

**CITY OF LAKE ST. CROIX BEACH
16455 20TH STREET SOUTH
WASHINGTON COUNTY, MINNESOTA**

CITY COUNCIL MEETING

March 21, 2016

MEMBERS PRESENT: Tom McCarthy, Charles W. Brown, Michelle Kline, Cindie Reiter, Jim Unker

STAFF PRESENT: John Parotti, Kevin Sandstrom, Amy Truhlar

OTHERS PRESENT: Nick Welsch, Scott Schulte, Mary Parr, Dolly Burns, Jim Golden, Becky Brewster

CALL TO ORDER by Mayor McCarthy at 7:04 p.m.

PLEDGE OF ALLEGIANCE was said.

APPROVE AGENDA Agenda Item 3

Mayor McCarthy asked to add Item 7A2, Stormwater Retention Ponds and add Item 8F, Potholes.

MOTION BY MAYOR MCCARTHY, SECONDED BY COUNCILMEMBER BROWN, TO APPROVE THE AGENDA WITH THE ADDITION OF ITEMS 7A2 AND 8F. MOTION PASSED UNANIMOUSLY.

CONSENT AGENDA Agenda Item 4

Councilmember Reiter asked to remove Item C from the Consent Agenda and place it as Item 10A.

MOTION BY COUNCILMEMBER REITER, SECONDED BY COUNCILMEMBER BROWN, TO APPROVE THE CONSENT AGENDA WITH THE REMOVAL OF ITEM C. THE FOLLOWING ROLL CALL VOTE WAS TAKEN: KLINE – AYE, UNKER – AYE, BROWN – AYE, REITER – AYE, MCCARTHY – AYE.

MOTION BY COUNCILMEMBER REITER, SECONDED BY COUNCILMEMBER BROWN, TO APPROVE THE MINUTES OF THE ECONOMIC DEVELOPMENT AUTHORITY MEETING ON FEBRUARY 8, 2016 AS PRESENTED. MOTION PASSED UNANIMOUSLY.

MOTION BY COUNCILMEMBER REITER, SECONDED BY COUNCILMEMBER BROWN, TO APPROVE THE MINUTES OF THE REGULAR CITY COUNCIL MEETING ON FEBRUARY 8, 2016 AS PRESENTED. MOTION PASSED UNANIMOUSLY.

PUBLIC COMMENTS Agenda Item 5

Scott Schulte, 11673 Tulip Street in Coon Rapids and Anoka County Commissioner, explained that he was in attendance to provide information Met Council reform, an initiative that was started by Anoka County, Dakota County, Carver County, and Scott County to reform the governance of the Met Council. These counties feel that the Met Council answers to only the governor, who appoints every member. The impetus for the recent movement was the Thrive 2040 Plan, which gave transportation dollars to municipalities based on the number of racially concentrated areas of poverty in the districts. Mr. Schulte stated that Washington County had been involved with the other four counties, but recently backed out because they were working with the Met Council on projects and were afraid of retribution. He stated that their opposition to the current system is that the Met Council answers only to the governor, but their decisions affect the entire metropolitan area. He provided information regarding their principles of reform, which included that Met Council positions should be elected. He stated that the Met Council in the Twin Cities area is the only Met Council in the country which has appointed positions rather than elected positions. Mr. Schulte explained that they do not want to get rid of the Met Council, but they want the governance model changed so the council is accountable to all people, not just the governor. Their plan calls for representation to be based on population. Councilmember Brown stated he would like to see sample resolutions adopted by other cities, and Commissioner Schulte stated he would send a full resolution and an amended resolution.

Jim Golden, 1920 Quarry Avenue South, reported that the City of Afton does not yet have their permit for the Downtown Improvement Project. The Valley Branch Watershed District is considering whether to approve or deny the permit. 11 tribes have toured the site. They were not notified at the start as they were supposed to have been. The Leech Lake Band of Ojibwe is asking for an Environmental Impact Statement (EIS) to be completed. He added that with all the emphasis on water quality, this does not seem to be the best location for this system. Councilmember Unker asked if moving the holding tank of the system would solve their problem. Mr. Golden was unsure. Councilmember Brown asked how the Indian burial ground land was developed into a residential area. Mr. Golden stated the land should have been protected.

