

December 18, 2012

A regular meeting of the Scandia City Council was held on the above date. Mayor Simonson 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, Chris Ness, Jim Schneider, Sally Swanson and Mayor Randall Simonson. Staff present: City Administrator Kristina Handt, City Engineer Phil Gravel, Fire Chief Jim Finnegan, Maintenance Superintendent Tim Kieffer, Treasurer Colleen Firkus and Deputy Clerk Brenda Eklund.

**PUBLIC FORUM**

Duane Olson, 10105 202<sup>nd</sup> Street, Forest Lake, appeared before the Council to provide information about his grandson Korey Olson’s proposed Eagle Scout project. On July 2, 2012, Korey presented a sign replacement proposal for Wind in the Pines Preserve to the Park and Recreation Committee. The initial design of the sign was rejected, and a member of the PRC was assigned to work with Korey on the project. Progress has been slow due to poor communication and Mr. Olsen asked what can be done to move the project along. City Administrator Handt recommended Korey be put on the January PRC agenda, with a referral to the City Council by their March 19, 2013 meeting.

**APPROVAL OF AGENDA**

**Ness, seconded by Schneider, moved to approve the agenda as presented. The motion carried 5-0.**

**CONSENT AGENDA**

The following Consent Agenda was presented:

- a) Minutes
  - 1) November 20, 2012 Regular Meeting
  - 2) November 27, 2012 Special Meeting
  - 3) December 11, 2012 Work Session Meeting
- b) Treasurer’s Report

Beginning Balance 11/01/2012	\$2,278,880.13
Receipts	+ 17,382.45
Expenditures \$506,474.59	
Payroll 20,359.66	526,834.25
Adjustments: Safe Deposit Box	- 35.00
Ending Balance 11/30/2012	\$1,769,463.33
- c) Payment of Vouchers
- d) 2013 Liquor Licenses
  - 1) Big Marine Lake Liquor, Off-Sale Intoxicating
  - 2) Meister’s Bar & Grill, Combination On/Off-Sale and Sunday Intoxicating
  - 3) Chiko’s Enterprises dba Chiko’s Bar and Grill, On-Sale/Sunday On-Sale Intoxicating
  - 4) Temporary On-Sale Liquor License, Scandia Fire & Rescue Relief Association (February 23, 2013)
- e) 2013 Tobacco Products Sales Licenses
  - 1) Big Marine Lake Liquor Store Inc.
  - 2) Big Marine Lake Store, Inc.

- f) Approve 2012 Budget Amendments (*Resolution No. 12-18-12-01*)
- g) Approve 2013 Employee Pay Rates (*Resolution No. 12-18-12-02*)
- h) Approve Contract with Eckberg Lammers for Legal Services
- i) Approve Contract with Top Notch Building Services for Janitorial Services
- j) Reappointment of Jim Finnegan as Fire Chief for a Four Year Term ending December 31, 2016.
- k) Approve Hillcrest Animal Hospital New Rates

**Ness, seconded by Amos, moved to approve the Consent Agenda as presented. The motion carried 5-0.**

### **PARK AND RECREATION COMMITTEE**

#### ***Safe Routes to School Grant***

Park and Recreation Committee Chair Alex Bildeaux introduced Cathy Mackiewicz , Washington County Department of Public Health and Environment, to discuss a proposal to assist in applying for a Safe Routes to School grant. Ms. Mackiewicz suggested a community meeting be held to gather public input, analyze existing conditions and identify a plan for a grant proposal. Depending on the outcome of the meeting, Ms. Mackiewicz proposed that a planning grant application could be completed by the February 15, 2013 deadline. **Simonson, seconded by Ness, moved to approve having Cathy Mackiewicz of Washington County Public Health and Environment facilitate a community meeting for preparation of a Safe Routes to School grant application. The motion carried 5-0.**

Staff will coordinate a date for the community meeting, approximately in mid-January.

