

City of Bayport
Bayport City Council Meeting Minutes
Bayport City Hall Council Chambers
October 9, 2001
7:00 P.M.

CALL TO ORDER

Pursuant to due call and notice thereof, Mayor Jim Kosmo called the regular City Council Meeting of October 9, 2001 to order at 7:00 p.m. and asked the City Council and staff and audience to join in pledging allegiance to the American flag.

ROLL CALL

Members Present: Mayor Jim Kosmo, Councilmembers Sharon Ridgway, Jack Nyenhuis and Jim Menard.

Members Absent: Councilmember Allen Schultz

Others Present: Ken Hartung, City Administrator; Jim Lammers, City Attorney; Barry Peters, Consulting City Engineer and Mary Ashton of 725 North 6th Street.

CONSENT AGENDA

Councilmember Menard introduced the following resolution and moved its adoption:

RES. 01-122

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY,
MINNESOTA, APPROVING CONSENT AGENDA ITEMS A, B, C AND D FROM
THE OCTOBER 9 CITY COUNCIL AGENDA.

1. Approve the minutes of the regular City Council Meeting of September 4, 2001.
2. Approve bills in the amount of \$416,047.50.
3. Approve receipts in the amount of \$383,238.23.
4. Approve the building, plumbing and heating permits during the month of September, 2001.

A motion for adopting the foregoing Resolution was duly seconded by Councilmember Nyenhuis and upon roll call being taken thereon, the following voted via voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz – absent

Jack Nyenhuis – aye
Sharon Ridgway – aye

PUBLIC HEARING

Ken Hartung stated there are no public hearings slated for this evening's meeting.

PETITIONS

MAYOR'S STATEMENT REGARDING CITY COUNCIL CLOSED MEETING

Mayor Jim Council read the following statement related to the City Council's intent to hold a closed meeting immediately after the City Council's regular meeting of October 9.

"Pursuant to the provisions of Minnesota Statutes Section 471.705, and based upon the advice of the City Attorney, I recommend that, at the end of the regular meeting of the City Council, the Council adjourn to a closed meeting. The purpose of this closed meeting will be to discuss threatened litigation between the City of Bayport and Charlie Kaiser. A written record of the members of the Council and all other persons present at the closed meeting will be made available to the public following the meeting. A tape recording will be made of the closed meeting and if any action is taken by the City Council a roll call will be taken at the meeting. Following the closed session, or at the next regular meeting of the Bayport City Council, for the benefit of the public, the Council will summarize the discussion or action, which took place at the closed meeting. I request a motion to hold a closed meeting for the purposes previously stated."

Moved by Councilmember Menard and seconded by Councilmember Nyenhuis to adopt a motion authorizing the City Council to go into a Closed City Council Session for the purpose of discussing threatening litigation immediately following the regular City Council meeting of October 9, 2001.

Voting in favor: Mayor Jim Kosmo, Councilmembers Jack Nyenhuis, Jim Menard, Sharon Ridgway.

Voting against: None.

Absent: Allen Schultz

CITY ATTORNEY

City Attorney, Jim Lammers, stated he had nothing to add at this time in the Council Meeting.

CITY ENGINEER

City Engineer, Barry Peters, stated he had nothing to report on at this time in the Council Meeting.

DEPARTMENT HEADS

Ken Hartung stated, the City had its first inside visual inspection of its above ground water tank on Monday, October 1. He noted the City contracted with Liquid Engineering from Montana to conduct the internal inspection. He noted the contractor also cleaned the inside of the water tank removing approximately one inch of sediment, which had accumulated on the bottom of the tank. He noted the inspection report indicates the inside of the City's water tank is in excellent condition with no visual corrosion points.

COUNCIL LIAISON REPORTS

CENTRAL ST. CROIX VALLEY CABLE COMMISSION

Councilmember Sharon Ridgway stated the joint cable commission held its meeting on Wednesday, September 19, 2001 at 7:00 p.m. at the Cable Commission Access Center located in River Heights Plaza. She stated the items for discussion were as follows:

1. The Lower Valley Cable Commission used equipment from the Central St. Croix Valley Cable Commission Access Center to complete production on Music in the Park.
2. The Central St. Croix Valley Access Center now has three studio cameras.
3. A subcommittee of the joint cable commission will now be meeting with representatives of a private firm to discuss implementing a pay equity and job evaluation study for the cable commissions job positions.

Councilmember Ridgway stated a joint meeting of the Lower Valley Cable Commission and the St. Croix Valley Cable Commission has been scheduled for Thursday, October 25 at the Central St. Croix Valley Joint Cable Commission located at River Plaza. The meeting has been scheduled for 7:00 p.m. She stated the next Central St. Croix Valley Joint Cable Commission will be held on

Wednesday, October 17, 2001 at the Joint Cable Commission facilities at 7:00 p.m.

OLD BUSINESS

Ken Hartung stated no old business has been slated for this evening's meeting.

NEW BUSINESS

DISCUSS A REQUEST FOR A ZONING VARIANCE TO PERMIT CONSTRUCTION OF A DETACHED GARAGE AT 725 NORTH 6TH STREET OWNED BY MARY ASHTON.

Ken Hartung, City Administrator stated the City has received an application from Mary Ashton of 725 North 6th Street for the City to consider granting a front yard setback variance to permit the construction of a detached garage measuring 12 feet by 24 feet. He stated the Ashton property is zoned R-4 Single Family Urban District and detached garages are permitted in the R-4 Single Family Urban District. He noted that Ms. Ashton is proposing to construct a two-story detached garage with a measurement of 12 feet by 24 feet. He indicated the entrance driveway to the garage will be off of North 6th street. He indicated that because of unique topographical characteristics of Ms. Ashton's lot it is impossible for her to construct a single car detached garage without acquiring a variance. He noted she will either have to acquire a 10-foot front yard setback variance or a variance to permit construction of a detached garage on slopes greater than 12 percent. He indicated if Ms. Ashton is able to position her garage 10 feet from the front yard property line adjacent to north 6th street the garage can be positioned so it will not impact an area of the lot, which has slopes of greater than 12 percent. He noted that if Ms. Ashton is required to position the garage 20 feet back from the front property line, the garage will be positioned on a portion of the lot which has a slope of greater than 12 percent. He indicated the City's Zoning Ordinance prohibits construction of any building on slopes greater than 12 percent without a variance. Consequently, he stated due to the narrow width of Ms. Ashton's lot and the topographical characteristics of the lot there is no way to construct a single car garage without a variance. Ken Hartung then reviewed with a series of graphics the survey of Ms. Ashton's property identifying the location of the existing house and the proposed garage. He indicated that Ms. Ashton's proposed garage meets all the other requirements of the City's Zoning Ordinance with the exception of the front yard setback, which is proposed for 10 feet rather than the Zoning Ordinance required 20 feet. Ken Hartung stated the Planning Commission held a public hearing related to Ms. Ashton's front yard setback requirement request to construct a detached garage at the Planning Commission Meeting of Monday, September 10. He stated no one spoke against the variance. He indicated following the public hearing the

Planning Commission unanimously adopted the motion recommending that the City Council approve the 10-foot front yard setback variance to permit construction of a detached garage at 725 North 6th Street.

Councilmember Menard stated without the front yard setback variance Ms. Ashton does not have reasonable use of her property because it would prevent her from constructing a garage.

Councilmember Menard introduced the following resolution and moved its adoption.

RES. 01-123

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA, APPROVING A VARIANCE FROM ZONING ORDINANCE SECTION 601.01(5)(f)(8) GRANTING A VARIANCE OF 10 FEET FROM THE ZONING ORDINANCE REQUIRED MINIMUM SETBACK OF 20 FEET PERMITTING A DETACHED GARAGE TO BE CONSTRUCTED AT 725 NORTH 6TH STREET AT A DISTANCE OF 10 FEET FROM THE FRONT PROPERTY LINE ADJACENT TO NORTH 6TH STREET.

WHEREAS: Mary Ashton is the owner of the property at 725 North 6th Street with a legal description of Lot 5 and the south 12 feet of Lot 4, excepting there from the east 20 feet of the south 12 feet of Lot 4 Block 22, Bayport (formerly South Stillwater); and,

WHEREAS: The property at 725 North 6th Street is located in an area zoned R-4 Single-Family Urban District; and,

WHEREAS: The land to the north, south, east and west is zoned R-4 Single-Family Urban District; and,

WHEREAS: Residential structures and detached garages are permitted uses in the R-4 Single-Family Urban District; and,

WHEREAS: Ms. Ashton is proposing to construct a detached garage measuring 12 feet by 24 feet south of her existing residential structure; and,

WHEREAS: Because of the slope of the lot, Ms. Ashton cannot construct a single-car detached garage without either acquiring a Zoning Ordinance Front Yard Setback Variance or a Slope Variance to construct a building on a slope greater than 12%; and,

WHEREAS: Ms. Ashton currently does not have a garage on her property and wishes to construct a single-car 12 foot by 24 foot detached garage; and,

WHEREAS: Mary Ashton has requested that she be able to place her newly constructed single-car 12 foot by 24 foot detached garage within 10 feet of the front yard property line; and,

WHEREAS: Placing the new single-car 12 foot by 24 foot detached garage within 10 feet of the front yard property line will locate the garage on the property so it will not be on a slope greater than 12%; and,

WHEREAS: If Mary Ashton were to locate her single-car 12 foot by 24 foot detached garage 20 feet back from the property line, as required by the Zoning Ordinance, it would require the detached garage to be located in a sloped area of the lot which exceeds 12%; and,

WHEREAS: Mary Ashton is requesting that City Council consider granting a front yard setback variance of 10 feet to permit her to locate her single-car 12 foot by 24 foot detached garage within 10 feet of the front yard property line permitting a garage to be constructed in the area which has a slope of less than 12%; and,

WHEREAS: In order for the City to consider approving the front yard setback variance for 725 North 6th Street, the City Council must be convinced that the variance is consistent with criteria specified in Zoning Ordinance Section 301(171) which states, "A variance is a modification or variation of the strict provision of this ordinance as applied to a specific piece of property in order to provide relief for a property owner because of undue hardship or particular difficulty imposed upon the property by this ordinance. A variance shall normally be limited to height, bulk, density and the yard requirements"; and,

WHEREAS: In order for the City Council to consider granting the front yard setback variance the Minnesota Supreme Court has determined the variance must meet the following criteria:

- 1) A variance may be granted to an individual if the individual cannot make reasonable use of their property without the variance.
- 2) A variance can be granted if the variance is required because of circumstances unique to the property and not created by the landowner.
- 3) A variance can be granted if the variance will not change the essential character of the locality; and,

WHEREAS: The City Council has determined the front yard setback variance of 10 feet requested by Mary Ashton of 725 North 6th Street meets the variance criteria specified above.

NOW THEREFORE BE IT RESOLVED: by the City Council of the City of Bayport, Washington County, Minnesota, does hereby ordain as follows:

- 1) Grant the variance from Zoning Ordinance Section 601.01(5)(f)(8) granting a variance of 10 feet from the Zoning Ordinance Required Front Yard Setback Distance of 20 feet permitting a detached garage to be constructed at a distance of 10 feet from the front property line adjacent to North 6th Street.
- 2) The City Council approves the front yard setback variance for 725 North 6th Street based upon the City Council's following determinations:
 - a) The City Council has determined that if the front yard setback variance is not granted the individual cannot make reasonable use of the property.
 - b) The City Council has determined that the front yard setback variance is required because of circumstances unique to the property are not created by the landowner.
 - c) The City Council has determined that the front yard setback variance will not change the essential character of the locality.

A motion for adopting the foregoing resolution was duly seconded by Councilmember Ridgway and upon roll being taken thereon, the following voted via voice:

Jim Menard – aye
Jack Nyenhuis – aye
Allen Schultz - absent

Sharon Ridgway – aye
Jim Kosmo – aye

**DISCUSS ADOPTING A RESOLUTION FOR
PROVIDING FOR THE SALE OF
\$1,535,000 GENERAL OBLIGATION**

REFUNDING BONDS OF 2001.

Ken Hartung stated in the spring of 1993 the City Council authorized the sale of \$1,606,000 to refinance general obligation tax increment bonds in the amount of \$1,825,000. The refinancing was done, he stated, in 1993 to reduce the City of Bayport's interest rates on the existing \$1,825,000 General Obligation Tax Increment Bonds. He stated that as a consequence of that refinancing the City makes an annual interest and principle payment of \$130,860.00 on the \$1.6 million tax increment bond. He stated he has been working with the City's financial consultant, Juran and Moody, to arrange for a refunding of the \$1,606,000 bond which would significantly reduce interest rates associated with the General Obligation Tax Increment Bond. He noted that at the September 4, 2001 Council Meeting the City Council adopted Resolution 01-119 approving the competitive negotiated sale of \$1,535,000 in General Obligation Refunding Bonds in 2001 to refinance the general obligation tax increment bonds of \$1,606,000. He noted the negotiated competitive sale was conducted at Juran and Moody's St. Paul office at 11:00 a.m. on Tuesday, October 9. He noted Monty Eastvold from Juran & Moody will report the results of the negotiated sale.

Monty Eastvold of Juran & Moody, stated there were three competitive quotes for the refunding bond of \$1,535,000. He stated the three bidders were:

1. U.S. Bankcorp Piper Jaffrey, with a net interest cost of 4.2499%.
2. Cronin and Company, Inc. (Bernardi Securities) Co-manager, with a net interest cost of 4.2945%.
3. Dain Rauscher, Inc. with a net interest cost of 4.42%.

Mr. Eastvold said the most competitive bidder was U.S. Bankcorp Piper Jaffrey with a net interest cost of 4.2499%. He stated his calculations with the new bond and interest rate indicate the City will, over the interest period through 2016, see a decrease in interest payments of \$177,407 as a result of the sale.

Member Menard introduced the following resolution and moved its adoption.
RES. 01-124

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY,
MINNESOTA PROVIDING FOR THE ISSUANCE AND SALE OF \$1,535,000
GENERAL OBLIGATION REFUNDING BONDS OF 2001 AND PLEDGING FOR
THE SECURITY THEREOF TAX INCREMENTS.

