

December 16, 2008

A regular meeting of the Scandia City Council was held on the above date. Mayor Dennis Seefeldt called the meeting to order at 7:00 p.m. The following councilmembers were present: Councilmembers Pete Crum, Michael Harnetty, Dolores Peterson, Donnette Yehle and Mayor Dennis Seefeldt. Staff present: Administrator Anne Hurlburt, City Attorney Dave Hebert, City Planner Sherri Buss, Building Official Steve Thorp, Treasurer Colleen Firkus, Deputy Clerk Brenda Eklund.

PUBLIC FORUM

Mayor Seefeldt formally recognized outgoing City Council members Harnetty and Yehle for their years of service to the city and township. Harnetty and Yehle were presented framed copies of resolutions honoring their service.

Councilmember Peterson, seconded by Mayor Seefeldt, moved to adopt Resolution 12-18-08-01, Recognition of Council Member Michael Harnetty for Service to the Citizens of Scandia. The motion passed unanimously.

Councilmember Peterson, seconded by Councilmember Crum, moved to adopt Resolution 12-18-08-02, Recognition of Council Member Donnette Yehle for Service to the Citizens of Scandia. The motion passed unanimously.

Mayor Seefeldt presented a Certificate of Appreciation to Mike White for his initiative and hard work in the reconstruction of the ice rink boards. Councilmember Harnetty read the names of the additional volunteers who contributed their time to this project.

APPROVAL OF AGENDA

A report on the League of Minnesota Cities forecast concerning the proposed city aid cuts was added to Administrator Hurlburt's staff reports. **Councilmember Yehle, seconded by Councilmember Peterson, moved to approve the agenda as amended. The motion passed unanimously.**

APPROVAL OF CONSENT AGENDA

The following consent agenda was presented:

- a) Minutes
 - 1) November 18, 2008 Meeting with Planning Commission
 - 2) November 20, 2008 Regular Meeting
 - 3) December 1, 2008 Special Meeting (Truth-in-Taxation Hearing)
 - 4) December 2, 2008 Meeting with Planning Commission

b) Treasurer's Report

Beginning Balance 11/01/08		\$905,085.42
Receipts		<u>32,350.07</u>
Expenditures	213,653.10	
Payroll	<u>19,235.86</u>	- <u>232,888.96</u>
Adjustments: Duplicate Exp. Entry		<u>+ 35.00</u>
Ending Balance 11/30/08		\$704,581.53

- c) Payment of Vouchers
- d) 2009 Liquor Licenses
 - 1) Scandia Creamery, On-Sale/Sunday On-Sale Intoxicating
 - 2) Mi Casita Mexican Grill, On-Sale/Sunday On-Sale Intoxicating
 - 3) Scandia Fire & Rescue Relief Association (Temporary On-Sale, February 28, 2009)
- e) Certificate of Compliance, Silva Consultant Services (*Resolution No. 12-16-08-03*)
- f) Certificate of Compliance, Charlie Westman, DVM, 14760 Oakhill Rd North (*Resolution No. 12-16-08-04*)

Councilmember Harnetty, seconded by Councilmember Peterson, moved to approve the Consent Agenda as presented. The motion passed unanimously.

PUBLIC HEARING: ADOPTION OF 2009 BUDGET AND FINAL PROPERTY TAX LEVY (RESOLUTION 12-16-08-05)

Administrator Hurlburt presented an overview of budget actions so that the final tax levy may be certified to the county by December 28, 2008. Revenues could be affected by proposed state adjustments to the Market Value Homestead Credit. In a survey prepared by the Citizens League, Scandia ranked 106th of 117 cities in the metro area for property tax rates on an average value home. The total property tax levy of \$1,860,892 remains the same amount as certified at the preliminary levy discussions in September. The total budget for 2009 was set at \$2,363,809.

Mayor Seefeldt opened the public hearing. As there were no comments, the hearing was closed.

Councilmember Harnetty stated that the budget numbers give the council a plan to follow, but these expenditures are subject to review and modification throughout the year. Councilmember Peterson commented that her initial idea to freeze the budget was impossible to carry out.

Councilmember Peterson, seconded by Councilmember Crum, moved to adopt Resolution 12-16-08-05, Adopting the Budget and Capital Improvement Program and Certifying the Property Tax Levy Payable in 2009. The motion passed unanimously.

