

OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council was held on March 4, 2019 at the Spring Lake Park Community Center, 1301 81st Avenue N.E., at 7:00 P.M.

1. Call to Order

Mayor Hansen called the meeting to order at 7:00 P.M.

2. Roll Call

Members Present: Councilmembers Nelson, Wendling, Delfs, Goodboe-Bisschoff and Mayor Hansen

Members Absent: None

Staff Present: Police Chief Ebeltoft; Public Works Director Randall; Building Official Brainard; Engineer Gravel; Attorney Carson; Parks and Recreation Director Rygwall; Administrator Buchholtz and Executive Assistant Gooden

Visitors: Paddy Jones, Ham Lake
Paige Kiefer, ABC Newspaper

3. Pledge of Allegiance

4. Additions or Corrections to Agenda

Administrator Buchholtz requested that Item 9A., Building Inspector Services, be added to the agenda.

5. Discussion From The Floor - None

6. Consent Agenda:

Mayor Hansen reviewed the following Consent Agenda items:

- A. Approval of Minutes – February 19, 2019
- B. Budget to Date – January 2019
- C. Approval of Suburban Rate Authority First Half Assessment
- D. First Quarter Billing for 2020 Payable 2021 Property Tax Assessment – Ken Tolzmann
- E. Application for Temporary Intoxicating Liquor License – Spring Lake Park Lions; Tower Days June 19, 2019 – Lakeside Park
- F. Exempt Gambling Permit – Ducks Unlimited; May 4, 2019 – Torg Brewery
- G. Public Works Salary Adjustment
- H. Accept Letters of Resignation of Employment – Building Official Brainard and Code Enforcement Caldwell

MOTION BY COUNCILMEMBER WENDLING TO APPROVE THE CONSENT AGENDA. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

7. Code Enforcement Report

Building Official Brainard reported that he attended the ICC Region III Educational Institute on February 4 – 8; Employee Safety Training on February 13 and the Planning Commission meeting on February 25. He reported that in February 2019, four building permits were issued compared to eight in 2018. He stated that six mechanical permits were issued in February, compared to seven in 2018. He reported that six plumbing permits were issued in February, compared to six in 2018. He reported that one Fire permit was issued in February.

Mr. Brainard reported that construction Hy-Vee once again commenced in February after a noted delay due to revisions. He stated that the structural insulated panels (SIP's), are being erected for the main store giving definition its true size from all adjoining streets. He stated that bar joists for the roof have also been delivered on site, which will be installed shortly after completion of the SIP'S

Mr. Brainard reported that on February 5, 2019, he was voted to the Board of Directors with Association of Minnesota Building Officials. He reported that he has submitted a formal letter for his intent to retire from public service and the City of Spring Lake Park on April 1, 2019.

Mr. Brainard reported that the part-time Code Enforcement Inspector John Caldwell has submitted his letter of resignation effective on March 8, 2019.

Mr. Brainard provided a vacancy listing for February 2019. He reported that the Code Enforcement Department did not post any abandoned/vacant properties in the month of February. He reported that 11 Administrative Tickets were issued for failing to register rental property for 2019.

Mr. Brainard provided a "Property Line Information" handout for information to residents. He reported that the handout is provided for any Spring Lake Park property owner that is looking to locate their property lines when applying for a building or zoning permit.

Councilmember Nelson stated that he was approached by several townhome owners and inquired as to who is responsible for clearing the fire hydrants of snow.

Mr. Brainard stated that on private property, it is the responsibility of the private owner. He stated in a situation like this it would be between the association and the plowing contractor.

8. Ordinances And Resolutions

A. Resolution 19-02 Permanently Transferring Monies From Public Utility Operations To Public Utility Renewal and Replacement

Administrator Buchholtz reported that City staff is seeking City Council approval for transfers to address a long-standing issue within the Public Utilities Fund.

Administrator Buchholtz explained that Capital Improvements are paid for with cash balance in Fund 660, Public Utilities Renewal and Replacement Fund. He stated that in the past, during the preparation of the annual financial statements (the audit), the assets purchased with cash from Fund 600 were capitalized in Fund 601, Public Utilities Operations. He stated that over the years, this has had a negative impact on the cash balance of Fund 600, while adding cash to Fund 601.

Administrator Buchholtz reported that proper accounting would have had the assets capitalized in the same fund from which cash used to pay for them. He stated that the City auditor, Smith Schafer, and City staff concur and recommend transfers to place an operating reserve in Fund 601 and place the remaining cash and assets into Fund 600.

