

**CITY OF BAYPORT  
CITY COUNCIL MEETING MINUTES  
COUNCIL CHAMBER  
SEPTEMBER 8, 2008  
6:00 P.M.**

**CALL TO ORDER**

Pursuant to due call and notice, Mayor Nowaczek called the regular City Council meeting of September 8, 2008 to order at 6:05 p.m., and asked Councilmembers, staff and the audience to join in pledging allegiance to the American Flag.

**ROLL CALL**

Members Present: Mayor Jon Nowaczek, Councilmembers Connie Carlson, Dan Johnson, Torry Kraftson and Sharon Ridgway

Members Absent: None

Others Present: Administrator Mike McGuire, Fire Chief Mike Bell, Police Chief Laura Eastman, Public Works Supervisor Mel Horak, Library Director Kathy MacDonald, Finance Officer Wanda Madsen, Engineer Barry Peters, Assistant Administrator/Planner Sara Taylor, Attorney Nick Vivian

**PROCLAMATIONS/COMMENDATIONS/PETITIONS**

1. Mayor Nowaczek announced that the August recycling award went to John Kirchstein.
2. Mayor Nowaczek noted that longtime Bayport residents, Ralph and Cindy Utecht, celebrated their 50<sup>th</sup> wedding anniversary on August 30<sup>th</sup>.

**OPEN FORUM**

**CONSENT AGENDA**

Mayor Nowaczek read items 1-10 on the consent agenda.

Councilmember Kraftson introduced the following resolution and moved its adoption:

**Resolution 08-13**

**A RESOLUTION APPROVING CONSENT AGENDA ITEMS 1-10 FROM THE  
SEPTEMBER 8, 2008 CITY COUNCIL AGENDA**

1. August 4, 2008 City Council regular meeting minutes
2. August payables and receipts
3. August building, plumbing and mechanical permits
4. Retirement of Police Officer Patrick Logan and authorization to fill the position
5. Renewal of Captains Corner, LLC, 193 North 3<sup>rd</sup> Street, Bayport, MN 55003 2:00 a.m. liquor license
6. Purchase of an airless line painting machine for the Public Works Department
7. Purchase of a utility vehicle and attachments for the Public Works Department
8. Completion of the 2008 city audit by the firm of Abdo, Eick, & Meyers
9. Central St. Croix Valley Joint Cable Commission and Valley Access Channels budgets for 2009
10. Administrative fine for Woody's Bar and Grill for serving alcohol to an underage customer

Councilmember Carlson had a question and commented on item 4.

The motion for adoption of the foregoing resolution was duly seconded by Councilmember Carlson and upon roll call being taken thereon, the following voted via voice:

Jon Nowaczek – aye  
Connie Carlson – aye  
Dan Johnson – aye

Torry Kraftson – aye  
Sharon Ridgway – aye

## **PUBLIC HEARINGS**

## **COUNCIL LIAISON REPORTS**

### **UNFINISHED BUSINESS**

Consider quotes for the Lakeside Park stone monument entry sign: Landscape architect Larry Wacker reviewed two bids for a limestone identification sign for Lakeside Park and described the proposed finishes and coloring. Discussion followed on the shape of the stone, with councilmembers recommending that the shape not be altered.

It was moved by Councilmember Carlson and seconded by Councilmember Ridgway to accept the bid from Rivard Stone, Inc., Houlton, Wisconsin, for a limestone monument sign for Lakeside Park, in the amount of \$4,044.18, and up to \$600.00 for placement, for a total of \$4644.18.

Consider options for replacement of teeter-totters in Lakeside Park: Public Works Supervisor Horak reviewed five options for replacing the teeter-totter in Lakeside Park. Discussion followed on the pros and cons of the spring and beam style equipment options. Councilmember Ridgway indicated a preference for a specific teeter-totter and requested additional time in order to provide pictures of it.

It was moved by Councilmember Ridgway and seconded by Councilmember Johnson to table the discussion to the next meeting, in order to provide more information on a specific style of teeter-totter. Motion carried 3-2, with Councilmember Kraftson and Mayor Nowaczek voting nay.

