

OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council was held on December 19, 2016 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 and Mayor Hansen

Members Absent: Councilmember Nash

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

Visitors: Olivia Alveshere, ABC Newspapers
Paddy Jones, Ham Lake
Gerald Maeckelbergh, North Suburban Hospital Board
Scott Lepak, Barna, Guzy and Steffen, Ltd
Barbara Goodboe-Bisschoff, 8309 Monroe Street NE
Mischelle Knipe, 137 Christenson Court NE, Fridley
Linda Hamilton, 7856 Monroe Street NE
Andrew Pratt, Bond Attorney – Ekberg Lammers Law Office

3. Pledge of Allegiance

4. Additions or Corrections to Agenda

Mayor Hansen requested that Item 6. A, Mayor's Proclamation – Commending Councilmember Bill Nash, be removed from the agenda, as he is not in attendance.

Administrator Buchholtz requested that Resolution 16-38, Adopting Proposed 2016 Tax Levy Collectable in 2017, be added to the agenda as Item 9.J.

5. Discussion From The Floor

Barbara Goodboe-Bisschoff, 8309 Monroe Street NE, stated that she is a member of the Save Our Hospital group and expressed her concerns with the proposed changes to Unity Hospital. She stated that 30 percent of the senior residents depend on Unity for their care and the changes that are being proposed will affect the community greatly. She stated that she feels that the local community City Council members should come together to look deeply into the issue of the dissolution of the North Suburban Hospital Board.

Linda Hamilton, 7856 Monroe Street NE, stated that she has many concerns with the proposed changes to Unity Hospital. She stated that her concerns include: the honesty and transparency of Allina, the access to services, security measures that need to be addressed and if Allina has researched the needs of the community. She feels that Allina needs to speak with the local residents and suggested that they hold open meetings to see

how issues will be addressed.

Mischelle Knipe, 137 Christenson Court NE Fridley, reported that she feels there are too many unanswered questions and concerns with the proposed changes with Allina. She stated that she is concerned with the urgency to complete the changes with Allina and has not been able to get any answers from the Hospital District's attorney. She stated that there is no charter for the North Suburban Hospital District as state statute states one does not need to exist for the North Suburban District. She noted that Allina does not need tax money to operate and she is worried that once the North Suburban District disassembles, who will distribute federal funds to the local communities.

6. Consent Agenda:

Mayor Hansen reviewed the following Consent Agenda items:

- A. Approval of Minutes – December 5, 2016
- B. Disbursements
 - 1. General Fund Disbursement Claim No. 16-21 -- \$188,993.71
 - 2. Liquor Fund Disbursement Claim No. 16-22 -- \$199,506.41
- C. Budget to Date/Statement of Fund Balance
- D. Resolution 16-40 Calling for a Public Hearing to the Proposed Approval and issuance of A Housing Program and Revenue Bonds to Finance a Multifamily Housing Development to be Located at 1066 County Highway 10
- E. Resolution 16-41 Authorizing the Submission of CDBG Application for the Osborne Road Trail Restoration
- F. Contractor's Request for Payment No. 4/ Final – North Valley Inc.
- G. Contractor's License
- H. Liquor License
- I. Sign Permit
- J. Correspondence

Councilmember Wendling inquired on Item E, Resolution 16-41 Authorizing the Submission of the CDBG Application for the Osborne Trail Restoration, as to where the funds of \$70,770 will come from. Administrator Buchholtz explained that the proposed match would come from one of the City's capital project funds. He stated that by only applying for hard construction costs, the City grant application will be better received.

MOTION BY COUNCILMEMBER NELSON APPROVING THE CONSENT AGENDA. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

7. Police Report

Police Chief Ebeltoft reviewed the November 2016 department statistics.

Chief Ebeltoft reported that the Police Department responded to four hundred fifty four calls for service for the month of November 2016 compared to four hundred thirty one calls for service in November 2015.

Chief Ebeltoft reported that School Resource Officer Chlebeck addressed three 12th grade "Government Classes" on the fourth amendment. Officer Chlebeck noted that lost phones and phone thefts are a continuing problem at the schools.

Chief Ebeltoft reported, in addition to addressing the day-to-day operations of the Department, he attended numerous meetings throughout the month representing Spring Lake Park Police Department and the City of Spring Lake Park. He noted that he facilitated the purchase and replacement of all City owned AED defibrillators and orchestrated training on the new defibrillators.

Councilmember Nelson inquired if the cold weather has deterred the local burglaries that were taking place. Chief Ebeltoft reported that the cold weather has made for less calls but they have not stopped.