Adoption of the foregoing resolution was duly seconded by Councilmember Ridgway and upon roll being taken thereon, the following voted via voice:

Jim Menard – aye
Sharon Ridgway – aye
Allen Schultz – absent

Jim Kosmo – aye
Jack Nyenhuis – aye

**DISCUSS ADOPTING A RESOLUTION ESTABLISHING
NON-UNIONIZED HOLIDAYS FOR THE YEAR 2002**

Member Menard introduced the following resolution and moved its adoption.
RES.01-125

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
ESTABLISHING NON-UNIONIZED EMPLOYEE HOLIDAYS FOR THE YEAR
OF 2002.

The resolution for adopting the foregoing resolution was duly seconded by
Member Ridgway and upon roll being taken thereon the following voted via voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz – absent

Jack Nyenhuis – aye
Sharon Ridgway – aye

**DISCUSS ADOPTING A RESOLUTION APPROVING
CHANGE ORDER NUMBER ONE FOR THE
FIRE STATION REMODELING PROJECT
IN THE AMOUNT OF \$46,221.00**

Member Menard introduced the following resolution and moved its adoption.
RES. 01-126

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
APPROVING CHANGE ORDER NUMBER ONE FOR THE FIRE STATION
IMPROVEMENT PROJECT IN THE AMOUNT OF \$46,221.00.

The motion for adopting the foregoing resolution was duly seconded by
Member Nyenhuis and upon roll being taken thereof, the following voted via
voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz – absent

Jack Nyenhuis – aye
Sharon Ridgway – aye

**DISCUSS AUTHORIZING A DONATION
TO THE YOUTH SERVICE BUREAU**

Jim Kosmo stated he recognizes the Youth Service Bureau performs some
valuable services for some of Bayport residents. However, he believes these
organizations should be funded through private funds. However, he also
indicated he believes that it would be appropriate for the City to make a
contribution to the Youth Service Bureau to recognize the assistance they

provide family members from the City of Bayport. He is recommending the City Council authorize a donation of \$750.

Moved by Councilmember Menard, seconded by Councilmember Nyenhuis to authorize a contribution of \$750 to the Youth Service Bureau and that such contributions shall be made from Mayor and Council's Miscellaneous Project Funds Number 41200-444.

Voting in favor: Members Kosmo, Ridgway, Nyenhuis and Menard

Voting against: None

Absent: Councilmember Schultz

**DISCUSS ESTABLISHING THE 2002 SALARY
FOR NON-UNIONIZED EMPLOYEES**

Councilmember Menard introduced the following resolution and moved its adoption.

RES. 01-127

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
ESTABLISHING THE ANNUAL 2002 SALARY FOR THE POSITION OF PUBLIC
WORKS SUPERVISOR AT \$51,635 EFFECTIVE JANUARY 1, 2002.

Motion for adopting the foregoing resolution was duly seconded by Councilmember Ridgway and upon roll being taken thereon, the following voted via voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz – absent

Jack Nyenhuis – aye
Sharon Ridgway – aye

Member Menard introduced the following resolution and moved its adoption.

RES. 01-128

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
ESTABLISHING THE ANNUAL 2002 SALARY FOR THE POSITION OF POLICE
CHIEF AT \$64,782 EFFECTIVE JANUARY 1, 2002.

Motion for adopting the foregoing resolution was duly seconded by Councilmember Ridgway and upon roll being taken thereon, the following voted via voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz – absent

Jack Nyenhuis – aye
Sharon Ridgway – aye

Member Menard introduced the following resolution and moved its adoption.
RES. 01-129

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
ESTABLISHING THE ANNUAL 2002 SALARY FOR THE POSITION OF
BOOKKEEPER OF \$45,124 EFFECTIVE JANUARY 1, 2002.

The motion for adopting the foregoing resolution was duly seconded by
Ridgway and upon roll being taken thereon the following voted via voice:

Jim Menard – aye	Jack Nyenhuis – aye
Jim Kosmo – aye	Sharon Ridgway – aye
Allen Schultz – absent	

**DISCUSS APPOINTING JOSHUA EISINGER TO THE
POSITION OF VOLUNTEER FIRE FIGHTER**

Moved by member Menard and seconded by member Ridgway to appoint
Joshua Eisinger to the position as member of the Bayport City Fire Department
effective Tuesday, October 9, 2001.

Voting in favor:	Councilmembers Menard, Ridgway, Kosmo and Nyenhuis.
Voting against:	None
Absent:	Councilmember Schultz

**DISCUSS ADOPTING RESOLUTION SETTING UP
PUBLIC HEARING FOR NOVEMBER 5, 2001
TO CONSIDER ASSESSING THE
2000 LAKESIDE DRIVE IMPROVEMENT PROJECT**

Member Menard introduced the following resolution and moved its adoption.
RES. 01-130

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
SETTING UP PUBLIC HEARING FOR ASSESSMENT OF THE 2000 SOUTH
LAKESIDE DRIVE IMPROVEMENT PROJECT FOR MONDAY, NOVEMBER 5,
2001 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS IN THE CITY OF
BAYPORT.

Motion for adopting the foregoing resolution was duly seconded by member
Ridgway and upon roll being taken thereon the following voted via voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz – absent

Jack Nyenhuis – aye
Sharon Ridgway – aye

**DISCUSS ADOPTING A RESOLUTION FURTHER
DEFINING THE ROLE OF THE BAYPORT COMMUNITY
DEVELOPMENT ADVISORY COMMITTEE**

Ken Hartung stated he has been contacted by Diane Lynch, facilitator for the Bayport Community Development Advisory Committee, indicating that the Bayport Community Development Advisory Committee Planning Committee has asked the City Council to give them some clear direction on their tasks related to the 245 acre parcel on the west end of town. He indicated the Planning Committee has forwarded to him a number of suggestions on how to better focus the advisory committee on the tasks assigned by the City Council.

Councilmember Jim Menard stated there may be some merit for the Bayport Community Development Advisory Committee to appoint a Committee Chair to help the committee focus on its direction.

Councilmember Jack Nyenhuis stated the Bayport Community Development Advisory Committee focused on appointing a Chair at its first two meetings. He stated the consensus of the committee was that they should not have someone from the committee serving as a Chair as it may bias the report toward its particular philosophy.

Mayor Jim Kosmo stated he sees the Bayport Community Development Advisory Committee to function much like the jury process. He noted there are a number of different points of view, which have to be addressed before the committee can reach consensus on a number of issues. He stated elements that need to be address related to the development proposal are housing density, how many homes, will there be a commercial mix allowed, what type of recreational facilities will be constructed, type of street patterns, etc.

Councilmember Nyenhuis stated, the committee has developed a long list of questions that have to be answered related to the development proposal for the 245 acres. He noted that at a meeting on Thursday, October 4 Jim Jones, with the Indian Affairs Council spoke to the group addressing the Indian burial grounds located on the 245-acre site. He stated he believes it is important for the Bayport Community Advisory Committee to focus on what the community can get from this development and to list the types of things the City would like to have included which is part of the development for the City as a whole. He stated he would like to see language put into the charge of the committee which would address that issue.

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Ken Hartung stated that it may be possible to change the wording for the first charge of the committee to incorporate Councilmember Nyenhuis' suggestion. The first primary charge of the committee could be "the primary function of the Bayport Community Development Advisory Board shall be to carefully examine land use concepts presented for the west property by Contractor Properties Development Company and advise the City Council if such plans specifically will be

- A. Beneficial to the City as a whole
- B. Compatible to the existing community
- C. Economically viable for the City

Examples of elements of the development, which may be beneficial to the City, compatible with the existing community and economically viable, may include such things as:

- A. Community Center
- B. Swimming pools, parks
- C. Fire stations, trails, athletic fields and other such amenities.

There was a Councilmember consensus that primary charge of the Bayport Community Development Advisory Committee should be changed to correspond with the statement read by City Administrator, Ken Hartung.

Mayor Jim Kosmo read the second and third charge from Council Letter 01-149 and asked Councilmembers to comment on points 2 and 3 of the Bayport Community Advisory Committee charge.

Councilmembers agreed that points 2 and 3 reflected with what they believe to be the charge of the Bayport Community Development Advisory Committee.

Member Menard introduced the following resolution and moved its adoption.
RES. 01-131

**RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
SPECIFYING THE WORK TASK FOR THE BAYPORT COMMUNITY
ADVISORY COMMITTEE.**

WHEREAS: The Andersen Corporation has sold its 245 acre industrial property to Contractor Properties Development Company in Minneapolis, Minnesota; and,

WHEREAS: Contractor Properties Development Company in Minneapolis Minnesota is conducting a feasibility study for residential development and residential and commercial mix and the west property; and

WHEREAS: The Bayport City Council has determined an appropriate initial method for review of proposals for the 245 acre west property was to establish the Bayport Community Development Advisory Committee and to establish its working task.

NOW THEREFORE BE IT RESOLVED: by the City Council of the City of Bayport, Washington County, Minnesota, does hereby ordain as follows:

1. Establish the Bayport Community Development Advisory Committee work directed task as follows:
 - a. The primary function of the Bayport Community Development Advisory Committee shall be to carefully examine land use concepts presented for the west property by Contractor Properties Development Company and advise the City if such plans specifically will be
 - i. Beneficial to the City as a whole
 - ii. Compatible with the existing community
 - iii. Economically viable for the City

Examples of elements of the development proposal which could be beneficial to the City, compatible with the existing community and economically viable for the City could include community centers, swimming pools, parks, schools, fire station, trails, athletic fields and other ancillary components.

2. Committee recommendations.

The Bayport Community Development Advisory Committee recommendations to the City Council regarding land use concepts presented for the west property by Contractors Properties Development Company shall be based upon:

- a. A thorough analysis of Contractors Properties Development Company's proposals.
- b. A review of all designs as presented by Contractors Properties Development Company.
- c. An analysis of Contractors Properties Development Company's proposals and a review of alternate designs shall be done on a basis of research documented by reports, articles and citations. The analysis should reflect a balance of differing points of view.

3. The report containing recommendations made by the Bayport Community Development Advisory Committee regarding proposals from Contractor Properties Development Company shall include:
 - a. An introduction
 - b. Findings, which state the issues, provide issue review and states the committees recommendations regarding issues.
 - c. A conclusion
 - d. References which state the resources used by the committee.

The foregoing resolution was duly seconded by Member Ridgway and upon roll being taken the following voted via voice:

Jim Menard – aye
Jack Nyenhuis – aye
Allen Schultz – absent

Jim Kosmo – aye
Sharon Ridgway – aye

**DISCUSS ADOPTING A RESOLUTION
PROCLAIMING MINNESOTA MANUFACTURING
AND TECHNOLOGY MONTH**

Member Nyenhuis introduced the following resolution and moved to its adoption:

RES. 01-132

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
PROCLAIMING OCTOBER 22 THROUGH NOVEMBER 23, 2001 MINNESOTA
MANUFACTURING AND TECHNOLOGY MONTH.

A motion adopting the foregoing resolution was duly seconded by Member Ridgway and upon roll being taken thereon the following voted via voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz, absent

Jack Nyenhuis – aye
Sharon Ridgway – aye

ADMINISTRATOR'S REPORT

Ken Hartung stated he would like to have City Council establish a special City Council meeting for Monday, October 22, 2001 at 7:00 p.m.

Moved by Councilmember Menard, seconded by Councilmember Nyenhuis to establish a special City Council for Monday, October 22, 2001 at 7:00 p.m. at

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Councilmember Jack Nyenhuis stated he would also like to know why the City has some graveled streets. He stated he can understand why some of the City's alleys are still gravel but why is 2nd Street from Central Avenue to 2nd Avenue South is still gravel and why 1st Avenue South from South 3rd Street to 2nd Street is a gravel street.

Ken Hartung, City Administrator, stated those streets remain graveled because of the high expense associated with installing asphalt in the area. Additionally, he stated the City Council Assessment Process requires the City to assess 50% of the cost to homeowners. He noted, homeowners who have lived on these streets at the present time have indicated the cost to them would exceed their perceived benefit and consequently have not expressed an interest to petition the City Council to have those streets paved.

ADJOURN

Moved by Councilmember Menard and seconded by Councilmember Nyenhuis to adjourn regular City Council meeting and to reconvene in closed session to discuss certain litigation between the City of Bayport and Charlie Kaiser.

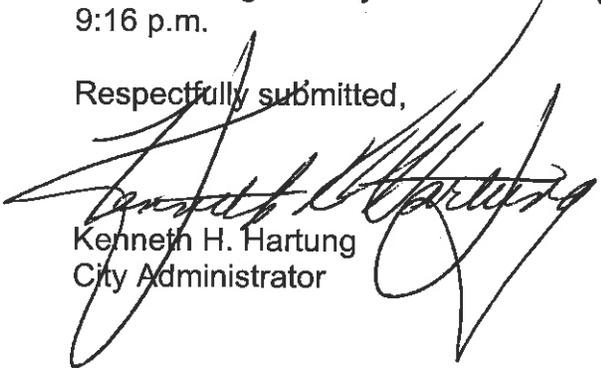
Voting in favor: Councilmembers Menard, Kosmo, Ridgway and Nyenhuis.

Voting against: None

Absent: Councilmember Schultz

The regular City Council meeting of Tuesday, October 9 was adjourned at 9:16 p.m.

Respectfully submitted,


Kenneth H. Hartung
City Administrator

CITY OF BAYPORT
SPECIAL CITY COUNCIL MEETING
MONDAY, OCTOBER 22, 2001
7:00 P.M.

CALL TO ORDER

Pursuant to due call and notice thereof, Mayor Jim Kosmo called the regular City Council Meeting of October 22, 2001 to order at 7:02 p.m. and asked the City Administrator to call roll.

ROLL CALL

Members Present: Mayor Jim Kosmo, Councilmembers Sharon Ridgway, Jack Nyenhuis and Allen Schultz.

Members Absent: Councilmember Jim Menard.

Others Present: Don Wisniewski, Director/County Engineer, Washington County; Chris Manthey, Design Coordinator Engineering Department, Washington County; Greg Stonehouse, Howard Green Company; John Anderson, Howard Green Company; Mei Horak, Bayport Public Works Supervisor; Barry Peters, Consulting City Engineer and Ken Hartung, City Administrator.