Update on progress of beach area improvements at Lakeside Park and Brownfield Assessment at Barker's Alps Park: Landscape Architect Wacker reported that the site improvements at Lakeside Park are basically complete, and staff will be following up with the contractor to complete the punch list items. He recommended approval of the project and noted there is a standard one year warranty on the work. He stated he has been monitoring the sand blanket and it has not shifted since installation, except for some runoff during a heavy rain caused by placement of the temporary silt fence. He noted there is a plastic curb between the turf and sand for stability purposes. He recommended that ATVs, snowmobiles, etc., not be allowed winter access to the river over the renovated beach area.

The Minnesota Pollution Control Agency (MPCA), with funds from the Environmental Protection Agency (EPA), has committed to Phase 1 and 2 environmental assessments at Barker's Alps. There have been delays due to MPCA changes in administration of the Brownfield program, and staff is hopeful the studies will be done this fall, followed by improvements beginning next spring. Councilmember Kraftson questioned whether design work could proceed prior to getting the assessment results, specifically on the trail connection from the Inspiration development. Mr. Wacker stated that some design work may continue and he plans on doing a thorough examination of the trail system this fall, to keep the project moving forward. He doesn't believe there are any obstacles to constructing the trail; however, there may be some mitigation necessary that could delay the construction. Administrator McGuire stated he would review the design contract components with Mr. Wacker and bring back a recommendation for additional services, if needed, to keep the project moving forward.

Consider a request to extend the temporary storage of a house on public property: The city has been approached by Brian Shelton, the new owner of a house that is temporarily being stored on city property, to extend the temporary storage agreement with the city. Mr. Shelton would like to move the house to the River Park Marina for residential and office use. Administrator McGuire explained that this would be an expansion of a non-conforming use, and Mr. Shelton was informed of two possible options for pursuing this use. Staff recommended allowing Mr. Shelton to continue the temporary storage agreement, if he chooses to pursue one of the options, conditioned on a fee of \$500.00 per month and adequate insurance protection. If not, it was recommended the owner have ten days to remove the house from city property.

Phil Soby, Elizander Company, representing Brian Shelton and River Park Marina, stated they were still in the process of exploring options for placing the house at River Park Marina. It is their intent to move the house to the marina, and they requested the storage agreement be extended until the process could be determined and completed. Councilmember Kraftson recommended that additional security fencing be installed, if the extension is allowed. Discussion followed on the length of the extension period. Attorney Vivian clarified that Mr. Shelton would have 30 days to file an application with the city, and that there would be a \$500 rental fee for both the past month's storage and the additional 30 days, for a total of \$1,000.00, plus appropriate application fees.

It was moved by Councilmember Johnson and seconded by Councilmember Carlson to extend the temporary storage agreement for a house on city property for 60 days from the original expiration date, with payment of \$1,000.00 for the additional 2-month rental fee by September 12, 2008, and installation of additional security fencing. Motion carried.

## **NEW BUSINESS**

Consider city alley paving project, including authorization to order a feasibility study, and setting an assessment hearing date: Public Works Supervisor Horak indicated a group of residents petitioned the city to provide costs for paving their alley between 8<sup>th</sup> and 9<sup>th</sup> Street North, south from 5<sup>th</sup> Avenue North. If possible, they would like the work done this year. The six affected property owners were contacted to gauge their interest in the project, and 50% of these property owners were in favor of the project. Supervisor Horak indicated the gravel alley is in poor condition, despite city maintenance efforts, in part because it is not heavily used. The preliminary cost estimate for the project is \$15,600.00, of which the city would pay 50% and the six benefiting property owners would pay 50%. Councilmember Johnson voiced support of the project, and Mayor Nowaczek noted his hesitation to proceed without support of the majority of affected property owners. Councilmember Kraftson favored a citywide pavement analysis program to determine the streets/alleys in greatest need of repair/replacement, instead of approving projects on a case-by-case basis. Engineer Peters stated a pavement management study was done in the mid-1990s, wherein all streets were rated. However, the management program ceased due to lack of support from residents. He noted that city streets have a good sub grade and have held up fairly well. The 2010-2013 proposed CIP does include funding for a pavement management study.