POLICE DEPARTMENT

Deputy Chris Majeski reported on the past month's police activity. The Scandia squad car recently had a ticket writer system installed as part of a test program. This apparatus makes for a streamlined process of issuing tickets to the court.

Mayor Seefeldt congratulated Deputy Majeski for his Lifesaving Award and Certificate of Excellence recently awarded to him through the County Sheriff's office.

FIRE DEPARTMENT

Fire Chief Steve Spence reported on the department's activities. The 800 MHz radio switchover is planned for February 2009. The department will participate in many training meetings over the next two months.

Emergency Management Assistance Compact (EMAC) Intergovernmental Agreement

The Fire Department has requested that the city approve the signing of an Intergovernmental Agreement which would allow the deployment of resources in the case of a disaster without a delay to seek approval of the City Council. This action was recommended by the state EMAC coordinator. The agreement provides for reimbursement to the City for all costs incurred and would have no effect on existing mutual aid agreements. Chief Spence sees a benefit to the department as resources and expertise could be made available to the Scandia crew, but a request to deploy can be denied, depending on the need. The department also sees a need for this agreement to allow assistance across state lines due to the close proximity to Wisconsin.

Councilmember Crum stated that certain proposals should be further evaluated before entering into the agreement, such as a reimbursement schedule. Mayor Seefeldt suggested delaying action to allow staff to further research state law requirements. **Councilmember Harnetty, seconded by Mayor Seefeldt, moved to direct staff to prepare a resolution for consideration at a future meeting to address remaining issues of this agreement. The motion passed unanimously.**

The Fire Department will also research mutual aid agreements with bordering Wisconsin communities.

Committee to Review Fire Department Governing Documents

The resolution governing the Fire Department, which was adopted in 1952, is in need of being reviewed and updated to reflect the changing needs of the department and the city. Mayor Seefeldt has requested that a committee be appointed to review the department's governing documents including the establishing resolution and bylaws, along with the city's personnel policies, state statutes and League of Minnesota Cities guidelines, and to make recommendations on how they should be updated. **Councilmember Harnetty, seconded by Councilmember Crum, moved to appoint a committee consisting of two Council members (Seefeldt, Crum), City Administrator Hurlburt, and two members to be recommended by the Fire Department and appointed by the Council at a later date. The motion passed unanimously.**

An orientation meeting was scheduled for January 22, 2009 at 5:30 p.m.

FIRE PROTECTION CONTRACT WITH MAY TOWNSHIP

A Fire Protection Contract to provide services to parts of May Township for years 2009 to 2011 was prepared by City Attorney Hebert. The township/city has provided this service for many years. The payment from May Township is based on an estimate of population serviced and is applied towards 10.52% of the Fire Department's budget. This calculates to a payment of \$29,266 for 2009 with an increase of 5.5% for subsequent years. Councilmember Harnetty felt that as the May Township is a co-user of the service, the yearly increase should be a minimum of 8% to cover the increasing costs associated with maintaining a fire department. **Councilmember Peterson, seconded by Councilmember Yehle, moved to approve a Fire Department Service Agreement with May Township for 2009 through 2011. Voting aye: Crum, Peterson, Seefeldt, Yehle. Voting opposed: Harnetty. The motion passed.**

BUILDING/CODE ENFORCEMENT

Building/Code Enforcement Official Steve Thorp updated the council on the month's activities. The septic tanks pumps have been replaced at the Community Center. A waste separator tank near the old maintenance garage was pumped and two underground fuel tanks are proposed to be removed.

Quotes for Asbestos Removal at 20780 Olinda Trail

Four bids ranging from \$12,950 to \$16,345 were received for asbestos removal in the city-owned house at 20780 Olinda Trail. The abatement will be the final step as required by state law before the final demolition/disposal of the house. Thorp recommended accepting the low bid from Nitti Rolloff Services of Blaine, MN. **Councilmember Yehle, seconded by Councilmember Crum, moved to accept the low bid of \$12, 950 from Nitti Rolloff Services for asbestos removal in the house at 20780 Olinda Trail. The motion passed unanimously.**