DISCUSS AWARDING A CONTRACT FOR THE LAKE STREET FEASIBILITY STUDY.

Ken Hartung stated at the July 2, 2001 City Council Meeting the City Council adopted a request for proposals for an engineering feasibility study for the Lake Street Utility and Street Reconstruction Project. The City received six proposals from engineering firms for the Lake Street Utility and Street Reconstruction Feasibility Study Project. He indicated that an evaluation committee consisting of Jack Nyenhuis, Councilmember; Mel Horak, Public Works Supervisor and Ken Hartung, City Administrator independently evaluated each proposal. He noted the evaluation committee determined two firms merited an interview. He stated those firms were Short Elliott Henrickson and Howard Green Company. The interviews were conducted on October 8th at Bayport City Hall with Howard Green Company at 9:00 a.m. and Short Elliott Henrickson at 10:00 a.m. He stated, based on the interview scores, the interview committee is unanimously recommending the City Council adopt the resolution approving the

contract with Howard Green Company to conduct the Lake Street Utility and Road Reconstruction Feasibility Study for a cost not to exceed \$19,294.

Greg Stonehouse and John Anderson from Howard Green Engineering Company introduced themselves to Councilmembers.

Member Nyenhuis introduced the following resolution and moved its adoption.

Res. 01-133

**RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
APPROVING A CONTRACT WITH HOWARD GREEN COMPANY TO
CONDUCT A LAKE STREET UTILITY AND ROAD RECONSTRUCTION
FEASIBILITY STUDY FOR A COST NOT TO EXCEED \$19,294.**

A motion for adopting the foregoing resolution was duly seconded by Member Schultz and upon roll being taken thereon the following voted via voice:

Jim Menard – absent
Jim Kosmo – aye
Allen Schultz – aye

Jack Nyenhuis – aye
Sharon Ridgway – aye

DISCUSS WASHINGTON COUNTY'S PROPOSAL TO TURN BACK PICKETT STREET TO THE CITY OF BAYPORT.

Ken Hartung, City Administrator, stated Washington County currently has the right-of-way and maintenance responsibility for Pickett Street, also known as County State Aid Highway 28, which runs from 56th Street North to 5th Avenue North. He indicated this evening Don Wisniewski, Director and County Engineer with Washington County and Chris Manthey, Design Coordinator, Engineering Department with Washington County, will discuss with Councilmembers the proposed turn back of Pickett Avenue by Washington County in the year 2003.

Don Wisniewski has indicated that Washington County has laid out a Washington County capital and improvement road reclassification program through the year 2015. He noted a number of roads which currently have County designation no longer serve a County purpose of conveying traffic from one area of the County to the other. He noted many of these roads are conveying local traffic from within the city or from one city to another. He reviewed with Councilmembers a number of roads which have been turned back to local communities because they better serve local community traffic needs than Washington County. He also stated Washington County has worked with MNDOT to change some Washington County designations to State highways and in turn has changed some State Highway designated roads to Washington County roads. He stated this process is taking place because road utilization is changing within Washington County as communities grow and population is added to the County. He stated the County is proposing to turn back Pickett

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Avenue to the City of Bayport in 2003 because Pickett Avenue no longer serves a County function. He indicated at one time Pickett Avenue was, in fact, Highway 95. Don Wisniewski stated Washington County's goal in its turn back policy is to turn back a road to the city which is in good condition. He stated with that goal in mind, the County is proposing to reconstruct a significant portion of Pickett Avenue, correct the drainage on the section of road not proposed for reconstruction and pay the City a lump sum of \$15,000.

Chris Manthey stated the County is proposing to reconstruct Pickett Avenue beginning in front of the Minnesota Correction Facility and ending at the turn off to St. Michael Cemetery. She stated the reconstruction will require the removal of all the asphalt material, installing a storm sewer system, installing curb and gutter and installing new asphalt in the area from the Minnesota Correction Facility main building to the driveway to the St. Michael Cemetery. She indicated the total cost of the reconstruction project is estimated to be \$300,000. She stated for the remainder of the section of the road of North 6th Street the County is proposing to work with the City and correct drainage problems which exist on the street, create an off-street parking area and pay the City a one-time \$15,000 fee. She noted drainage problems have been identified at the Hayner property and also on the west side of North 6th Street. She stated, to correct the open drainage grate on the west side of North 6th Street and 7th Avenue, the County is proposing to put in a fixed drain grate to cover the open drain. She stated the County will also work with the City to provide a parking area on the west side by 7th Avenue North. She noted, the County will also work with the City to clean any drainage area on the east side which Mel Horak, Bayport Public Works Supervisor believes should be addressed.

Don Wisniewski stated the County is proposing to turn back Pickett Avenue and North 6th Street to the City because of decreased utilization of Pickett Avenue and North 6th Street by vehicles. He noted when Pickett Avenue was part of Highway 95, 1800 cars traveled the road in any given day. He stated today less than a 1000 travel that distance. He stated Ken Hartung also asked the County to address where the State Aid money for the City has gone over the past years. He noted Washington County receives all the municipal State Aid associated with roads for communities of less than 2500. Don Wisniewski listed out the following projects which the County has used State Aid money to improve roads within the City of Bayport.

1. In 1984 and 1985 Fifth Avenue North was reconstructed for a cost of \$500,000.
2. In 1994 Stagecoach Road west of the prison was reconstructed for a cost of \$695,000.
3. In 1998 Stagecoach Road was rehabilitated for a cost of \$400,000.

Sharon Ridgway raised a concern with narrowing the street to 32 feet as compared to the 36 feet on the present street in front of the Correctional Facility

Administration Building. She stated she drives a bus which goes by the correctional facility and when a vehicle or delivery truck is stopped on the west side of Pickett Avenue in front of the prison, it is impossible for traffic to get by the parked truck. She asks the County if they could increase the turn out area by the prison to reduce traffic congestion in this area.

Don Wisniewski with Washington County, stated he will look into providing more turn out area by the prison. He noted, however, that the Minnesota Correction Facility is on the national register and trees are part of the national register designation. He stated the County cannot remove a tree if it can at all be avoided.

Ken Hartung stated staff is looking for direction from City Council on how to provide with this issue.

Moved by Councilmember Schultz, seconded by Councilmember Nyenhuis to direct City Administrator, Ken Hartung, to work with the County engineering staff to work out the details associated with the turn back of Pickett Avenue and North 6th Street and that agreement should be consistent with what was presented tonight by Washington County officials in addition to focusing on providing a larger turn out area on the west side of Pickett Avenue North directly adjacent to the Correctional Facility Administration Building, review the No Parking Signs to determine if new signs need to be erected and address drainage issues on the portion of the turn back road designated as North Sixth Street and that the City Administrator is to present the details associated with Washington County's proposed turn back of Pickett Avenue and North 6th Street to the City Council at either the City Council of December 3, 2001 or January 7, 2002.

Voting in favor: Councilmembers Nyenhuis, Schultz, Ridgway and Kosmo.

Voting against: None.

Absent: Councilmember Menard

DISCUSS AUTHORIZING THE SALE OF THE 1987 FORD TANKER TRUCK TO THE LEXINGTON FIRE DEPARTMENT.

Ken Hartung stated that at the City Council Meeting of April 2, 2001 the Council adopted Resolution 01-60 authorizing the sale of the 1987 tanker truck for a minimum bid of \$20,000. He noted the City has received a letter from the Lexington, Minnesota Fire Department, Chief Kip Sandoz, stating the City of Lexington Fire Department would like to purchase the 1987 Ford tanker truck from the City of Bayport for \$20,000. He noted the Fire Chief is recommending

the City authorize the sale of the 1987 Ford tanker truck to the Lexington Fire Department for \$20,000.

Member Schultz introduced the resolution and moved its adoption.

Res. 01-134

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
AUTHORIZING THE SALE OF BAYPORT'S 1987 FIRE TRUCK TANKER TO
THE LEXINGTON MINNESOTA FIRE DEPARTMENT FOR A PRICE OF
\$20,000.

Motion for adopting the foregoing resolution was duly seconded by Member Ridgway and upon roll being taken the following voted via voice:

Jim Menard – absent
Jim Kosmo – aye
Allen Schultz – aye

Jack Nyenhuis – aye
Sharon Ridgway – aye

STRATEGIC PLANNING SESSION WITH OAK PARK HEIGHTS

Ken Hartung, City Administrator, stated he talked with Mayor David Beaudet of Oak Park Heights to identify two possible dates for strategic planning with the City of Bayport. Those dates were Thursday, November 1 and Tuesday, November 6.

Councilmember Ridgway pointed out Tuesday, November 6 is Election Day and consequently the City cannot hold a meeting.

Councilmembers determined Thursday, November 1 is the only viable date.

Moved by Member Ridgway, seconded by Member Schultz to establish a strategic planning session with the Oak Park Heights City Council for Thursday, November 1, 2001 in Bayport City Hall at 7:00 p.m. and that the items for topics of discussion will be:

1. The State Storm Sewer Project
2. Community Development Back Grant
3. Library County and Bayport System

Voting in favor: Councilmembers Schultz, Nyenhuis, Kosmo and Ridgway.

Voting against: None.

Absent: Councilmember Menard.

ADJOURN

Moved by Councilmember Ridgway, seconded by Councilmember Schultz to adjourn the Special City Council Meeting of October 22, 2001.

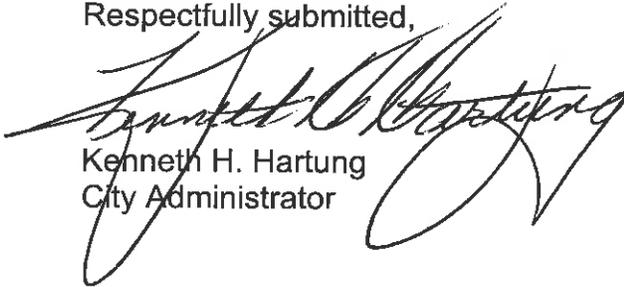
Voting in favor: Councilmembers Ridgway, Schultz, Kosmo and Nyenhuis.

Voting against: None.

Absent: Councilmember Menard

The Special City Council Meeting of October 22, 2001 was adjourned at 8:20 p.m.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'Kenneth H. Hartung', is written over the typed name and title.

Kenneth H. Hartung
City Administrator

City of Bayport
Bayport City Council Meeting Minutes
Bayport City Hall Council Chambers
November 5, 2001
7:00 P.M.

CALL TO ORDER

Pursuant to due call and notice thereof, Mayor Jim Kosmo called the regular City Council Meeting of November 5, 2001 to order at 7:02 p.m. and asked the City Council and staff and audience to join in reciting the pledge of allegiance to the American flag.

ROLL CALL

Members Present: Mayor Jim Kosmo, Councilmembers Sharon Ridgway, Allen Schultz, Jack Nyenhuis and Jim Menard.

Members Absent: None

Others Present: Ken Hartung, City Administrator, Jim Lammers, City Attorney and Barry Peters, Consulting City Engineer.

CONSENT AGENDA

Member Menard introduced the following resolution and moved its adoption.
Res. 01-135

Resolution, City of Bayport, Washington County, Minnesota approving consent agenda items A, B, C, D and E from the November 5, 2001 agenda.

1. Approve the minutes of the regular City Council Meeting of October 9, 2001.
2. Approve the minutes of the special City Council Meeting of October 22, 2001.
3. Approve bills in the amount of \$271,816.89.
4. Approve receipts in the amount of \$470,916.31.
5. Approve the building, plumbing, heating permits issued during the month of October, 2001.

The motion for adopting the foregoing resolution was duly seconded by Member Schultz and upon roll being taken thereon the following voted via voice:

Jim Menard – aye

Jim Kosmo – aye

Sharon Ridgway – aye

Allen Schultz – aye

Jack Nyenhuis – aye

PUBLIC HEARING

SUBJECT: DISCUSS ADOPTING THE ASSESSMENTS FOR THE 2000 SOUTH LAKESIDE DRIVE IMPROVEMENT PROJECT

Mayor Jim Kosmo opened the Public Hearing related to discussing adopting the assessments for the 2000 Lakeside Drive Improvement Project and asked the City Administrator to read the Notice of Hearing.

Ken Hartung, City Administrator, stated the Notice for the Public Hearing to discuss assessments for the 2000 South Lakeside Drive Improvement Project was published in the Stillwater Evening Gazette on October 17, 2001, posted in City Hall on October 15, 2001 and sent to benefiting property owners on October 15, 2001. He also stated it should be noted a corrected public hearing and assessment notice was sent to Mark Gear at 535 South Lakeside Drive and Charlie Kaiser at 555 South Lakeside Drive on October 22, 2001.

Ken Hartung stated on October 2, 2001 the City Council adopted Resolution 01-103 awarding the contract for the South Lakeside Drive Improvement Project to Tower Asphalt of Lakeland, Minnesota for an amount of \$102,566.99. He added the Lakeside Drive Improvement Project included the following construction elements.

1. Extending South Lakeside Drive south and construct a cull de sac at the end of South Lakeside Drive at the flood plain ordinance required elevation of 691 feet.
2. Install water to properties located at Bayport Estates and at 575 and 595 South Lakeside Drive.
3. Install sewer services to properties located at Bayport Estates Subdivision and at 575 and 595 South Lakeside Drive.

Barry Peters, Consulting City Engineer, reviewed construction costs associated with the road, water mains, water service, sanitary sewer service, sanitary sewer mains and storm sewer. Additionally, he reviewed associated costs of the project which included legal costs, publishing costs, a feasibility

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study, plans and specifications and soil testing, administrative costs and engineering costs. He noted the project costs for the South Lakeside Drive Improvements breaks out as follows:

<u>South Lakeside Drive Project Description</u>	<u>Costs</u>
Construction costs	\$104,916.18
Associated costs	45,693.78
Abandoned Kaiser well	475.00
Charles Kaiser payment	10,436.74
Total project cost	\$ 161,521.69

Mr. Peters stated the City Assessment Policy requires the benefiting property owners pay 100% of sewer and water construction costs and 50% of street costs. He noted, however, the City had agreed to pay 100% of the extra fill required to elevate South Lakeside Drive to a mean sea level elevation of 691 feet to conform with the City's Flood Plain Management Ordinance. He noted the cost of the additional fill was \$25,000 and is being paid by the City.

