

OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council Regular was held on December 2, 2024 at the Able Park Building, 8200 Able Street NE, at 7:00 PM.

1. CALL TO ORDER

Mayor Nelson called the meeting to order at 7:00 PM.

2. ROLL CALL

MEMBERS PRESENT

- Councilmember Ken Wendling
- Councilmember Barbara Goodboe-Bisschoff
- Councilmember Lisa Dircks
- Councilmember April Moran
- Mayor Robert Nelson

STAFF PRESENT

Building Official Jeff Baker, Public Works Director George Linngren, Attorney John Thames, Engineer Gravel, Administrator Daniel Buchholtz

VISITORS

Robert Wynne	7742 Taylor Street NE	Spring Lake Park MN
Kari Potter	7843 Taylor Street NE	Spring Lake Park MN
Jim Miller	873 83 rd Avenue NE	Spring Lake Park MN
Maddy St. James	7891 Taylor Street NE	Spring Lake Park MN
Rob Shimanski	8025 Garfield Street NE	Spring Lake Park MN
Nick Hueser	7836 Taylor Street NE	Spring Lake Park MN
Paul & Judy Lieser	7849 Taylor Street NE	Spring Lake Park MN
John Beelen	7885 Taylor Street NE	Spring Lake Park MN
David Jaskela	837 83 rd Avenue NE	Spring Lake Park MN
Gary Schultz	7897 Taylor Street NE	Spring Lake Park MN

3. PLEDGE OF ALLEGIANCE

4. ADDITIONS OR CORRECTIONS TO AGENDA

None

5. DISCUSSION FROM THE FLOOR

Mr. Jim Miller, 873 83rd Avenue NE and Mr. David Jaskela, 837 83rd Avenue NE, both expressed concerns about the deteriorating conditions of the property at 8310 Able Street NE. Mr. Miller expressed ongoing frustrations about activity at a problematic property, including illegal burning, noise disturbances, and garbage accumulation. Mayor Nelson, Building Official Baker,

Police Chief Antoine and Attorney Thames all clarified the complexities of addressing the issues, including due process requirements, the legal eviction timeline, and limitations in finding actionable criminal violations. The property, though previously under scrutiny for alleged drug-related activities, has not yielded sufficient evidence for further legal action.

Mayor Nelson encouraged residents to report any new incidents to aid in resolving the situation while the city continues its legal and ordinance-based efforts to address the concerns.

6. CONSENT AGENDA

- A. Approval of Minutes - October 7, 2024 Work Session
- B. Approval of Minutes - October 21, 2024 Work Session
- C. Approval of Minutes - November 4, 2024 Work Session
- D. Approval of Minutes - November 4, 2024 City Council Meeting
- E. Approval of Minutes - November 18, 2024 Work Session
- F. Approval of Minutes - November 18, 2024 City Council Meeting
- G. Contractor's Request for Payment #9 - City Hall Renovation/Expansion - \$194,211.35
- H. Contractor's Request for Payment #10 - City Hall Renovation/Expansion - \$55,060.47
- I. Fourth Quarter Billing for 2025 Payable 2026 Property Tax Assessment - Ken Tolzmann
- J. Appointment of Erik Hendrickson to Parks and Recreation Commission
- K. Public Right of Way Application - Lumen/CenturyLink
- L. Annual Authorization to Not Waive Statutory Tort Limits – LMCIT
- M. Contractor's Licenses

Motion made by Councilmember Wendling to approve the Consent Agenda.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

7. DEPARTMENT REPORTS

A. Public Works Report

Public Works Director Linngren gave an overview of the projects undertaken by the Public Works Department for the month of November. He stated that Austin Becker joined the Public Works team on November 6, 2024. He said that the Fall Cleanup in October was successful, and that dumpsters were made available for residents to dispose of their leaves. Director Linngren stated that the new equipment for Terrace Park Playground was delivered.

Director Linngren stated that a major achievement for the department was receiving \$320,000.00 in grants from BOWSR and CCWD for a new street sweeper.

