

OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council was held on February 16, 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 Nash, Nelson, Wendling and Mayor Hansen

Members Absent: Councilmember Mason

Staff Present: Police Chief Ebeltoft; Building Official Brainard; Attorney Thames; Engineer Gravel; Parks and Recreation Director Rygwall; Liquor Store Manager Swanson; Administrator Buchholtz and Executive Assistant Gooden

Visitors: Heidi Arnson, North Metro TV
Family and Friends of Officer Imig

3. Pledge of Allegiance

4. Additions or Corrections to Agenda

Administrator Buchholtz asked that Item 6K, Renewal Application of 2 AM Liquor License for Monte's Sports Bar, 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 1, 2016
- B. Disbursements
 - 1. General Fund Disbursement Claim No. 16-01 -- \$267,986.58
 - 2. Liquor Fund Disbursement Claim No. 16-02 -- \$151,849.39
- C. Budget to Date (December 2015)
- D. Budget to Date/Statement of Fund Balance (January 2016)
- E. Right of Way Application #1 – Centerpoint Energy
- F. Right of Way Application #2 – Centerpoint Energy
- G. Approval of Firework Stand Lease
- H. Contractor's License
- I. Business License – Massage Therapy
- J. Correspondence
- K. Renewal Application 2 AM Liquor License – Monte's Sports Bar

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

7. Presentation

A. Swearing In of Police Officer – Aaron Imig

Administrator Buchholtz administered the Oath of Office to Police Officer Aaron Imig and welcomed him to the City of Spring Lake Park.

8. Police Report

Police Chief Ebeltoft reviewed the January 2016 department statistics.

Chief Ebeltoft stated that the Police Department responded to four hundred calls for service for the month of January 2016 compared to four hundred forty-one calls for service in January 2015. He reminded residents to allow extra driving time due to weather and road conditions to assist with getting to their designated destinations safely.

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 not only on a local level but also on a regional and national level.

9. Parks and Recreation Report

Parks and Recreation Director Rygwall reviewed the January 2015 department statistics. Ms. Rygwall reported that the Parks and Recreation Commission met and reviewed the Santa breakfast event and offered suggestions for next year.

Ms. Rygwall stated that staff had a busy month preparing and reviewing the next activity brochure and preparing for the Senior Valentine Luncheon and Sweetheart Dance. She stated that staff has started working on softball sponsorships and preparing for the softball season.

Ms. Rygwall reported preparation for Tower Days has started and staff has been working on updates, parade applications, contracts and updating the website. She stated that the family fun event at Able Park was well attended. She reported that the aerator in Spring Lake has not had to been utilized due to comfortable oxygen levels in the lake.

10. Ordinances and/or Resolutions

A. Resolution 16-03 Regarding Amendment of the Amended Joint and Cooperative Agreement for the Administration of a Cable Communications System to Amend the commission's Authority to Issue Bonds, Obligations and Other Forms of Indebtness and to Modify the Member Cities' Use of Certain Franchise Fees

Administrator Buchholtz reported that the North Metro TV (NMTV) has reached a point where significant technology upgrades are needed to maintain and improve the viewer's experience of its public access channels. He stated that much the equipment is obsolete and is becoming difficult and expensive to fix. He added that North Metro TV is still broadcasting in standard definition, despite high definition being the new standard. He reported that the upgrades to the production truck, master control, video systems and studios will cost approximately \$2 million.

Administrator Buchholtz explained that in order to pay for these upgrades, the Commission is seeking authority from its member cities (Blaine, Spring Lake Park, Lino Lakes, Centerville, Ham Lake, Lexington and Circle Pines) to issue a general obligation equipment certificate. He stated the equipment certificate would be issued by the City of Circle Pines, with each member city pledging its taxing authority for its share of the bond. He stated that the City of Spring Lake Park's share of the bond would be 5.76% or \$118,912.

Administrator Buchholtz reported that, while the City is required to pledge its taxing authority for its share of the general obligation equipment certificate, the Commission will repay the bond with franchise fee revenues. He stated the Commission has routinely budgeted over \$300,000 for capital improvements on an annual basis and will utilize these budgeted dollars to make the annual debt service payment of \$226,000.

