

February 20, 2018

A regular meeting of the Scandia City Council was held on the above date. Mayor Christine Maefsky called the meeting to order at 7:00 p.m. Following the Pledge of Allegiance, roll call was taken. The following members were present: Council members Bob Hegland, Steve Kronmiller, Chris Ness, Jim Schneider and Mayor Christine Maefsky. Staff present: City Administrator Neil Soltis, City Planner Sherri Buss, City Engineer Ryan Goodman, Assistant City Attorney Patrick Sweeney, Police Deputy Brandon Yetter, Fire Chief Mike Hinz, Public Works Director Adam Hawkinson and Deputy Clerk Brenda Eklund.

PUBLIC FORUM

Scandia Good Neighbor Award

Mayor Maefsky presented a Scandia Good Neighbor Award Proclamation to the coordinators and meal delivery drivers of the Scandia Home Delivered Meals program. The program is entirely run by volunteers to provide affordable meals to homebound Scandia residents and an opportunity to check in on their well-being.

St. Croix River Association

Natalie Warren of the St. Croix River Association explained a new publication entitled “Best Practices for Zoning Applications in the Riverway Boundary” to assist landowners who are considering making changes to their property in the St. Croix Riverway. Warren said that understanding building restrictions along the river will save time and money when making plans for their properties. The resource is available on the River Association’s website.

APPROVAL OF AGENDA

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

CONSENT AGENDA

The following Consent Agenda was presented:

- a) Minutes
 - 1) January 16, 2018 Regular Meeting
 - 2) February 7, 2018 Work Session
- b) Treasurer’s Report

Beginning Balance 01/01/18	\$4,320,907.66
Receipts	\$50,739.75
Expenditures \$162,434.51	
Payroll <u>\$31,775.06</u>	<u>\$(194,209.57)</u>
Ending Balance 01/31/2018	\$4,177,437.84
- c) Payment of Vouchers
- d) Application for Excluded or Exempt Lawful Gambling Permit, Scandia Women’s Softball (March 23, 2018 Ham Bingo and November 16, 2018 Turkey Bingo)
- e) Appointment of Planning Commission Chair and Vice Chair

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

PUBLIC HEARING: CONSIDER ADOPTION OF THE 2018 STREET RECONSTRUCTION PROJECT AND SALE OF GENERAL OBLIGATION BONDS

City Engineer Goodman provided a summary description of the 2018 street reconstruction project estimated at a cost of \$6,425,650. A map of the proposed streets scheduled for full depth reclamation and paving was included in the meeting packet. The City proposes to issue general obligation bonds in the amount of \$4,500,000 to finance a portion of the project, with the balance covered by funds from the Local Road Improvement Fund.

Jessica Green of Northland Securities was present to explain the process for the issuance of the bonds. Financing with street reconstruction bonds does not require property owners to be assessed a portion of the cost for the improvement project. Green said that the City will be seeking a bond rating to potentially lower the interest rate on the 15-year bond.

Mayor Maefsky opened the public hearing at 7:13 p.m. There were no comments and the hearing was closed.

Discussion on the issuance and sale of the bond occurred under Agenda Item 9.b later in the meeting.

PARKS AND RECREATION COMMITTEE

Update on 2018 Vinterfest Event

PRC member Dustin Hegland reported on the successful Vinterfest event held on January 27th. The Committee is considering forming a Vinterfest Committee for planning next year's event, comprised of other community members.

School Forest Program at Lilleskogen Park

The PRC has researched the potential for the School District to apply for the designation of Lilleskogen Park as a MN DNR School Forest for outdoor classroom use by students at nearby Scandia Elementary. In addition, the parkland west of school in the Wyldewood Acres subdivision could be included in the program as a prairie setting to supplement the wooded Lilleskogen Park. The DNR School Forest program requires a Joint Powers Agreement between the City and Forest Lake School District regarding the use of the property. Hegland reported that the Committee is recommending support of this program.

Council member Schneider stated that this is the best use of the property. Mayor Maefsky said that a committee will be put together to oversee activities, which is one of the program requirements.

Ness, seconded by Kronmiller, moved to support working with the Forest Lake School District on the designation and drafting of a joint powers agreement for the use of parklands in the DNR School Forest program. The motion carried 5-0.

