

## OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council was held on August 7, 2017 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; Attorney Thames; Engineer Gravel; Parks and Recreation Director Rygwall; Administrator Buchholtz and Executive Assistant Gooden

Visitors: Olivia Alveshere, ABC Newspapers  
Paddy Jones, Ham Lake  
Lee & Marty Hillman, 7419 McKinley Street NE  
Pam Wolf-Sladek, 7743 Lakeview Lane  
Bonnie Dircks, 773 83<sup>rd</sup> Avenue NE  
Michele Hoppe, 7829 Monroe Street NE  
Sandra Schneiderman, 8267 Pierce Street NE  
Marvin & Margie Olson, 409 Maple Street NE  
Dean Sweeney, 7705 Lakeview Lane NE  
Jason Miller, Smith Schafer & Associates

### 3. Pledge of Allegiance

### 4. Additions or Corrections to Agenda

Administrator Buchholtz asked that a Public Right of Way Application from CenterPoint Energy be added to the Consent Agenda as Item 6J. He requested that Items 11B, 11C and 11D from the Ordinances and Resolutions be removed from the agenda. He stated that they will appear on the August 21, 2017 agenda, as the traffic study for Hy-Vee is not fully completed.

### 5. Discussion From The Floor

### 6. Consent Agenda:

Mayor Hansen reviewed the following Consent Agenda items:

- A. Approval of Minutes – Special City Council Meeting – July 10, 2017
- B. Approval of Minutes – July 17, 2017
- C. 2017 Second Half Suburban Rate Authority Assessment
- D. Appointment to Parks and Recreation Commission- Leroy Moore
- E. Resolution 17-22 Declaring Sufficiency of Petition Road Easement
- F. Resolution 17-23 Declaring Sufficiency of Petition Road Easement #2
- G. Contractor's Licenses

- H. Sign Permit
- I. Correspondence
- J. Right of Way Application – CenterPoint Energy

Councilmember Wendling commented on Item D, Appointment to Parks and Recreation Commission – Leroy Moore, that he had worked with Leroy at the softball tournaments and said he will be a terrific addition to the Commission. Commissioner Delfs concurred and stated that he feels Mr. Moore will do a great job.

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

#### 7. Public Works Report

Public Works Director Randall reported that the Public Works Department has been collecting trash at the parks, continuing to mow and weed whip park; and painting curbs and crosswalks. He reported that new woodchips have been installed at the playgrounds and all the sidewalks were edged before the softball tournaments. He reported that the Department prepared for the softball tournaments and moved several directional signs near the former Goony Golf site. He stated that the Department cleaned up storm damage in the SE portion of the city.

Mayor Hansen thanked the Department for assisting residents with the tree pick up after the storm.

#### 8. Code Enforcement Report

Building Official Brainard reported that he attended a Budget meeting with the City Administrator on July 19; the Planning Commission meeting on July 24; and the Minnesota Building Permit Technician meeting on July 25.

Mr. Brainard stated that in July 2017, 31 building permits were issued. He reported that he conducted 117 inspections in the month of July including 50 building, 14 mechanical, 11 plumbing and 16 nuisance, one Certificate of Occupancy, 14 rental, 7 fire and 14 zoning inspections.

Mr. Brainard reported that the July 2017 vacancy listing shows that there are 12 vacant/foreclosed residential properties currently posted and/or soon posted by the Code Enforcement Department, which is up one from last month. There are two vacant/foreclosed commercial property, which is down one as last month; and nine residential properties currently occupied and ready for Sheriff Sale's redemption, which is down one from last month. He reported that he did not post any abandoned and/or vacant property notices in month of July. He also reported that two Administrative Offense Tickets, and 21 violation notices were issued by the Code Enforcement Department.

Mr. Brainard reported that on July 10, 2017, Johnny Vang started as the temporary Code Enforcement Inspector for the next 20 weeks. He will be conducting both rental and nuisance inspections.

