

**CITY OF BAYPORT
CITY COUNCIL MEETING MINUTES
COUNCIL CHAMBERS
JUNE 12, 2006
6:00 P.M.**

CALL TO ORDER

Pursuant to due call and notice, Mayor Schneider called the regular City Council meeting of June 12, 2006, to order at 6:00 p.m., and asked Councilmembers, staff and the audience to join in pledging allegiance to the American Flag.

ROLL CALL

Members Present: Mayor Rick Schneider, Councilmembers Connie Carlson, Dan Johnson, Jon Nowaczek, and Sharon Ridgway

Members Absent: None

Others Present: Administrator Mike McGuire, Administrative Assistant/Planner Sara Dietsche-Taylor, Police Chief John Gannaway, Public Works Supervisor Mel Horak, Engineer Barry Peters, and Attorney Nick Vivian

PROCLAMATIONS/COMMENDATIONS/PETITIONS

1. Mayor Schneider announced \$30.00 recycling awards for the month of May 2006 were given to Kris Turrentine, Ed Lawson, and John Hogberg.

OPEN FORUM

1. Former Mayor Jim Kosmo, 256 South 5th Street, stated that he would be making donations to the Bayport Fire Department and Bayport Public Library, which includes donating back his recent \$30.00 recycling award.
2. Maggie and Dennis Dickinson, 307 Lake Street South, distributed a letter to the City Council regarding their concerns with a boat launch potentially being established next to their home.
3. Jim Selmecki, 317 Lake Street South, requested a special open meeting discussion with the Lake Street property owners regarding a boat launch being installed on Lake Street.
4. Police Chief Gannaway reported on Safety Camp for children entering grades 3-5, which will be held at Lakeside Park on June 28th and 29th.
5. Jack Broughton, CPDC representative, invited Bayport residents to the Inspiration development grand opening on Saturday, June 24, 2006, 12:00 p.m. – 5:00 p.m.
6. Susan St. Ores, 345 Lake Street South, stated she and her husband, Phil, would like to be involved in the decision-making process regarding a proposed boat launch on Lake Street. City Administrator McGuire reviewed the preliminary discussions with the DNR and Bayport landowners regarding possible relocation of the public boat launch.
7. Rich Hirstein, Allied Waste-BFI, reminded residents of the \$500.00 scholarship available for Bayport high school graduates. He stated residential rates would increase July 1, 2006, to reflect the actual contracted rates. Residents had been undercharged for the past two years, due to an Allied Waste-BFI billing error. Mr. Hirstein updated the City Council on efforts to provide single-sort recycling.

CONSENT AGENDA

Mayor Schneider read items 1-15 on the consent agenda.

1. May 1, 2006 City Council regular meeting minutes
2. May payables and receipts
3. May building, plumbing and mechanical permits
4. Special event application for St. Charles Jazz Festival and Craft Fair
5. Temporary liquor license for St. Charles Church to operate on parish grounds and Perro Park for the Jazz Festival and Craft Fair
6. Lawful gambling application for St. Charles Church
7. Lawful gambling application for Stillwater Elks at Greystone Bar
8. Temporary liquor license for Bob Speltz Land O'Lakes Chapter of the Antique and Classic Boat Society to operate at Bayport Marina for the St. Croix Concours d' Elegance
9. Lawful gambling application for Children's Cancer Research Fund at Clyde's Restaurant
10. Computer purchase/lease for Bayport Police Department
11. Letter of credit reduction to Senior Housing Partners for Croixdale
12. Special event application for the grand opening of Inspiration
13. Letter of credit reduction to CPDC for Inspiration
14. Hiring of part-time police officers
15. Administrative policy on letters of credit reduction in development projects

Councilmember Nowaczek requested that Item #10 be moved to New Business; the computer purchase/lease for Bayport Police Department was removed from the consent agenda approval.

Councilmember Carlson introduced the following resolution and moved its adoption:

Resolution 06-14

RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA, APPROVING CONSENT AGENDA ITEMS 1-14 FROM THE JUNE 12, 2006 CITY COUNCIL AGENDA

The motion for adopting the foregoing resolution was duly seconded by Councilmember Nowaczek and upon roll call being taken, the following voted via voice:

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|----------------------|----------------------|
| Rick Schneider – aye | Jon Nowaczek – aye |
| Connie Carlson – aye | Sharon Ridgway – aye |
| Dan Johnson – aye | |

PRESENTATION OF 2005 AUDIT

HLB Tautges Redpath auditor, Peggy Moeller, presented the 2005 City of Bayport audit findings. She reviewed the following reports in detail: annual financial report, audit management letter, state legal compliance report, and report on compliance and internal control.