Review of Annual Report

The PRC provided a finalized annual report to the Council which documented 2017 accomplishments and outlined goals for this year. The report included the Committee bylaws as

well. Mayor Maefsky noted that Section 5 should include that agendas are posted on the city's website in advance of their meetings. Administrator Soltis explained that this requires a minor amendment to the bylaws, which could be done at a future time.

PLANNING COMMISSION

Variances for Accessory Structure at 19235 Larkspur Avenue -- Shannon Mulvehill, Applicant (Resolution No. 02-20-18-01)

Planner Buss presented the recommendation from the Planning Commission to approve variances for the construction of a garage at 19235 Larkspur Avenue, a small property in the shoreland zoning district with a steep bluff behind the house. The Commissioners found that locating the 16'x20' structure on existing impervious area a minimum of 2 feet from the bluffline (20 feet required), 4 feet from the side lot line (5 feet required), and 30 feet from the road right-of-way (40 feet required) would minimize the amount of grading and disturbance within the bluff setback area as compared to moving the garage closer to the street in order to meet the bluffline setback. Findings and conditions were presented in a resolution, including the use of gutters and roof leaders to direct drainage away from the bluff and adjacent property and towards the street.

Council member Ness stated that he attended the site visit with the Planning Commission and locating the garage as recommended is a better solution as it will improve run-off going towards the street and away from the bluff.

Ness, seconded by Hegland, moved to approve Resolution No. 02-20-18-01, Approving Variances for 19235 Larkspur Avenue North. The motion carried 5-0.

BUILDING OFFICIAL

The building activity report for January was provided by Building Official Chuck Preisler. Eighteen permits were issued in January at a valuation of \$424,801. One new residential construction permit was issued.

POLICE REPORT

Police Deputy Brandon Yetter reported that a residential burglary, with apprehension later that day; a construction trailer was stolen in the Bliss, and a traffic stop resulted in a narcotics arrest.

FIRE DEPARTMENT

Fire Chief Mike Hinz reported that the department responded to 19 calls in January – 2 fire and 17 medical. A house burn for training purposes was recently conducted. The annual Fireball fundraiser event will be held at the Community Center on February 24th.

CITY ENGINEER

City Engineer Ryan Goodman addressed the Comprehensive Plan process and clarified that his firm is addressing the expectations of the City's Request for Proposals in providing a range of public outreach efforts over the past year, simplifying the City's existing Comprehensive Plan and drafting a plan that will meet the requirements of the Met Council. Goodman noted that the Watershed Districts can respond with comments at the time of the public hearing in April and

will have a further opportunity to submit comments on the draft of the plan during the 6-month review period. Administrator Soltis added that the Planning Commission will discuss any changes to the Plan following the public hearing. Goodman will present the water supply and wastewater sections at the March 6th meeting of the Planning Commission.

Goodman reported that the Vinterfest snow sculpture contest was popular, and that his firm provided acrylic awards to all participants.

DIRECTOR OF PUBLIC WORKS

Public Works Director Adam Hawkinson presented the department's activity report for January. Right-of-way brush clearing continues in preparation for this year's street project, maintenance issues with the 201 sewer system were addressed, and staff assisted with Vinterfest preparations. Hawkinson said that following a salt symposium he recently attended which covered the environmental effects of the use of road salt, he would like to address the City's snow and ice control policy at a future work session.

CITY ADMINISTRATOR

City Administrator Neil Soltis reported that there may be an opportunity to use Northwoods Animal Shelter for impound services, staff is researching the cost to install a handicap accessible entry to the Community Center, an appraisal of the City's Goose Lake lot is underway with discussion planned for the next work session, and the City has achieved Step 2 recognition in the GreenStep program. Soltis provided a summary of year-end financials, with transfer of the excess fund balance of \$400,000 to the Capital Improvement Fund provided for in the 2018 budget.

2018 ANNUAL OPERATING PERMIT FOR TILLER CORPORATION – SCANDIA MINE SITE AT 22303 MANNING TRAIL (RESOLUTION NO. 02-20-18-02)

Planner Buss summarized Tiller Corporation's application for its 2018 Annual Operating Permit for the existing gravel mine and asphalt processing operation located on Manning Avenue near 225th Street. The applicant indicated the mining, processing and reclamation activities within the site will continue to operate as they have in the past, and that nearly all of the former Dresel site will be reclaimed by the end of 2018. No mining into the groundwater table occurred in 2017, but may occur in 2018 depending on availability of equipment.

