

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 23, 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:

The Oath of Office of Police Officer was administered to new Police Officer Kyle Skar.

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, Finance Director Hill, GIS Specialist Sondrol, Community Development Vita and City Attorney Squires.

PUBLIC COMMENT:

The City's Auditor, Clifton-Larson-Allen, provided an overview of the 2015 Audit. They presented the City with a clean audit opinion. Hagen-Kennedy thanked the staff for the work on the city's finances.

CONSENT AGENDA:

- Claims
- Resolution No. 051-05-23-16 – PW Summer Help Hire - Anderson
- Minutes – April 7, 2016 Work Session
- Minutes – April 12, 2016 Regular Session
- Transient Merchant license – TNT Fireworks
- Resolution No. 048-05-23-16 – Budget Transfers
- Resignation – Reserve Officer Goodroad

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

Furman asked what the different bonds go to pay for. Hill explained the bond transfers.

After discussion, All voted AYE. Motion carried.

PUBLIC HEARINGS:

NONE

COMMITTEE/COMMISSIONS:

7a PLANNING COMMISSION

i. Meeting Update

Furman provided a meeting update.

ii. Sunrise Bluffs 2nd Addition Preliminary Plat

Community Development Director Vita provided an overview of the proposed Sunrise Bluffs 2nd Addition Preliminary Plat.

The City Attorney provided his opinion on the Comprehensive Plan concern. In short, he thinks it is a good thing and an important plan to have the Comprehensive Plan and the Zoning Code in agreement.

Hagen-Kennedy asked if there has been any precedent in situations like this and how it was handled.

Konrad indicated that with Happy Acres done in 2014, he did request a Comprehensive Plan amendment and his parcel was removed from the 20-year growth area.

Motion by Blomquist, seconded by Hagen-Kennedy, to adopt Resolution No. 050-05-23-16, "A RESOLUTION DENYING THE PRELIMINARY PLAT OF PROPERTY LOCATED SOUTH OF 392ND AND WEST OF FLINK SUBMITTED BY LARRY BEACH KNOWN AS SUNRISE BLUFF 2ND ADDITION" based on it not meeting the Comprehensive Plan as submitted and that the Attorney has recommended Comprehensive Plan amendment.

Hagen-Kennedy said that one of the things she looked at was precedence of Mr. Schmidt coming and getting approval with a Comprehensive Plan amendment. Hagen-Kennedy noted that the new development is in the 20-year growth plan and she understands that he wants to have his own sewer system on it but with 22 units using the \$200,000 that means \$1,233 in taxes times 22 would be \$27,126 so over 10 years that is \$271,260 but it does not support the municipal water and sewer and that concerns her. The fees for the municipal services per home is \$127,682 and with property taxes over 10 years that more than \$600,000 making those numbers pretty far apart for her. She is supportive of updating the Comprehensive Plan but she believes this needs a comp plan amendment, at the least to be considered.

Furman asked what the taxes are on the property with no homes. Hagen-Kennedy noted it is \$27,126 as is. Furman noted that there would be no additional taxes if this is not developed.

Furman said that if he chooses not to develop the City receives no additional tax. Blomquist said she has a lot of questions. Borchardt said that there are two options on this, either keep it as

proposed as one-acre lot or do three or four 10 acre lots and she would like to see the development of more homes because this is not serviced by the City. This would be a \$3,000,000 project for the City to get services out there and she does not think it is fair to hold up this property for development. Borchardt noted that there have not been any applications for property on city services in the last number of years so she thinks it is not fair to hold up development.