PUBLIC SAFETY REPORTS Agenda Item 6

Deputy Sullivan reported 33 calls for law enforcement services in the month of February. He also stated that IRS scams are very high right now. He reminded everyone that they should not send money because of a phone call demanding it. Those are scams. Calls like this are being made to cell phones as well as land lines. If someone receives a call like this, they should try to get the number the person is calling from as well as any number they are given to call back. Councilmember Brown reported no calls for animal services in the month of February. Two dogs were reported lost and no animals were reported found. Mary Parr, a resident, reported there was an accident on St. Croix Trail South on Sunday, March 20, 2016, and many emergency vehicles responded to this accident.

CITY STAFF REPORTS Agenda Item 7

CITY ENGINEER PAROTTI (7A)

Street Sweeping Bids

John Parotti, City Engineer with SEH, reported that he had received two bids for street sweeping. One bid was for \$6,500 from Tri-County for both the spring and fall

street sweeping, and one bid for \$7,050 from Mike McPhillips, Inc. for both the spring and fall street sweeping. Mike McPhillips, Inc. has performed street sweeping for the city for the past several years, while Tri-County has added street sweeping to their list of services this year. It was noted that the equipment used by the two contractors was the same or similar. City Attorney Kevin Sandstrom reported that the City Council did not need to choose the lowest bidder because it is not a sealed bid, but cities usually choose the lowest bid.

MOTION BY COUNCILMEMBER BROWN, SECONDED BY COUNCILMEMBER REITER, TO ACCEPT THE BID FROM TRI-COUNTY SERVICES FOR SPRING AND FALL STREET SWEEPING FOR A TOTAL OF \$6,500. MOTION PASSED, 4 AYES, 1 NAY (REITER).

Councilmember Reiter explained that she voted nay on principle because a comment was once made that if the five cities gave Tri-County more business, they could provide more services. She stated that while that may be true, she did not feel it was the job of government to help private businesses in that manner.

City Engineer Parotti suggested directed staff to prepare a contract for execution for the work.

MOTION BY COUNCILMEMBER BROWN, SECONDED BY MAYOR MCCARTHY, TO DIRECT STAFF TO DRAFT A CONTRACT FOR THE WORK. MOTION PASSED UNANIMOUSLY.

Stormwater Retention Pond Inspections

City Engineer Parotti reported that he had met with Mayor McCarthy and a contractor to inspect the city's four stormwater ponds. They are all near the intersection of 13th Street South and St. Croix Trail South. The City Engineer performed these inspections for many years. Approximately eight years ago, the City Council asked him to stop as the inspections would be done by staff or the City Council. The City Council this year directed him to again perform the inspections. He stated that the stormwater ponds suffer from the neglected maintenance. The contractor present at the inspections, Tri-County Services, heard what was needed and provided a quote to Mayor McCarthy to perform the work. City Engineer Parotti stated that he thought the quote was reasonable. It was noted that the city's mowing contractor, LawnBarbers, has been mowing the stormwater pond on the northeast corner of the intersection. Once the other three have been cleaned out, they should be added to the regular mowing as well. City Engineer Parotti noted that there is another stormwater pond in the southeast section of the intersection. It is heavily wooded, and he recommended creating a plan to properly maintain that stormwater pond as well. He stated some easements may be needed for that one. He will work with city staff to determine if any land rights issues exist for that location.

MOTION BY COUNCILMEMBER BROWN, SECONDED BY COUNCILMEMBER KLINE, TO ACCEPT THE BID FROM TRI-COUNTY SERVICES TO CLEAN OUT STORMWATER PONDS 1, 2, AND 4 AND TO DIRECT STAFF TO DRAFT A CONTRACT FOR THE WORK. MOTION PASSED, 4 AYES, 1 NAY (REITER).

Councilmember Reiter stated she again voted nay on principle.

