

November 16, 2010

A regular meeting of the Scandia City Council was held on the above date. Mayor Seefeldt called the meeting to order at 7:00 p.m. Following the Pledge of Allegiance, roll call was taken. The following council members were present: Council members Connie Amos, Pete Crum, Chris Ness, Dolores Peterson and Mayor Dennis Seefeldt. Staff present: City Administrator Anne Hurlburt, City Attorney Dave Hebert, Building Official/Maintenance Supervisor Steve Thorp, Police Deputy Chris Majeski, Treasurer Colleen Firkus and Deputy Clerk Brenda Eklund.

APPROVAL OF AGENDA

Peterson, second by Ness, moved to approve the agenda as presented. The motion carried 5-0.

APPROVAL OF CONSENT AGENDA

The following consent agenda was presented:

- a) Minutes
 - 1) October 19, 2010 Regular Meeting
 - 2) October 27, 2010 Special Meeting
 - 3) November 3, 2010 Meeting with Planning Commission
 - 4) November 9, 2010 Special Meeting
- b) Treasurer's Report

Beginning Balance 10/01/10	\$1,668,082.88
Receipts	+ <u>102,121.52</u>
Expenditures 62,752.69	
Payroll <u>30,297.99</u>	- <u>93,050.68</u>
Adjustments: Safe Deposit Box charge	- 35.00
Drafted 9/24, but in 10/19/10 batch	<u>404.46</u>
Ending Balance 10/31/10	\$ 1,677,523.18
- c) Payment of Vouchers
- d) 2011 Tobacco License Renewal, AJL Enterprises dba Scandia Olde Towne Liquor
- e) 2011 Liquor License Renewal, AJL Enterprises, Inc. dba Scandia Olde Towne Liquor (Off-Sale)
- f) Agreement for Subsurface Sewage Treatment System Inspection Services with Washington County
- g) Special Event Permit for Scandia Clinic Grand Opening (November 20, 2010)

Crum, second by Ness, moved to approve the Consent Agenda as presented. The motion carried 5-0.

PARK AND RECREATION COMMITTEE

Park and Recreation Committee Chair Alex Bildeaux reported that the committee is working on the Vinterfest event, and will be planning some new activities this year. Vinterfest, an annual event, will be held on February 5, 2011.

POLICE DEPARTMENT

Deputy Chris Majeski reported on the past month's police activity. There have been a number of traffic accidents. A theft occurred at the Big Marine Lake Store in which the lock to the propane tank storage cage was broken and over a dozen propane tanks were stolen.

FIRE DEPARTMENT

The council received the Fire Department's activity report. The department is hosting an auto extrication drill for surrounding fire departments. The Safe Halloween event was very successful. The Lions served over 375 people.

BUILDING OFFICIAL/MAINTENANCE SUPERVISOR

Building Official/Maintenance Supervisor Steve Thorp reported that four new residential permits were issued in October. The Scandia Clinic received their final inspection. Construction of the salt/sand storage building will begin in late November. Gravel was added to Pilar Road, Parade Avenue and 197th Street.

2011 INSURANCE COVERAGE RENEWAL

The renewal date for insurance coverage provided by the League of Minnesota Cities Insurance Trust (LMCIT) is December 1, 2010. The final cost of coverage will be determined based on coverage selected by the city. In 2010, the premium was \$30,035, with a portion returned to member cities. Scandia received a dividend return in 2009 of \$4,900.

JoAnn Buse, agent with Security State Agency, was present to answer any questions the council had concerning the policy.

The City Council must decide each year whether to waive the statutory monetary limit on tort liability. Most communities do not waive the limit. Scandia did not waive the limit in 2009 and 2010. The City saves approximately \$584 per year on liability insurance premiums by not waiving the limit. City Administrator Hurlburt recommended the tort liability limit not be waived for the 2011 insurance renewal.

Peterson, second by Crum, moved to not waive the tort liability limits on the LMCIT insurance coverage for 2011. The motion carried 5-0.

Staff investigated the possibility of increasing the current \$500 deductible to \$1,000, and found that it would save about \$1,800 annually. The city's claim history was discussed. Over the last three years, the city has submitted six insurance claims. Ms. Buse explained that with a \$1,000 deductible, a net savings can be had when there are no more than three claims per year. Most cities she works with choose a \$500 deductible.