Phyllis Nelson, 515 South Lakeside Drive, stated during the original discussions associated with the construction, it was indicated the City would place and install curbs on the south 52 feet of her lot. She stated as the project proceeded the curb and street improvement was extended approximately 100 feet. She stated she is concerned that she has to pay for the extra 50 feet associated with street construction.

Ken Hartung, City Administrator, indicated in order to match the street grade correctly and ensure the integrity of the new constructed street, it was necessary to start construction of the new section of the street further north than was anticipated. He noted this resulted in some increase in the total project cost. However, he stated the increase of the project cost was spread out over all benefiting property owners. He stated Ms. Nelson is still being assessed for only the 52 feet of frontage that was originally planned for the assessment.

Phyllis Nelson, 515 South Lakeside Drive, stated she is not at all pleased with the work the landscaper sodding company did with restoring her boulevard area. She stated they did not do any preparation for the sod layout. She stated rocks were still present, no raking had been done and dead clumps of sod had been installed. She stated she watered the lawn at least twice a day every day. However, she stated the lawn died because it did not have a good black dirt base. She stated Mel Horak, Public Works Supervisor, came down to take a look

at the sod and told her there is no point in watering the replacement sod. She stated Mel Horak indicated the area would have to be redone.

Ken Hartung, City Administrator, promised the City would address Ms. Nelson's boulevard sodding problem in the spring. He stated he will work with City crews to restore her boulevard to her satisfaction in the spring of 2002.

Moved by member Menard and seconded by member Schultz to close the Public Hearing associated with discussing assessments for the 2000 South Lakeside Drive Improvement Project.

Voting in favor: Councilmembers Menard, Schultz, Kosmo, Ridgway, Nyenhuis

Voting against: None

Member Schultz introduced the following resolution and moved its adoption:
Res. 01-136

**RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY,
MINNESOTA, ADOPTING AND CONFIRMING ASSESSMENTS FOR THE 2000
SOUTH LAKESIDE DRIVE IMPROVEMENTS.**

A motion for adopting the foregoing resolution was duly seconded by Member Menard and upon roll being taken thereon the following voted via voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz – aye

Jack Nyenhuis – aye
Sharon Ridgway – aye

PETITIONS

Mayor Jim Kosmo stated at the Strategic Planning Committee Meeting held with the City of Oak Park Heights and the City of Bayport, a County representative from the Administration Department, Martina Johntz, spoke about the Federal Community Development Block Grant Program in which Washington County participates. He stated Bayport is participant in the program and is eligible for approximately \$32,000 to be used in Federally prescribed programs. He stated one of the programs, which the City Council is reviewing, would use the money for targeted low and moderate-income individuals to help make improvements to their homes. He stated in order for the City to use the money, there are significant regulations and compliance forms which must be completed. He indicated he would like to get City Council approval to get the City Administrator to explore securing Federal monies. Additionally, he stated he would like to have the City Administrator further explore the feasibility of the local foundations matching the Federal money for the program. He also noted the City

consists of interviewing public officials from each community in the St. Croix Valley highlighting important issues within each community. She also stated the Cable Commission hosted two school board candidate forms last month. Additionally, the Cable Commission took action to award five \$300 grants to various community focused cable productions. One of those productions she indicated would record six high school band concerts. The next Cable Commission Meeting will be held on Wednesday, November 28 at 7:00 p.m. at the Central St. Croix Valley Joint Cable Commission Access Studio located at the River Heights Plaza.

OLD BUSINESS

Ken Hartung stated that there is no old business scheduled for this evening's meeting.

NEW BUSINESS

SUBJECT: DISCUSS ADOPTING A RESOLUTION
ELECTING TO CONTINUE TO PARTICIPATE IN
THE LOCAL HOUSING INCENTIVES ACCOUNT PROGRAM
UNDER THE METROPOLITAN LIVABLE COMMUNITIES ACT

Member Schultz introduced the following resolution.

Res. 01-137

RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY,
MINNESOTA ELECTING TO CONTINUE TO PARTICIPATE IN THE LOCAL
HOUSING INCENTIVES ACCOUNT PROGRAM UNDER THE METROPOLITAN
LIVABLE COMMUNITIES ACT FOR THE CALENDAR YEAR OF 2002.

The motion for adopting the foregoing resolution was duly seconded by
Member Menard and upon roll being taken thereon the following voted via voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz – aye

Jack Nyenhuis – aye
Sharon Ridgway – aye

SUBJECT: DISCUSS ADOPTING A RESOLUTION
ACCEPTING A GRANT OF \$10,000 FROM
KATHERINE B. ANDERSEN FUND OF THE
SAINT PAUL FOUNDATION

Member Menard introduced the following resolution and moved its adoption.

Res. 01-138

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY,
MINNESOTA ACCEPTING A DONATION OF \$10,000 FROM THE KATHERINE
B. ANDERSEN FUND OF THE SAINT PAUL FOUNDATION AND APPROVING
THE TERMS OF THE GRANT,

A motion for adopting the foregoing resolution was duly seconded by
Member Nyenhuis and upon roll being taken thereon the following voted via
voice:

Jim Menard – aye
Jim Kosmo – aye
Allen Schultz – aye

Jack Nyenhuis – aye
Sharon Ridgway – aye

SUBJECT: DISCUSS A DONATION TO THE
BAYPORT AMERICAN LEGION POST NO. 491

Moved by Councilmember Schultz and seconded by Councilmember
Menard to authorize payment of \$246.50 to facilitate manufacturing of
Community Service Plaques to recognize and honor citizen volunteers for their
20 – 30 years of volunteer work with the American Region and that such funding
shall be allocated from the Mayor and Council Miscellaneous Community Service
Budget 41200-444.

Voting in favor: Member Schultz, Menard, Kosmo, Ridgway and
Nyenhuis.

Voting against: None

SUBJECT: DISCUSS ADOPTING A RESOLUTION AUTHORIZING
CHANGE ORDER NO. 2 FOR THE FIRE STATION REMODELING
PROJECT IN THE AMOUNT OF \$357.00

Member Menard introduced the foregoing resolution and moved its
adoption.

Res. 01-139

RESOLUTION CITY OF BAYPORT, WASHINGTON COUNTY,
MINNESOTA APPROVING CHANGE ORDER NO. 2 FOR THE FIRE STATION
IMPROVEMENT PROJECT IN THE AMOUNT OF \$357.00

Motion for adopting the foregoing resolution was duly seconded by Member
Schultz and upon roll being taken thereon the following voted voice:

Jim Menard – aye

Jack Nyenhuis – aye

Jim Kosmo – aye
Allen Schultz – aye

Sharon Ridgway – aye

SUBJECT: DISCUSS PAYMENT OF THE CITY
OF BAYPORT DUES TO THE MIDDLE ST. CROIX RIVER
WATERSHED MANAGEMENT ORGANIZATION

Mayor Jim Kosmo stated the City of Bayport is a member of the Middle St. Croix River Watershed Management Organization. He noted significant changes to the St. Croix River Watershed Management Organization were proposed by Washington County. He stated he would like the City Administrator to review with Councilmembers the issues associated with the County's plan to consolidate various Watershed Management Organizations.

Ken Hartung, City Administrator, stated the County's Watershed Management Plan proposed to consolidate Watershed Management Organizations into Watershed Management Districts. He noted the Minnesota Board of Water and Soil Resources issued an order in the beginning of 2001 expanding the Browns Creek Watershed District to include the north half of the Middle St. Croix River Watershed Management Organization and expanding the Valley Branch Watershed District to include the southern half of the Middle St. Croix River Watershed Management Organization. He noted the Middle St. Croix River Watershed Management Organization initiated legal action to nullify the Minnesota Board of Water and Soil Resources order incorporating the Watershed Management Organization into Browns Creek and the Valley Branch Watershed Districts. He stated the Minnesota Appeals Court ruled recently the Minnesota Board of Water and Soil Resources did not have the authority to disband the Middle St. Croix River Watershed Management Organization. Consequently, he stated the Middle St. Croix River Watershed Management Organization remains the Watershed Organization responsible for developing and implementing surface water control within its geographical areas.

Mayor Jim Kosmo stated at least this point in time he would support paying the City's dues associated with the Watershed Management Organization for the year 2001. However, he stated he wants to discuss this issue with other Councilmembers in a workshop at which Councilmembers can discuss the benefits and disadvantages of continuing membership in the Middle St. Croix River Watershed Management Organization.

Moved by Councilmember Schultz, seconded by Member Ridgway to authorize payment of the City of Bayport's dues for the year of 2001 to the Middle St. Croix River Watershed Management Organization in the amount of \$2,222.82 and that such payment shall be made from the Bayport General Fund within its Planning and Zoning Dues and Membership Fees Budget Code 41901-433.

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Voting in favor: Members Schultz, Ridgway, Kosmo, Nyenhuis and Menard.

Voting against: None

SUBJECT: DISCUSS APPROVING AGREEMENT BETWEEN
THE ANDERSEN CORPORATION AND THE CITY OF BAYPORT
TO USE TWO EMPTY RESIDENTIAL STRUCTURES
OWNED BY THE ANDERSEN CORPORATION
FOR PUBLIC SAFETY TRAINING

Ken Hartung, City Administrator, stated recently the Andersen Corporation purchased two residential properties located at 727 3rd Street North and 743 3rd Street North. He noted both residential structures are located on the east side of Highway 95 and are the last residential structures just before the Andersen Corporation parking lot on the north side of town. He noted Bayport Fire Department and Police Department have been working with the Andersen Corporation to schedule training exercises using the two residential structures. He noted the Bayport Fire Department expressed an interest in using the two structures to conduct fire and rescue exercises using artificial smoke in the structures and practicing entry scenarios by cutting holes in the roof and side of buildings. He indicated the Police Department is also proposing to use the residential structures after the Fire Department conducts its training exercises. The Police Department is proposing to use its emergency response team consisting of Bayport and Oakdale police officers conducting search and seizure exercises along with hostage rescue scenarios using the two structures. He stated in order for the City to conduct those exercises it is necessary to have an agreement between the City of Bayport and the Andersen Corporation which specifies the responsibility of the City of Bayport and the Andersen Corporation regarding the training exercise program using the two structures. He stated the Andersen Corporation and the City Attorney have drafted an agreement which sets out each party's responsibilities. He noted, however, the Andersen Corporation has indicated they would not permit any personnel from the Oakdale Police Department to participate in the training exercise unless the City of Oakdale agrees to entering into a similar agreement which the City of Bayport has entered into with the Andersen Corporation for training exercises. He stated he will be contacting the Oakdale City Administrator, Craig Waldron, to see if Oakdale is receptive to entering such an agreement. He stated if Oakdale is not amenable to entering into the agreement the Police Department will cancel its training exercises because it is not feasible to conduct emergency response training with half a team.

Moved by Councilmember Menard, seconded by Councilmember Schultz to approve an agreement between the Andersen Corporation and the City of Bayport to use two empty residential structures owned by the Andersen Corporation for public safety training.

Voting in favor: Members Menard, Schultz, Kosmo, Ridgway and Nyenhuis.

Voting against: None

**SUBJECT: DISCUSS THE CITY'S INTEREST IN
PURCHASING HAZELWOOD CEMETERY LOTS
FROM EXISTING OWNERS**

Ken Hartung, City Administrator, stated he has been contacted by Mrs. Pat Johnson regarding a cemetery lot issue. He stated Ms. Johnson owns six grave lots which were purchased some time prior to 1979 by Herman Johnson. He noted Herman Johnson was the father of Elmer Carl Johnson who was the husband of Pat Johnson. He stated Elmer Carl Johnson died on August 15, 2001. He noted Ms. Johnson indicated there are three empty gravesites which were initially purchased by her husband's father, Herman Johnson, which the family determined they will not need for their purposes. Consequently, Ms. Johnson would like to know if the City Council has any interest in buying back cemetery lots.

Councilmember Schultz stated he does not want to get the City into a position of having to buy back cemetery lots which the City sold to family members. He noted, in particular, he does not want the City to get into a position where it buys back cemetery lots from a family member only to discover in some future time a relative of the family wanted to use the grave sites only to find out one of the relatives has sold them back to the City.

Councilmember Nyenhuis stated the City should not be in the business of buying back cemetery lots.

City Council consensus was for the City Administrator to contact Mrs. Pat Johnson and inform her that at this time the City has no interest in purchasing cemetery lots from her.

**SUBJECT: DISCUSS ADOPTING A MOTION
AUTHORIZING BROADLEAF WEED CONTROL
AND FERTILIZER APPLICATION ON CITY GROUNDS
FOR 2002 BY A TRU GREEN-CHEMLAWN**

Moved by Councilmember Nyenhuis, seconded by Councilmember Schultz to authorize Tru Green-ChemLawn to perform broadleaf weed control and fertilizer applications for the City of Bayport's public grounds for the year 2002 for a price not to exceed \$4,135.78.

SUBJECT: DISCUSS WATERFORD ON THE ST. CROIX
CONDOMINIUM ASSOCIATION, INC., REVEGETATION PLAN
FOR THE CONDOMINIUM BAY AREA

Ken Hartung, City Administrator stated the City has received a request from the Waterford On The St. Croix Condominium Association to consider a request by their organization for a revegetation plan associated with the bay directly east and south of the condominium complex. He stated this item was originally brought to the City Council at a City Council Workshop on August 17, 2000. At that time he noted the Waterford Condominium Association was considering a plan to excavate the existing bay, create an open water area and revegetate the area. Following a discussion with the City Council on August 17th, the Council directed City staff, the Waterford On The St. Croix Condominium Association, the Department of Natural Resources and the Army Corps of Engineers to work together to see if the presented plan was feasible. Following a number of meetings between the individuals representing the Waterford on the St. Croix Condominium Association the Minnesota Department of Natural Resources and the Army Corps of Engineers, it was determined the original plan proposed by Waterford On The St. Croix Condominium Association would not meet Army Corps of Engineers' and Minnesota DNR requirements. Consequently, he stated he has been working with the various groups to revise the plan. He stated Waterford On The St. Croix Condominium Association has been working with Eric Olson, Tennant Landscaping, Inc., Hastings, Minnesota, Hannah Dunevitz, Horticulturalist with the Minnesota Department of Natural Resources and City staff to come up with a revised plan. He stated Eric Olson of Tennant Landscaping, Inc. conducted an extensive inventory of existing vegetation along the shoreline occupied by Waterford On The St. Croix Condominium Association. He stated Mr. Olson is here this evening to review with Councilmembers Waterford On The St. Croix ~~Waterford~~ Association Revegetation Plan. He noted the City Council letter related to Waterford on the St. Croix Condominium Association and Revegetation Plan includes details drawing which show:

1. The existing vegetation plan
2. The vegetation removal plan
3. The vegetation planting plan

He stated Mr. Olson is here this evening to review with Councilmembers specifics of the revegetation plan. Ken Hartung introduced Eric Olson, from Tennant Landscaping, Inc. and asked Mr. ~~Tennant~~ *Olson* to present his proposed revegetation plan for Waterford On The St. Croix Condominium Association.