It was moved by Councilmember Nowaczek and seconded by Councilmember Carlson to accept the HLB Tautges Redpath report on the 2005 City of Bayport audit findings. Motion carried.

PUBLIC HEARINGS

Assessment hearing for South Minnesota Street Utility Improvement Project: Engineer Peters reviewed the project to date, stating it was decided to hold the assessment hearing prior to awarding the bid contract. The total estimated cost of the project is approximately \$619,000.00, with proposed total assessments of \$410,400.00. Property owners must file an appeal to their assessment amount by the

conclusion of tonight's public hearing. Councilmember Nowaczek noted there is a senior citizen hardship deferment available, upon application to the city within 30 days of adoption of the assessment roll.

Monica Gilbert, 624-626 Minnesota Street South, questioned why her duplex was being assessed as two units and asked for clarification on the appeal process. Administrator McGuire explained legally conforming duplexes are considered to be two separate units and would be assessed as such.

Warren Utecht, 832 Minnesota Street South, stated it would difficult to pay off his assessment amount in ten years, and inquired about the senior citizen deferral.

Ken Smith owns three vacant lots, Block 109, Lots 9, 10, and 11, and is being assessed for sewer and water for two units. He states he intends to build one home on the entire area and questioned the double assessment. Planner Taylor explained that Mr. Smith's three lots are considered as two parcels, according to Washington County records, and he could legally build on both parcels.

Dave Ness, Jr., 232 4th Street North, inquired as to the number of private wells that would be eliminated with this project; twelve private wells would be affected. He expressed concerns with the contaminant in the city's water supply, the city's subsidy of the project, and stated he is not in support of it.

Mel Horak, Public Works supervisor, stated he is in favor of the project from an environmental standpoint and noted that the majority of the city funding would come from the sewer and water enterprise fund, not the general levy.

Beth Utecht, 832 Minnesota Street South, spoke on behalf of Barry Lund, 768 Minnesota Street South. Mr. Lund requested clarification on prepayment of the assessment. Administrator McGuire stated property owners would have thirty days from adoption of the assessment roll to prepay without interest. Mrs. Utecht indicated she was in favor of the project.

Mary Williams, 638 Minnesota Street South, stated she is in favor of the project and believes it is time to provide all residents with the same health standards regarding sewage disposal.

Jim and Rosemary Luckey, 690 Minnesota Street South, indicated their assessment was excessive for sewer hookup only, but are in favor of the project.

A letter was received from Robert Bean stating that he owns two vacant lots, with steep grades, and questioned whether they were buildable. A letter in support of the project was received from Audrey Kelly, 636 South Minnesota Street.

It was moved by Councilmember Johnson and seconded by Councilmember Ridgway to close the public hearing. Motion carried.

Councilmember Johnson stated he is in favor of the project and would like all residents to have the same basic city services. He believes the project will increase property values for the affected parcels. Councilmember Nowaczek concurred with Councilmember Johnson's comments, adding that it was time to bring this project's lengthy planning process to fruition, and that the city was in a favorable financial position to help subsidize the project. Councilmembers Ridgway and Carlson stated they were in favor of the project.

COUNCIL LIAISON REPORTS

Councilmember Ridgway stated the Cable Commission did not meet this month. She reported the U. S. House of Representatives passed a bill on June 8, 2006, regarding FTC regulation of local cable franchise authority, with Senate approval pending. She stated this would severely affect the operations of the Central St. Croix Valley Joint Cable Commission. The next meeting is scheduled for June 21, 2006, 7:00 p.m. at the Valley Ridge Mall.

Councilmember Nowaczek reported he was unable to attend the Bayport Public Library Board's meeting of May 25, 2006. The next meeting is scheduled for Thursday, June 22, 2006, 6:30 p.m., at the library.

Councilmember Carlson reported the Middle St. Croix Watershed Management Organization (MSCWMO) met on June 8, 2006. The WMO decided that they would request additional funding from the State of Minnesota for the state storm sewer project to cover the cost of pursuing an alternate route. The next meeting is scheduled for July 13, 2006, 7:00 p.m., at Valley Ridge Mall.