CITY ADMINISTRATOR

Animal Control Services

Administrator Hurlburt discussed the options for animal control and the impounding of dogs that has been researched since the last council meeting. As Woodbury Animal Humane Society is terminating its impounding contract effective January 1, 2009 due to the City not providing for the pickup of all domesticated species, alternative facilities were contacted. Northwoods Humane Society in Wyoming has declined to provide impound service for the city based on their communications with Scandia's Animal Control Officer Sherrill Reid. Rick Ruzicka, Animal Control Services, has submitted a proposal for combined animal control and impound services. Mr. Ruzicka impounds dogs at Hillcrest Animal Hospital, Maplewood. A fee proposal was also received from Hillcrest for impound services only. Based on past history, the costs of the various options when calculated on a per-call basis appear to be lower with Animal Control Services. The City's arrangement with Ms. Reid pays one-third of her insurance costs (\$222 in 2008).

Administrator Hurlburt outlined various options for discussion. These included amending the ordinance to allow for animal control of all domesticated species, eliminate animal control altogether (other than dangerous dogs), or to contract with alternative services.

Councilmember Peterson stated that animal control should continue as people expect it and she would like the City to continue to use Ms. Reid's services. Councilmember Yehle felt that the pickup of cats could be allowed in extreme situations only and by doing so, the Woodbury Humane Society could continue to be used as an impound facility, as Yehle would prefer to continue with this non-profit organization. Yehle doesn't foresee a problem of multiple cats being collected. Councilmember Harnetty felt that the lowest cost service should be utilized.

Ms. Reid stated that the annual payment of insurance could be dropped, as she felt that she could discontinue this policy with her provider. Councilmember Crum felt it mandatory that a contractor with the City have liability insurance.

Ms. Reid was advised to submit a proposal for animal control which would include public liability insurance coverage, to indemnify the City of any damages. The Woodbury Humane Society has offered to extend impound services to the City beyond January 1 to allow time to find an alternative impound facility, if necessary.

Report on State Aid Unallotments

Administrator Hurlburt reported on the League of Minnesota's Cities forecast on legislative cuts to payments of local government aid and market value homestead credit reimbursements. The effect these unallotments would have to the City of Scandia range from a loss of \$20,700 to \$31,100, depending on which level of cuts will be made. As revenue is ahead of budget at the end of 2008, this loss can be absorbed somewhat, but the situation will be carefully monitored.

TILLER CORPORATION, ENVIRONMENTAL ASSESSMENT WORKSHEET FOR ZAVORAL MINING AND RECLAMATION PROJECT

City Planner Sherri Buss reported that Tiller Corporation has submitted an application for a Conditional Use Permit and Environmental Assessment Worksheet (EAW) for the Zavoral mining project. This is a dormant mining site on 114-acres east of the intersection of State Highways 95 and 97, owned by Dr. James Zavoral. The Minnesota Environmental Review Program requires a review process of an EAW to determine if the project has the potential for significant environmental impacts. Ms. Buss finds the EAW to be complete and recommends that the Council approve the EAW for distribution to interested agencies and the public. Ms. Buss outlined a schedule of dates for this review process. It was emphasized that approval for distribution of the EAW does not indicate that the Applicant has met requirements for the CUP. A 30-day review period will gather comments regarding the proposed mining operation. City staff and the Applicant will prepare responses to comments and relative findings.

Councilmember Peterson, seconded by Councilmember Yehle, moved to approve the distribution of the EAW as required by state laws. A public meeting will be scheduled at the February 3, 2009 Planning Commission/City Council meeting to receive comments on the EAW. The motion passed unanimously.

LEGISLATION INCREASING COUNTY OVERSIGHT OF WATERSHED DISTRICTS (RESOLUTION 12-16-08-06)

The Washington County Board of Commissioners is seeking legislative authority to approve watershed district annual budgets and property tax levy amounts prior to adoption by the watershed district board of managers. The Board does not think it is appropriate for an appointed board to have taxing authority without approval of elected county boards. Mayor Seefeldt suggested that the City Council support legislation by adopting a resolution and providing it to the city's state representatives.

Jim Shaver, Carnelian-Marine-St. Croix Watershed Administrator, stated that he is opposed to having the County Board approve watershed budgets, and urged the Council to deny the resolution. Mr. Shaver felt the watershed is responsive to the community and the Board shouldn't control watersheds in which they do not live.