Eric Olson from Tennant Landscaping, Inc, stated he would review with Councilmembers the three plans that appear in the Council Letter associated with the revegetation plan. Mr. Olson reviewed the following plans with Councilmembers and members of the audience.

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1. The Existing vegetation plan dated October 1, 2001 included in Council Letter 01-163 as **Attachment B**.

Existing vegetation plan identifies existing vegetation in the Waterford On The St. Croix Condominium Association Bay Area. Elevation lines are present on the existing vegetation plan starting at an elevation of 684 feet and terminating at elevation of 678 feet. Contour lines on the existing vegetation plan identify the areas where the present vegetation is located relative to elevation of the property.

2. Vegetation removal plan dated October 1, 2001 included in Council Letter 01-163 as **Attachment C**.

The vegetation removal plan identifies vegetation in the Waterford On The St. Croix Condominium Association Bay which is intended to be removed. The plan calls for removal of the following species: sugar maple, green ash, cottonwood, sandbar, black, and American Elm. The vegetation removal plan calls for moving only those items identified above. Additionally, there are five large trees identified on the vegetation removal plan which will not be removed.

3. Vegetation planting plan dated October 8, 2001 included in Council Letter 01-163 as **Attachment D**.

The vegetation planting plan identifies seedling plugs, wet prairie and wet meadow species and seed composition to be planted in the Waterford On The St. Croix Condominium Association Bay. It also delineates the elevation at which these plantings will take place.

Councilmember Nyenhuis stated he is a member of the Waterford On The St. Croix Condominium Association and, consequently, he will abstain from all discussion and voting on this issue.

Ken Hartung, City Administrator, stated all the plans which have been submitted by Eric Olson of Tennant Landscaping, Inc. are complete. He indicated, however, that he would like to have the vegetation planting plan identify the location and species of the trees which are not to be removed on the vegetation removal plan.

Ken Hartung also stated the City has received a letter from Molly Shodeen, the Minnesota Department of Natural Resources Area Hydrologist, stating the Minnesota Department of Natural Resources has reviewed the revegetation plans associated with Waterford On The St. Croix Condominium Association. He stated Molly Shodeen's letter stated she and regional ecologist, Hannah

Donevitz, have concluded the plans to establish a more diverse flood plain wetland community is approved by the Department of Natural Resources.

Mayor Jim Kosmo stated he believes the revegetation plan submitted by Waterford On The St. Croix Condominium Association is a good plan for establishing diverse vegetation in the flood plain area along with creating unique aesthetic qualities for that region.

Ken Hartung stated one of the other issues City Council needs to address this evening is a proposed agreement between the City of Bayport and Waterford On The St. Croix Condominium Association to ensure the placement of vegetation installed by Tennant, Inc. to ensure the area is maintained.

Sue Larimer, President of Waterford On The St. Croix Condominium Association, stated the association intends to do annual maintenance of the revegetation area to ensure that the wooded vegetation being removed as part of the revegetation plan does not re-establish itself. She stated it is in the association's interest to ensure that the area is maintained.

Ken Hartung stated he is confident that the Waterford On The St. Croix Condominium Association will take steps to ensure that these species will not overtake the vegetation area. He indicated, however, there may be some merit to the City to have an agreement to ensure revegetation of plants which die over the course of the years to ensure screening from the St. Croix River.

Councilmember Menard stated it is important for the City to have an agreement on maintenance of the area.

Chris Hayner, resident of Waterford On The St. Croix Condominium Association, asked if the City will require replacement of the large existing trees, which are not being removed, if those trees should die in some future point. Ken Hartung stated the purpose of having an agreement and an escrow account would be to ensure replacing large trees which have died which are intended to be permanent fixtures of the revegetation plan.

Moved by Councilmember Menard, seconded by Councilmember Ridgway to approve a vegetation cutting and a revegetation permit consistent with plans submitted by Waterford On The St. Croix Condominium Association designed by Tennant Landscaping, Inc. of Hastings, Minnesota and that such plans consist of:

1. Existing vegetation plan dated October 1, 2001
2. Vegetation removal plan on the Waterford On The St. Croix Condominium Association dated October 8, 2001.
3. Vegetation planting plan for the Waterford On The St. Croix Condominium Association dated October 8, 2001 and that such plan will be modified to identify the location and species of the

existing five trees which will remain as part of the vegetation planting program.

Voting in favor: Councilmembers Ridgway, Menard, Schultz and Kosmo.

Voting against: None.

Abstain: Councilmember Nyenhuis

Moved by Councilmember Schultz, seconded by Councilmember Menard to direct the City Attorney and the City Administrator to work with representatives of Waterford On The St. Croix Condominium Association to develop an agreement which will guarantee maintenance of the vegetation area and replacement of big vegetation species which die in future years and that such an agreement shall establish an escrow of \$1,000.00 to be set up with the City to ensure maintenance and replacement of vegetation species.

Voting in favor: Councilmembers Schultz, Menard, Kosmo and Ridgway.

Voting against: None

Abstain: Councilmember Nyenhuis

CITY ADMINISTRATOR'S REPORT

1. Warming House Attendants

Ken Hartung stated the City is looking for Warming House perform Warming House functions during the ice skating season of 2001-2002.

2. Community Development Advisory Committee Meeting

Ken Hartung stated the next Community Development Advisory will be held on Wednesday, November 7, Bayport Library at 7:00 p.m.

3. Middle St. Croix River Management Organization Meeting

Ken Hartung stated the Middle St. Croix River Management Organization Meeting will be held on Thursday, November 8, Bayport City Hall at 7:00 p.m.

4. Neighborhood Meeting for Lake Street Feasibility Study.

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Ken Hartung stated notices have been mailed out to residents in the area for the Lake Street Feasibility Study. He noted the notice stated the neighborhood meeting will be held on Monday, November 12 at Bayport City Hall at 7:00 p.m.

5. Planning Commission Meeting

Ken Hartung stated the next Planning Commission Meeting will be, November 13, 2001, Bayport City Hall, at 7:00 p.m.

6. Scheduled City Council Workshop in December.

Moved by Member Schultz, seconded by Member Menard to establish the City Council Workshop for Wednesday, December 12 at 7:00 p.m. to discuss the following items:

- A) Fire Relief By Law Changes on Funding
- B) Discuss the Ice Road Location
- C) City Administrator's Performance Review

Voting in favor: Councilmembers Menard, Schultz, Ridgway, Nyenhuis and Kosmo

Voting against: None

7. Point Road shoulder grading

Chris Hayner, a resident of Point Road, stated he would like to bring to the City Council's attention the fact that the shoulders on the new portion of Point Road have not been graded properly to allow drainage off the road. He stated he would like to have this item addressed.

Ken Hartung stated the City has a punch list associated with Point Road and he will make the engineer aware of this problem.

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ADJOURN

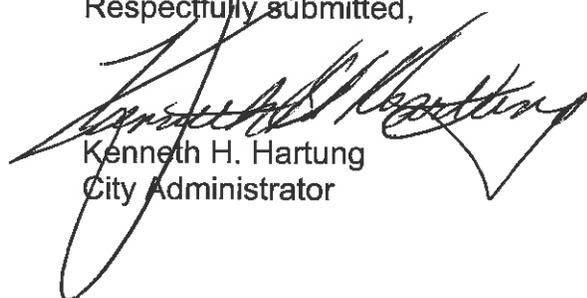
Moved by Councilmember Menard, seconded by Councilmember Schultz to adjourn the City Council Meeting of November 5.

Voting in favor: Councilmembers Menard, Schultz, Ridgway,
Nyenhuis and Kosmo.

Voting against: None

The regular City Council Meeting of November 5, 2001 was adjourned at 8:47 p.m.

Respectfully submitted,



Kenneth H. Hartung
City Administrator

City of Bayport
Bayport City Council Meeting Minutes
Bayport City Hall Council Chambers
December 3, 2001
7:00 P.M.

CALL TO ORDER

Mayor Jim Kosmo called the City Council Meeting of December 3, 2001 to order and asked the City Council staff and audience to join him in pledging allegiance to the American flag.

ROLL CALL

Members present: Mayor Jim Kosmo, Councilmembers Allen Schultz, Jim Menard, Jack Nyenhuis and Sharon Ridgway.

Absent: None.

Others: Ken Hartung, City Administrator; Jim Lammers, City Attorney; Barry Peters, Consulting City Engineer.

CONSENT AGENDA

Member Menard introduced the following resolution and moved its adoption:

Res. 01-140

Resolution, City of Bayport, Washington County, Minnesota approving consent agenda items A, B, C, and D from the December 3, 2001 agenda.

- A. Approve minutes of the regular City Council Meeting of November 5, 2001.
- B. Approve bills as presented in the amount of \$518,987.80.
- C. Approve receipts in the amount of \$397,127.26.
- D. Approve building, plumbing and heating permits issued during the month of November, 2001.

Motion for adopting the foregoing resolution was duly seconded by Member Allen Schultz and upon roll being taken the following voted via voice:

Jim Menard – aye
Jack Nyenhuis – aye
Allen Schultz – aye

Sharon Ridgway – aye
Jim Kosmo – aye

INTRODUCTION OF STATE SENATOR MICHELLE BACKMAN

Mayor Jim Kosmo introduced State Senator, Michelle Backman, and invited her to speak to Councilmembers and Bayport residents.

Michelle Backman thanked Mayor Jim Kosmo and City Staff for the support given her during her last legislative session. This year she will once again serve as a member of the Senate Capital Investment Infrastructure Committee. She stated she is looking forward to working with City representatives to secure money in the 2002 Bonding Bill to allow a completion of the State Storm Sewer Project. The Capital Investment Infrastructure Committee is slated to meet at the Minnesota Correctional Facility on Monday, December 17, at 10:15 a.m. She noted the last legislative session adopted a significant property tax reform bill which returned a significant amount of surplus money to residents in the form of a sales tax rebate. She stated property taxes were reduced significantly, approximately 23% of the residential level and 30% of the commercial level.

Mayor Jim Kosmo thanked Senator Michelle Backman for taking time from her business schedule to speak to Bayport's Council and Bayport residents. He stated he and the City Staff look forward to working with her on the City's legislative issues for the year 2002.

PUBLIC HEARING

DISCUSS APPROVING AN ON-SALE WINE LICENSE FOR LA COCINITA DE PUERTO BAHIA, INC.

Mayor Jim Kosmo opened the Public Hearing related to discussing the approval of an on-sale wine license at La Cocinita De Puerto Bahia, Inc. and asked the City Administrator to read the Notice of Hearing.

Ken Hartung, City Administrator, stated the application for an on-sale wine license was received from Angelina Corbett of Stillwater, Minnesota for her La Cocinita De Puerto Bahia, Inc. restaurant located at 338 5th Avenue North. He noted, the Notice of the Public Hearing was published in the Stillwater Evening Gazette on November 15, 2001 and posted in City Hall on November 13, 2001. He stated Ms. Corbett has completed the application parts 1 and 2 associated with the on-sale wine license. Additionally, he indicated she has presented the City with a Certificate of Insurance, Workers' Compensation and a current financial statement. He noted Ms. Corbett has also paid the \$1,000.00 license fee along with the investigation fee of \$500.00. He indicated that Ms. Corbett plans to open her restaurant around January 1, 2002. He indicated Police Chief John Gannaway has completed a liquor license background investigation for Angelina Corbett related for the on-sale wine license for La Cocinita De Puerto

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Bahia, Inc. restaurant and has stated, based on the background check that there is no reason not to grant an on-sale liquor license for Angelina Corbett. Furthermore, he indicated Jim Lammers has reviewed the application and finds the application to be acceptable as submitted and in conformance with the requirements of State Statutes and City Ordinance.

Mayor Jim Kosmos if any members of the audience had comments related to the wine license application.

No one from the public spoke for or against the wine license application.

Councilmember Jack Nyenhuis asked Angelina Corbett to outline for the community when the restaurant will open and what cuisine will be offered.

Angelina Corbett stated she hopes to open the restaurant on January 1, 2002. She stated initially the restaurant will be open Monday through Thursday, 11 a.m. to 8:00 p.m. and on Friday and Saturday from 11:00 a.m. to 10:00 p.m. The cuisine will be Mexican and Southern and wine will be served.

Moved by Councilmember Nyenhuis, seconded by Councilmember Menard to close the Public Hearing related to La Cocinita De Puerto Bahia, Inc. on-sale wine license application.

Voting in favor: Councilmembers Nyenhuis, Menard, Ridgway, Kosmo and Schultz.

Voting against: None.

Member Menard introduced the following resolution and moved its adoption:
RES. 01-141

RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
APPROVING AN ON-SALE WINE LICENSE TO ANGELINA CORBETT AND LA
COCINITA DE PUERTO BAHIA, INC. RESTAURANT LOCATED AT 338 5th
AVENUE NORTH EFFECTIVE JANUARY 1, 2002.

