



MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL OF THE CITY OF STACY IN THE COUNTY OF CHISAGO AND THE STATE OF MINNESOTA PURSUANT TO DUE CALL AND NOTICE THEREOF

**REGULAR MEETING
MARCH 10, 2020, 7:00p.m.
STACY CITY HALL**

Call to Order

The Stacy City Council met in regular session and was called to order by Mayor Utecht at 7:00p.m.

Roll Call

Present: Mark Utecht, Dennis Thieling, Mark Ness, Tony Olivolo, and Paul Authier

Absent: None

Others Present: James Mongé, Jim Ness, Dan Boyum, Patty Kettles, Robert Cook, and Tim Sawatzky

Additions to the Agenda

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1. Black Specs in the Water
2. Zoning Legislation

Motion by Utecht to approve the agenda as amended. Second by Olivolo. Members Ness, Thieling, Authier, Olivolo, and Utecht voted yes. Mayor Utecht declared the motion carried.

Public Comment

Robert Cook: Mr. Cook was present again to express his extreme frustration about the black specs in his water. What can the city do? The black specs are destroying his bath fixtures, water heater, etc.

Consent Agenda

Motion by Ness to approve the consent agenda as presented. Second by Authier. Members Ness, Thieling, Authier, Olivolo, and Utecht voted yes. Mayor Utecht declared the motion carried.

Staff Reports

City Attorney

James Mongé

**Government Addendum –
Coordinated Business
Systems**

Motion by Utecht to authorize the mayor to sign the addendum as presented. Second by Ness. Members Utecht, Ness, Olivolo, Authier, and Ness voted yes. Mayor Utecht declared the motion carried.

Engineer

Dan Boyum

Mr. Boyum reviewed his report with the council and addressed their questions. The report included:

- **Dollar General** – No feedback yet from Dollar General on past correspondence.
- **Kramer Development - west of-I 35** – Received wetland and ponding questions from the developer’s engineer and forwarded comments.
- **Stacy Retail Center – Storage Container CUP** – Updated applicant on Shoreland District Requirements as they prepare their Interim Use Permit (IUP).
- **Forterra Service** – We summarized options and cost estimates and added notes to the previously prepared figure drawing related to providing utility service to Forterra along 307th Street and +/- 500’ south of 307th Street. We will schedule a meeting with Forterra to discuss the revised costs and next steps.
- **311th Street** – We looked at some options for street and drainage improvements.
- **5675 Fenway Court Water Quality Complaints** – Ryan Capelle and Tanner Jones met with the property owner. Ryan feels this material is manganese dissolving off of the watermain piping/service in this area. Tanner has a sample to test. There was discussion on how to address the manganese from the system versus from the internal home piping. We will provide more feedback at upcoming meetings.

Black Specs in the Water

The council asked that Mr. Boyum communicate with Ryan Capelle to assure what is being done about the black specs in Mr. Cook’s water will address the situation.

Ponding by Casey’s

Member Ness said there was an issue of pooled water on 311th Street by Casey’s; what is causing it? Engineer Boyum will review.

City Clerk

Sharon Payne

Utility Rate Study – Patty Kettles

Ms. Kettles reviewed the Utility Rate Study with the council and addressed questions.

Ordinance – City Fees

Motion by Utecht to adopt Ordinance Number 2020-3-2, “An Ordinance Amending Chapter 34 of the Stacy City Code, Fee Schedule, as presented.” Second by Olivolo. Members Ness,

Thieling, Olivolo, Authier, and Utecht voted yes. Mayor Utecht declared the motion carried.

Motion by Utecht to send out a notice of the rate increase in the April bills, effective with the May bill. Second by Ness. Members Ness, Thieling, Olivolo, Authier, and Utecht voted yes. Mayor Utecht declared the motion carried.

Motion by Ness to approve summary publication. Second by Utecht. Members Ness, Thieling, Olivolo, Authier, and Utecht voted yes. Mayor Utecht declared the motion carried.

**Ordinance – Pet
Licensing**

This item handled out of order by motion of Ness. Second by Utecht and carried.

Motion by Ness to approve Ordinance Number 2020-3-1, “An Ordinance Amending Chapter 92.02 of the City Code of the City of Stacy Vacating and Amending §92.02 Dogs and Cats,” as amended. Second by Thieling. Members Ness, Thieling, Olivolo, Authier, and Utecht voted yes. Mayor Utecht declared the motion carried.

