

**CITY OF BAYPORT
CITY COUNCIL MEETING MINUTES
COUNCIL CHAMBERS
OCTOBER 1, 2012
6:00 P.M.**

CALL TO ORDER

Pursuant to due call and notice, Mayor St. Ores called the regular City Council meeting of October 1, 2012 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 Susan St. Ores, Councilmembers Connie Carlson, Dan Goldston, Michele Hanson and Mark Ostertag

Members Absent: None

Staff Present: Administrator Mitch Berg, Police Chief Laura Eastman, Public Works Supervisor Mel Horak, Engineer Barry Peters, Attorney Andy Pratt, Fire Chief Mark Swenson, and Assistant Administrator/Planner Sara Taylor

APPROVAL OF AGENDA

Administrator Berg requested the addition of *Consider appointment of citizen representative to Cable Commission* to new business.

It was moved by Councilmember Ostertag and seconded by Councilmember Carlson to approve the amended October 1, 2012 City Council agenda. Motion carried 5-0.

PROCLAMATIONS/COMMENDATIONS/PETITIONS/ANNOUNCEMENTS

1. The September recycling award recipient was Russell Morlando who will receive \$30.00 for his recycling efforts, with funding made possible by a grant from Washington County.

OPEN FORUM - None

CONSENT AGENDA

Mayor St. Ores read items 1-9 on the consent agenda.

Councilmember Carlson introduced the following resolution and moved its adoption:

Resolution 12-19

**RESOLUTION APPROVING CONSENT AGENDA ITEMS 1-9 FROM THE
OCTOBER 1, 2012 CITY COUNCIL AGENDA**

1. September 4, 2012 City Council regular meeting minutes
2. August 27, 2012 City Council workshop meeting minutes
3. September payables and receipts (check numbers 1134942-1135034)
4. September building, plumbing and mechanical permits report
5. Special event application from Olivier Vrambout for a cyclocross event at Barker's Alps Park on November 10 and 11, 2012
6. Special event application from Andersen Corporation for Quarter Century Picnic at Lakeside Park on August 9 and 10, 2013

7. Special event application from Andersen Parent Group for use of Barker's Alps Park for a fundraising walk-a-thon on October 26, 2012
8. Final payment for 2012 Sealcoat Improvement Project
9. A \$40.00 donation to Fire Department from Bob Mordick

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

Susan St. Ores – aye	Michele Hanson – aye
Connie Carlson – aye	Mark Ostertag – aye
Dan Goldston – aye	

PUBLIC HEARINGS - None

COUNCIL LIAISON REPORTS

Councilmember Hanson reviewed the Planning Commission meeting of September 17, 2012, noting that proposed modifications to the Inspiration development restoration and management open space were approved and will be acted upon later in tonight's meeting.

Councilmember Goldston reviewed the Andersen Community Advisory Commission (CAC) meeting of September 19, 2012, noting the measurements for particulates and volatile organic compound (VOC) emissions continue to show levels well below the allowed rates. The commission continues to seek a member from the Bayport business community and interested individuals should contact Councilmember Goldston or City Hall.

Mayor St. Ores provided updates on her attendance at the recent Youth Service Bureau open house, Middle St. Croix Alliance meeting, and Middle St. Croix Watershed Management Organization (MSCWMO) meeting. She reported MnDOT would be updating the MSCWMO on collaborative efforts to mitigate water runoff from the new bridge project.

Administrator Berg requested that new business item, *Consider a resolution for a Cooperative Construction Agreement with the Minnesota Department of Transportation for the St. Croix River Crossing project*, be addressed prior to old business.

Consider a resolution for a Cooperative Construction Agreement with the Minnesota Department of Transportation (MnDOT) for the St. Croix River Crossing project: Administrator Berg reviewed the terms of a cooperative construction agreement (CCR) that would formalize the terms and conditions that were outlined in the 2006-2007 Memorandum of Understanding (MOU) between the city and the state for the St. Croix River Crossing Project. He indicated that section 2 of the proposed agreement relating to design-build construction practices was not part of the original MOU, and city staff is concerned the proposed language may result in the city bearing unexpected construction and/or maintenance costs. Attorney Pratt recommended that MnDOT provide the City Council with specific language on city maintenance responsibility, prior to approval of the agreement.

