

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL OF THE CITY OF NORTH BRANCH IN THE COUNTY OF CHISAGO AND IN THE STATE OF MINNESOTA

REGULAR SESSION

May 10, 2016

CALL TO ORDER: The North Branch City Council met in regular session and Mayor Hagen-Kennedy called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE:

ROLL CALL: Councilmembers present were Kathy Blomquist, Theresa Furman, Kirsten Hagen-Kennedy, Joyce Borchardt, and Robert Canada. Staff members present were City Administrator Konrad, City Engineer Gustafson, Finance Director Hill, Public Works Director Williams and City Attorney Helmers.

PUBLIC COMMENT:

Lakes Region EMS Executive Director Aaron Reinert provided Council with a 2015 review.

Peter Schaps appeared before Council and noted he had been attending meetings for the last year and a half, Water & Light meetings, and he went to the EDA meeting last week and he felt compelled to come tonight to discuss something. He then said that the Mayor, in her zeal to move the motion along to sell the acreage in ESSBY, he had to speak up. Mr. Schaaps noted that the video from the April worksession the Council discussed ESSBY and the Mayor commented that she does not know the developers but going back to October 3, 2013 there was public comment by the Mayor on behalf of Mr. Melby. Mr. Schaaps said the Water & Light does not have an easement to the water tower and that has not been resolved. The developers are getting a deal up there in ESSBY. The release price is \$73,000 an acre so he cannot understand what is going on there.

Doug Fischer of the EDA said he wanted to speak about the proposed sale. The EDA came to an agreement with Casselberry Development and Council declined one item and he is asking the Council to reconsider that. There are two points, one is that sandburs do not pay property taxes and the second is that the real estate market is strong now but there is no guarantee on how long that will last. Mr. Fischer said that if you take the debt against the property and divide it down to what the City should get per lot there is an estimate of around \$73,000 per lot and, at that price, it will never, ever, ever sell. What pays back the debt to the City and gets the property tax burden off of the taxpayers is development that will eventually retire the debt. The money won't come out of the sale of the lots to repay debt, it's the development and sales of lots to get things going out there. In order to take advantage of the market, there can be no delay if you don't move quickly there might not be an interested buyer any longer.

Fischer indicated that Commissioner Streater talked about a plan that involves developing the 4.2 acres and developing it with roads and he has it on good authority that is in the excavation business, it will cost about \$15,000 to \$20,000 per lot and the Streater plan is to have the City front that cost. That drives up the cost per lot to the developer and it may make the lots undesirable to developers. He then said that he does not think the City should go back into the business of fronting costs to assist with development. His request is that the City reconsider and get this sale done. He does not know the developers and has not met them personally but he wants sales to start happening out there so the City can develop momentum to begin getting the burden off the taxpayers.

Laura Scaramel appeared on behalf of the Beautification group and noted that they have been working to beautify the City. She then provided a report on what the Beautification group is working on this year. Ms. Scaramel noted the Farmer's Market opens next week at the County Market site.

CONSENT AGENDA:

- Claims
- Remove from Probation Liquor Assistant Parsons
- Resolution No. 043-05-10-16 – Goals
- Resolution No. 047-05-10-16 – Special Event Permit – Revive North Branch Prayer Week
- Resolution No. 046-05-10-16 – Garbage Bids
- Minutes – April 7, 2016 Work Session

Motion by Furman, seconded by Canada to approve the Consent Agenda. All voted AYE. Motion carried.

PUBLIC HEARINGS:

NONE

COMMITTEE/COMMISSIONS:

7a PLANNING COMMISSION

i. Meeting Update

Furman provided a meeting update.

7b ECONOMIC DEVELOPMENT AUTHORITY

i. Meeting Update

Blomquist provided a meeting update.

7c PARK COMMISSION

i. Meeting Update

Blomquist provided a meeting update.

7d WATER AND LIGHT COMMISSION

i. Minutes

INFO

STAFF REPORTS:

8a ENGINEERING/PUBLIC WORKS

i. Fire Hall Exterior Maintenance Quotes

Williams provided an overview of the proposed fire hall exterior maintenance for caulking and sealing the outside of the building.

Motion by Borchardt, seconded by Canada, to approve Resolution No. 045-05-16, "A RESOLUTION ACCEPTING THE QUOTES SUBMITTED FOR FIRE HALL BUILDING EXTERIOR MAINTENANCE."

Canada asked if this would be done this summer. Williams indicated that the work would be done this summer.