B. Code Enforcement Report

Building Official Baker noted that letters regarding new rental registration were sent out on November 15, and so far, 40 properties have registered. He stated that there are still a significant number of properties still waiting for inspections. Building Official Baker said that the new electrical inspection system is now live.

8. PUBLIC HEARINGS**A. Improvement Hearing for 2025 Street Improvement Project (Resolution 2024-68)**

Motion made by Councilmember Wendling to open the public hearing.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

Mayor Nelson opened the public hearing at 7:46 pm.

Engineer Gravel provided an overview of the improvement project. He said that the project focuses on two segments: 79th Avenue between Able Street and Highway 65, and Taylor Street Northeast between 79th Avenue and Osborne. He stated that these areas require surface milling, minor curb repairs, and a new overlay, without replacing underground utilities.

Engineer Gravel stated that the estimated project cost is \$405,400, split between the city and property assessments. He said that single-family homes will be assessed \$2,850, townhomes \$1,710, and non-residential properties based on frontage, will be charged \$84.88 per front foot. He said that following this hearing, the city plans to finalize designs, conduct bidding, and schedule construction for late June after addressing parade-related timing concerns. Engineer Gravel noted the final assessment numbers will be determined at in April 2025.

Residents raised questions about sidewalks, traffic impacts from the High School on Taylor Street and the commercial assessment.

Engineer Gravel confirmed there would be no sidewalk work. Administrator Buchholtz gave an overview of the cost for the assessments for commercial businesses.

Motion made by Councilmember Wendling to close the public hearing.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

Mayor Nelson closed the public hearing at 8:10 pm.

Motion made by Councilmember Wendling to approve Resolution 2024-68 Improvement Hearing for 2025 Street Improvement Project.

Voting Aye: Councilmember Wendling, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Nay: Councilmember Goodboe-Bisschoff. Motion carried.

B. Truth in Taxation Presentation

Motion made by Councilmember Wendling to open the public hearing.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried

Mayor Nelson opened the public hearing at 8:12 pm.

Administrator Buchholtz stated the 2025 Truth in Taxation (TNT) hearing, held on December 2, 2024, was convened to inform residents about the proposed budget and tax levy for 2025 and to provide an opportunity for public feedback. He said the hearing is mandated under Minnesota Statute 275.065 and marks a key milestone in the city's six-month budget preparation process.

Administrator Buchholtz highlighted the changes in the 2025 Budget as follows:

- Proposed 2025 Levy is \$4,721,272, an increase of 14.78%.
- General Government levy increase is 5.38%, from \$3,823,887 to \$4,029,435.
- Capital Improvement Fund levy to increase by 5.00% from \$183,560 to \$194,591.
- Street Improvement Levies to increase from \$24,078 to \$52,499, an increase of 218%. This increase funds the City's share of the 2024 Street Improvement Project.
- Debt Service levy increases from \$80,000 to \$444,747, due to debt service for City Hall Renovation/Expansion project.
- Proposed 2025 Budget is Balanced.
- General Fund revenues are anticipated to increase by 6.13%.
- Overall General Fund spending is set to increase by 6.13%.
- City's tax rate will increase from 37.752% in 2024 to 46.106% in 2025.

Administrator Buchholtz reported that the changes in the budget include:

- City is self-financing capital equipment needs, allowing money previously allocated for bond issuance costs and interest payments to fund equipment needs instead.
- Budget proposes adding a 12th licensed peace officer to the Police Department.
- Budget addresses inflationary increases such as salaries, benefits, fuel, increases in temporary salary ranges, printing and publication costs, and workers compensation insurance.
- Budget sets aside funds for Ash tree removals due to the Emerald Ash Borer epidemic.

Motion made by Councilmember Goodboe-Bisschoff to close the public hearing.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

Mayor Nelson closed the public hearing at 8:25 pm.