8. Parks and Recreation Report

Parks and Recreation Director Rygwall reported that the Parks and Recreation Commission met and finalized the park naming policy. She stated that the Commission reviewed the Turkey Shoot event and changes to the Youth softball program.

Ms. Rygwall provided an update on the classes offered in November and stated that 117 pounds of food was collected at the Turkey Shoot event and delivered to SACA food shelf. She reported that the new winter activity brochure will be delivered in the beginning of January.

9. Ordinances and or/Resolutions

A. Resolution 16-45 Preliminarily Approving Private Activity Revenue Bonds

Administrator Buchholtz reported that Dominion Development and Acquisition has made an application to the City for the issuance of private activity bonds in the amount of \$45 million to finance the proposed 194 unity senior housing development at 1066 County Highway 10 NE. He explained that a resolution of preliminary approval is required in order for the City to request from Minnesota Management and Budget an allocation of bonds on January 3, 2017.

Administrator Buchholtz stated that it is important to note that these are revenue bonds the City will issue and the principal and interest on these bonds will be paid by the developer. He reported that the City has no obligation nor any legal standing to pay the bonds. He stated that these bonds are simply a way for Dominion to access the lower tax exempt interest rates the municipal bond market has to offer.

Attorney Pratt explained the timeline for the bond application process and he noted that the City is not under any obligation for payments on the project. He noted that escrow accounts have been established and paid by the developer.

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 16-45 APPROVING A MULTIFAMILY HOUSING DEVELOPMENT; GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF HOUSING STATUTES, CHAPTER 462C, AS AMENDED; AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR AN ALLOCATION OF BONDING AUTHORITY THEREFOR; AND TAKING CERTAIN OTHER ACTIONS WITH RESPECT THERETO. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

B. Resolution 16-46 Petition for Dissolution of North Suburban Hospital District

Administrator Buchholtz reported that Scott Lepak, General Counsel for the North Suburban Hospital District, was present to provide information in support of the proposed Petition of Dissolution.

Mr. Lepak explained that the North Suburban hospital District is a separate governmental subdivision created in 1960 to build Unity Hospital. He noted that the District is comprised of the cities of Blaine, Fridley, Mounds View, Spring Lake Park and Hilltop. He stated that the Board consists of six elected members; one for each city and one at-large member.

Mr. Lepak reported that the Hospital District never operated Unity Hospital and the role of the District's Board is that primarily of a landlord with a focus on providing updated and needed facilities. He stated that the Hospital District owns the physical hospital building, the land underneath the hospital, and several other properties surrounding the hospital.

Mr. Lepak explained that Allina and the Hospital District are two completely separate and independent entities. He stated that the Hospital District is a political subdivision that has taxing and bonding authority to collect property taxes or bond for capital improvements to provide funding for physical improvements to the hospital building.

Mr. Lepak reported that on September 14, 2016, the Hospital District unanimously approved a resolution stating its intention to seek dissolution because Unity Hospital is no longer a full service community hospital, and therefore the Hospital District no longer has a public purpose to spend ad valorem tax dollars to fund capital improvement projects for the building. He stated that with this stated intention, the matter is before the City. He stated that the petition in the form of a Resolution must be approved by a two-thirds vote of the City Council and the Resolution is then transmitted to the Hospital District.

Mr. Lepak stated that if the Hospital District Board accepts the petition, the Hospital District must do an accounting of all funds, pay off all creditors, sell off all property it owns, and then finally affect an order of formal dissolution. He explained that upon the Hospital District formally going "out of business"; all remaining District funds are sent back to the member cities. He stated that the Hospital Board has suggested that the money be divided on a per capita basis to the population of the member cities, but is requesting the City petitioning the Hospital Board for dissolution to provide input and suggest the manner of distribution in the petition.

Councilmember Nelson asked for clarification from the Hospital Board on the distribution of the funds on a federal level once the board dissolves. Mr. Lepak explained that once the Board dissolves, all federal funding will go away and there will be no federal funds and all government assistance will end. He stated that Allina would not receive any funding.

Councilmember Nelson suggested that the distribution of the remaining funds be split amongst the other member cities on a per capita basis based on the time in which the Board was formed. Mr. Lepak stated that it is up to each city to come to an agreement as to how the funds are distributed and Allina has no input on the distribution.

Administrator Buchholtz suggested that the City Council draft a joint resolution with the other member cities addressing the proposed changes to Unity Hospital and the services offered. He noted that it would be in the best interest of the City to use the 1960 population per capita distribution formula. Mayor Hansen agreed.