Administrator Buchholtz stated that from an audited financial statement standpoint, these changes will mean nothing. He stated that the auditor currently combines Fund 600 and Fund 601 in preparing the Utility Fund (Proprietary Fund) financial statements. He stated that these changes are for the City's internal accounting of the utility fund. He stated that staff recommends approval of Resolution 19-02.

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 19-02 PERMANENTLY TRANSFERRING MONIES FROM PUBLIC UTILITY OPERATIONS TO PUBLIC UTILITY RENEWAL AND REPLACEMENT. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

B. Resolution 19-03 Approving A Conditional Use Permit For 8232 Highway 65 NE, To Permit Assembly Uses And Offices With Merchandising Services

Administrator Buchholtz reported that the City received a Conditional Use Permit application from the Minnesota Conference of Seventh-Day Adventists to utilize the Middletown Professional Building located at 8232 Highway 65 NE. He stated that the Minnesota Conference of Seventh-Day Adventists have entered a purchase agreement for the building. He reported that the property is guided commercial and zoned C-1, Shopping Center Commercial.

Administrator Buchholtz reported that the Minnesota Conference of Seventh-Day Adventists plan to utilize the building for their administrative headquarters, for large trainings and for a small bookstore. He stated that offices with merchandising services are considered a Conditional Use in the C-1 zoning district. He explained that large group trainings would be classified as an assembly use, which is considered a Conditional Use in the C-1 zoning district. He reported that one existing tenant (physical therapy) will remain in the building until the remainder of their two-year lease expires.

Administrator Buchholtz reported that the site is located on the west side of Highway 65 NE, just south of the CSAH 10 Highway 65 interchange. He stated that a conditional use permit was obtained from the City in 2004 to construct a 19,000 sf building adjacent to a residential district. He stated the conditions associated with the 2004 approval would continue to be in force for this change of use.

Administrator Buchholtz reported that Section §153.202 of the City of Spring Lake Park zoning code outlines the requirements to approve a conditional use permit. He stated that the City Council may then authorize the conditional use permit, provided the applicant has provided evidence establishing the following:

- a. **The proposed use at the particular location requested is necessary or desirable to provide a service or facility which is in the interest of public convenience and will contribute to the general welfare of the neighborhood or community** – The applicant stated that the building will service as the administrative headquarters for the Minnesota Conference of Seventh-Day Adventists. He stated that the applicant also states that a portion of the building will be used as a bookstore for their membership and for training of employees and church members.

- b. **The use will not, under the circumstances of the particular case, be detrimental to the health, safety, morals or general welfare of persons residing or working in the vicinity or injurious to property values or improvements in the vicinity** - The applicant will be utilizing this building primary for their administrative offices. Office uses, with merchandising services, as well as training facilities consistent with similar uses along the State Highway 65 corridor.
- c. **The proposed use will comply with the regulations specified in this chapter for the district in which the proposed use is to be located.** – The applicant plans to make any necessary modifications to the building to endure the property meets building and fire code regulations.
- d. **The use is one of the conditional uses specifically listed for the district in which is to be located** – Assembly uses and offices with merchandising services are permitted as a conditional use within the C-1 shopping Center Commercial district (See Appendix D of the Zoning Code).
- e. **The proposed use shall have a detrimental effect on the use and enjoyment of other property in the immediate vicinity** - The current use of the building is medical office. The transition from medical office to office, with merchandising services, will have a minimal impact on the surrounding property owners.
- f. **The use will not lower property values or impact scenic views in the surrounding area** – The building is very attractive. The applicant has no plans to modify the exterior of the current facility or use it in any way that would be detriment to the community.
- g. **Existing streets and highways and proposed access roads will be adequate to accommodate anticipated traffic** – The building is serviced by both Middletown Road and the County Road 10 service drive, both streets have adequate capacity to service this use.
- h. **Sufficient off-street parking and loading space will be provided to serve the proposed use**
 There are currently 103 parking spaces servicing this building. The proposed uses are as follows:

Assembly use (1 space/100 sf)	45 parking spaces
Office (4 spaces/1,000 sf)	32 parking spaces
Current Tenant (6 spaces/1,000 sf)	14 parking spaces
Bookstore (10 spaces/1,000 sf)	12 parking spaces
Total Parking Requirement	103 parking spaces

The parking lot appears to have sufficient parking for the proposed uses. Staff will want to verify the square footages to ensure proper parking calculations.
- i. **The use includes adequate protection for the natural drainage system and natural topography** – The site has adequate drainage and has not caused any drainage issues for neighboring properties. It is important to note that the applicant, should they proceed with the purchase of the building, will be responsible for maintenance on the storm water pond located to the north of the building.
- j. **The proposed use includes adequate measures to prevent or control offensive odor, fumes, dust, noise or vibration so that none of these will constitute a nuisance** – The applicant stated that they have no equipment that would create these nuisances.

