

**CITY OF BAYPORT
CITY COUNCIL MEETING MINUTES
COUNCIL CHAMBERS
APRIL 6, 2015
6:00 P.M.**

CALL TO ORDER

Pursuant to due call and notice, Mayor St. Ores called the regular City Council meeting of April 6, 2015 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 Patrick McGann

Members Absent: None

Staff Present: City Administrator Logan Martin, Police Chief Laura Eastman, City Engineer John Parotti, City Attorney Andy Pratt, Fire Chief Mark Swenson, and Assistant City Administrator/Planner Sara Taylor

APPROVAL OF AGENDA

It was moved by Councilmember Carlson and seconded by Councilmember Goldston to approve the April 6, 2015 City Council agenda. Motion carried 5-0.

PROCLAMATIONS/COMMENDATIONS/PETITIONS/ANNOUNCEMENTS

1. The March recycling award recipient is Antonia Kunz who will receive \$30.00 for her recycling efforts, with funding made possible by a grant from Washington County.
2. Police Chief Eastman recognized Captain Jerry Hutchinson's retirement on March 12. On behalf of the entire department, she thanked him for nearly nine years of service to the Bayport Police Department, serving as the department's investigator and second-in-command.

OPEN FORUM

1. Stillwater Area Public Schools Director of Operations Dennis Bloom reviewed the May 12 Special Election to consider a bond referendum that would improve facilities across the district. He noted the bond request is for \$97.5 million and can be achieved without a tax increase. He also thanked city staff for their assistance with the remodeling project at Andersen Elementary School last year.
2. Aaron Prichard, 602 South Minnesota Street, voiced concern that motorists regularly fail to stop when a school bus is loading/unloading students at the bus stop near his home, despite surveillance by the Bayport Police Department. He requested that the city install a school bus sign in the area to alert motorists. Administrator Martin said staff is working with the school district to have the bus drivers record license plates of offending motorists and/or alert their dispatch. Councilmember Hanson echoed Mr. Prichard's safety concerns and recommended the school district avoid placing bus stops on the busy state highway whenever possible. City staff was directed to continue to work on the issue.

CONSENT AGENDA

Mayor St. Ores read items 1-12 on the consent agenda.

1. March 2, 2015 City Council workshop minutes

2. March 2, 2015 City Council regular meeting minutes
3. March payables and receipts (005510-005614)
4. March building, plumbing and mechanical permits report
5. Temporary on-sale liquor license for St. Charles Church, 409^{3rd} Street North, on March 27, 2015
6. Temporary on-sale liquor license for Greater Stillwater Chamber for Rockin' Ribs on the River at Lakeside Park on June 19 and 20, 2015
7. Donation of \$1,000.00 to the Fire Department from Bayport American Legion Post 491
8. Donation of "Legion Field" signage for Perro Park ball field from American Legion Post 491
9. Authorization to hire Dustin Vincent as volunteer paid on-call personnel for the Fire Department
10. Special Event Application from Anderson Race Management for Ragnar Relay Race exchange point at Perro Park on Saturday, August 15, 2015
11. Purchase of a cab and chassis for the Public Works Department tank truck replacement project
12. Donation of \$2,000.00 to the Fire Department from Xcel Energy for medical equipment

Mayor St. Ores questioned whether the Ragnar Relay exchange point at Perro Park (item #10) would damage the new turf at the park. Staff indicated Anderson Race Management will work with the Public Works Department on placement of the satellite toilets to avoid damage to the park.

Councilmember Hanson introduced the following resolution and moved its adoption:

Resolution 15-07

**RESOLUTION APPROVING CONSENT AGENDA ITEMS 1-12 FROM THE
APRIL 6, 2015 CITY COUNCIL AGENDA**

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	Dan Goldston – aye	Patrick McGann – aye
Connie Carlson – aye	Michele Hanson – aye	

PUBLIC HEARINGS

COUNCIL LIAISON REPORTS

Councilmember McGann reported the Planning Commission recommended approval of a revised Planned Unit Development (PUD) General Development Plan and Preliminary Plat for Inspiration Phase III-B at the March 16, 2015 meeting. Staff continues to work with the applicant on changes to a roundabout in Phase III-B, which will be heard by the Planning Commission at their next meeting. A variance for the property owner at 207 6th Street North was also recommended for approval.

Councilmember Carlson was unable to attend the March Library Board meeting, but reported there was a good turnout for the Old Fashioned Egg Roll on March 31, as well as the movies shown during spring break.