Blomquist asked for a clarification. She then said there were 45 homes built per year for the last three years and the majority of those were on city services. Blomquist said her concern with the Planning Commission recommendation is what she heard and what they said was that the Comprehensive Plan only covers city services and not well and septic and she would like clarification. The City Attorney said he did not recall that at the meeting he attended but the Comprehensive Plan applies to all properties in the City. Blomquist asked if the Comprehensive Plan has been updated because that was stated at the Planning Commission meeting. Konrad indicated that the Comp Plan has not been updated. Blomquist indicated that Mr. Schmidt came in 2014 to get a comprehensive plan amendment to allow for his development. Blomquist said that she keeps hearing there is no need for a Comprehensive Plan amendment in this case but she wonders why Mr. Schmidt was required to go through the process and he has a lot more land. The City Attorney indicated that in the land use area the only example of that being an issue is where a city council had two applications on the same agenda for the same college/fine arts and did not give a reason why one was denied. He does not feel that liability would be a concern from the past. Blomquist suggested that Mr. Schmidt could come back and ask for the same treatment as this developer if it is approved. Blomquist indicated that an email was sent by Mr. Beach because he spoke to his attorney and councilmembers who suggested he does not need a Comp Plan amendment. Borchardt called point of order because the five minutes for Council discussion was up. Hagen-Kennedy asked Blomquist to wrap up her comments. Blomquist asked for an Attorney opinion on preliminary plat applications and whether the Comprehensive Plan comes into play. The City Attorney answered that the Comprehensive Plan is a guiding document and it should match the zoning code but the Comprehensive Plan can be read a number of different ways.

Canada said the City Attorney answered the question with the Comprehensive Plan and suggested Councilmembers read it.

Blomquist indicated that what the Council is supposed to ask how this meets the Comprehensive Plan.

After discussion, Ayes – 2, Nays – 3(Furman/Canada/Borchardt). Motion failed.

Motion by Furman, seconded by Canada, to approve Resolution No. 050-05-23-16, "A RESOLUTION APPROVING THE PRELIMINARY PLAT PLAN OF PROPERTY LOCATED SOUTH 392ND AND WEST OF FLINK SUBMITTED BY LARRY BEACH KNOWN AS SUNRISE BLUFF 2ND ADDITION" with the following modifications: Under 1 take out "and the City has no present plan to extend city services and service the site at this point." In 4 take out the word "should". Insert "and Council" after Planning Commission. Add 7 that following the Comp Plan of an LU2 would be considered spot zoning and following the zoning ordinance of RR would not be considered spot zoning. Under "Be it Further Resolved", change 1 to say "no sidewalk or trail will be on 392nd Street as it is a rural area and zoned RR." Include or add number 2 that the trail be put on Flink Avenue from 392nd Street to the south end of the development. Number 3 add park dedication fees will be put into a dedicated fund for the construction from Sunrise Bluff Second addition south to the extended connection south of the Sunrise River. Number 4 wetland needs to be submitted. In 5 add "plan".

City Attorney noted that one suggested revision is that no trail be located along 392nd and Code, as written, requires it. He would suggest that it would require a variance application.

Furman said that a variance approval needs to be requested for the trail. City Attorney noted that the Code requires construction of a trail along 392nd and that the developer may apply for a variance from that requirement.

Furman noted that she would strike her trail language and include variance approval.

Blomquist stated under 1 "that has no present plans" she is not comfortable with the language because the actual is the city has been having discussions about extending services to the site. Blomquist asked the City Attorney about 4. The City Attorney indicated that because of the inconsistency that exists the Council has to decide one way or the other and whether it holds up in court is to be determined if this goes to court. Blomquist asked that "a majority of the Council" should be added. Blomquist said she

thinks that the park dedication fees should be discussed by the developer.

Furman said that the Planning Commission intent was to use park dedication fees to increase the monies for the full cost because the trail services more than just the residents of this development.

Blomquist said she does not think that the Planning Commission has the authority to say where the park dedication fees go without the Parks, Trails and Open Space Commission.

Furman said she apologizes for using Planning Commission she meant to say Parks Commission.

Hagen-Kennedy said that this sets a precedence going forward. She then asked if this is approved not using City sewer and water, what does that do in the other areas in the growth areas. Can others come forward and say they don't want to hook up to city services. City Attorney indicated he answered the question from a legal perspective if there was another application right after this if you cannot verbalize why they are different there could be a situation but from a practical standpoint someone could reasonably come to the City and ask for the same thing and that will need to be addressed.

Canada asked how much in property tax would the City get from the lots. Hill indicated it would depend on the design and value of the home on the lot and whether it is city services or sewer and well.

Furman said that on April 12 Minutes it indicates that the City Attorney advised the Council that it is the Council's decision whether or not a Comprehensive Plan amendment is required. Furman said that it may be possible to have homes on one side of lot to allow for splitting of lots and addition of city services at some point in the future but the developer said that he usually gives the buyer the option to locate wherever they want but the developer said he could tell them about the option of splitting lots in the future.