- k. **The proposed use will not stimulate growth incompatible with prevailing density standards-** The applicant stated that the administrative office use is compatible with the overall density of the surrounding neighborhood.

Administrator Buchholtz reported Planning Commission held a public hearing on the conditional use permit recommends to the City Council approval of the conditional use permit with the following conditions:

1. Applicant shall verify square footages to the zoning administrator to verify parking requirements.
2. Applicant shall ensure occupancy off assembly room shall not exceed capacity as set forth in the State Building and Fire Codes and available parking.
3. Applicant will ensure that the bookstore will not ship not receive large amounts of books/material that require frequent truck deliveries.
4. Applicant shall comply with all conditions of the 2004 special use permit.

Administrator Buchholtz reported that there is a storm water pond on the site for runoff. He stated that the applicant is aware that the maintenance and upkeep of the pond is that of the property owner.

Councilmember Wendling asked if the item up for discussion could be tabled and discussed at a future workshop. He expressed his concern with property becoming nontaxable in the City and he feels there are quite a few properties that are tax exempt.

Administrator Buchholtz stated that there is time under the 60-day rule to table the item. He stated that he was not aware of the details of the purchase agreement and the timeline that the applicant needed to follow.

Councilmember Wendling stated that the reason for tabling the item is ask questions of the applicant and research the amount in taxes that could be lost by allowing the property to become tax exempt. Councilmember Goodboe-Bisschoff agreed with Councilmember Wendling.

Mayor Hansen reminded the City Council that they are to review and approve the application and use as it was applied for.

Attorney Carson stated that he had reviewed the application and stated that the use is an allowed use in the area requested and it would be difficult to provide reasons for denial.

Councilmember Goodboe-Bisschoff inquired if the ordinance regarding a buffer being required within 500 feet of a church or school when alcohol is being served applies to this situation.

Administrator Buchholtz stated that the building will not be holding any church services and will only be used as administrative offices.

Councilmember Goodboe-Bisschoff inquired if the building could be partially tax exempt, as part of the building will be used as a bookstore. Attorney Carson stated that he was unsure but an application for tax-exempt status would be made the County Assessor and they would review the property.

Engineer Gravel reminded the Council that the 2004 conditions of the Conditional Use Permit will apply to the the new Conditional Use Permit. He stated that part of the Storm Water Improvement Plan is maintenance of ponds back to the original design of 2004. The Council and applicants agreed and agreed that the condition did not need to be added to the resolution.

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 19-03 APPROVING A CONDITIONAL USE PERMIT FOR 8232 HIGHWAY 65 NE, TO PERMIT ASSEMBLY USES AND OFFICES WITH MERCHANDISING SERVICES. ROLL CALL VOTE: COUNCILMEMBERS NELSON – NAY; WENDLING – AYE; DELFS – AYE; GOODBOE-BISSCHOFF- AYE- AND MAYOR HANSEN – AYE. MOTION CARRIED.

9. New Business

A. Building Inspection Services

Administrator Buchholtz reported that the City of Spring Lake Park has been following a two-track approach in finding the best alternative to providing residents with building inspection services following the retirement of Building Official Brainard on April 1, 2019. He stated that the City issued a request for proposal (RFP) for building inspection firms in December and interviewed interested firms on January 28, 2019. He reported that in addition, the City Council authorized staff to conduct a hiring process for a candidate to fill the soon to be vacated Building/Code Enforcement Official position. He reported that interviews for that position concluded February 28, 2019.

Administrator Buchholtz reported that the City received only six applicants for the building official position, including only one qualified candidate. He reported that an interview panel consisting of Chief Ebeltoft, Recreation Director Rygwall and Administrator Buchholtz met with the candidate. He stated that unfortunately, the candidate decided to accept a Building Inspector position with another city. He reported that Recreation Director Rygwall and he met with a second candidate who did not have the required license but could obtain it within six months, but the candidate was not the right fit for the position.