Mayor St. Ores stated the Middle St. Croix Watershed Management Organization's next meeting is scheduled for May. Earlier today, Mayor St. Ores and city staff attended the official ribbon cutting ceremony for Andersen Corporation's newly renovated manufacturing facility. One hundred new jobs were added with the Andersen 100 Series of windows now being manufactured at the Bayport plant. The ceremony was attended by Governor Dayton and many regional government officials. She thanked Andersen Corporation for their commitment to Bayport and wished them well with their expansion plans.

STAFF/CITY ADMINISTRATOR REPORTS

Fire Chief Swenson thanked Xcel Energy for their donation that helped the department purchase a new piece of equipment that measures the amount of carbon monoxide (CO) in the blood system and stated the department also hopes to purchase a cyanide gas detector. CO and cyanide poisoning cause many firefighter fatalities each year and he appreciates the partnership with Xcel Energy. He reviewed tornado preparedness and noted the civil defense siren at the current fire station will need to be replaced in the next few years. Fire Department staff is working with Washington County emergency personnel on grants for this replacement project.

Police Chief Eastman reviewed her written report and reminded residents that everyone is welcome to attend the quarterly Community Watch meetings held at Croixdale and the Bayport Senior Center. She reported that on March 14, Sergeant Jackson and his canine partner Keylo received a score of 198/200 points at the annual regional narcotic certification, and had the fastest indoor search time of the nearly 60 teams that participated. She stressed the importance of keeping garage doors closed and car doors locked to avoid a crime of opportunity. There was a recent attempted garage burglary during the day when the homeowner left the garage door open.

Administrator Martin shared the Public Works message of the month related to a number of higher than usual utility readings during the first quarter. The most likely causes this time of year are leaky toilets or a malfunctioning water softener. Toilet test strips are available at City Hall to check for a leak. Quarterly reports from the Building and Finance Departments were also reviewed.

Assistant City Administrator/Planner Taylor said Mattamy Homes has been refining their preliminary plat submittals for Inspiration Phase III-B prior to City Council consideration and working on the engineering of the proposed roundabout near the second entrance of the development. As an alternative to the roundabout, Mattamy Homes is proposing a traditional four-way intersection with landscape features. Because staff considers this to be a substantial change to the plan recommended by the Planning Commission in March, the developer has been asked to seek input from the neighborhood and prepare a revised submittal that will be considered by the Planning Commission on April 20. If approved, the City Council would consider the Phase III-B submittals at the May 4 meeting. She noted the Master Gardeners in Washington County will be putting on a free gardening workshop at the library on Saturday, April 18, 10:30 a.m.-12:30 p.m., to help inspire participation in the upcoming Bayport in Bloom front entry garden contest. She recognized the assistance of the election judges who will be working at the Special Election on May 12, and noted polls will be open 7:00 a.m.-8:00 p.m. at City Hall. She also reviewed upcoming city events and said additional information is available on the city's website. The Bayport Community Action League was thanked for their sponsorship of the recent Easter Egg Hunt and other events throughout the year.

Administrator Martin provided an update on railroad traffic blockages on Point Road. The Police Department continues to track the number and length of blockages to build the city's record of excessive railroad infractions of the 10-minute rule. State and federal elected officials have indicated their support to assist as needed. Bids for the new fire station will be opened April 7, and Administrator Martin said there may be a need to hold a special City Council meeting to approve some of the preliminary bids, e.g., earthwork, if the total bid package is within the project budget. Further approval of the fire station project and awarding of remaining bids will be considered at the May City Council meeting. The project's construction manager, Kraus Anderson, reported the bid package has been downloaded by multiple contractors and expects a good response.

UNFINISHED BUSINESS

NEW BUSINESS

Consider a Special Event Application for a Cystic Fibrosis Foundation fundraiser at Lakeside Park on Sunday, July 19, 2015: Due to the size and scope of the proposed use of Lakeside Park in this special event application, staff felt this item should be considered separately from those on the consent agenda. Administrator Martin said staff has met with the applicant who has coordinated other successful fundraising events for the Cystic Fibrosis Foundation in the Twin Cities. They are proposing a daylong outdoor music festival and family carnival that will end by 9:00 p.m. If approved, staff will work with the group to effectively manage traffic, parking, security, etc.

Rob Olson, representing Breathe Easy for Cystic Fibrosis Foundation, said he has two boys with cystic fibrosis and is passionate about fundraising to find a cure. As a business owner, his goal is to put on a professional and fun event. He stated this is the 6th year he has put on the fundraiser and is excited about returning to an outdoor venue with family activities. Chief Eastman said she will be working with Mr. Olson to address public safety concerns. The applicant will be hiring security personnel, in addition to the required Bayport Police Department presence.

It was moved by Councilmember Carlson and seconded by Councilmember Goldston to approve the special event application for a Breathe Easy for Cystic Fibrosis Foundation fundraiser at Lakeside Park on July 19, 2015, subject to the terms and conditions deemed appropriate by the city. Motion carried 5-0.