Valley Branch Watershed District Boundary Adjustments

The Valley Branch Watershed District and the Middle St. Croix Water Management Organization (WMO) have agreed on the hydrologic boundaries and are in the process of developing legal boundaries. After that has been completed, requests for letters of concurrence from all affected communities will be sent. Resolutions and letter to affected residents will be the steps following the letter of concurrence.

St. Croix River Flood Predictions

As of 3:00 on March 21, 2016, the St. Croix River was just over an elevation of 682 feet, which is 10 feet below the 100-year flood level. The last model has the level dropping over the next 7-10 days, City Engineer Parotti noted that river levels, especially in the spring, are heavily dependent on precipitation. Current outlooks anticipate April and May to be drier than usual.

Street Project Update

The surveys have been completed, and the drafting of the base mapping has been started. The next step will be to order soil borings. Then design and bid document preparation will begin.

Spring Road Restrictions

City Engineer Parotti reported that spring road restrictions went into effect on Monday, February 29, 2016. There is a limit of 5 tons per axle. Law enforcement will respond to violations.

County Striping

Washington County has sent out letters for road striping services. A response is required by April 1, 2016. The city has participated in the past several years. The City Council agreed to participate again for 2016. City Engineer Parotti stated he would work with staff to submit a response.

CITY ATTORNEY SANDSTROM (7B)

City Attorney Kevin Sandstrom had nothing further to report.

CITY CLERK-ADMINISTRATOR SCHULER (7C)

City Clerk-Administrator Schuler was absent.

DEPUTY CLERK-TREASURER TRUHLAR (7D)

Deputy Clerk-Treasurer Amy Truhlar presented the bills for the month totaling \$32,843.95.

MOTION BY COUNCILMEMBER REITER, SECONDED BY COUNCILMEMBER BROWN, TO APPROVE THE BILLS TOTALING \$32,843.95. MOTION PASSED UNANIMOUSLY.

Deputy Clerk-Treasurer Truhlar then reported that she had submitted her letter of resignation, and her last day with the city would be Thursday, March 31, 2016.

MOTION BY COUNCILMEMBER UNKER, SECONDED BY COUNCILMEMBER BROWN, TO SEND DEPUTY CLERK-TREASURER AMY TRUHLAR A LETTER OF APPRECIATION. MOTION PASSED UNANIMOUSLY.

NEW BUSINESS Agenda Item 8

AUDIT PRESENTATION (8A)

Chris Knopik, principal with CliftonLarsonAllen, has worked with the city on the audit for 4 years. He reviewed the required communications: financial statements, components, schedules, the audit provides a reasonable but not absolute assurance, and auditors received full cooperation of city staff. Mr. Knopik presented the audit results: a clean audit opinion, internal control issues (the auditor prepares the financial statements and the lack of segregation of duties due to small staff), no exceptions to legal compliance were noted, and he suggested formalizing policies and procedures. Receipts and disbursements increased in 2015. The ending 2015 position showed \$230,000 assigned (including building maintenance-\$35,000, bluffland work-\$40,000, and street improvements-\$157,000) and \$333,000 unassigned fund balances. The unassigned balance is 54% of 2016 budgeted general fund expenditures, which is in line with the state auditor's recommendation. The City Council will approve the final audit when it is completed in April.

NEW WATER FOUNTAIN/FOOT WASH AND REROOF CITY GARAGE (8B)

Nick Welsch, Park Board Chair, introduced himself. He noted that both of these items were discussed first before he joined the Park Board. Councilmember Reiter expressed concern at the amount for the water fountain/foot wash and asked whether the current device could be repaired. Alternate Park Board Member Becky Brewster explained that the valve on the foot wash that turns the water on gets stuck so the water continues to run even when no one is using it. The part is replaced twice every year and is still getting stuck. The new device has a button that will allow the water to only run for a certain amount of time.

MOTION BY COUNCILMEMBER REITER, SECONDED BY COUNCILMEMBER BROWN, TO APPROVE THE PURCHASE OF THE WATER FOUNTAIN/FOOT WASH FOR RIVERFRONT PARK IN THE AMOUNT OF \$3,230. MOTION PASSED UNANIMOUSLY.

