

**CITY OF BAYPORT
CITY COUNCIL MEETING MINUTES
COUNCIL CHAMBERS
JULY 7, 2014
6:00 P.M.**

CALL TO ORDER

Pursuant to due call and notice, Mayor St. Ores called the regular City Council meeting of July 7, 2014 to order at 6:00 p.m., and asked Councilmembers, staff and the audience to join in pledging allegiance to the American Flag.

ROLL CALL

Members Present: Mayor Susan St. Ores, Councilmembers Connie Carlson, Dan Goldston, Michele Hanson and Patrick McGann

Members Absent: None

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

APPROVAL OF AGENDA

It was moved by Councilmember Carlson and seconded by Councilmember McGann to approve the July 7, 2014 City Council agenda. Motion carried 5-0.

PROCLAMATIONS/COMMENDATIONS/PETITIONS/ANNOUNCEMENTS

1. The June recycling award recipient is Dave Goulette who will receive \$30.00 for his recycling efforts, with funding made possible by a grant from Washington County.

OPEN FORUM

1. Judy Johnson, 503 5th Street North, expressed concern about rising groundwater issues occurring in her yard and on her block this year, due to a natural spring in the area. She is not satisfied with the city's efforts to mitigate the issue and requested the city engineer investigate the matter.
2. Peter Rask, 538 5th Street North, stated the groundwater problem has been an ongoing issue in his yard for many years and that it has gotten worse since the city re-lined the sewer pipes last year. He requested that the city engineer investigate drain tiling the area into the storm sewer system.

Mayor St. Ores directed City Administrator Martin and City Engineer Parotti to address the issue this week and report back to the City Council. Engineer Parotti said he recently visited the area with city staff and is aware of the groundwater issue. Mayor St. Ores encouraged residents to contact the city whenever they have a problem that needs to be addressed.

CONSENT AGENDA

Mayor St. Ores read items 1-8 on the consent agenda.

Councilmember Carlson introduced the following resolution and moved its adoption:

Resolution 14-12

**RESOLUTION APPROVING CONSENT AGENDA ITEMS 1-8 FROM THE
JULY 7, 2014 CITY COUNCIL AGENDA**

1. June 9, 2014 City Council regular meeting minutes
2. June payables and receipts (check numbers 1137273-1137359)

3. June building, plumbing and mechanical permits report
4. Appointment of individuals to serve as city election judges
5. Donation from Mary and Paul Goulette for hanging flower baskets
6. Purchase of lawn maintenance equipment for the Public Works Department
7. Approval of Minnesota Lawful Gambling Premises Permit Application submitted by Bayport American Legion for Perro Creek Tavern, 193 3rd Street North, Bayport, MN
8. Special event application from Bayport First State Bank and Trust for a company picnic at Lakeside Park on Saturday, August 23, 2014

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

Susan St. Ores – aye
 Connie Carlson – aye

Dan Goldston – aye
 Michele Hanson – aye

Patrick McGann – aye

PUBLIC HEARINGS

Consider the 1st Avenue South Sanitary Sewer Service Project to install new sanitary sewer services to 220 and 239 1st Avenue South: City Engineer Parotti reviewed the feasibility report to provide city sewer service to the properties at 220 and 239 1st Avenue South, which currently have private septic systems. The property at 239 1st Avenue South is for sale and has a non-compliant septic system that must be replaced prior to a sale; the homeowners at 220 1st Avenue South understand they may also need to replace their septic system in the near future. The city's comprehensive plan requires the property to connect to the city sanitary sewer system because service is available, instead of replacing the private septic system. It was determined that sanitary sewer is available in this area, and the basements in the homes are too low to extend gravity sanitary sewer. The most cost-effective solution is to install individual lift stations with grinder pumps that would discharge to lower pressure force mains and connect to the existing sanitary sewer in 3rd Street South. The estimated project cost is \$50,231.50, and the two benefitting properties would be assessed for 100% of the project costs, per the city's assessment policy and Minnesota Statute 429 procedures. Councilmember Hanson questioned the benefits of individual lift stations and maintenance responsibilities. Engineer Parotti said gravity sewer is optimal; however a recent survey of the properties indicated it was not an option because the residential properties are lower than the street. The drawback to the individual lift stations is the required maintenance, and he said the stations would be owned and maintained by the property owners. He added the estimated project costs include restoration of the yards and gravel streets (1st Avenue South and 2nd Street South).

