

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

**CALL TO ORDER**

Pursuant to due call and notice, Mayor St. Ores called the regular City Council meeting of July 6, 2015 to order at 6:00 p.m., and asked Councilmembers, staff and the audience to join in pledging allegiance to the American Flag.

**ROLL CALL**

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

Members Absent: None

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

**APPROVAL OF AGENDA**

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

**PROCLAMATIONS/COMMENDATIONS/PETITIONS/ANNOUNCEMENTS**

1. The June recycling award recipient is Sandy Fennern who will receive \$30.00 for her recycling efforts, with funding made possible by a grant from Washington County.
2. Sergeant Jackson recognized Police Officer Quinn Willmarth with a Letter of Appreciation for his response to a situation involving a veteran suffering from Post Traumatic Stress Disorder and threatening suicide. Due to his experience and training, Officer Willmarth was able to diffuse the situation and the veteran was provided assistance through the Veteran's Hospital. On behalf of the City Council, Mayor St. Ores added thanks for Officer Willmarth's service to our country and city.

**OPEN FORUM**

Sally Anderson, Executive Director of Community Thread, provided an update on the nonprofit organization that connects volunteers to community needs, including Bayport's Senior Center. In 2014, the number of people attending Senior Center functions doubled from the previous year. The center recently celebrated 15 years in Bayport and moved to a site in the former Red Cross building on 5<sup>th</sup> Avenue North at the beginning of July. As a standalone nonprofit, Ms. Anderson requested continued financial support from the City of Bayport in the amount of \$2,000.00 for 2016. Sue Elmer, the new director of the Bayport Senior Center, was introduced, and she welcomed residents to visit the new Senior Center location.

**CONSENT AGENDA**

Mayor St. Ores read items 1-14 on the consent agenda.

Councilmember Carlson introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING CONSENT AGENDA ITEMS 1-14 FROM THE  
JULY 6, 2015 CITY COUNCIL AGENDA**

1. June 1, 2015 City Council regular meeting minutes
2. June payables and receipts (check numbers 5812-5973)
3. June building, plumbing and mechanical permits report
4. Donation of \$200.00 from Amy Stelling and Mark Litchfield to the Fire Department
5. Pay application #4 from Siegfried Construction for Perro Park Phase 2 site improvements
6. Hiring of Nicholas Schipp as a part-time police officer and PERA declaration (*Resolution 15-19A*)
7. Special event application from Mary Ostertag for the Mark Ostertag Memorial 5K Walk/Run on August 23, 2015
8. Special event application from Red Line Bass Trail/Sportek LLC for a bass fishing contest at Lakeside Park on July 11 and 12, 2015
9. Renewal of 2:00 a.m. closing liquor license for Woody's Bar and Grill, 109 3<sup>rd</sup> Street North
10. Pay application #1 from Miller Excavating for Fire Hall Utility Extension and Turn Lane Construction
11. Authorization to access Minnesota Government Access Accounts for electronic court records and documents (*Resolution 15-19B*)
12. Pay application #1 from Miller Excavating for Fire Hall Grading and Excavation activities
13. Removal of Outlot P from the definition of protected property under a conservation easement with the Minnesota Land Trust (*Resolution 15-\_\_\_\_*)\*
14. Resignation of Library Director Mark Blando effective July 20, 2015 and authorization to initiate hiring process for the position

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

Susan St. Ores – aye	Dan Goldston – aye	Patrick McGann – aye
Connie Carlson – aye	Michele Hanson – aye	

Outgoing Library Director Mark Blando thanked the City Council for their support of the library under his direction and said he enjoyed his time in Bayport. Mayor St. Ores recognized his efforts and wished him well as he takes another position to be closer to his extended family.

*\*Item #13 draft resolution was not signed and formally executed. Refer to City Attorney Eckberg Lammers memorandum dated October 5, 2015, as attached.*

**SWEARING IN OF POLICE OFFICER NICHOLAS SCHIPP**

Police Chief Eastman introduced Nicholas Schipp as the department's newest part-time officer, and Mayor St. Ores administered the Oath of Office to Officer Schipp.