Jon Chiglo, MnDOT project manager for the project, reviewed the three elements of the project that affect Bayport, specifically two stormwater drainage ponds off Pickett Avenue, a retaining wall between the ponds, and a portion of the loop trail. He stated approximately 30% of the design process has been completed, and MnDOT is working on reducing or possibly eliminating the retaining wall. He reported MnDOT utilizes similar language in its CCRs with all municipalities involved with the project, and reducing ongoing maintenance costs is a consideration during the design process. Discussion followed on alternate language that would provide the city more leverage in assuming maintenance costs, and Mr.

Chiglo stated the intent of the proposed language is to engage city participation and feedback during the design process, with the ultimate decisions made by MnDOT. The city requested the ability to sign off on work that would materially affect Bayport's maintenance costs, and Mr. Chiglo believes allowing the city to approve design contracts would impede the project management and reiterated MnDOT's desire to address Bayport's concerns during the design-build process. Councilmember Goldston questioned the city's maintenance costs for the stormwater ponds since the shared responsibility is based on water volume ratios and the current agreement does not define how the ratio will be gauged. Mr. Chiglo stated the ponds' sizing is not likely to change and MnDOT does not anticipate any large increases in water volume. Mayor St. Ores noted there is no quantification of Bayport's anticipated maintenance costs and suggested language be added that would provide the city with an opportunity to approve work that would significantly increase maintenance costs. Mr. Chiglo stated that the proposed agreement requires that any new work, beyond the parameters in the proposed agreement, would need to be approved by the City Council, via an amended CCR. He affirmed that as project manager, he represents the interests of all stakeholders, and MnDOT would provide updates to the City Council as requested. He said there is a warranty on materials and workmanship, which could impact Bayport's maintenance. The general consensus was to table further discussion to the next meeting, to allow time for staff and MnDOT personnel to finalize the agreement language, based on tonight's discussion.

UNFINISHED BUSINESS

Update on 1st Avenue North and 2nd Street North parking: Administrator Berg reported that a parking arrangement has been reached with a nearby business and the owner and tenants of the 1st Avenue North apartment buildings were notified of the city's actions.

Consider bids and awarding the contract for the 2012-2013 Inflow and Infiltration (I/I) Improvement/Manhole Rehabilitation Project: Engineer Peters reported that eight companies expressed interested in the manhole project and two bids were received on September 27, 2012. The apparent low bidder was Infratech Infrastructure Technology, Rogers, Minnesota, with a quote of \$190,725.00. The engineer's estimate was \$236,300.00. The city has worked with this company in the past and staff recommended awarding the project to Infratech. Administrator Berg estimates a total project of \$213,000.00, and indicated the project is eligible for a minimum grant award of \$50,000.00. He reported that the 2011 I/I surcharge was \$119,000.00. The project is scheduled to be completed by the end of the year.

It was moved by Councilmember Hanson and seconded by Councilmember Carlson to award the contract for the 2012-2013 Inflow and Infiltration Improvement/Manhole Rehabilitation Project to Infratech Infrastructure Technology, Rogers, Minnesota, in the amount of \$190,725.00. Motion carried 5-0.

Consider final draft of Trichloroethylene (TCE) groundwater report: Engineer Peters reviewed the final draft of the Bayport TCE Groundwater Contamination Feasibility Study, including the changes requested by the City Council after presentation of the draft report in September, i.e., the hydrogeologic evaluation and improvements and costs for alternative 3. The report recommends pursuing alternative 3, connecting well 3 to the existing air stripper located at well 2. He indicated the TCE plume has most likely reached the St. Croix River, based on the current levels of contamination in well 4; however it dissipates quickly when hitting the water. Three private wells on Point Road were tested in 2011, indicating some TCE contamination, with the highest reading at .4 ug/L. Administrator Berg has contacted legislators to pursue state bonding funds for mitigating the TCE in the city's water supply. He is also in discussions with Minnesota Correctional Facility personnel about connecting to the prison water system to provide an emergency water supply source for the city. There is no grant money available for this type of project, but possible low interest loans, and staff will continue to pursue funding sources. Engineer Peters indicated the current water supply is safe to use and should not reach the maximum contaminant level prior to funding sources being approved and a mitigation plan implemented.

It was moved by Councilmember Carlson and seconded by Councilmember Ostertag to accept the SEH Feasibility Study on the Bayport TCE Groundwater Contamination, dated September 21, 2012. Motion carried 5-0.

