

**CITY OF BAYPORT
CITY COUNCIL MEETING MINUTES
COUNCIL CHAMBERS
APRIL 3, 2017
6:00 P.M.**

CALL TO ORDER

Pursuant to due call and notice, Mayor St. Ores called the regular City Council meeting of April 3, 2017, 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 St. Ores, Councilmembers John Buckley, Connie Carlson, Michele Hanson and Patrick McGann

Members Absent: None

Staff Present: City Administrator Adam Bell, Police Chief Laura Eastman, Fire Chief Allen Eisinger, Public Works Director Matt Kline, City Engineer John Parotti, City Attorney Andy Pratt, and Assistant City Administrator/Planner Sara Taylor

APPROVAL OF AGENDA

It was moved by Councilmember Hanson and seconded by Councilmember Carlson to approve the April 3, 2017 City Council agenda. Motion carried 5-0.

PROCLAMATIONS/COMMENDATIONS/PETITIONS/ANNOUNCEMENTS

1. The March recycling award recipient was Dave Larson who will be awarded for his recycling efforts, with funding made possible by a grant from Washington County.

OPEN FORUM

Natalie Warren, St. Croix River Association, provided information on upcoming land use workshops geared toward local government officials. Sessions are scheduled for April 18, 25, and May 2 in Stillwater. The discounted cost per workshop is \$35.00.

CONSENT AGENDA

Mayor St. Ores read items 1-13 on the consent agenda.

Councilmember Hanson introduced the following resolution and moved its adoption:

Resolution 17-08

**RESOLUTION APPROVING CONSENT AGENDA ITEMS 1-13 FROM THE
April 3, 2017 CITY COUNCIL AGENDA**

1. March 6, 2017 City Council workshop minutes
2. March 6, 2017 City Council regular meeting minutes
3. March payables and receipts (check numbers 008242-008345)
4. March building, plumbing and mechanical permits report
5. Special event application from Andersen Elementary for 5th/6th grade graduation party on May 31, 2017 at Lakeside Park
6. Temporary on-sale liquor license for Church of St. Charles on April 7, 2017
7. Renewal of boat trailer parking agreement with Andersen Corporation
8. Purchase of a replacement grass fire vehicle for the Fire Department
9. Purchase of a replacement squad vehicle for the Police Department
10. Pay applications #19 and #20 from Kraus Anderson and subcontractors for Fire Hall construction

11. Joint Powers Agreement with State of Minnesota for use of the criminal justice data communications network (*Resolution 17-08A*)
12. Special event application for Bayport Cub Scout Pack #113 for spring picnic on May 20, 2017 at Lakeside Park
13. Donation of \$15,000.00 to Fire Department for airboat from Hugh J. Andersen Foundation

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

Susan St. Ores – aye	Connie Carlson – aye	Patrick McGann – aye
John Buckley – aye	Michele Hanson – aye	

PUBLIC HEARINGS

Public improvement hearing on proposed assessments related to a utility extension, street reconstruction, and drainage improvement project: Public Works Director Kline provided an overview of the project and the Minnesota Statutes 429 assessment process. He explained approving tonight’s resolution ordering the improvements would not bind the city to accept the project and the City Council could adjust the scope of the project until the contract is signed with the contractor. The proposed resolution allows the project to be reduced, but not expanded. He said the proposed improvements would be assessed over a 10-year period, with interest of 2% greater than the current bond market for the city (currently 3-4%). The city would need to amend its special assessment policy in order to revise the interest rate for the project. City Engineer Parotti reported the underground utilities are estimated to be 50-60 years old and many factors contribute to their lifespan. With proper maintenance, sewer lines can last 50-150 years. He distributed photos taken during recent televising of the sewer lines under 3rd Avenue South and the alley in the proposed project area. The televising report revealed broken and cracked pipes, as well as holes in pipes and manholes that need repairs and upgrades for staff safety. The sanitary sewer under 4th Avenue South is in good condition. Despite the age of the water mains, they are in good condition and require low maintenance. However, the water main valves and hydrants that deteriorate more rapidly will be replaced as part of the project. Councilmembers inquired about the estimated cost if the project was delayed so homeowners could prepare for the assessment, and Engineer Parotti noted construction costs increase an average of 2-3% per year.

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

Tim Siegfried, Perro South, Inc., 510 Perro Creek Drive South, agrees that 4th Avenue South needs to be improved. His concern is whether the proposed improvements will address all the drainage issues in the area. He recommended extending the pavement project down Perro Creek Drive to the intersection of 3rd Street South to improve the area, noting this extension would increase his assessment. Engineer Parotti said the improvements in this area would address the erosion and sedimentation problems associated with the gravel road. The scope of the project does not include raising 3rd Street South where the ponding occurs; however, the City Council could choose to expand the project. Mayor St. Ores noted her concern for project stopping points and double assessments. Mr. Siegfried asked about erosion problems from the no-curb design planned for 4th Avenue South, and Engineer Parotti said the Public Works Department will need to maintain the gravel shoulder to prevent erosion and support the structural edge of the asphalt.