Mayor St. Ores opened the public hearing and the following were heard:

Chris Hayner, representing his father Robert Hayner who lives at 220 1st Avenue South, said both properties in the feasibility report are served by the only gravel streets in the city, despite paying taxes in the city for over 60 years. He indicated both properties could be subdivided into additional lots along 2nd Street South and wanted to be sure the proposed lift station is the best option long-term, should it be feasible to subdivide the lots in the future. He is in favor of a gravity system, adding that an individual lift station is not a common method of providing sanitary sewer within city limits. Administrator Martin stated the estimated assessment costs to the two property owners for the lift station option are substantially less than the proposed 2013 project that would have raised and paved 2nd Street South to add utilities to an expanded area. Mr. Hayner questioned why the city wasn't paying half of the project costs and Administrator Martin explained the city's assessment policy calls for the property owner to pay for 100% of sewer improvements because the property receives the entire benefit of the improvement. He added that the property owner at 239 1st Avenue South supports the proposed project

and assessment. Engineer Parotti explained that the city explored the subdivision option for providing utilities to the area last year and it was not pursued due to the estimated project costs and lack of interest by some of the affected property owners. He noted that a gravity system may be an option for future subdivided lots, as it is likely they would need to be raised, and possibly built without a basement, to meet current city code and flood plain requirements. Discussion followed on the cost benefits of installing both services due to the economy of scale. Administrator Martin will ensure that paving of the gravel streets is considered as part of the city's long-term infrastructure planning and evaluate the priority level. Mr. Hayner wanted to ensure that additional costs for sewer service would not be charged against the property should future subdivisions occur. Administrator Martin confirmed that future lots would pay for sanitary access, but the proposed systems at 220 and 239 1st Avenue South would not be required to be changed at that time. Mr. Hayner indicated that his family was not opposed to the proposed improvement, but he wanted to make sure the city explored all options.

It was moved by Councilmember Hanson and seconded by Councilmember Carlson to close the public hearing. Motion carried 5-0.

Councilmember Hanson introduced the following resolution and moved its adoption:

Resolution 14-13

**RESOLUTION RECEIVING A FEASIBILITY REPORT AND ORDERING SANITARY
SEWER IMPROVEMENTS TO 220 1ST AVENUE SOUTH AND 239 1ST AVENUE SOUTH
WITHIN THE CITY OF BAYPORT, MINNESOTA**

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

Susan St. Ores – aye
Connie Carlson – aye

Dan Goldston – aye
Michele Hanson – aye

Patrick McGann – aye

COUNCIL LIAISON REPORTS

Councilmember Carlson reviewed the June 19, 2014 Library Board meeting, noting the implementation phase of the strategic plan is underway and going well.

Mayor St. Ores attended the Dane's Place Fundraiser and will report on the July meeting of the Middle St. Croix Watershed Management Organization next month. She thanked members of the Bayport Fire Department, Lakeview Hospital paramedics, and the Oak Park Heights and Bayport Police Departments who assisted Mayor St. Ores and her husband after a motorcycle accident.

UNFINISHED BUSINESS

Consider bids and awarding the contract for construction of Phase II improvements at Perro Park:

Landscape Architect Larry Wacker reviewed the project and five bids that ranged from \$171,700.00 to the low bid of \$126,787.00 from Siegfried Construction of Bayport. He noted the low bid is 15% higher than the cost estimate provided in May; however he believes it is within a reasonable margin and staff indicated there are funds to complete the work. Staff recommended that the contract for the Phase II improvements be awarded to Siegfried Construction for \$126,787.00, which includes the base bid plus bid alternates 1 and 2. Administrator Martin said the total revised cost estimate is \$140,427.00, which includes design and engineering fees. Donations of \$20,000.00 are anticipated, bringing the expenditure to \$120,427.00. The city budgeted \$100,000.00 in the capital improvement plan for these improvements and can transfer funds from other capital improvement projects or the contingency fund at the end of the year to offset the overage associated with the project. Discussion followed on the factors affecting the the bid results, clarification on the location of the sidewalk, the increased design and engineering fees

being tied to the increased construction budget, follow up on the potential donation for excavation work, and the possibility of completing the sign and stairs at a later date. The general consensus was to complete the project as presented. Mayor St. Ores stressed there are funds in the 2014 budget to complete the entire project as proposed and expressed her disappointment with the increase in estimated costs since the project was presented to the City Council in May.

It was moved by Councilmember Carlson and seconded by Councilmember Hanson to award the contract for the Phase II site improvements at Perro Park to Siegfried Construction, Bayport, Minnesota, in the amount of \$126,787.00, with additional costs as delineated in the staff report. Motion carried 5-0.

