

November 15, 2011

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 Anne Hurlburt, City Attorney Dave Hebert, City Planner Sherri Buss, Police Deputy Chris Majeski, Fire Chief Jim Finnegan, Treasurer Colleen Firkus and Deputy Clerk Brenda Eklund.

PUBLIC FORUM

Samantha Keeney, 19727 Parkview Avenue, approached the council with a request that the Community Center Rental Agreement be revised to allow for an hourly rental rate of the kitchen facility. Ms. Keeney is starting a salsa and jams business and needs to prepare the products in a licensed commercial kitchen. She provided the council with a comparison of hourly rental rates at other facilities outside the Scandia area. Ms. Keeney was told that this will be a subject of discussion at the December 13 Council work session.

APPROVAL OF THE AGENDA

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

CONSENT AGENDA

The following Consent Agenda was presented:

- a) Minutes
 - 1) October 25, 2011 Special Meeting
 - 2) November 2, 2011 Special Meeting
 - 3) November 3, 2011 Special Meeting
 - 4) November 8, 2011 Work Session
 - 5) November 9, 2011 Special Meeting
- b) Treasurer's Report

Beginning Balance 10/01/2011	\$2,281,709.61
Receipts	+ <u>76,815.78</u>
Expenditures \$120,259.73	
Payroll <u>26,153.18</u>	- 146,412.91
Adjustments: Safe Deposit Fee	<u>35.00</u>
Ending Balance 10/31/2011	\$2,212,077.48
- c) Payment of Vouchers
- d) 2012 Tobacco License Renewal, AJL Enterprises dba Scandia Olde Towne Liquor
- e) 2012 Liquor License Renewal, AJL Enterprises, Inc. dba Scandia Olde Towne Liquor (Off-Sale)

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

PUBLIC HEARING: CERTIFICATION OF UNPAID CHARGES FOR 201 SEWER SYSTEM FOR COLLECTION WITH PROPERTY TAXES (RESOLUTION NO. 11-15-11-01)

Account holders with delinquent payments to the 201 Community Sewage Treatment System received notice of the public hearing in which they had the opportunity to object to the certification of the unpaid charges.

Mayor Simonson opened the public hearing. There were no comments and the hearing was closed.

Simonson, seconded by Amos, moved to adopt Resolution No. 11-15-11-01, Certifying Unpaid Charges for “201” Community Sewage Treatment for Collection with Property Taxes. The motion carried 5-0.

Property owners have 10 days following the hearing to pay the delinquent amount without interest. After 15 days, the assessment roll will be certified to Washington County and billed to the property owner’s 2012 tax statement with a collection term of one year, at 12% interest.

PARK AND RECREATION COMMITTEE

City Administrator reported that the Committee has made a recommendation to Agenda Item 7.b)2) Heinisch Minor Subdivision and Variance, regarding park fees.

PLANNING COMMISSION: VARIANCE FROM THE MINIMUM LOT SIZE TO ALLOW CONSTRUCTION OF A SINGLE FAMILY DWELLING, 11085 189TH STREET NORTH. LEEANN THOMPSON, APPLICANT (RESOLUTION NO. 11-15-11-02)

City Planner Sherri Buss reported on the application of LeeAnn Thompson to construct a single-family dwelling at 11085 189th Street North, a parcel less than one-acre within the Shoreland Overlay District of Big Marine Lake. At their November 1 meeting, the Planning Commission recommended approval of a variance from the minimum lot size of 2 acres, with findings and conditions which were incorporated into a resolution.

Planner Buss explained that the applicant is working on a Landscape Plan and a grading plan which meet the requirements of the ordinance, in addition to working with the Watershed District on a permit for storm water management and erosion control.

Mayor Simonson stated that it appears the questions about the application have been addressed by the applicant’s close work with the Planner. Council member Schneider asked if this requires a connection to the Bliss 201 Sewer System. Administrator Hurlburt replied that Washington County has approved the connection to the Bliss System, which has the capacity for additional connections.

Council member Ness stated that he attended the site visit and this property is 2 to 3 properties removed from the shoreland of Big Marine Lake and will not be visible from the lake.

Simonson, seconded by Ness, moved to approve Resolution No. 11-15-11-02, Approving Variance for 11085 189th Street North. The motion carried 5-0.

PLANNING COMMISSION: MINOR SUBDIVISION AND VARIANCES TO CREATE A 10-ACRE LOT, AND VARIANCES FROM THE MAXIMUM NUMBER AND SQUARE FOOTAGE OF ACCESSORY STRUCTURES, 23620 OLINDA TRAIL. ROGER AND JOYCE HEINISCH, APPLICANTS (RESOLUTION NO. 11-15-11-03)

City Planner Buss reported on the application of Roger and Joyce Heinisch to create an 11.26-acre parcel from their 300 acres, with the balance to be dedicated to a permanent conservation easement. The Park and Recreation Committee recommended that the park dedication fee of \$3,000 be waived as the owners will allow public access to the open space. A survey of the minor subdivision was received just prior to the meeting which verified that the minor subdivision will create an 11.26-acre lot on which the house and accessory structures reside.