Mr. Brainard stated that he has received plans and specifications for the Dominion Project "Legends of the Spring Lake Park" in the month of July. He reported that he has met several times with their code specialist in the past to work out any conflicts regarding building codes and he reported that minimum corrections were required.

Mr. Brainard provided a handout on residential garage sales, sales and auction to help homeowners become aware of time allotted for sales, location of sales, and the advertisement of sales that are permissible by code within the City of Spring Lake Park.

## 9. Presentation

### A. 2016 Audit Presentation – Jason Miller, Smith Schafer & Associates

Jason Miller, Smith Schafer & Associates, presented the 2016 Financial Report and reviewed the various financial statements.

Mr. Miller stated that the City's financial statements present fairly, in all material aspects, the respective financial position of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Spring Lake Park as of December 31, 2016 and the reflective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

He suggested that in some cases, management may decide to consult with other accountant about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. He also suggested that management develop an accounting policy and procedures manual to assist with ensuring that all transactions are recorded consistently and that the information necessary to provide an accurate unaudited trail balance is gathered in an organized and efficient manner.

He expressed appreciation to Accountant Anderson and Administrator Buchholtz for their assistance with the audit.

A resident inquired as to what fund the liquor store is classified to. Mr. Miller stated that the liquor store is operated under the Enterprise Fund. He stated that the liquor store transferred \$75,000 to the City funds last year.

Councilmember Goodboe-Bisschoff inquired as to what the various securities are that the cash balances are transferred into. Administrator Buchholtz explained that the various securities are a combination of investments including a money market 4M account with the League of Minnesota, various certificate of deposits and the ability to purchase government debt with rating of at least AA from Standard and Poor's.

Councilmember Goodboe-Bisschoff inquired as what the capital lease line item was on the Long-Term Debt statement. Administrator Buchholtz stated that it is the leased liquor store electronic sign. He stated that the signage is being leased from US Bank for the next five years.

Councilmember Goodboe-Bisschoff inquired under the General Litigation statement how the City is involved in the Arthur Street project. Administrator Buchholtz explained that the mobile home park appealed their street project assessment and it is now in the process of going to court.

Councilmember Goodboe-Bisschoff inquired if the suggestion of segregation of accounting duties is a common suggestion. Mr. Miller suggested that the accounting duties remain the same but recommended mitigating duties on a monthly basis and continue to submit reports for monthly review.

MOTION BY COUNCILMEMBER WENDLING TO ACCEPT THE 2016 AUDIT PREPARED BY SMITH SCHAFFER AND ASSOCIATES. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

10. Unfinished Business

A. Purchase Agreement for 8101 Highway 65 NE

Mayor Hansen announced the City Council would be going into a closed session to discuss a purchase agreement for 8101 Highway 65 NE.

MOTION MADE BY MAYOR HANSEN TO CLOSE REGULAR COUNCIL MEETING. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

The meeting recessed at 7:35 PM.

The meeting reconvened at 8:10 PM. Attorney Thames stated that the City Council reviewed a purchase agreement from Hy-Vee in the amount of \$1,150,000 for the sale of the property at 8101 Highway 65 NE. He reported that based on the recent changes to the document and minor adjustments, the City Council's decision was to approve the purchase agreement.

Administrator Buchholtz reported that Hy-Vee approached the City for the future development. He explained the City has been in the municipal liquor business since 1986 and the City worked hard to retain the current store. He stated that the City tried to balance transparency and privacy requirements under Minnesota Statute 13D.

Administrator Buchholtz stated that Hy-Vee was not interested in partnering with the City to retain municipal liquor. He noted that even if Hy-Vee was interested, the expense to lease liquor store space from Hy-Vee would be too expensive and would require sales to increase over 90% to cover the increased cost. He explained that there are many changes to the competitive environment for liquor stores. He stated that one community is looking at the option to add a new location and another community is allowing additional Class B liquor licenses to be issued, which would allow alcohol sales in many types of retail establishments.

