Bluff Ave because of the equipment from the Hwy 101 Project damaging the road. Mr. Loney said that any damage the contractor creates will be repaired by the contractor. He also cautioned Council that the sewer line is very shallow on the west end of Bluff Ave.

Lehman/Heitzman moved to overlay Main Street between First Avenue and Bluff Avenue, and also overlay Bluff Avenue between Market St. and Main St. and charge the contractor for damages they are responsible for. Discussion followed.

Mr. McNeill asked if Council would be okay if the issues discussed were brought back for the July 5th meeting so staff could gather information.

Lehman/Heitzman modified the motion to reflect adding the Bluff Avenue concerns to the July 5, 2011 Council meeting. Motion carried 5-0.

Lehman/Clay moved to adjourn to Tuesday, July 5, 2011 at 7:00p.m. Motion carried 5-0.

The Council meeting ended at 9:21 p.m.