Consider a request by Councilmember Carlson to review the Lakeside Park rental and operation policies: Councilmember Carlson requested a review of the rental policies, specifically to allow beach house reservations beyond the current May-September schedule, which could generate additional income and enjoyment of the beach house in the fall. She has also received comments from residents who would like to use the beach house during the winter, e.g., as a rest stop while cross country skiing. Staff explained that in addition to fluctuating weather conditions that may preclude the city from honoring a late fall reservation, the service hours required to clean and maintain the park facilities are limited as the Public Works department makes winter preparations. Public Works Supervisor Horak also noted the fireplace needs to be repaired, which is the only source of heat in the building. Mayor St. Ores indicated staff has discussed giving reservation priority to city residents at the beginning of the year by allowing them to make park reservations before opening reservations to the general public.

It was moved by Councilmember Carlson and seconded by Councilmember Hanson to allow residents to make park reservations from January 1-15 of each calendar year, prior to accepting non-resident reservations. Motion carried 5-0.

Consider improvement options for the hockey rink and developing a master plan for Perro Park: Administrator Berg estimates the cost of replacing the hockey rink with a similar wooden-board enclosure at \$36,000.00, plus engineering fees, and indicated the city is working with Andersen Elementary to pursue a \$5,000.00 grant to assist with the replacement. Staff reviewed a proposal to develop a master plan for Perro Park from Sanders, Wacker, Bergly, Inc., the firm who developed the master plans for Lakeside and Barker's Alps Parks. Staff recommended continuing the working relationship with this firm, since the landscape architect has already done some base mapping and inventory work in conjunction with the other master plans, and the proposed fee of \$5,580.00 reflects this cost savings. Councilmember Carlson recommended reviewing the comments provided by residents during the initial park planning in 2005, and discussion followed on the pros and cons of proceeding with development of a master park plan prior to replacing the hockey rink.

It was moved by Councilmember Ostertag and seconded by Councilmember Hanson to direct city staff to work with Andersen Elementary to apply for a \$5,000.00 grant for replacement of the hockey rink and proceed with a Perro Park master park plan, utilizing the services of Sanders, Wacker, Bergly, Inc., St. Paul, Minnesota, at a cost not to exceed \$6,000.00. Motion carried 5-0.

NEW BUSINESS

Consider a resolution for proposed modifications to the original restoration and management plan for the open space contained within the Inspiration development: Assistant Administrator/Planner Taylor reviewed a proposal to update the original prairie restoration and maintenance plan for the 145 acres of open space in the Inspiration development. The current owner of the development, Bayport Mainstreet Holding, LLC, has hired Landform Professional Services to oversee the completion of the prairie restoration. It was noted that some of the techniques and plants utilized by the original restoration plan were not conducive to the natural conditions on the property, and the owner is proposing modifications to the original plan in order to establish and sustain native plant species. The majority of the open space restoration is scheduled to be completed in 2012-2013. The Minnesota Land Trust, which holds the conservation easement for the open space and oversees management of the land, has indicated their support for the proposal. The Planning Commission recommended approval of the proposed modifications at the September 17, 2012 meeting. Staff believes the proposed modifications are consistent with the spirit and intent of the original plan and recommended approval. Councilmember

Hanson stated she attended the homeowner's association meeting where Landform presented their proposed plan and residents were receptive to the modifications.

Councilmember Hanson introduced the following resolution and moved its adoption:

Resolution 12-20

RESOLUTION APPROVING MODIFICATIONS TO THE ORIGINAL RESTORATION AND MANAGEMENT PLAN FOR THE OPEN SPACE CONTAINED WITHIN THE INSPIRATION DEVELOPMENT, BAYPORT, WASHINGTON COUNTY, MINNESOTA

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

Susan St. Ores – aye	Michele Hanson – aye
Connie Carlson – aye	Mark Ostertag – aye
Dan Goldston – aye	

Consider installing railroad crossing gates at Central Avenue and 10th Avenue North (Point Road):

Administrator Berg reviewed the background of the city's 2009 request to MnDOT for funding to place gates at five railroad crossings, noting that MnDOT approved funding for only two gates (Central Avenue and 10th Avenue North). The city was unsuccessful in their efforts to apply the funding to alternate locations, and MnDOT informed the city that they would be proceeding with the installation of the crossing gates and bearing 100% of the installation costs. Mayor St. Ores further clarified that just today, the City Council learned that MnDOT and the Federal Railroad Authority have entered into an agreement for placement of the gates, despite concerns from the city that the gates may delay emergency response vehicles, especially on Point Road. Staff has requested that representatives from MnDOT, the railroad and the city engineer participate in a community meeting to educate residents on the impact of the new crossing gates.