MOTION MADE BY COUNCILMEMBER WENDLING TO AUTHORIZE MAYOR HANSEN AND CITY ADMINISTRATOR BUCHHOLTZ TO APPROVE PURCHASE AGREEMENT FOR 8101 HIGHWAY 10 NE. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

11. Ordinances and/or Resolutions

A. Approval of Ordinance 438 Amending Chapter 153- Boarding Schools

Administrator Buchholtz reported that the City received an application from Pam Wolf Sladek requesting an amendment to the zoning code to allow temporary living quarters associated with school use.

Administrator Buchholtz stated that Ms. Wolf Sladek owns and operates Life Prep Academy, a school and residential program designed to meet the needs of homeless and/or high-risk teens. He stated that Life Prep Academy is located at 1628 County Highway 10 NE with the school located on the first floor of the building. He stated that Ms. Wolf Sladek currently houses students in a supervised residential home in the community. He stated that she would like to lease the space on the second floor of the building for a dormitory. He explained that since temporary living quarters associated with a school is not addressed in the zoning ordinance, it would

not be permitted without an ordinance amendment.

Administrator Buchholtz reported that 1628 County Highway 10 NE is zoned C-1, Shopping Center Commercial. He stated that a school use is a conditional use in this zoning district. He stated that there is a semi-residential use that is permitted in the C-1 district – motels, hotels and apartment hotels are allowed in the C-1 as a conditional use. He noted that the Hi-Way House Hotel on County Road 10 has a number of long-term tenants and is considered an apartment hotel.

Administrator Buchholtz reported that the Planning Commission held a public hearing on the zoning ordinance request. He stated that a draft ordinance was prepared that created a new conditional use of the C-1 zoning district within Appendix D of the Zoning Code entitled Boarding Schools, established a definition for boarding school and established basic performance standards for the use. He stated that it was difficult to develop performance standards for such a use, as Code language from other similar uses in other communities is either vague or non-existent. He noted that a list of additional performance standards were presented to the Commission at the meeting for possible inclusion. He stated that at the end of the public hearing, the Commission reviewed the ordinance, amended it to add a definition for dormitory, and unanimously recommended approval to the City Council.

Administrator Buchholtz noted that this amendment is not just for Life Prep Academy, it would be for any boarding school that would like to operate in the C-1 zoning district.

Councilmember Goodboe-Bisschoff inquired if the property, that is currently being rented by Ms. Wolf Sladek, were to be sold to Ms. Wolf Sladek, would the property become tax exempt. Administrator Buchholtz stated that there is the potential that it could become tax exempt if the school would qualify under the state law conditions.

Administrator Buchholtz reported that if the ordinance were approved for boarding school use, the applicant would need to apply for a Conditional Use permit that would list the performance standards specifically to Ms. Wolff Sladek's application. He stated that the conditional use permit would be presented to the Planning Commission to hold a public hearing and inform residents within 350 feet of the proposed location of the public hearing.

MOTION MADE BY MAYOR HANSEN TO APPROVE ORDINANCE 438 AMENDING APPENDIX D TO CHAPTER 153, ZONING, OF THE SPRING LAKE PARK CODE OF ORDINANCE. ROLL CALL VOTE: AYES- COUNCILMEMBER NELSON, WENDLING, DELFS AND MAYOR HANSEN; NAY – COUNCILMEMBER GOODBOE-BISSCHOFF. MOTION CARRIED.

B. Approval of Ordinance 439 Amending Chapter 151 of the City Code Relating to Public Rights of Way

Administrator Buchholtz reported that State Law gives “telecommunications right of way users” the right to install facilities in the right-of-way and use the right-of-way for delivery of their services. He stated that this right is subject to local governmental authority to manage the right-of-way by permitting. He stated that local governments must affirmatively elect to manage the right-of-way by adopting a right-of-way ordinance. He stated that in October 2000, the City Council adopted a Right-of-Way Management ordinance to govern the City rights-of-way.