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 14-46 A PETITION FOR DISSOLUTION OF THE NORTH SUBURBAN HOSPITAL DISTRICT WITH THE CONDITION THAT DISTRIBUTION OF FUNDS BE PER CAPITA OF 1960 POPULATION FOR MEMBER CITIES. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

MOTION MADE BY COUNCILMEMBER NELSON TO PREPARE A JOINT RESOLUTION WITH OTHER FIVE MEMBER CITIES TO ADDRESS PROPOSED CHANGES TO UNITY HOSPITAL. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

C. Ordinance 431 Amending Appendix D of the Zoning Code

Administrator Buchholtz reported that Blue Sun Soda Shop, a soft drink retailer, has applied for a code amendment to allow a bottling operation as a permitted use along with their retail sales of soft drinks.

Administrator Buchholtz provided an overview of the request from Blue Sun Soda Shop for a code amendment to allow a bottling operation as a permitted use along with the retail sales of soft drinks. He stated that the request is similar to the recently adopted ordinance relating to brewer taprooms and cocktail rooms that allows brewing beer and distilling spirits on the same premises as those beverages are served. He stated that the proposed ordinance applies to the City's business districts and would allow bottling and retail sales together as a permitted use in the C-1 and C-2 zoning districts and as a conditional use in the C-3 zoning district. He noted that this is the same pattern of permitted and conditional uses as for brewer taprooms and cocktail rooms in the current code. He stated that to address concerns about the size of operation, the ordinance limits the size of the bottling operation to 3,000 square feet and the accompanying retail store must be at least half that size. He noted that Blue Sun Soda Shop's proposal meets this standard. He stated that the ordinance would apply to all commercial zoning in the City, even though a specific business has requested it.

Administrator Buchholtz reported that the Planning Commission met on December 12, 2016 and recommended that the Council approve the amendment.

Mark Lazarchic, owner of Blue Sun Soda Shop, reported that he has operated the machinery and did not report any noise outside from the bottling machine. He stated that the neighbors have been very cooperative with any building issues and he would like maintain the good relationship he has formed with the surrounding residents.

Mayor Hansen inquired if the doors would be kept close in the summer months so there would be noise disturbance to the neighbors. Mr. Lazarchic stated that the doors would remain closed.

MOTION MADE BY COUNCILMEMBER NELSON TO APPROVE ORDINANCE 431 AMENDING APPENDIX D OF THE ZONING CODE. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

D. Resolution 16-42 Approving Summary Publication of Ordinance 431

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 16-42 AUTHORIZING SUMMARY PUBLICATION OF ORDINANCE 431, AN ORDINANCE AMENDING APPENDIX D TO CHAPTER 153, ZONING, OF THE SPRING LAKE PARK CODE OF ORDINANCE. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

E. Ordinance 432 Approving Critical Deficiency Declaration Ordinance

Administrator Buchholtz reported that the City is in the process of completing its decennial update of its Water Supply Plan for submittal to the Minnesota Department of Natural Resources (DNR). He stated that as part of that plan, the City must address projected demands, adequacy of the water supply system and planned improvements, existing and future water sources, natural resource impacts or limitations, emergency

preparedness, water conservation, supply and demand reduction measures and allocations priorities. He stated that the plan will be submitted to the City Council for approval after the DNR review.

Administrator Buchholtz explained that as part of the preparation of the Water Supply Plan, the City learned of an amendment to Minn. Stat. 103G.291. He stated that this amendment adopted in 2015, requires a "public water authority" to adopt and enforce water conservation restrictions within their jurisdiction consistent with rules adopted by the DNR commissioner if the governor determines and declares by executive order that a critical water deficiency exists. He stated that the DNR has informed the City that an ordinance must be prepared by the City to comply with this amendment and that these restrictions must be documented in the City's Water Supply Plan.

Administrator Buchholtz stated that the proposed ordinance was drafted by the League of Minnesota Cities in consultation with the Minnesota Rural Water Association. He stated that the Ordinance outlines the emergency water conservation measures that the City would enforce if the Governor were to declare that a critical water deficiency exists. He noted that the Ordinance allows for the Administrator, Clerk/Treasurer to grant variances in instances of hardship and sets forth penalties for noncompliance with the Ordinance.

Councilmember Nelson inquired if the aquifers are low and that a plan such as this is necessary. Councilmember Wendling commented that he feels it is more precautionary measures. Administrator Buchholtz confirmed that it is it is part of the emergency preparedness plan and it is required by the DNR.