**PUBLIC HEARINGS**

Consider a resolution adopting a modification to the Tax Increment Finance Plan for Tax Increment Finance District No. 1: Administrator Martin summarized an opportunity for the city to acquire and repurpose a blighted property at 169 3<sup>rd</sup> Street North by leveraging tax increment finance (TIF) revenue from TIF District No.1 established in 1990, before the district decertifies December 1, 2016. The city is exploring options to add a municipal parking lot at the location. City Attorney Pratt explained the TIF Plan for TIF District No. 1 must be amended to include the proposed project and tonight's public hearing is required as part of the amendment process. Staff recommended the public hearing be kept open until the August 3 City Council meeting to provide time for comments from the Washington County Board and the Stillwater Area District School Board.

Mayor St. Ores opened the public hearing and no comments were received.

Administrator Martin said residents may submit comments to the city prior to the August 3 meeting.

### **UNFINISHED BUSINESS**

Consider additional building options for the new Fire Hall: Upon finalization of the bond sale and foundation appeals, Administrator Martin reported the total revenue available for the project is \$5,419,950. The current construction cost is \$5,366,912, leaving a budget surplus of \$53,038. He said two additional building options for the Fire Hall have been discussed since the favorable bid results were received in May. The first option of adding approximately 500 square feet for a dormitory is estimated to cost \$152,000, and the second option of adding in-floor heat in the apparatus bay area is estimated at \$42,807. Adding both options would result in a project shortfall of \$141,769. Additional grant and fundraising opportunities may be available to cover this shortfall, as well as a portion of the contingency budget, but it should not be relied on. Administrator Martin said the city would fund a shortfall from the city's investments, and could consider a line item for repayment in the city's capital improvement plan for a number of years. He also said the city would have the option of paying the bonds off early during the 15-year term to save interest costs, thus reducing the overall budget shortfall.

Lead architect Cindy McCleary, Leo Daly, said the project is at the point where a decision needs to be made to expand the scope of the project. Installation of the in-floor heat is necessary at the time of initial construction and the concrete slab is anticipated to be laid soon. The general consensus of the City Council was to proceed with the installation of the in-floor heat to enhance firefighter safety in the bay area and improve maintenance and longevity of the vehicles, due to this more effective heating method.

Mayor St. Ores inquired about adding the dormitory at this time versus waiting until it is needed if/when the department becomes full-time. Ms. McCleary explained the site plan can accommodate a dormitory, and the mechanical and plumbing systems were sized accordingly for the additional load. There would be a cost premium for adding the dormitory space at a later date, as well as the loss of some original construction materials, but a future expansion is feasible. The space will be designed with four individual sleeping rooms. Fire Captain Josh Eisinger said the Fire Hall Building Committee supports adding the dorms during the initial build and stated it would be much more expensive in 5-10 years. Councilmember Goldston agreed the dorms should be added now, if needed, and inquired how the space would be utilized until full-time sleeping quarters are needed. Captain Eisinger indicated the space could be used for standby personnel during a severe weather or mutual aid event. Additionally, the Fire Hall is designed to be used as an emergency operations center and the dorms would be utilized during a major event, as well as possibly housing an ambulance crew on site. Police Chief Eastman said her department would utilize the sleeping quarters, if available. Mayor St. Ores recognized the efforts of the department's volunteer firefighters and the challenges they face while working full-time jobs and responding to fire calls with limited rest. The dorms would provide an opportunity for the current firefighters to sleep after a long callout, prior to driving home or to work. The general consensus of the City Council was that the dorms would be a valuable feature for assisting the current firefighters in balancing their work and fire department duties, would be the most economically feasible to construct during the initial build, and that the space should not be used for storage purposes. Councilmember McGann noted the importance of providing a place for police officers to rest, when needed.

Fire Chief Swenson said the department would require the financial assistance of grants to pay for full-time staff, and that a study by an outside firm will be needed in the future to determine when a transition to full-time staffing would be feasible. Discussion followed on how full-time staffing would be funded since grants will not cover the entire cost. Administrator Martin noted the 15-year contract with the

partner communities limits yearly budget increases to 3% which would not be adequate to fund a full-time department., and the staffing grants Chief Swenson referenced are set up to help communities transition to full-time staffing. The city would be responsible for funding a full-time department at some point, and a financial decision would be required at that time in terms of how to share those costs.

It was moved by Councilmember Goldston and seconded by Councilmember Carlson to authorize Kraus Anderson and Leo Daly to design and accept bids for the addition of the in-floor heat in the apparatus bay area and the dormitory addition, with the option to cancel the project based on bid results. Motion carried 5-0.