MOTION BY COUNCILMEMBER BROWN, SECONDED BY COUNCILMEMBER REITER, TO APPROVE THE BID TO REROOF THE CITY GARAGE IN AN AMOUNT NOT TO EXCEED \$5,000.

City Attorney Sandstrom stated that the terms listed in the contract for the reroof were not favorable to the city. He recommended that the City Council authorize city staff to prepare a different contract to provide to the contractor.

FIRENDLY AMENDMENT MADE BY COUNCILMEMBER BROWN, ACCEPTED BY COUNCILMEMBER REITER, TO APPROVE AN AMOUNT NOT TO EXCEED \$5,700 AND

AUTHORIZE CITY STAFF TO PREPARE DIFFERENT CONTRACT TERMS.

MOTION PASSED UNANIMOUSLY.

PLAYGROUND COMMITTEE USE OF PETTITT PARK FOR FLEA MARKET/CAR SHOW (8C)

Park Board Chair Welsch noted that the City Council had approved the use of Pettitt Park for a flea market run by the Playground Committee. He reported that a car show has been added to the flea market. The biggest concern at the current time is where the cars in the show will be parked and where those not in the car show will be parked. There will be a meeting at Shiner's on April 1, 2016 at 3:30 p.m. The plan is to limit the number of cars in the car show to 60 cars. Money collected from the flea market/swap meet table fees and the car show fees will go to the Playground Fund. Donation table sales will also go to the Playground Fund. Mr. Welsch stated that he would come to the City Council in April with an update.

MOTION BY COUNCILMEMBER REITER, SECONDED BY COUNCILMEMBER UNKER, TO ALLOW THE PLAYGROUND COMMITTEE TO USE PETTITT PARK ON MAY 14, 2016 AS REQUESTED FOR THE FLEA MARKET/SWAP MEET AND CAR SHOW. MOTION PASSED UNANIMOUSLY.

PLAYGROUND FUND (8D)

Park Chair Welsch pointed out that the Playground Committee has their fund with the Lower St. Croix Valley Foundation. They must get their money out by June 30, 2016 because the Foundation will absorb the money into their general fund. The Playground Committee is therefore asking the city to keep the Playground Fund as a dedicated fund in the city's account. Deputy Clerk-Treasurer Truhlar reported that City Clerk-Administrator Schuler had spoken with the auditor, who stated this would be acceptable. The Playground Committee would give deposits to the city and would come to the City Council to request withdrawals when a purchase was ready to be made.

MOTION BY COUNCILMEMBER REITER, SECONDED BY COUNCILMEMBER KLINE, TO ALLOW A DEDICATED FUND TO BE SET UP IN THE CITY'S ACCOUNT FOR THE MONIES RAISED BY THE PLAYGROUND COMMITTEE TO BE USED FOR PLAYGROUND EXPENSES.

There was discussion regarding whether donations to the Playground Fund would be tax-deductible since the city was not a 501c3 organization. It was stated that for donations to be tax-deductible, 501c3 status had to be obtained through the IRS as a charitable organization. City staff was asked to investigate and clarify this issue.

MOTION PASSED UNANIMOUSLY.

APPROVAL TO ORDER CLASS 5 ROCK (8E)

Mayor McCarthy reviewed areas where gravel is needed: the Pettitt Park parking lot, the beach parking lot, and next to the city garage. It is estimated that six loads will be

needed and a skid loader will need to be used to level out the gravel. He got a quote of \$190 per load for gravel, and the skid loader will cost approximately \$85 per hour. After further discussion, it was agreed that another load should be obtained for around mailboxes on 20th Street South and on Quinlan Avenue South.

MOTION BY COUNCILMEMBER UNKER, SECONDED BY COUNCILMEMBER BROWN, TO APPROVE THE EXPENDITURE OF UP TO \$1,700 FOR GRAVEL. MOTION PASSED UNANIMOUSLY.

City Attorney Sandstrom suggested a contract since the contractor will be installing the gravel.