Pat Twohy, 386 Minnesota Street South, said it would be a financial burden to pay his \$8,000 assessment and asked the city to pursue less expensive options or find another funding source. He questioned whether a resident petition could delay the project. Mayor St. Ores noted the need to replace the majority of the city’s infrastructure in the coming years and that city staff developed the current

project taking many factors into consideration. She recognized the financial strain the assessments would place on property owners and restated her request that the city have an infrastructure plan in place before considering future improvement projects.

John Quast, 448 4th Street South, said he is being assessed for the street and sewer improvements to the alley; however, he has no access to his property from the alley and would not benefit from paving it. He is concerned the city may plan improvements to 4th Street South in the near future and he would be assessed again. Councilmembers noted the need to be mindful of choosing future projects that don't overlap with a property owner's ongoing assessment for a past project. Administrator Bell noted the added challenge of an alley system, especially with the sewer main in the alley and water main in the street. Mr. Quast inquired about the timeframe for the project. Engineer Parotti anticipates the work to begin by the end of June and finish in late summer.

Patrick McManus, 516 4th Street South, read an email from his uncle, Robert McManus, who owns the property and was unable to attend tonight's meeting. The email raised concerns about the need for the sewer repairs in the alley, repaving the entire alley, whether this property benefits from the improvements, and the amount of the assessments. Patrick also expressed parking concerns during the project construction. He was assured residents accessing their homes from the alley would have access to street parking; however, these residents will not have access to their garages for a short period of time. He noted the financial stress the proposed assessment is adding to his entire household. Councilmember Hanson explained the justification for repaving the entire alley versus patching the sections that would be torn up to access the sewer main. Patrick appreciated seeing the televised photos presented earlier in the meeting showing the damaged sanitary sewer lines under the alley. Discussion followed on the reason this property was included on the assessment roll, which was due to the homeowners accessing their property from the alley and parking their vehicles at the turnaround at the end.

Torry Kraftson, 394 4th Street South, said he is generally in favor of the project; however, he is concerned that his property was assessed for an alley improvement in 2007. He doesn't believe the assessment is fair and equitable since he already paid for an alley improvement. As a former city engineer, he believes the proposed assessments are high and should be in the \$4,000 to \$6,000 range for the scope of this project. He acknowledged that cost inflation in the last 5-10 years and the smaller project scale most likely affect the increased cost of the proposed project. He questioned the benefit of an \$8,000 assessment on homes valued at \$150,000, and noted the financial burden the assessment would add to his yearly taxes, especially with the proposed interest rate.

Timothy Hutchins, 456 4th Street South, said he doesn't think the entire alley needs to be repaved and expressed concerns with the financial hardship and interest rate of the proposed assessment. Administrator Bell said the bond rate fluctuates and the city has no control over the rate, per the city's special assessment policy. The City Council could choose to amend the policy to lower the 2% the city charges on top of the current bond rate; however, he recommended the city take time to review the entire policy and research any proposed changes before amending the policy. Discussion followed on patching the alley versus repaving in its entirety, with staff noting it is not a best practice since the patched area would be torn up when the entire alley needs repaving.

John and Cindy Hering, 439 5th Street South, believe the \$8,000 assessment is too high and recommend patching versus paving the entire alley. They are concerned with being assessed when 5th Street South needs to be improved. Mrs. Hering also recommended city staff check with other cities to see how they fund infrastructure improvements and to explore alternate funding sources to decrease the financial impact on property owners. Councilmember Buckley inquired whether the project would qualify for a

Metropolitan Council inflow and infiltration (I & I) grant to line the sanitary sewer. Engineer Parotti said the project area was not identified as a high priority I & I area by the Metropolitan Council and would not typically qualify for grant funding to offset the cost of a sewer lining project.

Jeff Ball, 419 5th Street South, echoed the concerns raised by other property owners concerning the financial burden of the proposed assessment and the possibility of another assessment in the future. He urged Councilmembers to consider the amount of assessments and the schedule before ordering future projects.