At their November 1 meeting, the Planning Commission recommended approval of the minor subdivision and the variance to allow all the accessory structures to remain, which is in excess of the number and allowed square footage for an 11-acre parcel. The findings and conditions were incorporated into a resolution.

Mayor Simonson questioned how the agricultural operations and passive recreational use of the open space would work together. Planner Buss replied that there are areas of creeks and woodlands that comprise a large enough area to allow for public use. The Minnesota Land Trust predicates that over time, the farm fields may be converted to native habitat. Property owner Roger Heinisch stated that the established field roads provide boundaries of the various fields. He has planted trees along the borders of the roads.

Simonson, seconded by Swanson, moved to adopt Resolution No. 11-15-11-03, Approving the Minor Subdivision and Variances for 23620 Olinda Trail North. The motion carried 5-0.

Council members thanked the Heinisch's for their generous donation of land that will be permanently preserved as open space.

PLANNING COMMISSION: VARIANCE FROM THE MINIMUM LOT SIZE TO ALLOW CONSTRUCTION OF A SINGLE FAMILY DWELLING, 13350 188TH STREET NORTH. JEFF BALMER, LANDS ENDS DEVELOPMENT, APPLICANT ON BEHALF OF JIM AND SANDI CONTINENZA, OWNERS (RESOLUTION NO. 11-15-11-04)

City Planner Buss reported on the application to allow for the construction of a single-family dwelling at 13350 188th Street, an approximately one acre lot within the Shoreland Overlay District of Big Marine Lake. At their November 1 meeting, the Planning Commission recommended approval of the variance from the minimum lot size of 2 acres, with findings and conditions which were incorporated into a resolution.

Planner Buss discussed the issue concerning wastewater disposal. The applicant initially proposed a connection to the City's 201 Anderson-Erickson sewage system, but County staff

indicated that the system is at capacity, and additional connections would require an expansion of the drainfield. Planner Buss recommended that a location for an on-site sewage system be identified that will meet the County's requirements.

Joseph Christensen, attorney representing the Continenzas, addressed the council with a number of points concerning this application. His first item concerned the location of 188th Street as shown on the survey. A portion of the street lies within the boundaries of the property and it is likely that there are underground utilities encroaching onto the property.

Mr. Christenson went on to explain that the Continenzas also own the adjacent lot. The cabin on this lot (Lot 8) has its septic drainfield on the proposed building site. It will be necessary for the existing cabin to connect to the 201 community sewer system, in addition to their request to connect the proposed house to the system. It is believed that stubs for both these properties were installed at the time of the reconstruction of 188th Street. He explained that the applicants have offered to pay up to double the connection fee with an understanding that the excess funds would go towards a solution for future expansion of the system. They would like to work with the City in a sensible way to address future needs of all the users.

Mr. Christenson described the septic design which would be necessary to accommodate an on-site septic system. Due to the limited size of the lot and the soil type, an extensive mound system would need to be constructed nearer to the lake and may require a variance from County height requirements.

Administrator Hurlburt stated that proposal for two potential connections is new information, and recommended that the Council postpone action until further study of the 201 system capacity can be conducted. The review period expires February 11, 2012.

Simonson, seconded by Ness, moved to table the application for the Continenza variance until further information can be reviewed. The motion carried 5-0.

Administrator Hurlburt will meet with Washington County staff to gather information regarding the number of current and potential users of the Anderson-Erickson sewage system, the downstream capacity, and expansion logistics. The Council will continue to review the application at their December 13 work session.

POLICE DEPARTMENT

Deputy Chris Majeski reported on police calls for the month of October. A recent seatbelt check showed greater than 90% compliance for drivers in Scandia.

FIRE DEPARTMENT

Fire Chief Jim Finnegan reported that the department responded to seventeen calls in October, four fire related and ten rescue calls. There were large turnouts for both the Open House and the Safe Halloween event. The department will consider advertising for new recruits in early 2012. Chief Finnegan expressed his appreciation for Administrator Hurlburt's work in negotiating a new fire coverage contract with May Township.

CITY ENGINEER

Contractor's Request for Payment No. 2 and Final, 2011 Seal Coat Project

City Engineer Ryan Goodman recommended approval of the final payment to Allied Blacktop for the 2011 Seal Coat Project.

Simonson, seconded by Ness, moved to approve the final pay request to Allied Blacktop in the amount of \$18,352.40 for completion of the 2011 Seal Coat Project. The motion carried 5-0.

Contractor's Request for Payment, Mayberry Drainage Improvement

City Engineer Goodman recommended a payment to Scandia Trucking for completion of the Mayberry Drainage Improvement project. A retainage of \$2,500 will be held to ensure that site restoration is completed.