C. 2025 Fee Schedule Ordinance

Administrator Buchholtz provided an overview of the proposed changes to the 2025 Fee Schedule. He outlined the following changes to the fee schedule:

- Residential and Commercial Plumbing & Mechanical Permits. Increased mechanical permit fees to cover cost of inspection.
- Park and Facility Rentals. Updated rental rates for park facilities, hockey rinks, and community spaces, with differential pricing for residents and non-residents. Maintained damage deposit for park facilities.
- Zoning and Development Fees. Adjustments to comprehensive plan amendments, conditional use permits (CUP), and interim use permits (IUP) to cover costs. Separate site plan from concept plan in the fee schedule.
- Administrative Offense Fees. Added an administrative offense penalty for cannabis use in parks or other public places.
- Licenses and Registrations. Cannabis related license categories added, reflecting recent legislative changes.
- Water, Sewer, and Street Fees. Revisions to water and sewer connection fees to account for inflationary growth for water and sewer infrastructure construction. Updated street opening and right-of-way permit fees to line up with the cost of performing the service.

Administrator Buchholtz is recommending that City Council adopt the proposed 2025 Fee Schedule ordinance to be effective January 1, 2025.

Motion made by Councilmember Wendling to close the public hearing.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried

Mayor Nelson closed the public hearing at 8:29 pm.

Mayor Nelson made the motion to table the approval of the 2025 Fee Schedule.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

9. ORDINANCES AND/OR RESOLUTIONSA. Ordinance 498, Adopting the 2025 Fee Schedule for the City of Spring Lake Park

Tabled

B. Resolution 2024-66, Authorizing Summary Publication of Ordinance 498, An Ordinance Adopting the 2025 Fee Schedule for the City of Spring Lake Park

Tabled

C. Ordinance 499, Amending SLPC Chapter 11 and SLPC Chapter 16 Relating to Adult Use Cannabis Businesses

Administrator Buchholtz stated that the Planning Commission reviewed the proposed Cannabis Registration Ordinance at their November meeting. He stated that the Commission recommended approval of the original draft with two amendments. The two key changes were as follows:

- Reducing the buffer distance from schools from 1,000 feet to 500 feet.
- Adjusting business hours of operations from 10:00 am to 9:00 pm and from 8:00 am to 10:00 pm.

The council considered two versions of Ordinance 499: the original draft reviewed during an earlier work session and Ordinance 499A, revised by the planning commission. Councilmember Dircks advocated for aligning hours for cannabis businesses and temporary cannabis events to avoid confusion, particularly regarding businesses hosting events during operating hours.

Mayor Nelson recommended the revised Ordinance 499A be approved for adoption as it aligns with similar practices in other jurisdictions.

Councilmember Goodboe-Bisschoff asked about the buffer going from 1000 feet to 500 feet.

Attorney Thames provided clarification on the cannabis ordinance standards emphasizing that the initially proposed buffer zones between cannabis businesses and sensitive areas (schools, daycares, parks, residential facilities) were set at the maximum allowable limits under state law, which ranges from 500 to 1,000 feet. He stated that the council has the discretion to reduce these buffer distances as needed.

Attorney Thames noted that regarding business hours, the initially proposed draft followed the minimum hours allowed by law (10:00 am to 9 pm), with the Planning Commission recommending an adjustment: opening at 8:00 am and closing at 10:00 pm.

He stated that on Sundays, the law prohibits sales before 10:00 am, so the proposed hours would be from 10:00 am to 10:00 pm.

Mayor Nelson made the motion to approve Ordinance 499, Amending SLPC Chapter 11 and SLPC Chapter 16 Relating to Adult Use Cannabis Businesses, in the form recommended by the Planning Commission.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

D. Resolution 2024-67, Authorizing Summary Publication of Ordinance 499, Amending SLPC Chapter 11 and SLPC Chapter 16 Relating to Adult Use Cannabis Businesses

Motion made by Mayor Nelson to approve Resolution 2024-67, Authorizing Summary Publication of Ordinance 499, Amending SLPC Chapter 11 and SLPC Chapter 16 Relating to Adult Use Cannabis Businesses.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

E. Resolution 2024-69, Establishing 2025 Utility Rates for the City of Spring Lake Park

Administrator Buchholtz gave an overview of the proposed 2025 utility rates. He stated the base administrative rate will be \$19.45/quarter with the following rates per gallon based on tiered usage:

