

LILYDALE CITY COUNCIL MEETING
August 12, 2024

Present: Mayor John Diehl and Councilmembers Deborah Cornell, Lyle Hanzal, Bill Kleinman and Mary Kleinberg; Mary Tollefson, city administrator and Kathy Mutch, administrative assistant

Also Present: Kori Land, LeVander, Gillen & Miller; Captain Wayne Wegener; Jennifer Koehler, Barr Engineering; Adam Neumann, Bigos Management; Laura Eder, ESG Architecture; Jodie Miller, NDC4 Executive Director and Julie Seykora

Agenda: Moved by Councilmember Kleinman and seconded by Councilmember Kleinberg to approve the agenda as presented. Motion carried 5-0.

July 8, 2024 City Council Meeting Minutes – Moved by Councilmember Cornell and seconded by Councilmember Kleinberg to approve the July 8, 2024 City Council Meeting Minutes. Motion carried 5-0.

Public Comments – None.

Public Hearing – Mayor Diehl opened the Public Hearing on the Amendment to Planned Unit Development District No. 17 and Site Plan; Parking Lot and Retaining Wall of Lilia River Bluffs Apartment/Bigos Development Project.

Councilmember Hanzal reported on the Planning Commission’s meeting held on July 15, 2024. The commission reviewed the changes to the site plan requested by the developer and had a thorough discussion. Questions by the Commissioners were satisfactorily answered by the developer. The city planner attended the meeting. The Planning Commission unanimously approved the changes and recommended approval to the city council.

Laura Eder explained the amendment to the PUD would replace the condominium building with a modified and expanded parking lot, with flexibility to construct the condominium building in the future if market conditions change. In addition, Bigos is requesting a variance to modify a retaining wall due to extraordinary site conditions. Eder stated it will have minimal impact on the overall site development.

Attorney Land pointed out this is an amendment to the PUD and not a variance. Attorney Land confirmed in the event the market conditions change Bigos would like the option to construct the condo building without requiring another amendment.

Adam Neumann stated that Bigos is not talking about building condos at this time due to market conditions. It is doubtful for 5-10 years, at which time the plans would likely differ from the current plan and require council approval.

The Public Hearing closed at 4:59 p.m.

Resolution 2024-14, Approval of Application for an Amended PUD – Moved by Councilmember Hanzal and seconded by Councilmember Cornell to approve Resolution 2024-14, Approval of Application for an Amended PUD, Site Plan and Second Amended Development Agreement for Lilydale River Bluffs Development. Motion carried 5-0.

Open Items – Councilmember Hanzal asked if there was a timetable update on the closure of Highway 13 past Wachtler. City administrator Tollefson reported the Minnesota Department of Transportation indicates repair work on the retaining wall will continue through November.

Building Official Report – Six permits were opened and six closed in July 2024.

Police Report – Captain Wegener reported 55 calls with 9 cases opened in July. The memorial for Officer Scott Patrick was well attended. Two officers are attending the training academy through December/January. Upon successful completion the Mendota Heights police force will be at full staff.

City Attorney – No report.

City Engineer Report – No report.

July Financial Report – The financial reports for July were presented. Deposits include second quarter sewer and stormwater payments, the first half of property taxes, and small cities assistance funds of \$13,220 for streets. Inspections have been completed at Lilia and the city will be paying SAFEbuilt for the inspections.

Moved by Councilmember Hanzal and seconded by Councilmember Cornell to approve the July 2024 financial reports. Motion carried 5-0.

Tollefson announced the Primary election is tomorrow, Tuesday, August 13, 2024.

History Committee – Councilmember Kleinman reported funding for the history committee project was approved at the last council meeting. The committee will meet on August 14 to put together a timeline. Kleinman acknowledged the committee was anxious to begin working on an expanded 30 minute video and working with Jodie Miller at NDC4/Town Square Television who assisted with the earlier video.

Resolution 2024-15, Finding an Off-Sale Liquor License Violation – Attorney Land provided background on a liquor license violation at Buon Giorno, 981 Sibley Memorial Highway. During a routine alcohol compliance check by the Mendota Heights Police Department, an alcoholic beverage was served to an underage buyer. The council will hold a hearing and consider imposing an administrative penalty against the off-sale liquor license of Sunfish Cellars. This is Buon Giorno’s second violation in the last 24 months. The City Code has set up penalties for liquor compliance check failures. As a second violation the penalty is \$750 and a 3-day off-sale liquor license suspension.

Bill Miller, owner of Buon Giorno, conveyed his embarrassment and frustration with the failed compliance check and to appear before the council. Miller acknowledged he is considering shifting liquor sales to the wine room and not selling wine at Buon Giorno. The employee had been given training, but did not check identification.

The council discussed with Mr. Miller possible dates to suspend liquor sales and imposed Monday-Wednesday, August 19-21, 2024 as the days Sunfish Cellars’ off-sale liquor license would be suspended.

Moved by Mayor Diehl and seconded by Councilmember Kleinman to approve Resolution No. 2024-15, Finding an Off-Sale Liquor License Violation and Imposing Sanctions Upon Sunfish Cellars, LLC, D/B/A I Nonni, Buon Giorno, Sunfish Cellars. Motion carried 5-0.

NDC4 Cable Commission Budget and Franchise Fees – Jodie Miller, NDC4 Executive Director, presented an overview of its budget status and plans, along with a 3-year proposal to help NDC4 and member cities as it works hard on achieving its strategic plans and legislative efforts to modernize funding.

NDC4 is asking member cities to waive their 25 percent one-time audit settlement payments, rather than returning the franchise fee in accordance with the joint powers agreement. This is a one-time waiver of the sharing arrangement.

The second request is for the city to consider suspending or reducing the annual 25% franchise fee payments for FY 2024 (paid in 2025) and to consider reductions in 2025 and 2026, if necessary. This would give NDC4 a short-term cushion as it works on legislative and strategic solutions.

NDC4's attorney will draft a Memorandum of Understanding on suspending or reducing the annual 25% franchise fee payments for 2024-2026 fiscal years to bring back to the city council.

Moved by Mayor Diehl and seconded by Councilmember Hanzal to waive the entire fee of \$1,949 from the special settlements. Motion carried 5-0.

Resolution 2024-16, Delegating Authority for Paying Certain Claims to the City Administrator -

City administrator Tollefson explained this resolution provides the city administrator with official authority to review and pay bills and other claims in the amount of \$1,500 or less. Discussion was laid over to the September meeting.

Salaries of Mayor and Council Members – The council is directed to review salaries and consider changes for council members and the mayor in July of an election year. The salaries were last changed in 2017. The council reviewed metro area council salaries with populations under 6,000 and cities in Dakota County. Following a thorough and in-depth discussion the consensus was no change would be made to the salaries of mayor and council members.

Change Date of November City Council Meeting – The November city council meeting is scheduled on Veterans' Day, November 11. In observance of the holiday city hall is closed and no public business should be conducted. It was recommended to change the meeting date to Tuesday, November 12, 2024.

Moved by Councilmember Hanzal and seconded by Councilmember Kleinman to reschedule the November 11, 2024 City Council meeting to November 12, 2024. Motion carried 5-0.

Budget Discussion – Mary Tollefson reviewed the year-to-date budget. The budget will be amended next month to reflect the history committee funds. Preliminary numbers from Mendota Heights indicate a 4.6% cost increase for police services and 4.9% cost increase for fire services in 2025.

Council Comments – No comments.

Adjournment – The meeting adjourned at 6:45 p.m.

Respectfully submitted:

Mary Tollefson, City Clerk