Consider a resolution for a variance to allow an attached garage and addition to the existing single-family home on the property located at 207 6th Street North: Assistant City Administrator/Planner Taylor reviewed a variance application to allow alterations to this legally non-conforming property located in the R-2 zoning district. The applicant is proposing an addition on the north side of the house for a master bedroom and an addition on the east side for a bathroom, laundry area and mudroom that would connect the house to a new attached 3+ stall garage. She noted the proposed improvements will increase the footprint of the house but will not increase its non-conformity with city code because the addition and attached garage will meet the current setback, height and impervious coverage requirements. On March 16, the Planning Commission held a public hearing on this variance and no public comment was received. The Planning Commission voted to recommend approval of the variance, subject to the conditions listed in the staff report. Staff finds the applicant's request reasonable and is recommending approval of the variance. Planner Taylor said the exterior of the new addition would be required to match the existing house, and applicant Kyle Carlson has indicated he plans to reside the existing house to be consistent with the addition.

Councilmember Hanson introduced the following resolution and moved its adoption:

Resolution 15-08

RESOLUTION FOR A VARIANCE TO ALLOW AN ATTACHED GARAGE AND ADDITION TO THE EXISTING LEGALLY NON-CONFORMING, SINGLE-FAMILY HOME ON THE PROPERTY LOCATED AT 207 6TH STREET NORTH, LEGALLY DESCRIBED AS LOTS 5 AND 6 OF BLOCK 53, BAYPORT, WASHINGTON COUNTY, MINNESOTA IN ACCORDANCE WITH THE ATTACHED SITE PLAN OF PROPOSED CONDITIONS

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

Dan Goldston – aye

Patrick McGann – aye

Councilmember Carlson abstained from the vote.

Consider a resolution to hold a public hearing at the June 1, 2015 City Council meeting on the proposed adoption of a modification to the Tax Increment Finance Plan for Tax Increment Finance District No. 1 and to consider a resolution to authorize an interfund loan for the advance of certain costs in connection with Tax Increment Finance District No. 1: Administrator Martin said the city has been exploring options to redevelop the vacant and blighted property at 169 3rd Street North and is in the preliminary stages of acquiring the property, for possible reuse as a city parking lot. He explained there are Tax Increment Finance (TIF) funds available for this project, generated by TIF District No. 1 that was established in 1990 to support an Andersen Corporation development project. In order to use these excess TIF funds, a public hearing is required to amend the District No. 1 TIF plan because this project was not included when the plan was initially created. If approved, the public hearing would be held at the June City Council meeting, at which time an updated plan and budget would be available. He noted that amending the TIF plan does not obligate the city to complete the project, but is a required administrative task that provides the opportunity to use the excess TIF funds, if the City Council chooses to move forward with the parking lot project. Another administrative task is approval of a second resolution establishing an interfund loan that will allow any qualified investigative fees incurred prior to amending the TIF plan to be repaid to the city with TIF funds.

Administrator Martin summarized the City Council workshop held prior to tonight's regular meeting, during which staff and councilmembers discussed economic development opportunities, including the municipal parking lot project. Councilmembers had the opportunity to review two conceptual plans that include removing the existing building and adding 20-25 parking spaces, with signage and landscaping. The lot could provide an attractive welcoming point to the city and further the City Council's direction to beautify the main street corridor. The general consensus of the City Council at the workshop was to proceed with the due diligence needed to pursue the parking lot project and provide updates at future City Council meetings.

Councilmember Carlson introduced the following resolution and moved its adoption:

Resolution 15-09

**A RESOLUTION CALLING FOR A PUBLIC HEARING ON THE PROPOSED ADOPTION
OF A MODIFICATION TO THE TAX INCREMENT FINANCE PLAN FOR TAX
INCREMENT FINANCE DISTRICT NO. 1**

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

Susan St. Ores – aye
Connie Carlson – aye

Dan Goldston – aye
Michele Hanson – aye

Patrick McGann – aye

Councilmember Hanson requested further clarification on the interfund loan, and Administrator Martin explained it is similar to previous City Council action to pay for upfront costs associated with the new Fire Hall project, prior to the bond sale funds being available. In both cases, the upfront, unbudgeted costs would be paid from the city's general fund and then paid back to the city as the bond sale/TIF funds become available. The second resolution under consideration would allow the city to pay for project costs from funds available in TIF District No. 1 and make the city's general fund whole.

