

LILYDALE CITY COUNCIL MEETING
March 8, 2021

Present – Mayor Warren Peterson and Councilmembers John Diehl, Lyle Hanzal, Bill Kleinman and Anita Pampusch; Mary Schultz, City Clerk and Kathy Mutch, administrative assistant

Also Present – Bridget Nason, city attorney; Police Captain Wayne Wegener, Mendota Heights Police Department; Bryan Oakley, Barr Engineering and Jim Langseth, Barr Engineering; (via phone); Pat Shea, Assistant General Manager, St. Paul Regional Water and Chris Lewis, Johnson, Lewis & Mount LLC; Joe Mahoney, Philip Cattanch and Dean Newins, Opus Development

The city council meeting was called to order at 4:30 p.m.

Agenda – Mayor Peterson proposed moving McCarrons Water Treatment Plant presentation before the resolution calling for a public hearing on the agenda. **Moved by Councilmember Diehl and seconded by Councilmember Pampusch to approve the agenda as amended. Motion carried 5-0.**

Public Comments – No comments.

February 8, 2021 City Council Meeting Minutes – Mayor Peterson questioned the council’s vote on the tax increment financing resolution. The meeting tape will be reviewed for clarification. **Moved by Councilmember Pampusch and seconded by Councilmember Hanzal to approve the minutes of the February 8, 2021 city council meeting with clarification on the tax increment financing resolution. Motion carried 5-0.**

Building Office Report – Building report showed seven permits were issued and four closed in February.

Police Report – Captain Wegener acknowledged an increase in thefts; thefts in cars parked in parking lots have occurred during the daytime.

Engineer Report –

Lift Station - Bryan Oakley updated the council on the design progress for the Lilydale Lift Station Project. The plans, included in his March 4, 2021 progress memo, represent 60 percent completion of the design. He indicated Minnesota Department of Transportation (MnDOT) has reviewed a preliminary layout and asked for ADA (Americans Disabilities Act) compliance. MnDOT requested moving the existing storm sewer out of the trail. He acknowledged the realigned trail avoids the existing storm sewer manhole. The manhole is in poor condition and should be reconstructed. He noted this is out of the city’s scope. He will talk to MnDOT about the additional work and determine if funding is available.

Oakley is meeting with Dakota County later this week on the alignment of the trail and structure clearance and will learn if it meets Dakota County requirements.

Met Council Environmental Services (MCES) monitors flow and connection to an inverted siphon and requires a meter vault. The vault is operated and owned by MCES. There are two manholes with two city-operated valves on the bottom that have not been operating in over 18 years. MCES requested a new meter bulb be installed; with MCES covering the cost. The pumps are oversized for flow and Oakley is comfortable with going to a smaller pump. The smaller pump would still be larger than design flow for Lilydale. A cooperation agreement indicating ownership, installation, operation and funding with the city on the infrastructure between the meter vault and inverted siphon is being prepared for review by the city attorney and council.

Oakley offered to walk the trail with council members to show design and where the lift station project will be. He concluded sharing the overall costs for the project are not over budget but the engineering costs are over estimate at this time.

General Engineering - Jim Langseth reported on the drop shaft lining. He has been in contact with businesses who have systems for lining pipes. Construction would not be done until late summer or early fall.

Langseth indicated at least one more bid is needed on repair of the Mary June Mullarky Trail. Repair of the Lexington Riverside culvert apron could be completed before the trail is resurfaced.

Attorney's Report – No report.

McCarrons Water Treatment Plant Improvement Project – Pat Shea, Assistant General Manager with St. Paul Regional Water, provided a presentation on Phase 1 of the preliminary project to replace approximately two-thirds of the treatment process. He talked about the water quality improvements, efforts to inform the general public and businesses that depend on water quality and noted changes to the water taste is unlikely to be noticeable. He acknowledged rates are expected to increase and will depend on water consumption patterns.

Resolution Calling for a Public Hearing on the Establishment of Tax Increment Financing District No. 1-3 – Mayor Peterson summarized the discussion at the City Council/Planning Commission joint meeting held ahead of this meeting. Mayor Peterson stated unless councilmembers agreed to the tax increment financing (TIF) assistance request from Opus there is no need to go forward with a public hearing.

Councilmember Diehl said he was pleased Opus can do business in Lilydale; yet he believes the project is too dense for the site and stated his concerns with another senior care facility. He would support financing a different project.

Councilmember Hanzal also shared his concerns with another senior living facility. He feels there is already an overabundance of senior housing in Lilydale and the community would like to see some other use for the site.

Councilmember Pampusch agreed with their desire for another use but did not want to see the site remain vacant and wanted to proceed.

Councilmember Kleinman recognized the work Opus has done in revising their plans from how it was originally proposed to address input from stakeholders.

Mayor Peterson asked Opus representatives if they would be agreeable to a lower variation of the requested terms and suggested a 15-year term. Mr. Mahoney reminded the council of the challenges affecting the site and its location on the bluff. He also noted the financing was necessary due to factors the pandemic has generated; increased construction costs and its effect on the senior housing market. Mahoney agreed to talk with his partners on a variant of a 20-year TIF plan.

Moved by Councilmember Diehl and seconded by Councilmember Pampusch to approve a resolution calling for a Public Hearing on the Proposed Establishment of Tax Increment Financing District No. 1-3 and the Tax Increment Financing Plan Related Thereto. Motion carried: Ayes – 3 (Kleinman, Pampusch, Peterson) Nays – 2 (Diehl, Hanzal).

2020 Audit – Chris Lewis, Johnson, Lewis & Mount, presented a draft 2020 financial audit for the year ended December 31, 2020. Lewis reviewed the financial statements highlighting a positive cash balance and asked for comments. He explained CARES Act funding was applied to police and public safety. **Moved by**

Councilmember Diehl and seconded by Councilmember Kleinman to accept the draft 2020 Financial Audit as presented. Motion carried 5-0.

Clerk's Report – Clerk Schultz reported the deposits included stormwater/sanitary payments, permits, 2020 Dakota County recycling grant and escrow funds from Opus. Disbursements include payment to Barr Engineering for planning and engineering costs and dues for Lower Mississippi River WMO dues.

Moved by Councilmember Diehl and seconded by Councilmember Pampusch to approve the February 2021 financial reports as presented. Motion carried 5-0.

Mayor's Report – None.

Adjournment – Moved by Councilmember Diehl and seconded by Councilmember Hanzal to adjourn. Motion carried 5-0. The meeting adjourned at 6:24 p.m.

Respectfully submitted:

Final copy reviewed by:

Mary Schultz, City Clerk

Warren Peterson, Mayor

Date