#### ***Update Park and Recreation Committee Bylaws***

At their December 3<sup>rd</sup> meeting, the PRC recommended revisions to their Bylaws to help make the Committee function more efficiently. Bildeaux explained the need to have written information available at the meetings for effective dialogues. **Simonson, seconded by Schneider, moved to approve the amendments to the PRC Bylaws as presented. The motion carried 5-0.**

#### ***Vinterfest 2013***

Council reviewed a poster for the annual Vinterfest event, scheduled for February 2, 2013. Many of the activities will continue, such as the chili cook-off, snow sculpture contest, sledding and ice skating. City Administrator Handt noted that after the December 3<sup>rd</sup> PRC meeting, the city office was contacted with a request from the Pleasant Valley Cloggers to perform at Vinterfest. They do not charge for performing, but ask for donations when possible. **Simonson, seconded by Ness, moved to approve the Vinterfest 2013 poster with the addition of the Pleasant Valley Cloggers performance. The motion carried 5-0.**

Chair Bildeaux reported that the trails at Lilleskogen Park were cleared by A.M.C. Tree Service, the stumps ground out and wood chips spread on the trails.

### **BUILDING OFFICIAL**

The Council received Building Official Keith Wille's building activity report for the month of November. Six permits were issued last month, including one new home permit.

### **POLICE DEPARTMENT**

The Council received the police activity report for the month of November.

### **FIRE DEPARTMENT**

Fire Chief Jim Finnegan reported that the department responded to 13 calls in November, 4 fire related and 9 rescue calls. Two tablet computers were purchased to operate the County's CAD/RMS System. Final specifications for the replacement fire engine have been completed. The department plans to meet with the Council at their March work session to further discuss the purchase. Finnegan reported that Sentence to Serve projects will increase to twice monthly in 2013.

### **CITY ENGINEER**

City Engineer Phil Gravel reported that he has been meeting with Maintenance Superintendent Kieffer to plan the 2013 road maintenance projects, and the conception of a 6-year master sealcoat plan for the city streets. A draft policy for connections to the Anderson/Erickson Sewage Treatment System will be presented at the January 10, 2013 Wastewater Advisory Committee meeting. Well testing of the A/E monitoring wells will continue into March 2013. Gravel mentioned that he would like to meet with staff and the mayor to discuss future engineering rates.

### **MAINTENANCE SUPERINTENDENT**

Maintenance Superintendent Tim Kieffer presented the past month's tasks of the Public Works Department. Kieffer explained that culvert cleaning was done as routine maintenance to prevent clogging and back-ups.

### **CITY ADMINISTRATOR**

City Administrator Kristina Handt reported that an insurance dividend was recently received from the MN League of Cities Insurance Trust in the amount of \$9,493. The high value of the dividend was based on favorable experience ratings among the member cities.

### **KITCHEN RENTAL AGREEMENT**

Lorie Schackmann and Jeff Schneider have made application for rental of the Community Center kitchen to package food items for retail sales. They have provided the City with the required \$50 damage deposit, liability insurance naming the City as an additional insured, and proof of Food Manager Certification. The agreement stipulates a rental fee of \$18 per hour. **Simonson, seconded by Ness, moved to approve the Community Center Kitchen Rental Agreement with L. A. Schackmann, dba Fine Time Products. The motion carried 5-0.**

### **ORDINANCE NO. 136, 201 SEWER SYSTEM RATES**

The Wastewater Advisory Committee, lacking a quorum at their September 20, 2012 meeting, supported a 5% rate increase for 201 Sewer users, the first increase since 2009. The new rate would be \$691.68 per year, compared to the current rate of \$658.72 per year. The users are billed

quarterly. City Administrator Handt explained that the increased rates would add to the fund balance, which will be used for future capital improvement projects.

Council member Ness announced that as a user of the 201 System, he would recuse himself from the vote. **Simonson, seconded by Swanson, moved to approve Ordinance No. 136, Establishing User Charges and Connection Fees for the “201” Community Sewage Treatment System. The motion carried 4-0, with Ness recusing himself from voting.**

**ORDINANCE NO. 137, ESTABLISHING USER CHARGES AND CONNECTION FEES FOR THE UPTOWN WASTEWATER TREATMENT SYSTEM**

Council reviewed a draft ordinance setting wastewater rates for users of the Uptown Wastewater System. The rates were recommended by the Wastewater Advisory Committee, which apply a base rate of \$114.18/month and a use rate of \$10.71/1,000 gallons used. The rates cover the expected operating costs for 2013 and provide for a small contingency, but not for any of the costs associated with the Uptown System Improvements completed in 2012. The Committee asked that those funds come out of the Capital Improvement Fund with no return from the rate payers.