## **NEW BUSINESS**

Consider a resolution approving a final plat for Phase III-B of the Inspiration development: Assistant City Administrator/Planner Taylor reviewed the final plat application for Phase III-B submitted by Mattamy Homes, noting it is the same as the preliminary plat application approved by the City Council on May 4, 2015. Phase III-B consists of 115 lots that will be final platted and developed in phases. The application being considered is for the first portion, known as Inspiration 3<sup>rd</sup> Addition, consisting of 76 lots and related street and utility infrastructure. She noted the plan is consistent with the city's R-2 single-family residential zoning district, the comprehensive land use plan, and is consistent with approvals for a planned unit development (PUD). All grading, utility, street plans and related infrastructure have been reviewed and approved by the city engineer. As required at the time of final plat approval, Mattamy Homes must enter into a developer's agreement and PUD permit that specify obligations and expectations for this phase of the development. The city attorney will finalize the draft versions of these documents and execute them once the final plat is approved by the City Council. The Planning Commission did not have a quorum at their June 15, 2015 meeting when the final plat application was considered; however all commissioners expressed their support during or in writing after the meeting. No comments were received on the application at the public hearing. Staff recommended approval of the application, subject to the conditions listed in the June 16, 2015 staff report. City Attorney Pratt said the draft developer's agreement and PUD permit are similar to those executed for Phase III-A in 2013. He reviewed non-major changes that will be made to the draft developer's agreement and PUD permit to reflect some legal description and title changes for the property. Mattamy Homes will be providing a Letter of Credit to the city to cover the total cost of the required minimum improvements, as determined by the city engineer and the developer. Once the improvement costs are finalized, they will be detailed in the final developer's agreement.

Brian Theis, Mattamy Homes, said they are finalizing the initial grading for the project and hope to begin utility improvements next week. They plan on starting construction of a model home in October and have it ready for the spring preview and plan on building three homes per month thereafter.

Councilmember Hanson introduced the following resolution and moved its adoption:

**Resolution 15-20**

### **RESOLUTION APPROVING A FINAL PLAT FOR INSPIRATION 3RD ADDITION, CITY OF BAYPORT, WASHINGTON COUNTY, 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

Consider adopting a tax exempt governmental bond post issuance compliance policy: City Attorney Pratt reviewed the basic requirements and purposes of the Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds that is recommended for adoption as a best practice for the city. Prior to issuing the general obligation bonds to finance a portion of the Fire Hall project, the city last issued bonds in 2001, and Internal Revenue Service reporting requirements have changed since that time. The proposed policy outlines the procedures that will apply to all currently outstanding and future tax-exempt bond issues of the city.

It was moved by Councilmember Carlson and seconded by Councilmember McGann to adopt the Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds. Motion carried 5-0.

### **COUNCIL LIAISON REPORTS**

Councilmember Hanson reported on the June Cable Commission workshop meeting. Discussion centered on upgrading broadcasting equipment used to cover city meetings, with the City of Bayport having the greatest need. The goal is to have the same equipment (cameras, monitors, etc.) in all city halls.

Councilmember Carlson reported on the June 25 meeting of the Library Board and noted the summer programs are going well. With the resignation of Library Director Mark Blando, there is no definite date for the next meeting.

Councilmember McGann stated the Planning Commission did not have a quorum at the June 15 meeting, but the members present made an informal recommendation to approve the final plat application for Phase III-B of the Inspiration development.

Mayor St. Ores helped organize a meeting of local appointed and elected officials to learn more about the Department of Natural Resource (DNR) plan to monitor/manage the bighead invasive carp that were recently found in the St. Croix River. People should turn over any bighead carp they catch to the DNR or the Bayport Police Department for tracking. They should not be released back into the river, and everyone is asked to do whatever they can to keep the river's ecosystem healthy and free of contaminants. She reported on the recent meeting of the Middle St. Croix Watershed Management Organization where invasive carp and next year's budgets were discussed. She also attended the Bayport Senior Center's 15 Year Anniversary Celebration.