Councilmember Hanson introduced the following resolution and moved its adoption:

Resolution 15-10

**RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR THE ADVANCE OF CERTAIN
COSTS IN CONNECTION WITH TAX INCREMENT FINANCE DISTRICT NO. 1**

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
Connie Carlson – aye

Dan Goldston – aye
Michele Hanson – aye

Patrick McGann – aye

Consider a resolution forgiving the interfund loan between the city Tax Stabilization Fund and Park Dedication Fund: Administrator Martin stated the city’s auditors have historically recommended that the city forgive an interfund loan of \$679,025 between the Tax Stabilization Fund and the Park Dedication Fund made in 2007-2008 to complete major park improvements in Lakeside Park and Barker’s Alps Park. The city attorney determined the city has no financial or legal obligation to make itself whole by repaying the loan to the Tax Stabilization Fund, and it would allow the Park Dedication Fund to be reestablished to show the amount of real dollars available in this fund. He explained the city’s intent in 2007-2008 was to repay a portion of the Tax Stabilization Fund with park dedication fees generated by the Inspiration development. However, the recession drastically slowed the build out of the development and reduced property values, making it unreasonable to realize enough funds being generated by the remaining development to repay the interfund loan. The Tax Stabilization Fund, comprised of funds received in 1967 from the sale of the city’s electric utility, currently has a balance of approximately \$1.1 million and the Park Dedication Fund has a deficit of approximately \$600,000. Councilmember Hanson questioned the intent of the City Council action in 2007-2008 and whether reducing the Tax Stabilization Fund by \$600,000 would be a detriment to the purpose of this fund. Councilmember Carlson, a Councilmember in 2007-2008, said the City Council believed the Tax Stabilization Fund would be repaid; however, she voted against the interfund loan at that time because she did not want to pay for park improvements unless there was money in the Park Dedication Fund to cover the cost. Administrator Martin said the city’s previous attorney researched the use of the Tax Stabilization Fund in 2007 and determined use of the funds to be free and clear. The fund was established as a safety net in the event the city faced a budget deficit and the funds could be used to supplement the budget instead of increasing taxes. Mayor St. Ores believes many residents consider these funds to be a tax stabilization safety net, to be used for that purpose only. She reaffirmed the current City Council’s philosophy to approve budgeted projects and closely monitor yearly budgets. Discussion followed on the original purpose of the Tax Stabilization Fund, use of the funds to cover unbudgeted projects, and the pros and cons of forgiving the interfund loan at this time. The general consensus of the City Council was that the proposed action would be beneficial in clearing up the city’s record keeping and that future park dedication fees would be insufficient to repay the interfund loan.

Councilmember Hanson introduced the following resolution and moved its adoption:

Resolution 15-11

A RESOLUTION TO FORGIVE AN INTERFUND LOAN BETWEEN THE PARK DEDICATION FUND AND THE TAX STABILIZATION FUND IN THE AMOUNT OF \$679,025.00, RETROACTIVE TO DECEMBER 31, 2014

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 – nay
Connie Carlson – aye

Dan Goldston – aye
Michele Hanson – aye

Patrick McGann – aye

Update on trichloroethylene (TCE) mitigation project: Administrator Martin reviewed the city’s efforts to mitigate the TCE in the city’s water supply, which has been in full compliance with state requirements since the air stripper was installed at well #2 several years ago. In order to be proactive and prepare for anticipated changes in standards, he reported the city is making good progress on the

current TCE mitigation project, working with the Minnesota Department of Health (MDH) and the Minnesota Pollution Control Agency (MPCA). The city has an opportunity to also connect well #3 near the Village Green to the air stripper, and the MPCA has agreed to fully fund the design work, which will be completed by the end of the state's fiscal year in June. The city is optimistic that the actual construction project will begin in July and be completed this year, with full funding by the MPCA. The estimated \$450,000 project would involve a directional bore underground, and any streets/boulevards that are disturbed would be fully restored. City engineer Parotti added that the project is preventative/proactive rather than reactive, and residents should not be concerned that their drinking water is unsafe. Councilmembers expressed their thanks to the MPCA for their partnership on this project.

CITY COUNCIL ITEMS AND ANNOUNCEMENTS

1. Councilmember Carlson thanked the Fire and Police Departments for their speedy and professional response to her daycare center for a recent medical emergency involving an infant having a seizure. She noted Sergeant Jackson helped calm the other children by introducing them to his canine partner Keylo. She also mentioned how fortunate it is to have fire and police services in the city.
2. Mayor St. Ores thanked Xcel Energy and the Bayport American Legion for their contributions to the Fire Department, and to the Bayport American Legion for their donation of signage at the newly renovated Perro Park ball field. She also noted the Perro Park improvements started with a donation from the American Legion and thanked them again for their generosity and commitment to the city.

ADJOURNMENT

It was moved by Councilmember Goldston and seconded by Councilmember Hanson to adjourn the meeting at 7:35 p.m. Motion carried 5-0.

City Administrator/Clerk