Motion for adopting the foregoing resolution was duly seconded by Member Schultz and upon roll call being taken the following voted via voice:

Jim Menard – aye
Jack Nyenhuis – aye
Allen Schultz – aye

Sharon Ridgway – aye
Jim Kosmo – aye

**DISCUSS ESTABLISHING BAYPORT'S TAX LEVY
FOR 2002 AND HOLDING THE CITY'S
TRUTH AND TAXATION MEETING FOR 2002 BUDGET**

Mayor Jim Kosmo opened the Public Hearing related to the City of Bayport Truth and Taxation Meeting for the 2002 City of Bayport Budget and asked the City Administrator read the Notice of Hearing.

Ken Hartung, City Administrator, stated the Public Hearing Notice for tonight's Truth and Taxation meeting was posted in City Hall on November 16, 2001 and published in the Stillwater Evening Gazette on November 26, 2001.

Ken Hartung stated the purpose of this meeting is to review with City Councilmembers and members of the Bayport public the City's budget for 2002 along with the proposed levy. He stated the City Council is proposing for 2002 a General Fund of \$2,251,688.00. This is an increase of \$211,605.00 above the 2001 Adopted Budget of \$2,040,083.00. He stated there is a significant increase in the General Fund Budget due to the following:

1. A loss of State Government aid in the amount of \$66,302.00.
2. A loss of tax increment financing revenue required to finance the Tax Increment Fund in an amount of \$100,264.00.

Ken Hartung reviewed the proposed expenditures for the 2002 Budget as compared to the 2001 Budget by using the following table.

**Table 1
2002 Proposed Budget**

	ADOPTED 2001 BUDGET	ADJUSTED 2002 BUDGET	BUDGET \$ INCREASE (DECREASE)	% INCREASE (DECREASE)	
DEPARTMENT EXPENSES					
DEPT. GENERAL FUND 101 OPERATING					
41400	ADMINISTRATION	\$132,575	\$141,390	\$8,816	6.65%
43300	CEMETERY	7,536	7,738	202	2.68
42200	FIRE	202,834	214,998	12,164	6.00
41100	ELECTIONS	300	4,058	3,758	1252.76
41200	MAYOR & COUNCIL	116,335	121,509	5,174	4.45
41940	MUNICIPAL BUILDINGS	64,804	62,396	(2,408)	-3.72
43200	PARKS	104,982	94,298	(10,684)	-10.18
41910	PLANNING & ZONING	66,810	70,554	3,744	5.60
42100	POLICE	492,604	519,851	27,247	5.53
41240	RECYCLING	9,302	8,454	(848)	-9.12
43100	STREET	255,371	272,006	16,635	6.51
43160	STREET LIGHTING	26,161	24,009	(2,152)	-8.23
44400	UNALLOCATED	25,500	75,457	49,957	13.13

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	ADOPTED 2001 BUDGET	ADJUSTED 2002 BUDGET	BUDGET \$ INCREASE (DECREASE)	% INCREASE (DECREASE)
TAX STABILIZATION FUND	354,970	354,970	0	0.00
TOTAL: OPERATING	\$1,860,083	\$1,971,688	\$111,605	6.00
44200 TRANSFER DEBT SERVICE	180,000	280,000	100,000	55.56
TOTAL GENERAL FUND	2,040,083	2,251,688	211,605	10.37
DEBT LEVY LIBRARY	101,178	115,808	14,630	14.46
TOTAL NEEDED	2,141,261	2,367,496	226,235	10.57
LESS:NON LEVY REVENUE	302,821	317,699	14,878	4.91
LESS:STATE AIDS	171,832	282,614	110,782	64.47
LESS ANDERSEN CONT.	443,939	491,589	47,650	10.73
LESS: H.A.C.A	160,220	0	(160,220)	-100.00
TOTAL	\$1,062,449	\$1,275,594	\$213,145	20.06

Ken Hartung went on to review Bayport's projected 2002 revenue increases and decreases.

Table 2
Bayport 2002 Budget
Revenue Increases and Decreases

	ADOPTED 2001 <u>Budget</u>	ADJUSTED Proposed <u>2002 Budget</u>	BUDGET \$ Increase/ <u>Decrease</u>	% \$ Change <u>from 2001</u>
1. General Fund Req.	\$1,505,114	\$1,616,718	\$111,604	7.41%
A. Local Govern. Aid	-100,832	-211,614	-110,782	109.87%
B. HACA	-160,220	0	160,220	-100.00%
C. Other Resources				
Fire Contracts,				
Building Permits,				
Administrative				
Fees, etc.	-373,821	-388,699	-14,878	3.98%
D. Debt Service Transfer	180,000	280,000	100,000	55.56%
E. Andersen Contrib.	-443,939	-491,589	-47,650	10.73%
F. Tax Stabiliz. Transfer	354,970	354,970	0	0.00%
Total General Fund Levy	\$ 961,272	\$1,159,786	\$ 198,514	20.65%
2. Debt Service Reqs.				
A. HACA	\$0	\$0	\$0	0.00%

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	<u>ADOPTED 2001 Budget</u>	<u>ADJUSTED Proposed 2002 Budget</u>	<u>BUDGET \$ Increase/ Decrease</u>	<u>% \$ Change from 2001</u>
Total Debt Service	\$0	\$0	\$0	0.00%
3. Special Library Fund	\$ 253,767	\$ 246,533	-\$ 7,234	-2.85%
A. Other Income	-37,500	-32,500	5,000	-13.33%
B. Grants	-53,600	-53,600	0	0.00%
C. HACA	-16,864	0	16,864	-100.00%
D. Andersen Contrib.	-44,625	-44,625	0	0.00%
Total Library Levy	\$ 101,178	\$ 115,808	\$ 14,630	14.46%
Total Levy For All Funds	\$1,062,450	\$1,275,594	\$ 213,144	20.06%

Ken reviewed with Councilmembers and members of the public the 2002 budget increases and decreases in expenses as outlined in the proposed budget.

**Table 3
City of Bayport 2002 Increased
And Decreased Expenses**

<u>Budget Category</u>		<u>Increase/ Decrease</u>
Administrative		\$ 8,816
Wages & Benefits	\$6,846	
Professional Services	1,970	
Cemetery		202
Engineering	52	
Grave Opening	150	
Elections		3,758
Did not have elections in 2001		
Fire		12,164
Wages and Benefits (Increased runs for Medical)	5,800	
Motor Fuels	600	
Insurance (new fire trucks)	7,745	
Class A Foam	2,600	
Capital Outlay (turn out gear)	919	

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<u>Budget Category</u>		<u>Increase/ Decrease</u>
Transfer Out (equipment replacement fund)	- 5,500	
Mayor & Council		5,174
Assessing (County)	300	
Postage (Newsletter)	625	
Audit	942	
Insurance	577	
Conferences	300	
Printing (Newsletter)	1,780	
Office Furniture (replace adm cassette recorder)	650	
Municipal Buildings		-2,408
Fuel & Repairs	5,999	
Capital Outlay	-8,522	
Miscellaneous	115	
Parks		-10,684
Decrease is because we didn't Include baseball backstop		
Planning & Zoning		3,744
Comprehensive Consulting	3,744	
Police		27,247
Wages & Benefits	18,498	
Operating Supplies	900	
Fuel	889	
Legal	2,000	
Insurance	-849	
Automation	-440	
Vehicle Repair	1,000	
Community Projects	5,500	
Capital Outlay	-500	
Miscellaneous	249	
Recycling		-848
Wages & Benefits	127	
Printing and Publishing	-975	
Street Maintenance		16,635
Wages & Benefits	-413	
Motor Fuels	1,134	

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<u>Budget Category</u>		<u>Increase/ Decrease</u>
Salt & Sand	2,200	
R & M Streets	1,600	
Insurance	736	
Trees	1,800	
Sidewalks	-15,000	
Creek	15,000	
Transfer Out (Street reconstruction fund)	10,000	
Miscellaneous	-422	
Street Lighting		-2,152
Unallocated		49,957
Labor & Benefits	6,017	
Emergency Reserve	43,940	
Transfer Debt Service		100,000
Total General Fund Increase		211,605
Library		14,630
TOTAL INCREASE		\$226,235

Ken Hartung went on to review the City's General Fund Balance for the end of 2002 which he indicated was \$1,163,318.00. He went on to review the Fund Balances in the recreation, capital equipment and maintenance fund, public works equipment replacement fund, fire equipment replacement fund, capital improvement trunk utility fund, and the street and utility reconstruction fund. Ken Hartung went on to state the City has significantly reduced its debt from \$6,435,000 in 1993 to \$2,115,000 at the end of 2002. He emphasized the importance of paying cash for infrastructure improvements. He noted a typical \$750,000 bond used to finance a street project could cost the City approximately \$275,000 in interest and service fees. He noted the City receives no benefit from interest payments and service fees. Ken Hartung went on to review various graphs for Councilmembers showing the actual 2001 budget and the proposed 2002 budget in revenue expenses and tax levy allocations. He finished his 2002 presentation by reviewing with Councilmembers actual property values for residential properties within the City of Bayport showing the 2001 actual property taxes paid and the proposed property taxes which will be paid by the same residential valued structure in 2002. He illustrated the property tax paid in 2001 versus the tax paid in 2002 using the following table.

**Table 5
CITY PROPERTY TAX COMPARISON
2001-2002**

Property Market Value		\$104,300	\$137,200	\$156,800	\$207,068
2001 TAXES (ACTUAL)					
CITY	33%	\$ 483.78	\$ 706.86	\$ 837.87	\$1,086.01
SCHOOL	42%	15.72	899.64	1,066.38	1,382.20
COUNTY	20%	293.20	428.40	507.80	658.19
SUBTOTAL		1,466.00	2,142.00	2,539.00	3,290.95
H.A.C.A.		-270.00	-390.00	-390.00	-390.00
TOTAL TAXES 2001		1,196.00	1,752.00	2,149.00	2,900.95
2002 TAXES (PROPOSED)					
CITY	50.23%	598.14	848.15	997.11	1,358.46
SCHOOL	24.15%	291.17	407.79	477.27	460.16
COUNTY	22.43%	266.59	378.79	445.14	427.39
OTHER	3.19%	38.10	54.02	63.53	60.78
TOTAL TAXES 2002		\$1,194.00	\$1,688.75	\$1,983.05	\$2,306.80
REDUCTION		-\$ 2.00	-\$ 63.25	-\$ 165.95	-\$ 594.15

No one from the public commented on the proposed budget.

Moved by Councilmember Schultz, seconded by Councilmember Menard to recess the Truth and Taxation meeting of Monday, December 3, 2001 until the City Council Special Meeting, scheduled for Wednesday, December 12, 2001 at 7:00 p.m. at Bayport City Hall.

Voting in favor: Councilmembers Schultz, Menard, Kosmo, Ridgway and Nyenhuis.

Voting against: None.

PETITIONS

MAYOR'S STATEMENT TO CLOSE MEETING December 3, 2001

Mayor Jim Kosmo read the following statement:

"Pursuant to the provisions of Minnesota Statutes Section 471.705, and based upon the advice of the City Attorney, I recommend that, at the end of the regular meeting of the City Council, the Council adjourn to a closed meeting. The purpose of this closed meeting will be to discuss threatened litigation

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between the City of Bayport and Charlie Kaiser. A written record of the members of the Council and all other persons present at the closed meeting will be made available to the public following the meeting. A tape recording will be made of the closed meeting and if any action is taken by the City Council, a roll call will be taken at the meeting. Following the closed session, or at the next regular meeting of the Bayport City Council, for the benefit of the public, the Council will summarize the discussion or action which took place at the closed meeting. I request a motion to hold a closed meeting for the purposes previously stated".

Moved by Member Menard, seconded by Councilmember Schultz to adopt a motion to hold a closed meeting for the purpose of discussing threatened litigation between the City of Bayport and Charlie Kaiser at a time immediately following the Regular City Council Meeting.

Voting in favor: Councilmembers Menard, Kosmo, Schultz, Ridgway, and Nyenhuis.

Voting against: None.

CITY ATTORNEY

Jim Lammers stated he had nothing to add at this point in the agenda.

CITY ENGINEER

City Engineer, Barry Peters, stated he had nothing to add at this point in the Council meeting.

COUNCIL LIAISON REPORTS

CENTRAL ST. CROIX VALLEY JOINT CABLE COMMISSION MEETING

Councilmember Sharon Ridgway there will be a joint meeting of the Lower St. Croix Valley Cable Commission and the Central St. Croix Valley Cable Commission which will be held on Wednesday, December 5, 2001 at the Central St. Croix Valley Joint Cable Commission's Area Access Studio located in River View Plaza. She stated the purpose of the meeting will be to discuss the agreement between the two cable commissions regarding the 2002 service level.

Sharon Ridgway state the regular commission meeting will be held on Wednesday, December 19, 2001 at the River Heights Plaza Center in the Valley Access Cable Studio at 7:00 p.m.

OLD BUSINESS

There was no old business scheduled for this evening's meeting.