Administrator Buchholtz stated that with the Minnesota Legislature's adoption of the “Small Wireless Facility” preemption law, the City right-of-way ordinance needs to be amended to bring it into conformance with the new law.

Administrator Buchholtz stated that the proposed ordinance incorporates verbatim or slightly modified language from M.S. Sections 237.162 and 237.163 as expanded in the 2017 Legislative Session to allow the deployment of "small wireless facilities" in the right-of-way. He stated that despite the adoption of small wireless facility language, the City retains the ability to condition or deny right-of-way application if necessary to protect the public health, safety or welfare, including for small wireless facility applications.

Administrator Buchholtz reported that the small wireless facility amendment language was drafted by an expert in municipal right-of-way regulations. He stated that the City participated in a consortium of over 30 cities to obtain this language, thereby significantly reducing the City's cost to under \$400.

Administrator Buchholtz noted that in addition, staff compared the City's current right-of-way ordinance with the League of Minnesota Cities model right of way ordinance and made changes as appropriate. He stated that while a majority of the ordinance remained the same, there were a few small language changes that are included in the proposed ordinance and this is to be expected for an ordinance that has not been amended in 17 years.

Administrator Buchholtz stated that the necessary zoning ordinance amendments (make small wireless facilities a permitted use in Commercial and Industrial zones and a conditional use in residential zones) will be presented to the Planning Commission for consideration at a future time before being forwarded to the City Council for final adoption.

MOTION BY MAYOR HANSEN TO APPROVE ORDINANCE 439 AMENDING CHAPTER 151 OF THE CITY CODE RELATING TO ADMINISTRATION AND REGULATION OF PUBLIC RIGHTS-OF-WAY AND ADMINISTRATION OF SMALL WIRELESS FACILITIES. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

C. Approval of Resolution 17-21 Summary Publication of Ordinance 439

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 17-21 AUTHORIZING SUMMARY PUBLICATION OF ORDINANCE 439, AN ORDINANCE AMENDING CHAPTER 151 OF THE SPRING LAKE PARK CODE OF ORDINANCE RELATING PUBLIC RIGHTS OF WAY AND ADMINISTRATION OF SMALL WIRELESS FACILITIES. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

12. New Business

A. Memorandum of Agreement for Health Insurance

Mayor Hansen announced the City Council would be going into a closed session to discuss union negotiations regarding health insurance.

MOTION MADE BY MAYOR HANSEN TO CLOSE REGULAR COUNCIL MEETING. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

The meeting recessed at 8:31 PM.

The meeting reconvened at 8:43 PM. Attorney Thames stated that staff was given direction on how to proceed with the Memorandum of Agreement for Health Insurance.

13. Engineer's Report

Engineer Gravel reported that the Seal Coat project is scheduled to start the week of August 7, 2017 depending on the weather conditions.

14. Attorney's Report – None

15. Reports

A. Beyond the Yellow Ribbon Report

Councilmember Nelson reported the monthly pork chop dinner has been profitable and attendance keeps growing. He thanked the volunteers who have been helping make the dinners a success.

16. Other

Councilmember Wendling thanked Parks and Recreation Director Rygwall and Public Works Director Randall for placing the tattered flags with new ones at Lakeside Park.

Councilmember Goodboe-Bisschoff reported that she attended 12 Night to Unite parties on August 1, 2017. She reported that she heard overwhelming positive comments regarding the Hy-Vee development.

A. Administrator Reports

Administrator Buchholtz reported that a Budget Workshop session will take place on Monday, August 14, 2017. He noted that ground breaking on the Dominion project will take place on August 8, 2017.

17. Adjourn

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

The meeting was adjourned at 8:48 PM.

  
Cindy Hansen, Mayor

Attest:  
  
Daniel R. Buchholtz, Administrator, Clerk/Treasurer