### **STAFF/CITY ADMINISTRATOR REPORTS**

Fire Chief Swenson thanked the City Council for their ongoing support of the department and especially the new Fire Hall. He reported this month's training focused on drafting and shuttling water from an alternate source, e.g., swimming pool, when hydrants aren't available. Chief Swenson's three-year term is up and department members will vote on the position next week. He will be running for a second term and Assistant Chief Allen Eisinger and Captain Jacob Eisinger are also running for the office. The winner of the election will be brought to the August City Council meeting for approval. The July safety message focuses on safe grill use this summer. He stressed that charcoal grills should never be used on a wooden deck unless there is a fireproof material underneath.

Police Chief Eastman echoed Chief Swenson's gratitude for department support. She reviewed the department's events and call load and provided a recap of the June 12 minimum security prisoner walk-away from the facility. An emergency operations center was set up and Sergeant Jackson did an excellent job commanding and coordinating efforts to set up a perimeter with local law enforcement agencies, enlisting the aid of the State Patrol helicopter, and clearing homes near the escape site and subsequently checking multiple additional residences, to help residents feel safe returning to their

homes. She encouraged residents to sign up for Washington County's Code Red program that will alert subscribers to emergency situations via telephone or text messaging.

Assistant City Administrator/Planner Taylor reviewed her written report and encouraged residents to submit nominations for the "Bayport in Bloom" front entry contest by July 14, with judging the following weekend. Entries are also being accepted for the annual "Focus on Bayport" photo contest through October 15. More information and forms can be found on the city's website or at City Hall.

Administrator Martin said he will be working with staff and the City Council to prepare the 2016 budget over the coming weeks. He reported the TCE water treatment upgrade project was considered as part of a larger bill during the State Legislature Special Session, and the project will be fully funded (approximately \$550,000) by the state and possibly constructed yet this year. He recognized the efforts of Representative Kathy Lohmer and Senator Karin Housley for their leadership on this mitigation project.

#### **CITY COUNCIL ITEMS AND ANNOUNCEMENTS**

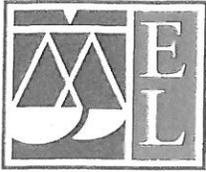
1. Councilmember Hanson reported she has joined a new charter chapter of the Lion's Club that will serve the communities of Afton, Bayport and Lakeland. She encouraged residents interested in helping others to consider joining. Meetings are held the second Monday of the month at Not Justa Café in Bayport.
2. Mayor St. Ores thanked Amy Stelling and Mark Litchfield for their donation to the Fire Department and recognized the Bayport Community Action League and Greater Stillwater Chamber of Commerce for hosting recent events in Bayport.

#### **ADJOURNMENT**

It was moved by Councilmember Hanson and seconded by Councilmember Goldston to adjourn the meeting at 8:07 p.m. Motion carried 5-0.

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City Administrator/Clerk



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**Reply to Stillwater**

October 5, 2015

Sara Taylor  
294 North Third Street  
Bayport, MN 55003

**Re: Bayport, City of - Inspiration Development**

Dear Ms. Taylor:

On July 6, 2015, the Bayport City Council adopted a resolution encouraging the removal Outlot P in the Inspiration Development from the definition of "protected property," found under that certain Conservation Easement, dated May 24, 2005, with the Minnesota Land Trust. It was originally thought that removal of Outlot P from the regulations and restrictions of the Conservation Easement was necessary to legally facilitate future, potential building rights by the City on this parcel, as the City has the right to purchase building rights on up to two acres of Outlot P. However, after further review with the City Attorney and with legal counsel to Inspiration Holdings LLC (the current owner of Outlot P), it was discovered that removal of the parcel from the Conservation Easement has no effect on whether the parcel may be built on in the future.

While the Conservation Easement establishes and encumbers 145 +/- acres surrounding the Inspiration development as native prairie open space, there is a specific provision within the Master Developer's Agreement and Conservation Easement that allows for building rights on up to two acres of Outlot P (formerly referred to as Outlot M and M-1 in the Master Development Agreement) if obtained by the City for public purpose/use. Again, these building rights may be used regardless of whether Outlot P is considered "protected property" in the Conservation Easement. Therefore the resolution presented to the Bayport City Council proposing to remove Outlot P from the Conservation Easement will not be executed. Please refer to Section 1(R) of the Master Developer's Agreement and Section 3.2(a) of the Conservation Easement for further information.

Let me know if you have any questions. Thank you.

Sincerely,

Andrew J. Pratt  
Bayport City Attorney

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