Buss reported that the business complied with the conditions of its CUP and the operating conditions of the previous year. Petroleum contaminated soil in the former Dresel site was encountered last May. The incident was properly reported and 150 tons of contaminated soils were removed. Two unfounded complaints related to trucking were reported and dealt with. The applicant is in the process of renewing its 5-year term permit with the Watershed District.

Buss concluded with the recommendation to approve the AOP for 2018 with thirteen conditions written into a resolution.

Council member Kronmiller asked how long Tiller plans to continue operations at the site. Christina Morrison, Tiller Corporation, replied that based on material and market demand, it could continue to operate for the next 30-40 years. The site has been actively mined since 1966.

Morrison asked that condition #2 identify the Dresel Mine site and condition #3 identify the Scandia Mine site in regulating the depth of mining. Staff agreed with this addition to the resolution.

Ness, seconded by Hegland, moved to adopt Resolution No. 02-20-18-02, Approving the 2018 Annual Operating Permit for Tiller Corporation's Scandia Mine Site as amended with staff recommendations to Conditions #2 and #3. The motion carried 5-0.

STREET RECONSTRUCTION PLAN AND ISSUANCE OF STREET RECONSTRUCTION BONDS (RESOLUTION NO. 02-20-18-03)

The public hearing on the street reconstruction plan and issuance of bonds was completed earlier in the meeting. Jessica Green of Northland Securities explained that the \$4.5 million bond was based on the engineer's estimates for the project, above the City's contribution of approximately \$2 million of cash on hand. The debt service schedule over the next 15 years was presented as Exhibit B. A bond rating will be requested following the 30-day timeframe for citizens to petition the Council's action. Following the sale of the bonds, the proceeds will be available in June.

Kronmiller, seconded by Hegland, moved to approve Resolution No. 02-20-18-03, Adopting a Street Reconstruction Plan and Preliminarily Authorizing the Issuance and Sale of Street Reconstruction Bonds Thereunder. The motion carried 5-0.

APPROVING THE PLANS AND SPECIFICATIONS FOR THE 2018 STREET IMPROVEMENT PROJECT AND AUTHORIZING ADVERTISEMENTS FOR BIDS

Engineer Goodman reported that the street reconstruction project was prepared into a 96-page plan that is ready to be released for bids, for possible award at the April 17, 2018 Council meeting.

Council member Kronmiller asked about shoulder width. Goodman explained that a one-foot gravel base is planned for the shoulders.

Ness, seconded by Kronmiller, moved to Approve the Plans and Specifications and Authorize the Advertisement for Bids for the 2018 Street Improvements Project. The motion carried 5-0.

REQUEST FROM CYCLING SCANDIA TO DESIGNATE THE WARMING HOUSE AS A GATHERING SPACE

John Chrun was present to seek approval to use area around the warming house as a gathering space to support Cycling Scandia initiatives. Chrun explained that they are seeking approval of the concept only so that the group can identify and prepare plans for amenities such as a bike fix-it station, a water source, bike route signage and a restroom facility. These features were

identified following a survey of bicyclists as desirable amenities along bike routes. This location has existing picnic benches and a bike rack. Riders could use the area as a rest stop as they pass through Scandia or to begin and end their rides. Chrún clarified that access to the warming house is not requested, only use of the property around the warming house.

Chrún explained that Cycling Scandia is not seeking funding but approving the concept will allow the group to work on a site plan and prepare a funding strategy.

Council member Hegland said it is worthwhile idea to support. City Administrator Soltis explained that the group would seek future Council approval with any plans and designs that may result from their efforts.

Kronmiller, seconded by Hegland, moved to endorse the concept of using the warming house area as a gathering space and to refer the request to the Parks and Recreation Committee for further discussion. The motion carried 5-0.