It was moved by Councilmember Johnson and seconded by Councilmember Carlson to authorize a feasibility study to pave the alley between 8<sup>th</sup> and 9<sup>th</sup> Streets North, between 4<sup>th</sup> and 5<sup>th</sup> Avenues North. Motion carried 4-1, with Mayor Nowaczek voting nay.

It was noted a public improvement hearing and a public assessment hearing also need to be scheduled for the project. Engineer Peters indicated the feasibility study would be ready for the October meeting. Attorney Vivian recommended setting both public hearings for the November meeting.

Consider 2009 preliminary budget: Administrator McGuire presented the proposed city budget for 2009. He noted that increased costs for petroleum-based products and insurance influenced the budget, as well

as replacing expensive equipment and labor agreements. State aid and taxes provide the majority of the proposed revenue. The 2009 proposed levy is \$1,022,533.00, up 3.8% from 2008; however, it is lower than the 2003-2005 levies. He noted additional revenue sources have been secured to help keep the levy down and that state aid increased for 2009. The proposed budget includes the addition of a full-time police officer and allots funds for future maintenance and equipment needs. The proposed 2009 Capital Improvement Projects (CIP) plan was reviewed, as well as the 2010-2013 CIP. He noted the city has one tax-exempt bond, which will have a debt balance of \$975,000.00, after the 2009 payment. The major fund balances, as of December 31, 2007, were reviewed. The water and sewer funds have been close to breaking even in the past few years; however sizable losses are projected in the water (-\$6,312.00) and sewer (-\$23,688.00) funds in 2009. The City Council will be asked to consider recommendations to offset these losses in the next few months. Administrator McGuire reviewed the estimated tax impact of the proposed levy that would increase taxes 1.99%. A \$150,000 home would see a yearly increase of \$9.02; \$200,000 home, \$12.02; \$250,000 home, \$15.03; and a \$500,000 home, \$30.06.

Administrator McGuire reviewed providing lifeguard service at Lakeside Park and increasing City Council pay, which are not included in the proposed budget. Staff does not recommend hiring lifeguards for 2009, but proposed to continue with the beach attendant program for another year. He reviewed a survey of City Council compensation for 10 area cities, noting Bayport's compensation is on the lower end. He noted the City Council would be adopting a resolution for the maximum proposed levy at tonight's meeting, and the levy amount could be reduced after the public Truth in Taxation hearing in November or December, but it could not be increased.

Councilmember Johnson noted that the Library Board had a concern with a \$2,500.00 withdrawal from the library budget to finance a new municipal building maintenance fund. Administrator McGuire indicated staff proposed the new \$10,000.00 fund to proactively prepare for major repairs to the library, city hall, fire hall, and the public works building. A total of \$2,500.00 was taken from each of the four department's 2009 budgets for the new fund. A committee, comprised of the library director, public works supervisor, fire chief, administrative representative, and the administrator, would recommend yearly improvements for City Council approval. Councilmember Johnson stated the Library Board questioned the statutory authority for the Library Board to give money back to the city, once the city has appropriated the funds for library purposes only. He would like the city attorney to research the issue, prior to final budget approval later this year. Attorney Vivian reported that city ordinances state that any money collected for or credited to the Library Board is under the exclusive control of the Library Board. Joe Reding, Library Board President, reviewed Minnesota Statutes relating to use of library funds and requested City Council action to address the Library Board's concerns. Mayor Nowaczek stated that he believes a building maintenance fund is a good business practice but suggested finding another way to fund the library's \$2,500.00 portion for the 2009 budget. Staff will bring back a proposal for discussion at the final budget meeting.

Police Chief Eastman explained the benefits of her request to hire one additional full-time officer instead of continuing to hire part-time officers, who typically use their employment as a stepping stone to full-time employment with another agency. Pre-employment screening and training for a new part-time officer costs over \$7,000.00, and most officers leave after a year or less. With the addition of a full-time officer, a "power" shift would be added, with the canine officer eventually providing this coverage. She answered questions related to increased user fees in the Police Department budget and vehicle status.