Administrator Buchholtz stated that the North Metro Telecommunications Commission JPA needs to be updated to grant the Commission authority to bond for capital improvements. He stated the Commission is also requesting one additional section to be amended based on a request from the City of Blaine. He stated that the use of the franchise fees remitted back to member cities is restricted to cable-related expenses. He reported that the commission is seeking to broaden that use to allow of expenses related to citizen communications.

Administrator Buchholtz reported that once these improvements are made at NMTV, the City Council meetings will be broadcasted in high definition.

North Metro TV Executive Director Arnsen stated that she is very excited for this project. She reported that a settlement with Comcast and CenturyLink will now allow the broadcasting to take place in high definition. She stated this agreement will allow major upgrades of equipment that is no longer repairable and can now be replaced. She also said that the North Metro TV building loan is paid off therefore, there is no financial obligation with the building.

Councilmember Nelson inquired about the impact CenturyLink's entry into the City will have on franchise fees. Ms. Arnsen said that she expects growth in franchise fees due to a higher cable penetration rate.

Councilmember Wendling inquired as to when the the broadcasting will be fully operational in high definition. Ms. Arnsen stated that she hopes the master control and equipment will be upgraded by the end of the summer.

MOTION MADE BY COUNCILMEMBER NASH TO APPROVE RESOLUTION 16-03 REGARDING AMENDMENT OF THE AMENDED JOINT AND COOPERATIVE AGREEMENT FOR THE ADMINISTRATION OF A CABLE COMMUNICATIONS SYSTEM TO AMEND THE COMMISSION'S AUTHORITY TO ISSUE BONDS, OBLIGATIONS AND OTHER FORMS OF INDEBTEDNESS AND TO MODIFY THE MEMBER CITIES' USE OF CERTAIN FRANCHISE FEES. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

B. Resolution 16-04 Concurring with Issuance of GO Capital Notes by the City of Circle Pines

Administrator Buchholtz reported that the North Metro Telecommunications Commission (NMTC) is seeking the issuance of \$2,065,000 in bonds for the replacement and update of its aging video systems to accommodate the transition to high definition.

Administrator Buchholtz reported that the City of Circle Pines, on behalf of NMTC, is willing to issue general obligation capital equipment certificates to finance the project. He stated the the Commission will save \$136,000 in interest and financing costs under this option rather than through Commission-issued debt. He

stated that in order to issue the certificate, Circle Pines is seeking individual obligation pledge form each of the member cities for their share of the certificate in the form of capital notes held by Circle Pines. He stated that the City of Spring Lake Park's general obligation capital note would be \$118,912. He stated that while the City's share would count toward the City's statutory debt limit, the City is currently \$10 million under the statutory debt limit.

Administrator Buchholtz explained that the general obligation capital equipment certificates will be paid with franchise fees collected by the NMTC. He stated that funds are currently budgeted for in the NMTC's 2016 budget to cover the annual debt service. He stated that no City property tax dollars will be used to fund the repayment of the bond. He stated that repayment of these capital notes will not be levied for.

Executive Director Arnson explained that the franchise fees that were collected in 2015 are already available to be used to make the first payment. She explained that franchise fees are collected a year in advance so the first loan payment due in 2017 has funds available to be used to make that payment.

Mayor Hansen restated that no City property tax dollars are used for repayment and the repayment amount will not be levied.

MOTION MADE BY COUNCILMEMBER WENDLING TO APPROVE RESOLUTION 16-04 A RESOLUTION CONCURRING IN THE ISSUANCE OF THE GENERAL OBLIGATION CAPITAL NOTES, SERIES 2016A BY THE CITY OF CIRCLE PINES, MINNESOTA, AND AUTHORIZING EXECUTION OF A TO BE ISSUED GENERAL OBLIGATION CAPITAL NOTE, SERIES 2016A AND LEVYING A TAX FOR THE PAYMENT THEREOF. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

C. Resolution 16-05 Approving a One-Year Extension of the PUD, SUP and Site Plan for 525 Osborne Road Medical Office Facility

Administrator Buchholtz reported that the North Suburban Hospital District has requested a one-year extension on their application for a special use permit for the property located at 525 Osborne Road NE. He stated that the Hospital District is still working with Allina Health on the project and construction is not ready to start on the site. He stated that the specifics of the projects has not changed.