Consider a clarification to the city's annual boat trailer parking permit program: Administrator Berg reviewed the current procedure for issuing boat trailer parking permits for the designated stalls in the Andersen Corporation lot and/or Lakeside Park and indicated the program is intended for use by residents with their own watercraft. Staff recently reviewed the program and discovered that 20% of the stickers issued this year had been given out or applied to boat trailers belonging to non-residents. The police department was directed to suspend enforcement until the City Council clarifies the intent of the program. Staff recommended continuing with the existing policy of allowing residents to purchase up to two annual permits for use with their own watercraft and requested direction from councilmembers on future permitting. The general consensus of the City Council was to allow residents to purchase up to two annual boat trailer permits, which may be placed on a non-resident trailer.

Consider authorization to obtain an appraisal for the properties located at 143 and 169 3rd Street North:

Administrator Berg indicated staff has been exploring the possible purchase of the old Reliable Appliance building at 169 3rd Street North, the Greystone Bar building at 143 3rd Street North, and adjacent parking lot to possibly create additional off-street parking and improve the downtown area, utilizing excess Tax Increment Financing (TIF) funds being collected from TIF District 1. There is approximately \$680,000.00 in excess funds available until 2016, when TIF District 1 is decertified. Administrator Berg explained that if the excess funds are not used, the city would need to pay back a portion of the funds to Washington County and the school district. Washington County records indicate the market value of the three parcels is \$455,900.00, with city taxes of \$2,273.00 per year. The owner has expressed interest in selling the parcels as a group, and the city is exploring options for the Greystone Bar, including leasing the building back to the current owner. Staff recommended obtaining an appraisal to determine the fair market value at a cost of \$3,500.00. Mayor St. Ores and Attorney Pratt clarified that these excess TIF

funds are separate from the city's restricted permanent fund. Attorney Pratt explained there are restrictions with using the excess TIF funds, however funds can be expended for this type of economic development purpose. A public hearing would be required to amend the original TIF Plan if the city chooses to use the funds. Discussion followed on alternate uses for the excess funds, and Administrator Berg reiterated that funds can be used for economic development purposes only. Councilmember Hanson expressed concern with the estimated appraisal cost (\$3,500.00), and Administrator Berg noted the price reflects the difficulty in identifying comparable commercial properties. It was noted the city could also choose to use the excess funds to pay off the TIF debt three years early. Staff will work with the city attorney to verify projects that would meet the criteria for use of these funds.

It was moved by Councilmember Hanson and seconded by Councilmember Goldston to authorize an appraisal for the properties located at 143 3rd Street North and 169 3rd Street North, at a cost not to exceed \$3,500.00. Motion carried 5-0.

Consider appointment of citizen representative to Cable Commission: Mayor St. Ores stated the city has been seeking a citizen to serve alongside City Council Liaison Ostertag on the Central St. Croix Valley Joint Cable Commission. She reviewed her application to fill this position for the remainder of 2012. Councilmember Ostertag noted an approved representative from each member city must be present in order to hold a meeting. Councilmember Hanson volunteered to serve as the citizen representative instead of Mayor St. Ores and offered her formal application for the position.

It was moved by Councilmember Carlson and seconded by Mayor St. Ores to appoint Michele Hanson to serve as the Bayport citizen representative on the Central St. Croix Valley Joint Cable Commission, effective immediately. Motion carried 5-0.

CITY COUNCIL ITEMS AND ANNOUNCEMENTS

1. Councilmember Ostertag reminded residents to mark their calendars for the Halloween open house at the fire hall on October 31.
2. Councilmember Ostertag thanked the fire department and city for donating to the new memorial at the State Capital that honors firefighters that have fallen in the line of duty.
3. Mayor St. Ores thanked Bob Mordick for his donation to the fire department.
4. Mayor St. Ores recognized the outstanding efforts of the Bayport Community Action League, its members and volunteers for the successful Derby Days event on September 15.

CITY ADMINISTRATOR ITEMS AND ANNOUNCEMENTS

City Administrator's report: Administrator Berg summarized his written report, adding that the next city newsletter would be distributed within a few weeks. He requested that residents document the date and time of excessive train horn noise during quiet zone hours and provide this information to City Hall for tracking purposes. MnDOT has advised the city they have scheduled a stormwater improvement project next spring, which includes replacing the curb and gutter along Highway 95. Councilmembers were asked to review the colored bench pads at Lakeside Park and let Administrator Berg know their preference on adding color to the pads that will be poured for the downtown improvement project. The city engineer will be meeting with the property owner of 687 5th Street North to review a plan to mitigate drainage concerns in his yard.

ADJOURNMENT

It was moved by Councilmember Hanson and seconded by Councilmember Carlson to adjourn the meeting at 9:01 p.m. Motion carried 5-0.