After discussion, All voted AYE. Motion carried.

ii. Bridge Road Project – Declare Project

City Engineer Gustafson provided an overview of the proposed Bridge Road Project. He noted that this is a State Aid street and those funds could be used for the project. He recommended that the Council adopt a resolution to be sent to MnDOT to get the project put on the State bridge funding list so those funds could be utilized if available. He also reviewed the proposal to complete design work for the project.

Motion by Furman, seconded by Canada, to approve Resolution No. 044-05-10-16, "A RESOLUTION CREATING A PRIORITIZED BRIDGE REPLACEMENT LIST." All voted AYE. Motion carried.

Motion by Canada, seconded by Blomquist, to enter into a contract with WSB for design services for the Bridge Project in the amount not to exceed \$121,258. All voted AYE. Motion carried.

iii. Flink Avenue Utilities – Next Steps Feasibility

City Engineer Gustafson provided an overview of the Flink Avenue Utility improvements. He reviewed options to extend sewer and water north on Flink Avenue and loop it into the industrial park.

Furman said she is concerned from sitting on Water & Light because Mark said he was adamant with going from Shopko up and the City wanted to go under the freeway down 400th to Flink. She would feel more comfortable if everyone met together to discuss. The second concern is there has been no discussion about funding so she would like to discuss a revenue bond not a general obligation bond.

Gustafson explained there is a little piece missing under the river and Mark said he wanted the water treatment to go north, they discussed fire flows and that brings the necessity for the northern flow. He then said that he talked to Mark and they are doing what Mark wants with this project.

Furman said that at the last meeting there was a request to discuss this more so she is surprised this is on the agenda. Konrad said that staff has not engaged Springsted at this point.

Hill provided financing information on the proposed project. Hill noted that if a heavy water user comes to the industrial park the City would have to do this project in a hurry so the best way to pay for this is to get it going and get it in the ground before 200 homes are constructed west of 35 without connecting to municipal utilities and paying connection fees because then the cash flow will work.

Borchardt asked if the engineering fee is included in the project cost estimate. Gustafson indicated that the engineering fees are included. Borchardt said there seems to be a lot of stubs but they do not connect and she is wondering if there is a long term plan to get the stubs connected to the main trunk. Gustafson indicated that in a perfect world, that would be the case. But, this is the proposal based on the existing conditions and situations in place.

Blomquist said that she is impressed with how staff is working together to bring this to Council and she is encouraged that this is moving forward. Gustafson said that it is good to have this discussion so that when the grant opportunity comes up, the City is ready to go.

Council asked that a joint meeting be scheduled.

Motion by Furman, seconded by Canada, to table this item and schedule a joint meeting with Council and Water & Light. All voted AYE. Motion carried.

8b	ADMINISTRATION	NONE
8c	BUILDING	
	i. Activity Report	INFO
8d	FINANCE	NONE
8e	LEGAL	NONE

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| 8f | PUBLIC SAFETY | NONE |
| 8g | OTHER | NONE |

NOTICES AND COMMUNICATIONS: **NONE**

- 9a Habitat For Humanity Volunteers Needed**
Hagen-Kennedy indicated that Habitat for Humanity is looking for volunteers. The information is on the City's website.

UNFINISHED BUSINESS: **NONE**

NEW BUSINESS: **NONE**

MAYOR AND COUNCIL:

- 12a Upcoming Agendas** **INFO**

- 12b Hagen-Kennedy ECRDC Meeting Update**
Hagen-Kennedy provided an update on the ECRDC meeting.

- 12c Blomquist – Casselberry Development – Rescind Assessment Waiver**

Motion by Furman, seconded by Canada, to rescind the decision not to waive the assessment fees and the SAC fees for the Casselberry Development proposal.

Blomquist asked why the SAC and WAC are being included. Furman said she believes if you are doing one you should do all of them.

Blomquist said she would like to limit this to just the assessment.

After discussion, Ayes – 3, Nays – 2(Hagen-Kennedy/Blomquist). Motion carried.

Motion by Blomquist, seconded by Hagen-Kennedy, to use the 2014 costs for SAC, trunk sewer, and park dedication fees for the Casselberry Development ESSBY housing proposal. Ayes – 2, Nays – 3 (Furman/Borchardt/Canada). Motion failed.

Blomquist noted that there is no need for any other motions because there is a developer that will walk away. She then noted that this will be the sixth developer that will walk away.

Motion by Borchardt, seconded by Canada to adjourn. All voted AYE. Motion carried.

ADJOURNED: at 8:40 p.m.

Respectfully submitted,

Bridgitte Konrad, City Administrator
jrl/TOSS