Maintenance

**Black Specs in the Water,
Robert and Sheila Cook**

This item handled out of order by motion of Utecht. Second by Ness and carried.

Mayor Utecht asked Mr. Cook If the city were to put in filter system, once the filter system is in would he be willing to maintain the system? He said yes.

The city engineer did warn that the manganese (black specs) may be an issue once the plant was put online. It is removing sediment that has accumulated in the pipes over several years.

Member Ness asked if the water samples are being taken inside or outside the home; would like to narrow down if it is from the city’s pipes or from the pipes within the home.

Because of the uniqueness of the situation; per Mr. Jones email, are experiencing the particles in the water more than others, it is unclear as to why this is, however it could be due to the orientation and/or configuration of their service connection to the City’s water distribution system.

Motion by Utecht to direct the maintenance staff to determine the appropriate system to filter out the manganese in the water at the Cook residence (5675 Fenway Court), and the council to approve the installation once the cost is known. Second by Olivolo. Members Utecht, Olivolo, and Authier voted yes.

Members Thieling, and Ness voted no. Mayor Utecht declared the motion carried 3-2.

Member Ness said the only reason he voted against the motion is that he has concern it will be setting a precedence.

Liquor Operations

Stacy Sports Grill – Food Delivery

Mr. Wicklander would like to gather the council’s input into offering food delivery from the Sports Grill. The council said that would be a management decision and cautioned that Mr. Wicklander review all aspects related to this; including if it is statutorily allowed as a municipal operation.

Stacy Wine & Spirits – Raise Proposal

The council said that the raise proposal was a management decision.

Financials

Member Ness asked where the January and February financials are? The council is highly frustrated due to their lateness; members Utecht and Authier will meet with Ms. Hayes to determine what issues may exist in preventing them from being complete.

**Committees
Commissions**

**Chisago Lakes Joint
Sewage Treatment
Commission**

Motion by Utecht to approve Resolution 2020-3-3, “A Resolution Authorizing the Chisago Lakes Joint Sewage Treatment Commission to Issue, Sell and Deliver a Not to Exceed \$905,000 General Obligation Revenue Note, Series 2020A,” on behalf of Stacy as presented. Second by Authier. Members Ness, Thieling, Olivolo, Authier, and Utecht voted yes. Mayor Utecht declared the motion carried.

Park and Recreation

The committee researched having soccer at the Twins Ballfield; however, it is not possible as it is used quite frequently for ball games.

**Stacy Economic
Development**

Member Thieling met with an interested party looking to purchase three business park lots for a 20,000 square foot building.

Planning Commission

Member Ness said the commission was approached about mini-storage just North of Foxtail Woods; the commission is generally in support of the idea. The property will require a rezoning, and a conditional use permit. Member Thieling said he would prefer it stay multi-family residential as there is a housing need in Stacy.

**Notices and
Communications**

The city received notice that they need to file the Pay Equity Compliance report by January 31, 2021.

Old Business

None

New Business

**Concern Regarding
Forterra's Utility
Extension**

This item handled out of order by motion of Utecht Second by Olivolo and carried.

Below is a copy of the email from Patty Rainer:

"I saw in the chisago county press that forterra wants to meet up about adding water to their other buildings. I would like to be at that meeting plus I am guessing other neighbors would want to be there. This concerns us as neighbors. Especially since we have our own wells and we want the area to stay that way.¹ You would think forterra could hook up with what is off 61. Or are they supposed to use their wells?² We put up with their noise and dust pollution. We shouldn't have them rule the city and get their way with this. Since they get their way with loud noises with the city³ Speaking of noise ordinance why can forterra make noise at night? And kwik trip has to turn carwash off at 10pm to 7am to follow city noise ordinance. Forterra should also have to follow city noise ordinance. You know they will start making noise at all hours of the night. The noise doesn't just wake us up , it affects neighbors on 307th , fernwood circle. Plus I have talked to people on the south side of forterra and they say the noise is bad .all hours of the night and morning when they get going.⁴ People say they know city doesn't care about us on this side of the freeway that is why they don't complain anymore. That the trailer park gets their way."⁵

The council addressed the above in the following manner:

1. The property owners will be invited to attend a meeting hosted by the city to discuss the running of the sewer and water lines.

The meeting has been set for April 7, 2020, at 7p.m. The clerk will notify the residents on 307th Street and Fernwood Circle.