Councilmember Nelson inquired if the storm water runoff issues have been addressed since the last meeting with the Hospital District. Engineer Gravel stated that the conditions that were added to the approved conditional use permit still apply and will need to be met. He stated that no final plans have been submitted.

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 16-05 APPROVING A ONE-YEAR EXTENSION OF THE PUD, SUP AND SITE PLAN FOR 525 OSBORNE ROAD NE, SPRING LAKE PARK. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

11. New Business

A. Approval of Liquor Store 2016 Budget

Liquor Store Manager Swanson presented the proposed Central Park Liquor budget for 2106. She reported that the Liquor Commission asked that she modify the budget from the first draft that was presented to the Commission.

Ms. Swanson reported that she reviewed the budget and removed unemployment benefits, workers compensation claims, landscaping materials, uniforms, engineering fees, legal fees, employment advertising, printing and publishing costs from the proposed budget to allow a profit of \$73,549 over expenditures after the transfer to the general fund.

Councilmember Nelson inquired why the workers compensation claims was removed as he thought it was a requirement to carry workers compensation. Administrator Buchholtz stated that it was the deductible amount that was removed not the actual workers compensation insurance premium.

MOTION MADE BY MAYOR HANSEN TO APPROVE THE 2016 CENTRAL PARK LIQUOR STORE BUDGET. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

B. Approval of Liquor Store Consulting Contract with Delaney Consulting

Administrator Buchholtz reported that with the competitive challenges facing the retail liquor industry, it is important to assess our municipal liquor store to determine its strengths and weaknesses and seek solution to improve operations. He stated that staff is requesting authority from the City Council to enter into a contract with Delaney Consulting to facilitate such an assessment of Central Park Liquor.

Administrator Buchholtz stated that the business assessment would include the following:

- A high-level review of the municipal operation versus the marketplace in terms of product assortment/selection, merchandising and in-store environment, customer service and digital and traditional marketing.
- A detailed customer survey to gain insights from the current customer base and noncustomers Interviews with key vendors to get a rounded view of the operation.
- A review of financial reports and store performance.
- A SWOT (Strength-Weaknesses-Opportunities-Threats) analysis.

Administrator Buchholtz stated in addition, staff also recommends adding the following services:

- Mystery shops for the municipal stores and three competitors.
- An in-store conditions deep-dive, including a staff assessment.
- An everyday pricing analysis of the top 50 SKU's versus up to five competitors.
- A promotional pricing analysis of the top 100 SKU's versus up to five competitors.

Administrator Buchholtz stated that the outcome will be a current assessment of the City's liquor store operation with prioritized recommendation/roadmap on how to improve business performance in the future. He stated that this report would also allow the Liquor Commission to establish goals for liquor store management and over store performance. He stated that he anticipates the report to be available within the next three months.

Administrator Buchholtz reported that the price of the services is \$6,050, which would be funded through the liquor store enterprise fund. He stated that at the Liquor Commission's suggestion, staff has reviewed the proposed 2016 operations budget for efficiencies to help offset the cost of the assessment.

Councilmember Nelson expressed that he liked the idea of the assessment especially with the changing competitive environment.

MOTION MADE BY COUNCILMEMBER NELSON TO APPROVE LIQUOR STORE CONTRACT WITH DELANEY CONSULTING. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

Administrator Buchholtz asked that the Council meeting be closed to discuss labor negotiation strategies.

MOTION MADE BY COUNCILMEMBER NASH TO CLOSE REGULAR COUNCIL MEETING TO DISCUSS LABOR NEGOTIATION STRATEGIES. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

The meeting was recessed at 7:49 p.m.

Mayor Hansen reconvened the meeting at 8:00 p.m.

Attorney Thames stated that the Council met in closed session to discuss labor negotiations. Mr. Thames stated that there was discussion and staff was provided direction on how to proceed.