Council members Crum and Peterson felt that the deductible should remain at \$500 per claim, as it is impossible to predict future claims. Council members Ness and Amos favored a \$1,000 deductible.

Crum, second by Peterson, moved to renew insurance coverage with LMCIT for 2011 and retain the \$500 per claim deductible. The motion carried 4-1, with Ness opposed to the motion.

EXTENSION OF AGREEMENT WITH JOSEPH AND AMY CHILDERS, 10861 MAYBERRY TRAIL, TO ALLOW SECONDARY RESIDENCE

In 2005, a second residence was constructed on Joseph and Amy Childer's property, 10861 Mayberry Trail, in violation of the Development Code. The Township and the property owner entered into an agreement which allowed them to retain the structure as a residence for an elderly family member up to 5 years. The agreement period ends on December 6, 2010. Mr. and Mrs. Childers have asked that the city extend the agreement to allow the residence to be occupied for up to ten years or the death of their mother, whichever occurs first. Upon the agreement's end, the property must be brought into compliance by disconnecting the dwelling from the septic system.

Staff recommended that an extension of the agreement appears to be the proper procedure.

Peterson, second by Seefeldt, moved to extend the agreement between the City and Amy and Joseph Childers to allow a secondary residence at 10861 Mayberry Trail for up to ten years with the following conditions:

- 1. that the City Attorney be directed to prepare a new agreement to be recorded at Washington County, specifying the terms of the extension. The terms should include continuation of the \$5,000 letter of credit to guarantee disconnection of the dwelling from the sewer system and conversion of the structure to a conforming use (and accessory building) at the end of the time limit, when the family member ceasing to occupy the dwelling or upon sale of the property, whichever occurs first; and**
- 2. that the Childers shall be required to pay the city's costs for preparing and recording the new agreement; and**
- 3. that the Mayor and Administrator/Clerk be authorized to sign the agreement on behalf of the City.**

The motion carried 4-1, with Amos opposed to the motion.

VACANCIES ON CITY ADVISORY COMMITTEES

Terms on several city advisory committees will be expiring on February 1, 2011. Council discussed the process of advertising and interviewing candidates. Staff was directed to advertise for openings on the Park and Recreation Committee, Capital Improvements Committee and Planning Commission, as well as nominees for watershed board positions and the cable television commission. Applications will be accepted until December 30, with interviews to be held sometime in January.

Peterson, second by Seefeldt, moved to authorize staff to advertise for applicants to fill vacancies on several city advisory committees and commissions. The motion carried 5-0.

AMENDMENT TO CONSULTING AGREEMENT WITH AECOM TECHNICAL SERVICES, INC. FOR PREPARATION OF THE ZAVORAL MINING AND RECLAMATION PROJECT ENVIRONMENTAL IMPACT STATEMENT (EIS)

In March 2010, the City approved an agreement with AECOM Technical Services to prepare an Environmental Impact Statement for the Zavoral Mining and Reclamation Project, with total cost and fees of \$318,394. Tiller Corporation, the proposer, is required to pay the full cost.

Due to significant delays of Tiller's failure to provide information critical to the EIS, AECOM has requested that an amendment to the contract be approved to cover the increased costs of the prolonged study. The cost increase proposed is \$59,331. Council was presented with the contract modification which outlined the additional increases in task costs.

Kerian Dwyer, representative of the citizen group TACOS (Take Action – Preserve Our Scandia), addressed the council with a request to deny any action on the contract. Mr. Dwyer questioned the timeline for the EIS and whether legal requirements are being met.

Mayor Seefeldt requested that Mr. Dwyer submit his findings to the City, and stated that the issues should be further researched. City Attorney Hebert will respond to Mr. Dwyer's findings at the December 7 Council meeting.

Ness, second by Crum, moved to table the request from AECOM to amend the consulting agreement for increased services in the preparation of the Zavoral EIS. The motion carried 4-1, with Amos opposed to the motion.

ADJOURNMENT

Peterson, second by Ness, moved to adjourn the meeting. The motion carried 5-0.

Respectfully submitted,

Brenda Eklund
Deputy Clerk