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

UNFINISHED BUSINESS

NEW BUSINESS

Consider a resolution ordering the utility extension, street reconstruction, and drainage improvement project: Public Works Director Kline recapped the process to adopt the improvement project to meet the Minnesota Statutes 429 assessment requirements. He said ordering the project is the next step in the 429 assessment process and the City Council could decide not to proceed, until the contract is awarded at the June 5 meeting. Staff recommended adopting the resolution ordering the improvement. As one of the property owners being assessed, Councilmember Hanson acknowledged the financial impact to homeowners but would prefer to pay for the improvements now instead of paying more in 1-2 years and have the assessment potentially overlap with a future street improvement project. Councilmember Carlson acknowledged the property owners' concerns and asked if there were any other funding and/or special assessment options. It was noted the city could delay certifying the assessments until the 2019 tax season, but Councilmembers said staff would need to research this option to gauge the overall financial impact. Councilmember McGann questioned whether it would be possible to adjust the assessments based on the property value and/or set a cap on the assessments. Mayor St. Ores said she is reluctant to pursue scenarios for this project without fully understanding the long-term financial implications for all property owners. Administrator Bell noted there is a hardship deferment for seniors, the disabled, and active military duty personnel. Councilmember Buckley asked for more information on the assessment-benefit determination. Attorney Pratt said the assessment cannot exceed the benefit to the property, and there is a specific challenge process outlined in state statutes. Councilmember Buckley's preference was to proceed with the 2nd Avenue South portion of the project at this time and delay the remaining improvements for 18 months to allow homeowners time to budget for the expense. Mayor St. Ores said she was not expecting the project to expand beyond 2nd Avenue South to include assessments to property owners who were not able to adequately prepare for the expense (3rd Avenue South/Alley and 4th Avenue South). Engineer Parotti said the costs for the three subsets of the project were calculated independently and that unit costs generally increase as the project size decreases. Councilmembers expressed a desire to get real numbers on the cost and proposed assessments before deciding on the scope of the project and the general consensus was to order the improvements to obtain these numbers.

Councilmember Hanson introduced the following resolution and moved its adoption:

Resolution 17-09

**RESOLUTION ORDERING THE UTILITY EXTENSION, STREET
RECONSTRUCTION, AND DRAINAGE IMPROVEMENT PROJECT WITHIN
THE CITY OF BAYPORT, MINNESOTA**

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

Susan St. Ores – aye Connie Carlson – aye Patrick McGann – aye
John Buckley – aye Michele Hanson – aye

Consider an amendment to Chapter 22 - Businesses of the Bayport City Code of Ordinances related to regulation of massage therapy: Police Chief Eastman said the proposed ordinance amendment is in response to the Washington County Attorney’s Office efforts to address human trafficking in the county, which can be related to massage therapy businesses. She explained the ordinance will protect the current massage therapist in the city who has a massage certificate and will require specific license eligibility requirements to regulate against individuals who advertise on the Internet for inappropriate massage services. Without an ordinance in place, the Police Department cannot start an investigation on a suspect massage business. Police staff has discussed the pending licensing requirements with the massage therapist currently doing business in the city. Staff recommended approval of the ordinance amendment and the summary publication.

Councilmember Carlson introduced the following ordinance and moved its adoption:

Ordinance #857

**AN ORDINANCE OF THE CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
AMENDING CHAPTER 22 – BUSINESSES, OF THE CITY CODE, BY ADDING ARTICLE
VII.- MASSAGE THERAPY BUSINESS AND MASSAGE THERAPIST LICENSES**

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

Susan St. Ores – aye Connie Carlson – aye Patrick McGann – aye
John Buckley – aye Michele Hanson – aye

Councilmember Hanson introduced the following ordinance and moved its adoption:

Ordinance #857S

**AN ORDINANCE OF THE CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA
AMENDING CHAPTER 22 – BUSINESSES, OF THE CITY CODE, BY ADDING ARTICLE
VII.- MASSAGE THERAPY BUSINESS AND MASSAGE THERAPIST LICENSES**

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

Susan St. Ores – aye Connie Carlson – aye Patrick McGann – aye
John Buckley – aye Michele Hanson – aye

Consider an amendment to Appendix D – Fee Schedule of the Bayport City Code of Ordinances related to massage: City Administrator Bell said the city’s fee schedule must be amended to add the fees related to the ordinance amendment that added massage therapy business and therapist licenses. Staff researched the fees charged by other cities and believes the proposed fees are fair in light of the amount of staff time required to process a license. The requirements for the current massage therapist were reviewed. Staff recommended approval of the ordinance amendment.

Councilmember Hanson introduced the following ordinance and moved its adoption:

Ordinance #858

**AN ORDINANCE OF THE CITY OF BAYPORT, WASHINGTON COUNTY, MINNESOTA,
AMENDING APPENDIX D, FEE SCHEDULE, OF THE CITY CODE**

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

Susan St. Ores – aye

Connie Carlson – aye

Patrick McGann – aye

John Buckley – aye

Michele Hanson – aye

COUNCIL LIAISON REPORTS

Councilmember Buckley reported on his liaison role with the Fire Department as staff works with the general contractor to complete the outstanding building issues related to the new Fire Hall. He expects the project to be completed in July or August.