POTHoles (8F)

Mayor McCarthy stated he has received many complaints regarding potholes and wondered how quickly a contractor could be out for spray emulsion. City Engineer Parotti reported that a spray emulsion project could usually be started within a couple of days of being asked. He noted that spray emulsion costs a little more, but it lasts longer. In his opinion, spray emulsion is a better value and that cut-and-patch work. He suggested using mostly spray emulsion and then patching in additional areas as needed. There was further discussion regarding patching versus spray emulsion. City Engineer Parotti noted that RCM Specialties, the company the city has used for the past several years for spray emulsion, has been asked for a quote. He cautioned against using the same contractor for every project.

MOTION BY COUNCILMEMBER BROWN, SECONDED BY COUNCILMEMBER UNKER, TO APPROVE THE EXPENDITURE OF UP TO \$3,000 FOR PATCHING ON 20TH STREET SOUTH AND QUINLAN AVENUE SOUTH USING TRI-COUNTY. MOTION PASSED UNANIMOUSLY.

RCM Specialties will still come and submit a quote for the other streets in the city.

UNFINISHED BUSINESS Agenda Item 9

CABLE COMMISSION (9A)

Councilmember Unker stated that he was in favor of increasing the PEG fee, as he has advocated for in the past. He explained that PEG stood for public, education, and government. These are the channels run through Valley Access. Increasing the PEG fee would offset the increase the fee Valley Access will be charging for these channels. He wondered if Lake St. Croix Beach could increase the PEG fee or if the Cable Commission as a whole would have to increase the fee. He added that raising the PEG fee would keep the Cable Commission money coming to the city; not raising the PEG fee would decrease the amount of money coming from the Cable Commission.

MOTION BY COUNCILMEMBER BROWN, SECONDED BY COUNCILMEMBER UNKER, TO TABLE THIS ISSUE. MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS Agenda Item 10

SHORELAND PARK SUBCOMMITTEE APPOINTMENT LIST (10A)

Councilmember Reiter pointed out that most of the people on the Park Subcommittees were residents of the Riverway. She stated that it may be time to review the boat permitting process and felt that the subcommittees did not fairly represent the entire community. The value of having a boat on the river has greatly increased since the time when the current process was set up, and she felt that for the grandfathered permits especially, it was a value added to the property by the city and was unfair. It was clarified that the city permits boats, not docks and buoys. The boat holds the dock permit or buoy permit. Councilmember Unker asked whether she was suggesting that residents not invested in the process should be involved in reviewing it. Councilmember Reiter stated that she would like to see more diversity on the subcommittees, and she would like to see the subcommittees review the guidelines/process.

MOTION BY COUNCILMEMBER BROWN, SECONDED BY COUNCILMEMBER KLINE, TO APPROVE THE SHORELAND PARK COMMITTEE/SUBCOMMITTEE STRUCTURE AS PRESENTED. MOTION PASSED, 4 AYES, 1 NAY (REITER).

COUNCIL/STAFF REPORTS Agenda Item 11

COUNCILMEMBER BROWN (11A)

Nothing further to report.

COUNCILMEMBER KLINE (11B)

Nothing further to report.

COUNCILMEMBER REITER (11C)

Nothing further to report.

COUNCILMEMBER UNKER (11D)

Nothing further to report.

MAYOR MCCARTHY (11E)

Nothing further to report.

Councilmember Reiter pointed out that a Special City Council meeting or a Personnel Committee meeting should be set up to discuss the process for replacing Deputy Clerk-Treasurer Truhlar. It was agreed that the Personnel Committee should meet. Councilmember Kline asked whether exit interviews were conducted when staff left. Deputy Clerk-Truhlar stated they had not been performed in the past.

ADJOURNMENT Agenda Item 12

MOTION BY COUNCILMEMBER BROWN, SECONDED BY COUNCILMEMBER KLINE, TO ADJOURN THE CITY COUNCIL MEETING AT 9:20 P.M. MOTION PASSED UNANIMOUSLY.

Thomas McCarthy, Mayor

Susan Schuler, City Clerk-Administrator

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