At the November work session, Council asked staff to prepare a rate structure that covers 25% of the Improvement Project costs spread over 15 years. The estimated cost of the Project is \$160,688.78. Adding the approximately \$40,000 loan, and keeping the base rate the same, the volume charge would increase to \$14.98/1,000 gallons used.

Kevin Nickelson, representing Gammelgarden Museum, stated that the wastewater system is important to the Uptown area, and the rates are fair to the users and the city as presented in the ordinance. Mr. Nickelson was concerned that the recently adopted governance ordinance limits usage and does not allow room for growth, which could cause future problems. He stated that the system is now at 93% capacity.

**Simonson, seconded by Swanson, moved to approve Ordinance No. 137 as presented.**

Council member Schneider stated that having no payback of the costs for the improvement project is not fair to the other businesses in Scandia not on the Uptown System.

Council member Ness stated that he was surprised at the 0% loan payback recommendation, comparing it to street improvement projects that are assessed to property owners at a 25% rate.

Council member Swanson stated her agreement to Schneider's position, that it is not fair to other businesses to cover the improvement costs for the Uptown users.

Holly Kaufhold, Uptown System user and member of the Wastewater Advisory Committee, said that she understood the improvements were needed due to the city's lack of maintenance to the system over the years. City Engineer Gravel answered that was part of the project and other improvements were necessary to extend the life of the system.

Wayne Schmitt, Uptown System user and member of the Wastewater Advisory Committee, provided an historical description of the system. The businesses lost their private septic systems when natural gas infrastructure went through town approximately 25 years ago, and donated land to the city for this purpose. Having no land for private septic systems puts the businesses at a disadvantage, and Mr. Schmitt asked the Council for help with the rising costs of operating a local business.

**Mayor Simonson asked for a roll call vote on the Simonson/Swanson motion to approve Ordinance No. 137 as presented. Schneider – no; Swanson – no; Amos – no; Ness – no; Simonson – yes. The motion was defeated 1-4.**

**Swanson, seconded by Ness, moved to amend draft Ordinance No. 137 with an increase in the volume rate to \$14.98/1,000 gallons used (accounting for a 25% payback of the costs of the Improvement Project). Ness – yes; Swanson – yes; Amos – yes; Schneider – no; Simonson – no. The motion carried 3-2.**

**ADOPTION OF 2013 BUDGET AND FINAL PROPERTY TAX LEVY AND 2013-2017 CAPITAL IMPROVEMENT PROGRAM (RESOLUTION NO. 12-18-12-03)**

City Administrator Handt explained that the final 2013 budget proposed a property tax levy of \$2,171,074, a 5.64% levy increase over the past year.

**Simonson, seconded by Ness, moved to adopt Resolution No. 12-18-12-03, Adopting 2013 Budget and Certifying Property Tax Levy Payable in 2013 and Adopting 2013 through 2017 Capital Improvement Plan. The motion carried 5-0.**

**AGREEMENT FOR SUBSURFACE SEWAGE TREATMENT INSPECTION SERVICES**

The contract with Washington County to provide septic system permitting and inspection services expires on December 31, 2012. This contract has typically been renewed for two-year terms. At the December work session, Council asked if the County would accept a one-year term, with the possibility of bringing the inspection services in-house once staff becomes certified. The County was agreeable to a one-year term.

**Swanson, seconded by Schneider, moved to approve the contract for Subsurface Sewage Treatment System Inspection Services with Washington County for a one-year term. The motion carried 5-0.**

**2013 CITY COUNCIL MEETING SCHEDULE**

**Simonson, seconded by Ness, moved to approve the 2013 City Council meeting schedule as presented. The motion carried 5-0.**

**ADJOURNMENT**

Before adjourning the meeting, Mayor Simonson recognized Council member Amos, whose term is ending. Simonson thanked Amos for her four years of dedication to the City Council and offered his appreciation for her service.

**Ness, seconded by Amos, moved to adjourn the meeting. The motion carried 5-0.**

The meeting adjourned at 8:12 p.m.

Respectfully submitted,

Brenda Eklund  
*Deputy Clerk*