MOTION MADE BY MAYOR HANSEN TO APPROVE ORDINANCE 432 REGULATING NONESSENTIAL WATER USAGE UPON CRITICAL WATER DEFICIENCY AS AUTHORIZED BY MINN. STAT. §103G.291, SUBD. 1 AND 2 AND REPEALING SECTION 50.49 OF THE CITY CODE. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

F. Resolution 16-43 Approving Summary Publication of Ordinance 432

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 16-43 AUTHORIZING SUMMARY PUBLICATION OF ORDINANCE 432, AN ORDINANCE REGULATING NONESSENTIAL WATER USAGE UPON CRITICAL WATER DEFICIENCY AS AUTHORIZED BY MINN. STAT. § 103G.291, SUBD. 1 AND 2 AND REPEALING SECTION 50.59 OF THE CITY CODE. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

G. Ordinance 433 Amending Fee Schedule

Administrator Buchholtz presented the 2017 Fee Schedule for City Council adoption. He provided an overview of the changes to several fees. He highlighted the changes to the schedule including: 1.) increase a number of escrows for zoning applications in order to ensure the City has adequate resources to cover the cost of reviewing the applications, park dedication fee is proposed to increase due to a more accurate estimate cost of a community center being built into the formula; 2.) the credit card transaction fee will increase from 2.45% to 2.95%; 3.) increase the required investigation escrow by \$250 to compensate the City for more detailed initial liquor license background investigation; 4.) increase the impound fee from \$50.00 to a sliding scale based on number of offenses; 5.) addition of a new penalty for violating water conservation measures; 6.) implementing a minimum call out fee of \$100 for after business hours for utility work; 7.) inflationary adjustment to the Water Access Charge.

Councilmember Wendling inquired as to when the new fees would be in effect. Administrator Buchholtz stated that the new fees will be applied on January 1, 2017.

MOTION MADE BY COUNCILMEMBER WENDLING TO APPROVE ORDINANCE 433 AMENDING THE FEE SCHEDULE AND LIQUOR LICENSING INVESTIGATION FEES FOR THE CITY OF SPRING LAKE PARK. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

H. Resolution 16-44 Approving Summary Publication of Ordinance 433

MOTION MADE BY MAYOR HANSEN TO APPROVE SUMMARY PUBLICATION OF ORDINANCE 433, AN ORDINANCE AMENDING THE FEE SCHEDULE AND LIQUOR LICENSING INVESTIGATION FEES FOR THE CITY OF SPRING LAKE PARK. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

I. Resolution 16-39 Appointing a new Council Member

Administrator Buchholtz stated that the City Council held second interviews for the top two candidates to fill former Councilmember Mason's remaining Council term until December 31, 2018.

Mayor Hansen stated that the City Council recommends appointing Bradley Delfs to fill the vacant Council position.

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 16-39 APPOINTING BRADLEY DELFS AS A COUNCIL MEMBER. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

J. Resolution 16-38 Adopting Proposed 2016 Taxes Collectable in 2017

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 16-38 ADOPTING PROPOSED 2016 TAXES COLLECTABLE IN 2017. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

10. New Business

A. Approval of 2017 General Fund Budget

Administrator Buchholtz presented the 2017 budget to the City Council for approval and summarized points from the Truth in Taxation hearing. He stated that the proposed budget for the City of Spring Lake Park is \$4,391,250, an increase of 3.49% from 2016 which is primarily due to increases in employee rates, fire protection costs, I.T. consulting services and the continued implementation of the Public Safety Data System.

Administrator Buchholtz stated that the 2017 payable property tax levy, to support the General Fund, is \$2,902,082, an increase of 4.69%. He stated that intergovernmental revenue, permit and license fees, charges for services, miscellaneous revenues and interfund transfers cover the remaining portion of the budget.

MOTION MADE BY MAYOR HANSEN TO APPROVE 2017 GENERAL FUND BUDGET. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

11. Engineer's Report

Engineer Gravel had no new items to report.

12. Attorney's Report -- None13. Reports-None14. OtherA. Administrator Report

Administrator Buchholtz reported that the new Councilmembers and reelected Councilmember Nelson will be sworn in at the January 3, 2017 Council meeting.

Administrator Buchholtz thanked Councilmember Nash for his dedication and time that he served as a Councilmember. He stated that the proclamation honoring him will be read at a later date.


15. Adjourn

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

The meeting was adjourned at 8:40 PM.


Cindy Hansen, Mayor

Attest:


Daniel R. Buchholtz, Administrator, Clerk/Treasurer