Blomquist said that this all depends on where the lot is, they will not hook up. The only way this is going to happen is if every lot wants city services at the same time.

Furman commended the board for being civil.

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

7b ECONOMIC DEVELOPMENT AUTHORITY NONE

7c PARK COMMISSION

i. Minutes

ii. Blandin Broadband Grant – WiFi in Parks

Sondrol outlined the potential for a Blanding Broadband grant.

Canada asked what this would look like in the parks. The City Planner explained that they can beam from the water tower right to the park where there is an object that will grab and project it out. The object is rather small.

Borchardt asked what the range is. Vita indicated it is meant to cover the entire park area.

Furman asked how fast will 10 mgs be used up. Vita indicated that the entire staff at City Hall uses 10 mgs and it works great. Sondrol indicated that it will depend upon the number of users in each location.

Furman asked if this is being funded by the levy at some point and whether that will impact roads and other things. Sondrol indicated that the recommendation is that this will be funded through the general fund.

Furman said she thinks this would affect and enhance the citizens and visitors to the parks but she is concerned about it coming out of the levy and taking away from things like roads.

Borchardt said that the three locations the skating rink is not used very often for someone to use the WiFi so she would think another more central location would be good. Sondrol indicated that this can be turned on and off seasonally, if desired. Blomquist asked about the commitment. Sondrol indicated that Blandin is looking at a three-year commitment. Konrad noted the three-year commitment is the life of that technology.

Blomquist asked if there is a way to track how many people are using it. Sondrol indicated that should be possible.

Motion by Blomquist, seconded by Hagen-Kennedy, to approve applying for the Blandin Broadband WiFi grant.

Furman would like to know which option 1, or 2.

Blomquist clarified that her motion is for option 2.

Members voted: Ayes – 4, Nays – 1(Canada). Motion carried.

iii. Memorial Bench – Central Park

Sondrol noted that the Beautification group has ordered benches and has them committed by donors but would like the City to front the cost of that bench which is about \$900.

Furman said she agrees with getting this bench and paying for it with park dedication but she would like to have the City pay for a plaque dedicated to a former Councilmember that passed, Larry Erickson. He loved children, family, God and he gave to his family and community through his service and she thinks that would be a fitting memorial to him.

Motion by Blomquist, seconded by Hagen-Kennedy, to purchase a bench to be placed in Central Park memorializing Larry Erickson.

Furman asked staff to notify the family.

After discussion, All voted AYE. Motion carried.

7d WATER AND LIGHT COMMISSION NONE

STAFF REPORTS:

8a ENGINEERING/PUBLIC WORKS NONE

8b ADMINISTRATION NONE

8c BUILDING NONE

8d FINANCE

i. 2015 Audit Acceptance

Motion by Borchardt, seconded by Canada, to approve Resolution no. 049-05-23-16, "A RESOLUTION ACCEPTING THE 2015 AUDIT FOR THE CITY OF NROTH BRANCH CONDUCTED BY CLIFTON LARSON ALLEN, LLP." All voted AYE. Motion carried.

Furman thanked Hill and Konrad for working so hard to get the City into a much better financial position.

8e LEGAL

i. City Attorney Opinion – Comp Plan

This information was reviewed during the Sunrise Bluff’s agenda item.

The City Attorney indicated he was doing work for Water & Light and those present challenging and conflicting circumstances and one resident raised the concern about him doing so and he will step away from Water & Light and he suggested they obtain another attorney.

Furman provided a Water & Light update.

8f	PUBLIC SAFETY	NONE
8g	OTHER	NONE

NOTICES AND COMMUNICATIONS: **NONE**

UNFINISHED BUSINESS: **NONE**

NEW BUSINESS: **NONE**

MAYOR AND COUNCIL:

12a Upcoming Agendas **INFO**
Motion by Furman, seconded by Canada, to cancel the June 16 Work Session meeting. All voted AYE. Motion carried.

12b Borchardt – Heartland TAC Update
Borchardt provided an update on the Heartland TAC.

RECESS:

Council recessed to closed session at 8:47 p.m.

CLOSED MEETING TO DISCUSS UNION CONTRACT:

The regular session was reconvened at 9:14. Motion by Furman, seconded by Canada, to adjourn the meeting.

ADJOURNED: at 9:15 p.m.

Respectfully submitted,

Bridgitte Konrad, City Administrator
jrl/TOSS