Tiered usage rates per 1,000 gallons:

- \$2.22 for 0–9,000 gallons/quarter
- \$2.51 for 9,001–18,000 gallons/quarter
- \$3.86 for 18,001–27,000 gallons/quarter
- \$4.30 for 27,001–36,000 gallons/quarter
- \$4.66 for 36,001–45,000 gallons/quarter
- \$5.06 for over 45,001 gallons/quarter

Administrator Buchholtz stated that sewer rates will be as follows:

- Single-family, Duplex, Townhomes - \$82.87/quarter/unit
- Apartments, Mobile homes, Institutional, Commercial & Industrial - \$82.87/quarter for 18,000 gallons plus \$4.82/1000 gallons over 18,000 gallons

Administrator Buchholtz noted additional charges on the utility bills will be as follows:

- Recycling Fee - \$14.97/quarter/residential unit
- Street Light Fee - \$4.37/quarter per water connection
- Minnesota Water Test Fee - \$2.43/quarter per water connection
- Storm Water Utility Fee - \$6.69/quarter per residential equivalency factor

Administrator Buchholtz said that the rate changes are necessary to cover rising costs of materials, labor, and infrastructure maintenance. He noted that despite the increases, the city remains highly competitive for utility rates compared to other North Metro cities.

Motion made by Councilmember Dircks to approve Resolution 2024-69, Establishing 2025 Utility Rates for the City of Spring Lake Park.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran. Voting Nay: Mayor Nelson. Motion carried.

10. NEW BUSINESS

A. Approval of 2025 Public Utilities Budget

Administrator Buchholtz provided an overview of the proposed 2025 Public Utilities Budget for Fund 601 (Sewer and Water) and 603 (Stormwater). He stated that revenues and expenditures were increasing by 5.75% and 7.3% respectively. He noted that the factors driving the expenses include wages, benefits, treatment charges from the Metropolitan Council and system repairs.

Administrator Buchholtz said that to enhance resources, the Public Works position currently handling City Hall custodial tasks will be reallocated to utility maintenance, enabling contracted cleaning services for City Hall. He said the shift results in a \$32,000.00 budget impact, significantly less than the \$80,000.00 cost of hiring an additional employee.

Administrator Buchholtz stated that the budget also contributes to the Public Utilities Renewal and Replacement Fund, which supports capital improvement projects throughout the system.

Motion made by Councilmember Dircks to approve the 2025 Public Utilities Budget.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

B. Approval of 2025 Recycling Budget

Administrator Buchholtz gave an overview of the 2025 Recycling budget. He stated that the revenues received are from the SCORE report and reimbursement from Xcel energy for fluorescent bulbs. He said to address the increase in wages, benefits and provider contract cost, the recycling fee will increase from \$13.60/quarter to \$14.97/quarter.

Motion made by Councilmember Wendling for Approval of 2025 Recycling Budget.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

11. REPORTS

A. Attorney Report

Attorney Thames noted that the due diligence process for the properties at 8478 and 8494 Highway 65 is ongoing. He stated a delay in receiving a final report for one of the properties has pushed the expected closing dates to early 2025.

B. Engineer Report

Report accepted as presented.

C. Administrator Report

Administrator Buchholtz gave an update on the City Hall project. He stated that sheet rocking has begun. He stated a minor issue came up with the new electrical switchgear for the generator, requiring a specialized contractor to make the repairs. Administrator Buchholtz stated that once the switchgear is repaired the transition from the old transformer to the new one will be completed.

12. OTHER

A. Correspondence

None

13. ADJOURN

Motion made by Councilmember Wendling to adjourn.

Voting Aye: Councilmember Wendling, Councilmember Goodboe-Bisschoff, Councilmember Dircks, Councilmember Moran, Mayor Nelson. Motion carried.

The meeting adjourned at 8:55 pm.

Robert Nelson, Mayor

Attest:

Daniel R. Buchholtz, Administrator, Clerk/Treasurer