ASSESSOR'S REQUEST TO MODIFY THE FEE SCHEDULE

In 2015 the City entered into an agreement with Chase Peloquin to provide assessment services at an annual fee of \$20,615 plus \$10 for each residential building permit application submitted to the assessor for review. In a letter dated 2/12/2018, Peloquin described substantial changes to state and county procedures that involve increased workload on his part. He requested an update to his annual fee to \$24,970, a 21% increase. Administrator Soltis explained that having the County provide assessment services would be 10% greater than Peloquin's proposal.

Council member Schneider said the increase appears out of line. Council member Kronmiller stated that the 21% fee increase is quite large. Council discussed alternatives such as negotiating or putting out a request for proposals for assessment services. Soltis explained that Peloquin would not consider expanding the charge per permit instead of raising the annual fee.

Hegland, seconded by Ness, moved to seek proposals for assessment services through an RFP process. The motion carried 5-0.

DISCUSSION ON REPLACEMENT OF 2008 FORD RANGER PICKUP TRUCK

Public Works Director Adam Hawkinson presented quotes from the state bid process for a new vehicle to replace the 2008 Ford Ranger. Hawkinson explained that the vehicle is identified for replacement this year following the equipment replacement program, with funds of \$36,500 in the 2018 budget. Hawkinson requested the purchase of a 2018 ¾ ton, 4-wheel drive with plow attachment as a more functional vehicle to have in the fleet. He recommended a Dodge 2500 with plow kit offered with a bid of \$32,878.18. Hawkinson said that the additional funds in the budget could be used for the purchase of a plow mount kit for the F550 Ford to make it a full-service snow removal vehicle.

Council questioned the need to replace the vehicle, the need to upgrade the size from a Ranger, the use of the vehicle, and whether the Ranger is the right vehicle to be replaced. Hawkinson

was asked to bring back quotes for trucks that are comparable in size and function to the Ranger for discussion at the next work session.

PROPOSALS FOR 2018 DUST CONTROL

PW Director Hawkinson received 3 quotes for the application of calcium chloride to the City's gravel roads for dust control. He recommended the award to Northern Salt, having the lowest bid at a rate of \$0.91/gallon.

Kronmiller, seconded by Ness, moved to accept the quote from Northern Salt for this season's dust control application. The motion carried 5-0.

DISCUSSION ON TRANSFER OF FUNDS TO THE PARK IMPROVEMENT FUND

Council member Kronmiller stated that the negative balance in the Park Capital Improvement Fund is a deterrent to the Committee's long-range planning of park development, and noted that the Council agreed to explore the potential sale of a City owned lot for proceeds to add to the Fund. Kronmiller explained that this process could take most of the year, and he proposed supporting the PRC with a transfer of \$100,000 from the \$400,000 excess revenue funds into the Park Capital Improvement Fund with action tonight.

Kronmiller stated that this action is not an authorization for the PRC to spend the money, but would provide support for the PRC to look at planning improvement projects. Council member Hegland said that it's a good idea he could support. Council member Ness said they should leave the money where it is. Council member Schneider expressed his opposition and said it's giving a green light to spend the money. Mayor Maefsky stated that approving a transfer shows a commitment to supporting the Park Committee.

Kronmiller, seconded by Hegland, moved to transfer \$100,000 of the excess revenue from 2017 to the Park Capital Improvement Fund.

Schneider moved to amend the motion with a transfer of \$20,000. The motion failed for lack of a second.

The original motion passed 3-2 with Ness and Schneider opposed.

EDA REQUEST FOR ORDINANCE REVIEW OF LOT SIZE IN THE VMU-B ZONING DISTRICT

Administrator Soltis explained the EDA's request to the Council to direct the Planning Commission to explore options to allow separate ownership in the commercial districts of the City. This request came about after discussion at their February 12th meeting where concerns were voiced regarding the sale of the closed Chikos restaurant business. The minimum lot size here is 2.5-acres, and the lot also has an office rental building that is complicating the sale of the restaurant. As property owner, Council member Schneider recused himself from the discussion.

Kronmiller, seconded by Hegland, moved to initiate a request that the Planning Commission consider options for separate ownership of buildings on a common parcel in the commercial districts. The motion carried 4-0, with Schneider not voting.

ADJOURNMENT

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

The meeting adjourned at 9:03 p.m.

Respectfully submitted,

Brenda Eklund
Deputy Clerk