Administrator Buchholtz reported that each of the two inspection firms that submitted proposals, MNSPECT and INSPECTRON, were highly qualified. MNSPECT was the lowest cost proposal. He stated that staff recommends the City Council authorize the Administrator, Clerk/Treasurer to begin negotiations with MNSPECT to provide building inspection services to the City of Spring Lake Park. He stated that the contract would be a period of one year, at which time the City Council could decide to renew the contract or attempt to find an individual to fill the Building/Code Enforcement Official position.

Administrator Buchholtz stated that staff believes that a contract with MNSPECT is the best option to ensure that the City has a Building Official on April 1, 2019.

Councilmember Delfs inquired if the the contract is approved with MNSPECT, would the posting for the Building Official remain open or reposted at the end of the contract with MNSPECT.

Administrator Buchholtz stated that there is not a large pool of qualified candidates at this time and he feels that MNSPECT is the best option at this time. He suggested that the Council re-evaluate the before the end of the contract term.

Mayor Hansen inquired if all the items in the contract were necessary and if we had to use MNSPECT for all the items. Administrator Buchholtz explained that he would like to work with SMB Fire Department for possible assistance on rental inspections.

Councilmember Goodboe-Bisschoff inquired if the contract includes a clause for an early cancellation of the services. Administrator Buchholtz stated that there is not a draft contract at this time. He stated that there will be costs for the startup and for current inspections. He explained that there will be a learning curve with staff

however; he stressed the importance that the City needs an inspector on staff by April 1, 2019 and he feels the best option is to contract the service out at least for a year.

MOTION MADE BY COUNCILMEMBER NELSON TO AUTHORIZE NEGOTIATION OF A ONE YEAR SERVICES CONTACT WITH MNSPECT. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

10. Engineer's Report

Engineer Gravel reported the Arthur Street Well 5 project is moving forward. He reported that recent water sample results are better but not the desired levels. He stated that filter media has been cleared and a quote has been received to total replacement of the filter media.

Mr. Gravel reported that the bituminous trail on Osborne Road from TH 65 to Central Avenue might be reconstructed in the summer of 2019. He stated that plans and specifications have been sent to St. Paul Regional Water Services and Anoka County for review. He stated that a tentative bid opening date has been set for April 30, 2019.

Mr. Gravel reported that the Garfield Pond Improvements Project, located along 81st Avenue on the south side of the intersection of 81st and Arthur Street, is a project that was identified through the LSWMP preparation process because of flooding and water quality issues. He stated that a grant application for partial project funding has been submitted to the Rice Creek Watershed District.

A. Municipal State Aid

Mr. Gravel reported that in January, the Office of State Aid announced the 2019 Maintenance and Construction Allotments for the MSA cities as approved by the Commissioner of Transportation. He stated that the City of Spring Lake Park received the following allocations: Construction allocation of \$212,486 and Maintenance allocation of \$70,829. He stated the total combined construction and maintenance allocation for 2019 is \$283,315. He stated the 2019 total is an increase of \$10,754 from 2018. He noted that the allocation has been increasing steadily over the past five years.

Mr. Gravel stated that reimbursement requests to State Aid for previous State Aid eligible projects. He stated that the City still has a large pending reimbursement amount in the State Aid system because of the 2014-2015 Street Improvement project. He stated that the next three or four years the City will receive the construction portion of their State Aid Allocation without needing to submit any additional reimbursement requests.

11. Attorney's Report

Attorney Carson had no new items to report.

12. Reports

A. Beyond the Yellow Ribbon Report

Councilmember Nelson reported 44 pork chop dinners were served in the month of February. He reported that the committee is moving forward with upcoming activities including the Hotrods for Hero's and having food available for purchase at the music in the parks events this summer. He reported that the Fridley VFW will be closing soon however, their groups will be combining with Kraus Hartig VFW for meetings and events.

Councilmember Nelson stated that the Committee is welcoming new volunteers and encouraged residents to volunteer.

13. Other

A. Administrator Reports

Administrator Buchholtz thanked Building Official Brainard for his years of service with the City and wished the best in his future endeavors.

14. Adjourn

MOTION BY COUNCILMEMBER WENDLING TO ADJOURN. VOICE VOTE: ALL AYES. MOTION CARRIED.

The meeting was adjourned at 7:56 P.M.

Attest:


Daniel R. Buchholtz, Administrator, Clerk/Treasurer


Cindy Hansen, Mayor