NEW BUSINESS

Consider issuance of new on-sale, Sunday, and off-sale liquor licenses for the proposed tavern/restaurant establishment to be located at 320 5th Avenue North: Assistant City Administrator/Planner Taylor reviewed a liquor license application from Julia Kaemmer, Flannons LLC, for the proposed tavern/restaurant “L’Etoile du Nord,” scheduled to open this fall. A background check did not reveal any negative information that would disqualify the applicant. To be consistent with the conditional use permit (CUP) recently issued for the property and similar tavern/restaurants in the city, staff recommended that the licenses require outdoor liquor consumption to end at 10:00 p.m., Sunday through Thursday, and 12:00 a.m. on Friday and Saturday. The building is being extensively remodeled and she stated the licenses would not be issued until staff determines the building meets all life safety, food service, building and fire codes and is in compliance with the CUP.

It was moved by Councilmember Goldston and seconded by Councilmember Carlson to approve the issuance of an on-sale, Sunday, and off-sale liquor license for Julia Kaemmer, Flannons LLC doing business as “L’Etoile du Nord,” for the proposed tavern/restaurant to be located at 320 5th Avenue North, subject to approval of the Minnesota Alcohol and Gambling Enforcement Division, completion of all building improvements to meet applicable code requirements, and correction of any health, safety, and welfare issues that the city deems necessary, to ensure the establishment is fit for occupancy and service, for a license period to expire on December 31, 2014, with the requirement that the outdoor liquor consumption cease by 10:00 p.m., Sunday – Thursday and 12:00 a.m. on Friday and Saturday.

Consider issuance of new on-sale and Sunday liquor licenses for the tavern/restaurant establishment located at 193 3rd Street North: Assistant City Administrator/Planner Taylor reviewed a liquor license application from Leah Buermann, Buermann Investments LLC, to lease and operate the existing tavern/restaurant named Perro Creek Tavern. A background check did not reveal any negative information that would disqualify the applicant. To be consistent with the conditional use permit and past liquor licenses, staff recommended that the liquor licenses require outdoor liquor consumption to end at 10:00 p.m., Sunday through Thursday, and 12:00 a.m. on Friday and Saturday. A recent inspection indicated the building meets all applicable building and fire codes.

It was moved by Councilmember Carlson and seconded by Councilmember Hanson to approve the issuance of an on-sale and Sunday liquor license for Leah Buermann, Buermann Investments LLC, doing business as “Perro Creek Tavern,” for the tavern/restaurant located at 193 3rd Street North, subject to approval of the Minnesota Alcohol and Gambling Enforcement Division, and correction of any health, safety, and welfare issues that the city deems necessary, for a license period to expire on December 31, 2014, with the requirement that the outdoor liquor consumption cease by 10:00 p.m., Sunday – Thursday and 12:00 a.m. on Friday and Saturday.

Consider an amendment to Chapter 26 – Environment of the Bayport Code of Ordinances: City Administrator Martin explained that a recent amendment to Chapter 62-Vegetation of city code requires

that tree limbs and other vegetation be maintained at a minimum height of 15 feet above a street, alley, or other public right-of-way. Chapter 26-Environment of city code also includes similar language for maintaining vegetation heights over city rights-of-way and staff recommended striking the reference in this chapter to streamline city code.

Councilmember Hanson introduced the following ordinance and moved its adoption:

Ordinance #845

**AN ORDINANCE OF THE CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
AMENDING CHAPTER 26 – ENVIRONMENT, ARTICLE II. NUISANCES, DIVISION I.
GENERALLY OF THE BAYPORT CITY CODE**

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

Susan St. Ores – aye
Connie Carlson – aye

Dan Goldston – aye
Michele Hanson – aye

Patrick McGann – aye

Councilmember Carlson requested clarification on the city's code compliance for tall grass. Administrator Martin said a property owner is given seven days to comply before a citation is issued; however staff allows for extenuating circumstances.

Consider designating a professional services firm to serve as the construction manager for the proposed new fire hall: Administrator Martin reviewed the progress to date for the new fire hall project and stated the city is ready to begin the next phase of pre-design and pre-construction activities, which include public bidding of architectural and engineering firms and development of a project budget. He compared utilizing a general contractor model versus a construction manager model to guide the city through the process. Staff recommended engaging a construction manager (CM) to act as the city's agent early in the project, due to limited staff capacity to work with a general contractor on a project of this size. Three CM firms were interviewed, with firms quoting a range of 3-3.5% of the building construction cost to provide this service. The estimated building price is between \$3-4 million, which would equate to a \$90,000.00-\$120,000.00 fee for CM services as part of the project budget. Staff recommended engaging the services of Kraus-Anderson because of their knowledge and experience serving as CM for many similar projects, most recently including the new Stillwater fire station project, at a quoted fee of 3%.