NEW BUSINESS

**DISCUSS AN APPLICATION BY UNIVERSAL
FINANCIAL SERVICES FOR A CONDITIONAL USE PERMIT
TO ALLOW A FINANCIAL BUSINESS
AT 287 CENTRAL AVENUE**

Ken Hartung stated a Certificate of Survey of property at 287 Central Avenue is on file at the City of Bayport and was completed on August 3, 1968. He indicated on October 15th Universal Financial Services, a holding company for First State Bank of Bayport, purchased the building at 287 Central Avenue from the Andersen Corporation. First State Bank of Bayport determined it would like to move its insurance subsidiary, Valley Agencies, to that building for the insurance operation in the Baywood building. He indicated the property is zoned B-3 Central Business District and does permit finance institutions as a permitted use within the zoning classification. He reviewed the Zoning Ordinance criteria with Financial Services at 287 Central Avenue with the aid of Table 1 below:

**TABLE 1
Zoning Ordinance Criteria
Financial Services
287 Central Avenue**

<u>Zoning Ordinance Section</u>	<u>Required Criteria</u>	<u>Proposed Criteria</u>	<u>Variance Required</u>
601.01(10)(c) Permitted Uses	Financial Institution	Financial Institution Insurance	None
601.01(10)(g)(7) Maximum Height	35 Ft.	12 Ft.	Existing Bldg. N/A
601.01(10)(g)(8) Front Yard Setback	15 Ft.	8 Ft.	Existing Bldg N/A
601.01(10)(g)(9) Rear Yard Setback	20 Ft.	8 Ft.	Existing Bldg N/A
601.01(10)(g)(10)(a)	20 Ft.	6 Ft.	Existing

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<u>Setback From Street Zoning Ordinance Section</u>	<u>Required Criteria</u>	<u>Proposed Criteria</u>	<u>Bldg N/A Variance Required</u>
601.01(10)(g)(10)(b) Setback From Interior Lot Line	10 Ft.	59 Ft.	Existing Bldg N/A
601.01(10)(h) Screening and Fencing	Requires Screening	8 Ft. High Fence	None
712.07(2)(g) Off Street Parking Spaces 1 Space/250 Sq. Ft. Net	2,313 Sq. Ft. 10 Parking Spaces	10 Parking Spaces	None

Ken Hartung stated the property located at 287 Central Avenue is located within an area which is controlled by the City of Bayport's Lower St. Croix Bluffland Shoreland Management Ordinance. He stated the Bluffland Shoreland Management Ordinance Section 502.01 specifies the only permitted use in the Bluffland Shoreland Management Ordinance consists of :

1. Conservancy which sets aside land for conservation purposes
2. Agricultural
3. Single-family residential.

He noted that the Bluffland Shoreland Management Ordinance supercedes the Bayport Zoning Ordinance and regulations. Consequently, he noted that even though the City of Bayport Zoning Ordinance permits financial institutions and administrative uses in the B-3 Central Business District, the Bluffland Shoreland Management Ordinance does not permit any uses at 287 Central Avenue except conservancy, agricultural and single-family residential. However, there is an exception to this rule as specified in Bluffland Shoreland Management Ordinance, Section 203, which states land uses allowed in the respective zoning districts established by Ordinance 571 as of May 1, 1974, (as amended by Section 621) shall be permitted under this ordinance as a Conditional Use. He noted his research on this issue has determined the City of Bayport adopted Ordinance 621 on July 6, 1970. The Zoning District established for the building at 287 Central Avenue as GB (General Business) District. Within the General Business District offices and medical uses were permitted uses. Consequently, based on the criteria established in the Bluffland and Shoreland Management Ordinance, because the Baywood Building had its General Business District classification assigned to it prior to 1974, uses of the Baywood Building for administration businesses, professional offices, including financial institution use, can continue to exist as a Conditional Use.

Ken Hartung stated the Planning Commission held a Public Hearing related to the application by Universal Financial Services for a Conditional Use

Permit to operate its financial business at 287 Central Avenue on Tuesday, November 13 in Bayport City Hall at 7:00 p.m. He stated no one from the public spoke against the Conditional Use Permit. Following Planning Commission discussion, the Planning Commission adopted a motion for the City Council to approve a Conditional Use Permit to allow Universal Financial Services, Inc. to use the building at 287 Central Avenue for its subsidiary, Valley Agency Insurance, and furthermore, the Planning Commission has determined the Conditional Use Permit meets the conditions specified in the City's Bluffland Shoreland Management Ordinance Section 504.

Peter Clements, Secretary of Universal Financial Services, Inc., stated his company is planning to move Valley Agencies into the building at 287 Central Avenue at some time in mid January. Consequently, he stated if City Council approves the Conditional Use Permit this evening they have a 30-day window for the required approval for the DNR before they will occupy the building.

Member Menard introduced the following resolution for its adoption:

RES. 01-142

RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA APPROVING A CONDITIONAL USE PERMIT TO ALLOW UNIVERSAL FINANCIAL SERVICES TO USE THE BUILDING AT 287 CENTRAL AVENUE WITH A LEGAL DESCRIPTION OF LOT 1, BLOCK 72, BAYPORT, (FORMERLY SOUTH STILLWATER) FOR ITS SUBSIDIARY, VALLEY AGENCIES INSURANCE OPERATION.

FINDINGS OF FACT:

WHEREAS: Universal Financial Services, Inc. of Bayport, Minnesota is the owner of property described as Lot 1 Block 72 Bayport (formerly South Stillwater); and,

WHEREAS: The land on which Universal Financial Services, Inc. owns the building is located in the City of Bayport's B-3 Central Business District; and,

WHEREAS: Land zoned to the north and to the west is zoned B-3 Central Business District; and,

WHEREAS: Land to the east and to the south is zoned R-4 Single Family Urban District; and,

WHEREAS: Universal Financial Services, Inc. is proposing to locate its subsidiary, Valley Agencies Insurance, at 287 Central

Avenue which has a legal description of Lot 1 Block 72, Bayport (formerly South Stillwater); and,

WHEREAS: The City of Bayport's Zoning Ordinance specifies the B-3 Central Business District is designated and intended as multi-functional commercial center for the entire city and, furthermore, Zoning Section 601.01(10)(c)(7) in the B-3 Central Business District specifies financial institutions and banks are permitted uses in this district; and,

WHEREAS: The property located at 287 Central Avenue is located in an area which is controlled by the City of Bayport's Lower St. Croix River Bluffland Shoreland Management Ordinance which became effective on August 27, 1977; and,

WHEREAS: Bluffland Shoreland Management Ordinance 502.01 specifies the only permitted uses in the Bluffland Shoreland Management area consist of the following:

1. Conservancy, which sets aside land for conservation purposes.
2. Agricultural
3. Single-family residential;

and,

WHEREAS: The Bluffland Shoreland Management Ordinance regulations supercede the City of Bayport's Zoning Ordinance regulations and, consequently, even though Bayport's Zoning Ordinance permits financial institutions and administrative uses, in the B-3 Central Business District the Bluffland Shoreland Management Ordinance does not permit any uses at 287 Central Avenue except conservancy, agricultural and single-family residential; and,

WHEREAS: There is an exception to the restricted use and said exception is specified in the Bluffland Shoreland Management Ordinance Section 203 which states, "Land use is allowed in the respective zoning districts established by Ordinance 571 as of May 1, 1974 (as amended by Ordinance 621) shall be permitted under this ordinance as a Conditional Use Permit"; and,

WHEREAS: The City of Bayport adopted Ordinance 571 on July 6, 1970 and established a zoning district for the buildings at 287 Central Avenue as GB, General Business; and,

WHEREAS: Within the General Business District offices and medical uses were permitted uses, and furthermore, Zoning Ordinance Section 621 amended Ordinance 571 on December 8, 1982 specifies the land use of 287 Central Avenue is zoned Central Business District which continues to permit uses specified as administrative and medical offices; and,

WHEREAS: Based on the criteria established by the Bluffland Shoreland Management Ordinance the present building at 287 Central Avenue had its General Business classification assigned to it prior to 1974 uses in the building located at 287 Central Avenue may continue to be administrative businesses, professional offices, including financial institutions with the approval of a Conditional Use Permit; and,

WHEREAS: Bluffland Shoreland Ordinance Section 504 specifies a Conditional Use Permit can be issued in the Bluffland Shoreland area provided the use meets the criteria listed below:

1. The use must preserve the scenic and recreational resources of the St. Croix River especially in regard to the view and use from the river.
2. The use must maintain safe and healthful conditions.
3. The use must limit erosion potential on the site.
4. The Conditional Use Permit must be approved by Minnesota Department of Natural Resources.

and,

WHEREAS: The Bayport Planning Commission held a public hearing on November 13, 2001 related to the Conditional Use Permit requested by Universal Financial Services, Inc. and determined the Conditional Use Permit request by Universal Financial Services, Inc. meets the Conditional Use Permit criteria specified in the Bluffland Shoreland Management Ordinance Section 504; and,

WHEREAS: City Council met on December 3, 2001 to discuss Universal Financial Services, Inc. request for a Conditional Use Permit at 287 Central Avenue and determined the Conditional Use

Permit request met the conditions as specified in Bluffland Shoreland Management Ordinance Section 504.

NOW THEREFORE BE IT RESOLVE: By the City Council of the City of Bayport, Washington County, Minnesota, does hereby ordain that a Conditional Use Permit be approved to permit Universal Financial Services, Inc. to use the building at 287 Central Avenue for its subsidiary, Valley Agencies Insurance, and furthermore, the City Council has determined the Conditional Use Permit meets the following conditions specified in the Bluffland Shoreland Management Ordinance Section 504:

1. Issuing a Conditional Use Permit to Universal Financial Services, Inc. to permit its subsidiary, Valley Agencies Insurance, to operate at 287 Central Avenue preserves the scenic and recreational resources of the St. Croix Riverway, especially in regard to the view from and use of the river.
2. Issuing a Conditional Use Permit to Universal Financial Services, Inc. to permit its subsidiary, Valley Agencies Insurance, to operate its business at 287 Central Avenue maintains safe and healthful conditions.
3. Issuing a Conditional Use Permit to Universal Financial Services, Inc. to permit its subsidiary, Valley Agencies Insurance, to operate its business at 287 Central Avenue limits the erosion potential of the site based on degree of slope, soil type and vegetation cover.

The foregoing mentioned resolution was seconded by Member Nyenhuis and upon roll being called thereon the following voted via voice:

Jim Menard – aye
Jack Nyenhuis – aye
Allen Schultz – aye

Sharon Ridgway – aye
Jim Kosmo – aye

DISCUSS RENEWAL OF THE CITY'S ISSUED RENEWAL LICENSES FOR 2002

Moved by Councilmember Schultz, seconded by Councilmember Menard to approve the renewal of the following liquor licenses for 2002:

**License Renewal
Establishment**
Bradley Smith
Woody's Bar & Grill
109 North 3rd Street

**Type of
Liquor License**
On-sale Intoxicating
On-sale Sunday Intoxicating
Off-sale

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Jerome Foss Little Rascals Bar & Grill 193 North 3rd Street	On-sale Intoxicating On-sale Sunday Intoxicating Off-sale
Bruce E. Stanton Greystone Bar 143 North 3 rd Street	On-sale Intoxicating On-sale Sunday Intoxicating Off-sale
Hesley Jensen Post American Legion Post 491 263 North 3 rd Street	Club On-sale intoxicating Club On-sale Sunday Intox.
Oasis Market Twin Cities Stores, Inc. 174 North 3 rd Street James Kyndberg Bayport Cookery 328 North 5 th Avenue	Off-sale Non-Intoxicating On-sale Intoxicating On-sale Sunday Intoxicating
Bayport Club, Inc. Clyde's on the St. Croix 101 South 5 th Avenue	On-sale Intoxicating On-sale Sunday Intoxicating Off-sale
Debra Ann Place Bayport Liquors 102 North 3 rd Street	Off-sale Intoxicating
Voting in favor:	Councilmembers Menard, Nyenhuis, Schultz, Kosmo and Ridgway.
Voting against:	None

**DISCUSS APPROVING LICENSES
FOR THE SALE OF TOBACCO**

Moved by Councilmember Menard, seconded by Councilmember Nyenhuis to approve the renewal of the following licenses for sale of tobacco products in the year 2002.

1. Woody's Bar and Grill
109 North 3rd Street
2. Little Rascals Bar and Grill
193 North 3rd Street

3. Greystone Bar
143 North 3rd Street
4. Twin Cities Stores, Inc. (Oasis Market)
174 North 3rd Street
5. Clyde's on the St. Croix
101 South 5th Avenue
6. Bayport Liquors
102 North 3rd Street

Voting in favor: Councilmembers Menard, Nyenhuis, Schultz, Kosmo
and Ridgway.

Voting against: None.

**DISCUSS ADOPTING A RESOLUTION AUTHORIZING
FUNDING FOR STAFF SUPPORT TO SEEK
STATE FUNDING FOR PHASE 2 OF THE
STATE STORM SEWER PROJECT**

Member Schultz introduced the following resolution and moved its adoption:
RES. 01-143

RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA,
AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF BAYPORT AND
LEGISLATIVE ASSOCIATES, INC.

Motion for adopting the resolution was duly seconded by Member Menard
and upon roll call taken thereon the following voted via voice:

Jim Menard – aye
Allen Schultz – aye
Jack Nyenhuis – aye

Jim Kosmo – aye
Sharon Ridgway – aye

Member Menard introduced the following resolution and moved its adoption:
RES. 01-144

RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA,
APPROVING AN AGREEMENT IN COOPERATION WITH THE STATE OF
MINNESOTA FOR SNOW REMOVAL ON TRUNK HIGHWAY 95.

Motion for adopting the resolution was duly seconded by Member Ridgway and upon roll call taken thereon the following voted via voice:

Jim Menard – aye
Allen Schultz – aye
Jack Nyenhuis – aye

Jim Kosmo – aye
Sharon Ridgway – aye

**DISCUSS APPROVING AN AGREEMENT BETWEEN
THE CITY OF BAYPORT AND WATERFORD ON THE ST. CROIX
CONDOMINIUM ASSOCIATION**

Moved by Councilmember Schultz, seconded by Councilmember Menard to approve an agreement between the City of Bayport, Washington County, Minnesota and Waterford On The St. Croix Condominium Association related to the vegetation planting plan, dated October 8, 2001.

Voting in favor: Councilmembers Schultz, Menard, Kosmo and Ridgway.

Voting against: None

Abstain: Councilmember Nyenhuis.

**DISCUSS AN AGREEMENT FOR THE TRANSFER
OF STATE HIGHWAY 28 TO THE CITY OF BAYPORT**

Councilmember Menard introduced the following resolution and moved its adoption:

RES. 01-145

**RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA,
REVOKING DESIGNATION OF COUNTY STATE AID HIGHWAY (CSAH) 28
WITHIN THE CORPORATE CITY LIMITS OF BAYPORT.**

Motion adopting the foregoing resolution was duly seconded by Member Ridgway and upon roll being taken thereon the following voted via voice:

Jim Menard – aye
Jim Kosmo – aye
Sharon Ridgway – aye

Jack Nyenhuis – aye
Allen Schultz – aye

ADJOURN

Moved by Councilmember Menard, seconded by Councilmember Schultz to adjourn the regular City Council Meeting and convene in Closed City Council Session to discuss threatened litigation.