C. Ratification of 2016/2017 Public Works Labor Contract

Administrator Buchholtz reported that on January 29, 2016, the I.U.O.E. Local 49 Public Works Union employees accepted the following offer negotiated by the Public Works Negotiation Committee:

1. Article XVI – Duration: January 1, 2016 through December 31, 2017
2. Article X – Wages
2016 (effective 2/1/16) – 2.5%
2017 (effective 1/1/17) – 3%
3. Article XI – Clothing Allowance
\$475.00 for 2016
\$475.00 for 2017
4. Memorandum of Understanding
Approval of MOU on participation in the Central Pension Fund

Administrator Buchholtz stated the Negotiation Committee is recommending that the City Council ratify the 2016/2017 union contract as outlined.

MOTION MADE BY MAYOR HANSEN TO APPROVE RATIFICATION OF 2016/2017 PUBLIC WORKS LABOR CONTRACT. ROLL CALL VOTE. MOTION CARRIED.

D. Parks and Recreation Commission and Planning Commission Appointments

Administrator Buchholtz reported that there is currently one opening on the Planning Commission and one opening on the Park and Recreation Commission. He stated that staff advertised the Commission openings and received the following applications.

Planning Commission (3 year term; term expires 12/31/18)

- Hans Hansen

Parks and Recreation Commission (unexpired portion of 3 year term; term expires 12/31/17)

- Maryann Graba
- Anna Apitz

Administrator Buchholtz stated that as there were more individuals than open positions for the Park and Recreation Commission, he asked that the City Council follow the appointment procedure outlined in Section 30.01(E) of the City Code. He explained that each member of the City Council, mayor included, rank their top candidate with the number one and place a number two by their second choice. He stated that the ballots would be collected and record the totals on the board. He stated the highest scoring candidate will be appointed.

Mayor Hansen asked if both applicants could be appointed since it is difficult to recruit members to the Commission. Administrator Buchholtz explained that the Council can adopt an Ordinance to increase the size of the Park and Recreation Commission, allowing both candidates to serve.

Administrator Buchholtz suggested the Park and Recreation Commission appointment be tabled until the next Council meeting to allow time for staff to draft an ordinance increasing the size of the Commission.

MOTION MADE BY MAYOR HANSEN TO APPOINT HANS HANSEN TO THE PLANNING COMMISSION AND TO TABLE THE PARK AND RECREATION APPOINTMENTS UNTIL NEXT COUNCIL MEETING. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

12. Engineer's Report

Engineer Gravel reported that Visu-Sewer, the contractor for the 2015 Sanitary Sewer Lining Project, has completed the final lining. Public Works Director Randall has reviewed the inspection televising tapes and determined which service wyes need to be grouted.

Mr. Gravel reported that he is working on bid documents for the 2016 Street Seal Coat Project and permits for the reconstruction on Lift Station No. 1 are being processed. He reported that maintenance on the well is being performed and a camera will be lowered into the well to see what work needs to be completed.

Mr. Gravel reported that he attended the Osborne Road Open House. He stated that Anoka County is exploring alternatives and gathering information to the improvements to Osborne Road. He stated that there was not a lot of discussion on the trail reconstruction. He stated that another informational meeting will be held in the August.

A. 2016 Update on Municipal State Aid Account

Engineer Gravel provided an update on the City's Municipal State Aid Account. He reported that in January the Office of State Aid announced the 2016 Maintenance and Construction Allotments for the MSAS cities as approved by the Commission of transportation. He reported that the City of Spring Lake Park received an allocation of \$176,127 and maintenance allocation of \$58,709. He stated that the total allocation is \$234,836. He stated that the total allocation is \$24,159, more than 2014 and the 2014 total was \$6,593 more than 2013.

Mr. Gravel reported that reimbursements requests have been submitted to State Aid for previous State Aid eligible projects (including the 2014-2015 Street Improvement project) He stated the current total pending reimbursed amount in the State Aid system is about \$1,151,000. He stated that it means that for the next six or seven years the City will receive the construction portion of their State Aid allocation without needing to submit any additional reimbursement requests.

13. Attorney's Report - None

14. Other

A. Administrator Report

Administrator Buchholtz reported that the space needs analysis at city hall has started. He reported that he and Department Head staff met with the consultant to review the needs of the building and staff. He stated that there will be another meeting to review the findings and to review feedback.

15. Adjourn

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

The meeting was adjourned at 8:23 P.M.



Cindy Hansen, Mayor

Attest:


Daniel R. Buchholtz, Administrator, Clerk/Treasurer