Councilmember Johnson reported that Andersen Corporation received their XL permit from the MPCA. Susan Roeder stated Andersen Corporation would be hosting a meeting with the parties involved with the permit approval, including the Community Advisory Council (CAC). She stated the CAC would meet at least twice yearly to review Andersen Corporation permit reporting to the MPCA.

UNFINISHED BUSINESS

Consider resolution adopting the assessment roll for the South Minnesota Street Utility Improvement Project and amending Special Assessment Policy:

Councilmember Nowaczek introduced the following resolution and moved its adoption:

Resolution 06-15

A RESOLUTION ADOPTING THE ASSESSMENT ROLL FOR THE SOUTH MINNESOTA STREET UTILITY IMPROVEMENT PROJECT

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

Rick Schneider – aye

Connie Carlson – aye

Dan Johnson – aye

Jon Nowaczek – aye

Sharon Ridgway – aye

Discussion followed on amending the Special Assessment Policy, which includes a provision for a senior citizen hardship deferment (paragraph 9). The current policy states the age limit of 65 years or older, but does not define income parameters. Options for replacing the household income dollar figure were discussed, including the staff recommendation that the total amount of the assessment must exceed \$200.00, and the average annual payment for all assessments must exceed one percent (1%) of the adjusted gross annual income of the applicant. It was determined that the percent of the adjusted gross annual income should be increased to ten percent (10%). Administrator McGuire indicated the city would look at a longer assessment payback period for senior deferments.

Councilmember Nowaczek introduced the following resolution and moved its adoption:

Resolution 06-09 Revised

RESOLUTION AMENDING SPECIAL ASSESSMENT POLICIES

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

Rick Schneider – aye
Dan Johnson – nay
Sharon Ridgway – aye

Connie Carlson – nay
Jon Nowaczek – aye

Consider award of contract for the South Minnesota Street Utility Improvement Project:

It was moved by Councilmember Nowaczek and seconded by Mayor Schneider to award the contract for the South Minnesota Street Utility and Street Improvement project to Pember Companies, Inc., Menominee, Wisconsin, in the amount of \$444,738.95. Motion carried.

Administrator McGuire stated a neighborhood meeting would be set up for the affected property owners to answer questions related to the project.

It was moved by Councilmember Nowaczek and seconded by Councilmember Carlson directing the city attorney not to object to the timing of the appeal letter from Monica Gilbert, 624-626 Minnesota Street South, which was filed at this point in the meeting. Motion carried.

Consider options for painting of the municipal water storage tank: Administrator McGuire said a final decision has not been made, but a recommendation would be made to the City Council at the next meeting in time to complete the project this year. The new ground storage reservoir is scheduled to be completed by August 1, 2006.

Consider feasibility study for improvements to 4th Avenue North: Due to personnel changes at Andersen Corporation, Administrator McGuire stated it would be 1-2 months before this item would be ready for further recommendation.

It was moved by Councilmember Nowaczek and seconded by Councilmember Johnson to continue discussion of the feasibility study for improvements to 4th Avenue North to a future meeting. Motion carried.

Consider a resolution authorizing a public and assessment hearing on the improvement of various city alleys: Engineer Peters reviewed the SEH feasibility report on paving three city alleys and noted a public hearing would be required since a portion of the project was initiated by the City of Bayport. Since the estimated construction cost was less than \$50,000.00, quotes were obtained, with the low quote of \$43,938.00 from Asphalt Specialties Company. Discussion followed on property owner support of the project and ordering a public and assessment hearing for the July City Council meeting.

Councilmember Carlson introduced the following resolution and moved its adoption:

Resolution 06-16

A RESOLUTION CALLING FOR A PUBLIC IMPROVEMENT AND ASSESSMENT HEARING FOR THE 2006 CITY ALLEY IMPROVEMENT PROJECT

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

Rick Schneider – aye
Dan Johnson – aye
Sharon Ridgway – aye

Connie Carlson – aye
Jon Nowaczek – aye

Discuss the purchase of a new water meter system: Administrator McGuire requested this discussion be continued to the August meeting to give the new finance officer an opportunity to experience the current system's billing process.

It was moved by Councilmember Carlson and seconded by Councilmember Johnson to continue the discussion of the purchase of a new water meter system to the August City Council meeting. Motion carried.