Discussion followed on adding lifeguard service to the proposed budget, at an estimated cost of \$9,000.00. Councilmembers were not in favor of adding the service for 2009. They generally felt that it would take some time for the swim area to become popular, at which point hiring lifeguards could be reviewed again. Councilmember Carlson questioned the salary of the beach house attendants, based on

the job responsibilities. Assistant Administrator Taylor stated finding adequate staff was a challenge this year, and the compensation rate will be discussed next spring.

Councilmembers discussed the current City Council salaries. Mayor Nowaczek noted that serving on the City Council is largely a volunteer position, however he feels a regular compensation adjustment may be needed to keep up with inflation. Councilmember Ridgway stated it's been over 10 years since the pay rate has been increased and recommended a cost-of-living increase when staff contracts are negotiated. Councilmember Kraftson strongly believes a raise is not in order; however, is in favor of a 3% annual increase, in line with staff cost-of-living increases. Councilmember Johnson believes the councilmember compensation is in line; however he would like to see the Mayor's salary increased to 1.5 times that of the councilmember compensation, or \$4,050.00 per year. He also supports an annual review of the compensation rates. Councilmember Carlson is not in favor of a councilmember increase, however supports an annual cost-of-living increase and an increase for the Mayor.

It was moved by Councilmember Johnson and seconded by Councilmember Carlson to amend the city ordinance to maintain the councilmember compensation at \$2,700.00 per year, increase the Mayor's salary to 1.5 times the 2008 councilmember rate, with annual cost-of-living increases for all councilmembers, in line with staff increases. Motion carried. Staff will bring back a revised ordinance for consideration at the next meeting.

Councilmember Kraftson stated he would like the Highway 95 Pedestrian Crossing to be a priority and would like it noted as a line item in the 5-year CIP.

Councilmember Johnson introduced the following resolution and moved its adoption:

**Resolution 08-14**

**RESOLUTION OF THE CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA,  
ADOPTING THE PRELIMINARY CITY BUDGET FOR 2009**

The motion for adoption of the foregoing resolution was duly seconded by Councilmember Carlson and upon roll call being taken thereon, the following voted via voice:

Jon Nowaczek – aye	Torry Kraftson – aye
Connie Carlson – aye	Sharon Ridgway – aye
Dan Johnson – aye	

Councilmember Johnson introduced the following resolution and moved its adoption:

**Resolution 08-15**

**RESOLUTION OF THE CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA,  
ESTABLISHING THE PRELIMINARY LEVY CERTIFICATION FOR THE CITY'S GENERAL  
AND DEBT SERVICE FUND AND LIBRARY FUND AT \$1,022,533**

The motion for adoption of the foregoing resolution was duly seconded by Councilmember Carlson and upon roll call being taken thereon, the following voted via voice:

Jon Nowaczek – aye	Torry Kraftson – aye
Connie Carlson – aye	Sharon Ridgway – aye
Dan Johnson – aye	

Councilmember Johnson introduced the following resolution and moved its adoption, with the addition of a line item for the Highway 95 Pedestrian Crossing, in an unspecified amount:

**Resolution 08-16**

**RESOLUTION OF THE CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA,  
ADOPTING THE PRELIMINARY CAPITAL IMPROVEMENT PLAN  
FOR 2009 THROUGH 2013**

The motion for adoption of the foregoing resolution was duly seconded by Councilmember Kraftson and upon roll call being taken thereon, the following voted via voice:

Jon Nowaczek – aye	Torry Kraftson – aye
Connie Carlson – aye	Sharon Ridgway – aye
Dan Johnson – aye	

**COUNCIL ITEMS/ANNOUNCEMENTS**

1. Councilmember Carlson reported on Bayport Senior Center upcoming events. They will be volunteering at Derby Days Taste of Bayport on September 20<sup>th</sup>; Police Chief Eastman will be speaking at a breakfast meeting on September 24<sup>th</sup>; and there will be a scrabble tournament and hoe-down on September 25<sup>th</sup>. They will also be volunteering with Afton-Lakeland and Andersen Elementary students, teaching them how to play cribbage.

**ADMINISTRATOR/STAFF ITEMS AND ANNOUNCEMENTS**

**ADJOURNMENT**

It was moved by Councilmember Carlson and seconded by Councilmember Johnson to adjourn the meeting at 8:45 p.m. Motion carried.