Simonson, seconded by Amos, moved to approve a payment to Scandia Trucking in the amount of \$17,380 for completion of the Mayberry Drainage Improvement Project. The motion carried 5-0.

Feasibility Report on Water System Interconnection

City Engineer Goodman presented an engineering feasibility report on the possible interconnection of the City water system and the private Hilltop water system. This study was authorized by the Council on August 16, 2011. The state Health Department recommended to both the City and Hilltop Water Company that they look for a possible connection to another water source that could be accessed in case of emergencies.

The report stated that an emergency interconnection between the City and Hilltop water systems would require a 4-inch water main between the two wells. An interconnection would likely be directional drilling along Olinda Trail to connect the warming house mechanical room and Hilltop water system vault, at a cost of approximately \$70,000.

Administrator Hurlburt recommended that further discussion be postponed until the Hilltop Water Company Board reviews the study and the City receives their comments.

Assignment of Bonestroo Contract to Stantec Consulting Services

On September 2, 2011, Bonestroo joined Stantec Consulting Services. All future projects and operations will be under the Stantec name. City Engineer Goodman requested that the City agree to assign the existing contract in the name of Bonestroo to Stantec. There would be no change to the details of the contract.

Ness, seconded by Amos, moved to approve the assignment of the existing contract with Bonestroo to Stantec. The motion carried 5-0.

Council member Swanson recommended that the original contract be revised to designate the contract be in the name of "City of Scandia" instead of "New Scandia Township". City Attorney

Hebert explained that a fee schedule is adopted annually which keeps the contract current in that regard.

BUILDING OFFICIAL

The City recently entered into an agreement with the City of Forest Lake to provide building inspection services and appointed Keith Wille as the Building Official. Mr. Wille addressed the council with the procedures the Forest Lake Building Department will use. Dan Grinsteiner will be doing the field inspections, and they plan to consolidate the inspections into one or two afternoons a week. Mr. Wille will provide the council with a written monthly report and will attend council meetings by request.

CITY ADMINISTRATOR

2011 Budget Amendment

City Administrator Hurlburt presented a budget amendment for the purchase of tires for the John Deere tractor. This purchase was not anticipated when the 2011 budget was prepared. Sufficient funds remain in the budget within materials for road maintenance (line item 101-43000-224) that can be used for this purchase. A transfer of \$3,575 from this line item to tires (101-43000-222) was included in a resolution.

Simonson, seconded by Ness, moved to adopt Resolution No. 11-15-11-05, Amending 2011 General Fund / Public Works Department Budget. The motion carried 5-0.

Update on Schedule for Zavoral Mining and Reclamation Project Environmental Impact Statement (EIS)

A preliminary Draft EIS was released on November 8 and will be reviewed at the last meeting of the Project Advisory Committee on November 16. Administrator Hurlburt outlined a proposed schedule for the process going forward. The consultants (AECOM) will deliver all comments regarding the Draft EIS to the City by January 17, 2012. A special meeting of the Council will be held on January 31, 2012 to decide on the release for the formal public comment period. Public information meetings will follow, proposed for the March 6, 2012 Planning Commission meeting. It is anticipated that the Council will act on the adequacy of the EIS sometime on late May or June of 2012.

2012 INSURANCE COVERAGE RENEWAL

JoAnn Buse, the City's agent manager for insurance coverage under the League of MN Cities Insurance Trust (LMCIT), was present to discuss the 2012 renewal. The city has the option of whether or not to waive the statutory monetary limit on tort liability. Most communities do not waive the limit, and for the past few years, Scandia has not waived the limit.

Council discussed the city's claim deductible, currently at \$500 per claim. Over the past 4 policy years, the city has submitted 7 insurance claims. Premium savings costs were reviewed and Council member Ness suggested that the deductible be increased to \$1,000.

Ness, seconded by Schneider, moved to renew insurance coverage with LMCIT for 2012 with terms that do not waive the tort liability limits and to increase the claim deductible to \$1,000. The motion carried 5-0.

2012-2014 FIRE DEPARTMENT SERVICE AGREEMENT WITH MAY TOWNSHIP

City Administrator Hurlburt presented a new 3-year contract for fire protection services which May Town Board has approved. The contract incorporates a 3% increase in the contract price for each year.

Simonson, seconded by Swanson, moved to approve a Fire Department Service Agreement with May Township for 2012 through 2014. The motion carried 5-0.

2012 DRAFT BUDGET

The Council discussed any changes that need to be made to the 2012 budget before the December 13 public Truth in Taxation meeting. Administrator Hurlburt presented numbers which have the expense and revenue figures in balance with the tax levy certified in September.

Council member Swanson stated that she is not in agreement with the 2% pay increase for employees. Swanson offered to present information at the December 13 Council work session to further discuss this issue.

No further changes to the budget were brought forth. Final adoption of the budget and tax levy is scheduled for the December 20 council meeting.

ADJOURNMENT

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

The meeting adjourned at 9: 05 p.m.

Respectfully submitted,

Brenda Eklund
Deputy Clerk