Kraus-Anderson representatives John Huenink and Gary Zifko were introduced. They are currently working on the Stillwater fire station project and would serve in the same capacity for Bayport. Mayor St. Ores cautioned that the City Council has not approved a budget for the project, and Mr. Huenink stated they serve as an extension of staff and work closely with all parties to make sure the project stays within the approved budget. Administrator Martin said the building design team will work with the CM and architect to develop the design and ultimate budget that would be presented to the City Council for approval. Councilmember Goldston, who is representing the City Council on the design team, questioned costs for site preparation and utility extensions. Mr. Huenink stated his firm would not charge for coordinating the groundwork and utility extensions. He added that Kraus-Anderson's goal would be to hire local contractors and the quoted 3% fee is a locked, lump-sum amount that would not be increased unless there was a major change in the scope of the project. Councilmember Goldston questioned additional management fees for general conditions and job site supervision, and Mr. Huenink stated these fees would be on top of the quoted 3%, similar to the general contractor model. Administrator Martin reviewed the basics of the proposed contract with Kraus-Anderson and confirmed that the City Attorney would review it prior to signature. If the CM is approved, Administrator Martin

said Kraus-Anderson would immediately begin the process to publicly bid for architectural services so a project budget can be firmed up and presented to the three municipalities that will be cost-sharing construction costs with the city.

It was moved by Councilmember Hanson and seconded by Councilmember Goldston to engage Kraus-Anderson as the construction manager for the proposed fire hall project, at a fee of 3% of the building construction cost. Motion carried 5-0.

STAFF/CITY ADMINISTRATOR REPORTS

Administrator Martin reviewed the Police and Public Works Department reports. On Saturday, July 12, residents should be aware of runners participating in 5K and 10K races that begin and end at Lakeside Park. He noted registrations are still open for the Police Department's Youth Safety Camp scheduled for August 4 and 5 at Lakeside Park, followed by the community Night to Unite on the evening of Tuesday, August 5.

Fire Chief Swenson thanked the City Council for approving Kraus-Anderson as construction manager for the proposed fire hall and believes they will be a good fit for the project. He has been working with Administrator Martin and Xcel Energy to reduce the cost of extending utility lines to the proposed fire hall location and noted the current plan reduces the cost from \$350,000.00 to approximately \$40,000.00. He shared a photo of the new fire truck that arrived last week and said the department is pleased with the vehicle's performance. The department continues to train for possible accidents during the construction of the St. Croix River Crossing Project.

Assistant City Administrator/Planner Taylor reviewed her written report, noting that absentee ballots are now available for the August 12 Primary Election for federal and state offices, with Washington County handling these ballots and new voter registrations. Staff has completed a cross-referencing project of Hazelwood Cemetery records that will be used to generate a map to identify occupied and unoccupied gravesites. She reminded residents there is still time to nominate your favorite front entry garden for the Bayport in Bloom contest, with entries due at City Hall by July 16.

Administrator Martin reported the city was able to avoid major issues with the recent flooding of the St. Croix River and thanked the Public Works, Police and Fire Departments for their efforts in dealing with the rising water. He recognized the groundwater issue at Lakeside Park, resulting in continued flooding of the lower half of the park, and said staff will be evaluating how to restore the area once it dries out. Staff is in the process of developing the 2015 budget.

CITY COUNCIL ITEMS AND ANNOUNCEMENTS

1. Councilmember Goldston thanked the Public Works staff for their speedy cleanup on Point Road after the flood waters receded.
2. Mayor St. Ores thanked Paul and Mary Goulette for the donation towards two hanging flower baskets. She added the city is receiving many positive comments about the addition of the baskets.
3. Councilmember Carlson requested direction from Administrator Martin on how councilmembers should respond when a resident brings a city issue to their attention. Administrator Martin said residents can reach out to councilmembers, who, in turn, will notify the City Administrator of the issue and follow up to address the concern. Mayor St. Ores acknowledged an opportunity for improved communication between city staff and residents to provide status updates on specific issues. Councilmember Hanson requested that administration also update councilmembers on the status of concerns they bring to the city's attention.

ADJOURNMENT

It was moved by Councilmember Goldston and seconded by Councilmember Hanson to adjourn the meeting at 8:13 p.m. Motion carried 5-0.

City Administrator/Clerk