Councilmember Hanson reported on the March 20 meeting of the Central St. Croix Valley Cable Commission. The Lower St. Croix Cable Commission decided to dissolve its agreement with the Central St. Croix Valley Cable Commission. As a result, cable television subscribers in Afton, Lake St. Croix Beach, Lakeland, Lakeland Shores and St. Mary’s Point will no longer have access to local community programming. She said requests for studio/equipment time have increased significantly in the past few months as other cable commissions have closed their local access centers. Staff is determining fees and guidelines for these services.

Councilmember Carlson reported on the March 21 Library Board meeting, with the Library Director noting the circulation increased from last year. The library has multiple activities scheduled in April, including the annual Easter Egg Roll on Tuesday, April 11 at 10:30 a.m. Details are available on the library’s website. The next meeting is scheduled for Tuesday, April 18, 2017, at 6:00 p.m. at the library.

Councilmember McGann reported the Middle St. Croix Watershed Management Organization did not meet in March and the next meeting is scheduled for Thursday, April 13, 2017.

Mayor St. Ores was a presenter at the Greater Stillwater Area Chamber of Commerce Mixer attended by other local government officials on March 16. Discussion focused on attracting and assisting small business growth.

STAFF/CITY ADMINISTRATOR REPORTS

Fire Chief Eisinger reviewed his written report and noted the March call volume was 90, with a year-to-date total of 306. He reviewed monthly training and commented on the effectiveness of the training facilities at the new Fire Hall. April 17-21 is Minnesota Severe Weather Awareness Week and two statewide tornado warning drills are scheduled for Thursday, April 20. The warning sirens will sound at 1:45 p.m. and 6:45 p.m. on April 20, in addition to the Washington County warning siren test on the first Wednesday of the month at 1:00 p.m. Staff is pleased with the progress being made on the punch list for the new Fire Hall.

Police Chief Eastman reviewed the department’s past and upcoming events. Four new Reserve Officers completed a two-day training course this past weekend. The Stillwater Gazette will be reporting on the training in an upcoming edition. Washington County and the Cottage Grove Police Department are spearheading mobile field force training that deals with crowd management during protests, demonstrations, etc. All Bayport officers will be attending this free training. She highlighted the May

18 Youth Service Bureau Gala, a fundraiser to support the outreach programs that benefit area youth. Residents were reminded to keep their dogs under control at all times and to clean up pet waste.

Public Works Director Kline said the department has begun spring street sweeping and has tentatively scheduled hydrant flushing the week of April 17. Sentence to Serve crews are assisting the department with spring cleanup efforts. He reminded residents to refrain from flushing non-disposable/non-flushable items into the sanitary sewer. Sixteen residents attended the March 28 informational public open house on the proposed improvement project and staff had the opportunity to answer questions and get feedback. Final work on the municipal parking lot, including fencing and landscaping, is scheduled to be completed in early May.

Assistant City Administrator/Planner Taylor said she attended training sessions on floodplain and shoreland management and aquatic invasive species, including silver and bighead carp. She will coordinate continued discussion on prioritizing potential park and downtown improvement projects via another City Council workshop later this month. She is working on the developer's agreement for the new business at 201 2nd Avenue South and the site and utility improvements should begin next week. She has been meeting with St. Michael's Cemetery staff on an expansion and site improvement project and working on the city newsletter that will be out by the end of the month. Upcoming meetings and events were reviewed.

City Administrator Bell commended Police Chief Eastman on her efforts to regulate massage therapy in the city and ultimately combat human/sex trafficking. He attended the improvement project open house and was pleased with the turnout and the opportunity to meet residents and explain the project to them. He provided an update on the expansion plans for St. Michael's Cemetery, which includes potentially adding columbaria to a plan approved in 2010, but not executed. A conditional use permit would be required if the church decides to proceed with the columbaria, in addition to completing the outstanding technical paperwork required as part of the previous plan approval. Administrator Bell provided an update on reuse of the former Fire Hall building, reporting the Department of Corrections (DOC) is interested in extending their six-month lease that expires in June. The potential for reuse as a brew pub remains, however the interested party would prefer to purchase the building. Councilmember Buckley said there may be a state law regulating the proximity of this type of business to Andersen Elementary; Chief Eastman will investigate this issue. Staff believes extending the DOC lease for another 9-12 months would be beneficial to the city financially and provide time to determine the best long-term plan for the building. A formal recommendation for City Council consideration will be heard at the May meeting, or potentially at a special meeting in April, if requested by the DOC in order to make alternate arrangements for their vehicles.

CITY COUNCIL ITEMS AND ANNOUNCEMENTS

1. Mayor St. Ores reminded residents of the upcoming Earth Day cleanup event on Saturday, April 22, 2:00 p.m. at Perro Park. The event is sponsored by the Bayport Community Action League.
2. Mayor St. Ores thanked the Hugh J. Andersen Foundation for their generous donation for the Fire Department airboat.

ADJOURNMENT

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

City Administrator/Clerk