Wayne Moe, Comfort Lake-Forest Lake Watershed Manager, was also opposed to this resolution and felt this legislative bill be a waste of taxpayer's money.

Mayor Seefeldt commented that although good points were made, the issue of non-elected managers having taxing authority is a concern. Councilmember Crum stated that taxing with no representation causes issues, and that he doesn't see a burden to the watersheds to present arguments to the Board, which has the ability to look at the overall tax burden of properties.

Mike White, 13310 188th Street, stated that there should be some local control over the watersheds, and County Board approval of their budgets would be a step in the right direction.

Mayor Seefeldt stated that the current managers of the Car-Mar Watershed do not equally represent the Scandia taxing district. Councilmember Peterson commented that this resolution is in response to many citizen complaints concerning the watershed's budgets.

Councilmember Crum, seconded by Councilmember Peterson, moved to accept Resolution 12-16-08-06, Supporting Legislation to Increase County Board Oversight of Watershed Districts. The motion passed unanimously.

LEASE AGREEMENT WITH SCANDIA MARINE LIONS FOR ANNEX

City Attorney Hebert has prepared a lease agreement between the Scandia Marine Lions Club and the City of Scandia for use of the old Fire Hall/Annex. The Lions have used the Annex for storage and office space for their charitable gambling activities for several years. The Lions have proposed to pay the city rent of \$100 per month to offset utility costs. **Councilmember Peterson, seconded by Councilmember Yehle, moved to approve the lease agreement with the Scandia Marine Lions for use of the old Fire Hall/Annex. The motion passed unanimously.**

ORDINANCE NO. 112 – SETTING USER FEES FOR THE 201 COMMUNITY SEWER SYSTEM

The 2009 budget for operations of the 201 septic system servicing homes around Big Marine Lake calls for increasing reserves for future system repairs and setting aside funds for expenses. A 20% rate increase was recommended during budget discussions. The 2009 rate will increase to an annual fee of \$658.73. **Councilmember Peterson, seconded by Councilmember Crum, moved to adopt Ordinance No. 112 Establishing User Charges and Connection Fees for the "201" Community Sewage Treatment System. The motion passed unanimously.**

ORDINANCE NO. 113 – REGULATING UTILITY PERMITS

A utility permit fee of \$50.00 was set by Ordinance No. 42 in 1992. In budget discussions, Council directed staff to prepare an ordinance increasing the fee to \$150.00. The updated ordinance includes the requirement of a financial guarantee for restoration, if needed.

Councilmember Peterson, seconded by Mayor Seefeldt, moved to adopt Ordinance No. 113 Amending Section 1.1 of Ordinance No 39 Regulating the Construction of Public Utilities and Requiring Permits. The motion passed unanimously.

AMENDMENTS TO COMMUNITY CENTER RENTAL POLICY

The rental rates of the Community Center have not been adjusted for several years while the operating budget has been increasing. The Council directed staff to prepare an amendment to raise rates for private events, effective for contracts signed after January 1, 2009.

Councilmember Peterson, seconded by Councilmember Crum, moved to approve the changes to the Community Center Rental Policy. The motion passed unanimously.

EMPLOYEE PAY RATES FOR 2009 (RESOLUTION 12-16-08-07)

The Human Resources Committee (Council members Crum and Peterson and Administrator Hurlburt) has recommended cost-of-living pay adjustments for employee wages in 2009. A 3% pay rate adjustment was calculated into the budget. **Councilmember Crum, seconded by Councilmember Peterson, moved to adopt Resolution 12-16-08-07, Establishing Pay Rates for 2009.** Upon discussion, Councilmember Yehle felt that with reserves down, this is not the time to be adding a pay increase to the budget. Councilmember Peterson commented that pay rates should be frozen and evaluated at a later date. Councilmember Crum stated that denying a cost-of-living increase can affect morale and productivity, and is not an effective way to attract and retain qualified workers. **Voting in favor of adopting Resolution 12-16-08-07: Crum, Harnetty, Seefeldt. Voting opposed: Peterson, Yehle. The motion passed.**

Councilmember Yehle, seconded by Councilmember Harnetty, moved to adjourn.

The meeting adjourned at 9:30 p.m.

Respectfully submitted,

Brenda Eklund
Deputy Clerk