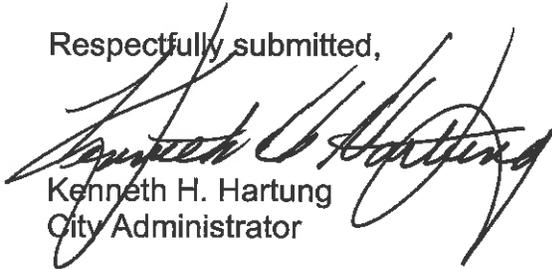
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Voting in favor: Councilmembers Menard, Schultz, Kosmo, Ridgway
and Nyenhuis.

Voting against: None.

The Regular City Council Meeting of December 3rd was adjourned at 8:05
p.m.

Respectfully submitted,



Kenneth H. Hartung
City Administrator

CLOSED CITY COUNCIL MEETING MINUTES
BAYPORT CITY HALL
CONFERENCE ROOM
DECEMBER 3, 2001
8:10 P.M.

CALL TO ORDER

Mayor Jim Kosmo called a Closed City Council Meeting to order at 8:10 p.m. and asked the City Administrator to take roll.

ROLL CALL

Members present: Mayor Jim Kosmo, Councilmembers Jim Menard, Sharon Ridgway, Allen Schultz and Jack Nyenhuis.

Members absent: None.

Others present: Ken Hartung, City Administrator, Jim Lammers, City Attorney.

Mayor Jim Kosmo stated the purpose of this evening's meeting is to review the Council's options related to a request from Charlie and Robin Kaiser, 555 South Lakeside Drive, for the City to pay for access damages to their residential property at 555 South Lakeside Drive in an amount of approximately \$47,000.

Ken Hartung, City Administrator, stated the City had received a letter from Magnuson Law Firm on October 26th outlining Robin and Charlie Kaiser's position on this issue. He indicated the League of Minnesota Cities' attorney, James Golembeck, has reviewed Mr. Magnuson's letter and indicated he found nothing that would change the City's original position.

Moved by Councilmember Menard, seconded by Councilmember Nyenhuis to reaffirm City Council action of October 9 which the City Council directed the City Administrator to offer to pay for the installation of asphalt driveway and parking area on the Kaiser property as a way of addressing the concerns the Kaiser's have with access to the property.

Voting in favor: Councilmembers Menard, Ridgway, Nyenhuis, Schultz and Kosmo.

Voting against: None

ADJOURN

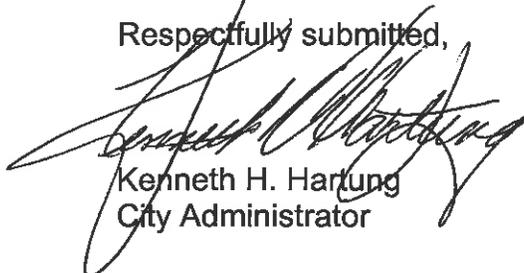
Moved by Councilmember Menard, seconded by Councilmember Schultz to adjourn the Closed City Council meeting of December 3rd.

Voting in favor: Councilmembers Menard, Schultz, Ridgway, Kosmo and Nyenhuis.

Voting against: None

The Closed City Council meeting adjourned at 8:20 p.m.

Respectfully submitted,



Kenneth H. Hartung
City Administrator

CITY OF BAYPORT
2001 TRUTH & TAXATION AND
2002 BUDGET ADOPTION MEETING
BAYPORT CITY HALL COUNCIL CHAMBERS
WEDNESDAY, DECEMBER 12, 2001
7:00 P.M.

CALL TO ORDER

Mayor Jim Kosmo called the Special City Council meeting to order at 7:00 p.m. and asked the City Administrator to take roll.

ROLL CALL

Members Present: Mayor Jim Kosmo, Councilmembers Jack Nyenhuis, Jim Menard, Allen Schultz and Sharon Ridgway.

Members Absent: None

Others Present: Ken Hartung, City Administrator

RECONVENE THE 2001 TRUTH & TAXATION PUBLIC HEARING

Mayor Jim Kosmo reconvened the 2001 Truth and Taxation Public Hearing which was originally held on December 3, 2001. He indicated the purpose of this evening's meeting is to afford residents an opportunity to comment on the proposed levy and the City's budget.

No one from the public spoke on the levy or budget issue.

Moved by Councilmember Schultz, seconded by Councilmember Menard to close the public hearing related to the City of Bayport's 2002 Proposed Levy and 2002 Proposed Budget.

Voting in favor: Members Schultz, Menard, Kosmo, Ridgway and Nyenhuis.

Voting against: None

DISCUSS ADOPTING THE CITY OF BAYPORT'S 2002 LEVY AND 2002 BUDGET

Member Menard introduced the following resolution and moved its adoption: **RES. 01-146**

RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA CERTIFYING THE CITY OF BAYPORT'S LEVY TO WASHINGTON COUNTY FOR THE YEAR 2002 BUDGET AT \$1,275,594.

Motion for adopting the foregoing resolution was duly seconded by Member Schultz and upon roll call being taken thereon the following voted via voice:

Jim Menard – aye
Allen Schultz – aye
Jim Kosmo – aye

Jack Nyenhuis – aye
Sharon Ridgway – aye

Member Menard introduced the following resolution and moved its adoption: **RES. 01-147**

RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA ADOPTING THE GENERAL FUND BUDGET, SPECIAL LIBRARY FUND BUDGET, DARE FUND BUDGET, DRUG FORFEITURE FUND BUDGET, WATER FUND BUDGET, SEWER FUND BUDGET, TRUNK WATER AND TRUNK SEWER UTILITY CAPITAL IMPROVEMENT FUND BUDGET, FIRE EQUIPMENT REPLACEMENT FUND BUDGET, TAX STABILIZATION FUND AND PUBLIC WORKS EQUIPMENT FUND BUDGET FOR THE YEAR OF 2002.

Motion for adopting the foregoing resolution was duly seconded by Member Ridgway and upon roll being taken thereon the following voted via voice:

Jim Menard – aye
Allen Schultz – aye
Jim Kosmo – aye

Jack Nyenhuis – aye
Sharon Ridgway – aye

DISCUSS ADOPTING A RESOLUTION APPOINTING A SECRETARY/RECEPTIONIST

Member Menard introduced the following resolution and moved its adoption: **RES. 01-148**

RESOLUTION, CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA APPOINTING WENDI LINDQUIST AS THE CITY OF BAYPORT'S

CITY OF BAYPORT
CITY COUNCIL WORKSHOP MEETING
WEDNESDAY, DECEMBER 12, 2001
CITY COUNCIL CHAMBERS
7:07 P.M.

CALL TO ORDER

Mayor Kosmo called the City Council Workshop to order asked the City Administrator to take roll.

ROLL CALL

Members present: Mayor Jim Kosmo, Councilmembers Allen Schultz, Sharon Ridgway, Jim Menard and Jack Nyenhuis.

Members absent: None

Others present: Ken Hartung, City Administrator; Dave Mol, City Auditor; Mark Swenson, Fire Relief Association Treasurer; Mike Bell, Fire Department Fire Chief.

RELIEF ASSOCIATION BYLAW CHANGES AND RELIEF ASSOCIATION FUNDING

Mark Swenson, Bayport Fire Relief Association Treasurer, outlined significant changes to the Fire Relief Association Bylaws which have been adopted by the Fire Relief Association. He outlined those significant changes as follows:

1. Articles of Incorporation.

The Articles of Incorporation have been changed to reflect the original Articles of Incorporation filed with the Secretary of State.

2. Article 4 – Officers and Trustees

The officers and trustees section has been changed to separate the Treasurer and Secretary duties. The former bylaws incorporated the Treasurer and Secretary duties into one office. The State Auditor requires that those responsibilities be separated into two officer positions. Consequently, new officers' positions have been described separately as a Treasurer and a Secretary's position.

3. Section 7.4 – Injuries on Duty.

This section has been expanded to include permitting a disability payment to a fire fighter if they are injured on duty or are disabled by a catastrophic illness such as cancer or heart disease.

4. Article 10 – Application of Benefits.

This section of the bylaws has been changed so that it is consistent with the State Auditor's requirements.

5. Section 11.1 – Service Pension.

The Fire Relief Bylaws has eliminated the 5% annual interest that accrued to members who had 20 years of service but retired before the age of 50.

6. Section 11.3 – Vesting.

This section of the Fire Relief Association Bylaws stipulate State Statute vesting requirements. The fire fighters are required to serve a minimum of 10 years in order to be vested and at that point qualifies for 60% of the earned pension. This section also establishes the annual benefit for fire fighters at \$4750.00.

7. Section 12.1 – Survivor Benefits

This section establishes survivor benefits should a fire fighter die prior to being able to collect the benefits.

Dave Mol, the City's Auditor, HLB Tautges Redpath Ltd., reviewed with Councilmembers the purpose and financing of the Bayport Fire Relief Association. He noted the purpose of the Fire Relief Association is to 1) administer pension plans, 2) provide pension and disability benefits to fire fighters and 3) the Fire Relief Association Bylaws are governed by the Minnesota Statute 424A and 69.

Dave Mol indicated the funding associated with Fire Relief Associations comes from three sources. He indicated those sources are 1) State aid, 2) investment income and 3) City contribution. He noted, to date, the Bayport Fire Relief Association has funded its Relief Association with State aid and investment income. He indicated the City to date has had to make no contributions to their association.

Dave Mol indicated the benefits provided to the members of the Relief Association are provided in a lump sum benefit, which is based on the number of years of service. He noted the vesting requirements must be met, which require a fire fighter to have a minimum of 10 years of service. After 10 years of service,

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the fire fighters are vested at 60% and receive an additional 4% vesting for each year after 10 years until reaching a maximum of 20 years which is 100% vested. Dave Mol reviewed the financial history of the Fire Relief Association for the years of 1995 through 2002. He indicated in each of those years the Fire Department had significant assets in excess of its liability ranging from \$298,000 in 1995 to \$199,000 in 2000. He stated, however, in the year 2001 investments on earnings are down significantly from the year 2000. He noted in the year 2000 investments on earnings for the Fire Relief Association was \$47,380. He noted, as of November, investment earnings for 2001 were down \$150,000 which left an unfunded liability for the year 2001 of \$20,434. He noted, however, the stock market is going up at this time and near the end of the year there may be no under funding in this category. He indicated, however, if this trend holds true, there is a possibility the City would be required to make a contribution to the Fire Relief Association in the year 2003 in an amount of \$25,601.

Councilmember Nyenhuis asked who determined the benefit level per year of service for the Fire Relief Association.

Dave Mol indicated the Fire Relief Association determines what its benefit will be on an annual basis.

Mark Swanson, Treasurer of the Fire Relief Association stated the Fire Relief Association had the City's Auditor determine the assets in excess of liability for the Fire Relief Association at the end of each year. He indicated if there were significant excess assets for the liabilities, the Fire Relief Association would vote to increase their benefit so that the excess assets do not go higher than 117%.

Mayor Kosmo asked if the City was required to make a contribution in the year 2003 where would the City get the money.

Ken Hartung, City Administrator, stated the easiest way to fund the liability would be to designate the contribution from the City 2001 Fund Balance.

Ken Hartung stated part of the reason this is on the City Council Workshop agenda this evening was for the City Council to become more familiar with the function and financing associated with the Fire Relief Association. He also indicated the Fire Relief Association would like Council to take formal action to approve the Fire Relief Association Bylaws and the annual pension contribution of \$4,750. He stated, if the City Council takes such action and the Fire Relief Association has a deficit for any given year, the City Council would be required to make up the difference. He stated, however, the City Council would also have the right to determine whether or not the Fire Relief Association is able to increase its benefits. He noted if the City Council does not authorize an increase in benefits, the Fire Relief Association could not unilaterally increase those benefits.

Formal approval of the Fire Relief Association bylaws and contribution level may be on the City Council agenda for January 7th.

DISCUSS ADDING A PLANNING STAFF POSITION

Mayor Jim Kosmo stated he asked this item be placed on the City Council Workshop agenda for the purpose of discussing the possibility of adding a Planning staff position to the City of Bayport. He indicated he believes it is important for the City Council to consider this item so residents continue to get good service associated with planning services. He indicated, additionally, if the developer comes in with a proposal for the West Property, it would take a considerable amount of staff time to process a rezoning application, conduct the public hearings and prepare all the reports required for a proposed development process.

Councilmember Jack Nyenhuis stated he believes it is also important to have a person on staff that can check to see if issued Conditional Use Permits are complying with requirements. Additionally, he stated code enforcement could take up a considerable amount of time.

Councilmember Menard stated he is in favor of looking at the position and would like to discuss it at the next Council meeting of January 7th. Councilmembers reviewed a City Planner job description which was distributed.

Councilmembers discussed the salary range outlined in the Council Letter which was between \$36,000 and \$50,000. On top of the salary there would be a 30% overhead associated with benefits such as health insurance, life insurance and vacation.

Councilmembers directed the City Administrator to place this item on the City Council agenda for January 7 for further discussion.

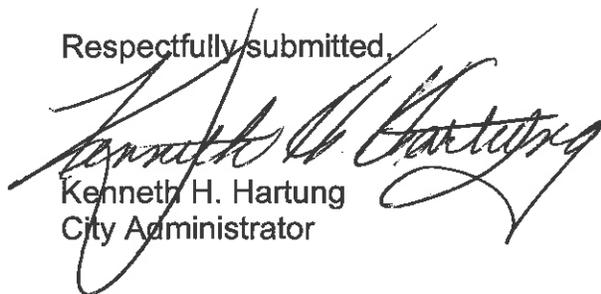
DISCUSS ADMINISTRATOR'S PERFORMANCE REVIEW

Councilmembers reviewed the areas of responsibility on the City Administrator's performance appraisal form. Councilmembers determined they would individually rate the Administrator's performance and hand their individual ratings into an evaluation committee consisting of Councilmembers Jim Menard and Jack Nyenhuis. Councilmembers were requested to have their performance review of the Administrator completed by Monday, December 17th. Councilmember Jim Menard and Jack Nyenhuis will combine the Councilmembers' individual evaluations into one form. Councilmembers Jim Menard and Jack Nyenhuis will meet with the City Administrator on Tuesday, December 18th to review his performance.

ADJOURN

Mayor Jim Kosmo adjourned the City Council Workshop at 8:30 p.m.

Respectfully submitted,



Kenneth H. Hartung
City Administrator