NEW BUSINESS

Consider an amendment to the zoning code that would require commercial and industrial properties to make landscaping improvements equal to a minimum of 1% of the total project cost for all development or improvement projects: Planner Taylor explained this issue had been brought to a previous meeting, and staff was directed to take it to the Planning Commission for the required public hearing. The public hearing was held on May 15, 2006, and the Planning Commission recommended approval of this amendment to the zoning code. Discussion followed on the intent of the amendment and basing the 1% minimum requirement on the building permit.

Councilmember Johnson introduced the following ordinance and moved its adoption:

ORDINANCE NO. 781

ORDINANCE OF THE CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA AMENDING SECTIONS 709, 601(4), 601(5) AND 601(7) OF APPENDIX B – ZONING OF THE BAYPORT CITY CODE REGARDING LANDSCAPING REQUIREMENTS

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

Rick Schneider – aye
Dan Johnson – aye
Sharon Ridgway – aye

Connie Carlson – aye
Jon Nowaczek – aye

Consider awarding street seal coating, crack-filling, and thermo-patch project for 2006: Public Works Supervisor Horak reviewed the city streets that are proposed for seal coating, noting that Point Road and Osprey Boulevard were removed from this year's project when the bids came in considerably higher than the budgeted \$60,000.00, primarily due to the price of road oil. Staff recommended approving up to \$65,000.00 for seal coating and up to \$8,000.00 for the necessary thermal patching and crack-filling prior to the actual seal coating. The city attempts to seal coat one-quarter of the city streets each year. Seal coating is tentatively scheduled for June 20, 2006. There was discussion on whether the city should complete the entire planned project, given the rising cost of oil, as well as increasing next year's budget for this project.

It was moved by Councilmember Carlson and seconded by Councilmember Johnson to authorize the City of Bayport's participation in the City of Stillwater 2006 Seal Coating Contract, with the apparent low bidder Allied Blacktop Company, with a cost not to exceed \$65,000.00, and to authorize Bergman Companies, Inc., to complete thermal patching and crack-filling, with a cost not to exceed \$8,000.00,

for a total of \$73,000.00, with authorization to transfer up to \$15,000.00 from the Street Reconstruction Fund for the project. Motion carried.

Consider authorizing a feasibility study, plans, and specifications for city sidewalk and curb improvements: Engineer Peters explained that authorization is required for a feasibility study to assess sidewalk and curb improvements, as recommended by the Public Works department.

It was moved by Councilmember Johnson and seconded by Councilmember Ridgway to authorize a feasibility study for the 2006 Sidewalk and Curb Rehabilitation Project, at a cost not to exceed \$500.00. Motion carried.

Computer purchase/lease for Bayport Police Department: Councilmember Nowaczek noted that the total price for leasing the five recommended computer systems is \$6,281.04, not \$5,761.95, as stated in the staff memo. He recommended purchasing the equipment outright at a cost of \$6,136.49, versus leasing.

It was moved by Councilmember Nowaczek and seconded by Councilmember Carlson to authorize the expenditure of \$6,136.49 to purchase five new computers for the Police Department. Motion carried.

Baytown water extension project payments: In order to satisfy the payment terms of three contractors working on the Baytown water extension project, staff recommended authorization of payments to Natgun Corporation, Ebert Construction, and F & K Trucking and Excavating. The money for payment is part of the developers' escrow with the city.

It was moved by Councilmember Nowaczek and seconded by Councilmember Ridgway to authorize payment as follows: Natgun Corporation, \$27,550.00; Ebert Construction, \$74,575.00; and F&K Trucking and Excavating, \$266,525.59. Motion carried.

COUNCIL ITEMS/ANNOUNCEMENTS

1. Councilmember Carlson thanked everyone involved with the citywide garage sales held June 2nd and 3rd, noting that approximately 24 families held sales.
2. Councilmember Carlson noted that the American Legion has begun serving a Sunday breakfast buffet from 8:00 a.m. to 12:00 p.m.

ADMINISTRATOR/STAFF ITEMS AND ANNOUNCEMENTS

1. Applications for the \$500.00 scholarship offered by Allied Waste-BFI will be accepted until June 15, 2005.
2. The city's website has been updated and feedback is encouraged.
3. Everyone involved with the cleanup day on June 10th was thanked for their efforts.

ADJOURNMENT

It was moved by Councilmember Johnson and seconded by Councilmember Nowaczek to adjourn the meeting at 8:42 p.m. Motion carried.