2. Forterra will continue to use their wells for water for their production needs. The municipal water and sewer services will be for office and rest room facilities within the Forterra buildings.

3. The city does not feel this is the case, they are figuring out what is best for the city.

4. The noise restriction placed on Kwik Trip was part of their conditional use permit (CUP), not an ordinance. The CUP for Forterra has been in place for many years; and can only be amended if a change is requested by the property owner. Kwik Trip's CUP was amended for the car wash.

5. No comment.

Mayor/Council

Social Media

This item handled out of order by Authier. Second by Ness and carried.

Member Authier attending the webinar regarding Social Media hosted by the League of MN Cities. He said that:

- Social media needs to comply with first amendment rights.
- The Stacy News page he started prior to be on the council is not made public because he is now on the council; also, the page does not require any disclaimer that it is not a city social media site.
- No recommendation was made rather a city should have a social media presence or not.

Zoning Legislation

Member Ness read the following to the council from the League of MN Cities:

Legislation Would Preempt City Authority Over Development

March 2, 2020

Several Senate bills would limit city decision-making authority for planning, zoning, permitting, and inspections of new development.

A number of bills were recently introduced in the Senate that would limit local control when it comes to planning, zoning, permitting, and inspections for new development.

The Senate has scheduled hearings for three of these bills, and the House is expected to introduce many of the same bills in the upcoming weeks.

Limitations on building permit fees

On March 3, the Senate Agriculture, Rural Development, and Housing Policy Committee is going to hear SF 3793 (Sen. Mark Koran, R-North Branch), a bill that would change the basis for building permit fees from construction value (the estimated cost of labor and materials) to cost per square foot.

The bill would also require posting of the city's fee schedule for permits and inspections on the city's website, providing a copy of it by mail if requested, and keeping it for review at city hall.

Modification of annual reporting requirements

On March 4, the Senate Jobs and Economic Growth Finance and Policy Committee is going to hear SF 3795 (Sen. Rich Draheim, R-Madison Lake), a bill that would change the annual reporting requirements for construction and development-related fees. It would require cities that collect over \$7,000 in construction and development-related fees to report to the state the costs for labor, transportation, office space, and any other expenses incurred as a result of conducting inspections.

Currently, the threshold is \$5,000, and the annual report does not require this separation of costs. The Department of Labor and Industry would be required to include a list of common definitions for all fees collected.

Limitation on zoning authority

On March 5, the Senate Agriculture, Rural Development and Housing Policy Committee is going to hear SF 3886 (Sen. Draheim), a bill that would:

- Require that the 60-day rule apply to building permits.
- Prohibit municipalities from requiring a planned unit development (PUD) agreement if the proposed residential development complies with existing zoning ordinances, subdivision regulation, or qualifies as a conditional use.
- Prohibit PUD conditions from exceeding State Building Code requirements.
- Prohibit conditioning approval of a building permit, subdivision development, or PUD on the use of specific materials, design, amenities, or other aesthetic conditions not required by the State Building Code.
- Prohibit municipalities from requiring more than one garage for single-family dwellings.

- Require cities and counties to allow temporary family health care dwellings.
- Encourage municipalities to facilitate development of unsubsidized affordable housing into their comprehensive plan, which could include smaller lot sizes for single-family homes, allow duplexes through fourplexes on lots that would otherwise be zoned only for single-family houses, and allow mixed-used development.

Other bills on development

Several other bills preempting local authority over development were also introduced in the Senate. These introductions include:

- **Cap on park dedication fees.** [SF 3794](#) (Sen. Draheim) would limit a park fee to 5% of the fair market value of the development (no such cap currently exists in state law). Cities would be required to allow payment of the park fee to be paid by donating land, building recreational facilities, or a combination of these options. The bill also requires cities to record the purposes for the money collected and the manner in which it was spent to further those purposes, including how each cash payment was used.
- **Prohibition of city building inspectors and liability for negligent inspections.** [SF 3796](#) (Sen. Koran) would generally prohibit city building inspectors, unless cities adopt an ordinance requiring the use of them. If municipalities adopt such an ordinance, the bill would also make municipalities liable for negligent inspection if the building inspector acted within their scope of work and the inspector's act/omission caused injury, loss of property, personal injury, or death.
- **Limitations on building permit fees and whistleblower protection for independent contractors.** [SF 3816](#) (Sen. Koran) would limit building permit fees, as described above, and these fees could be tailored by geographic region but would be required to be based on the direct cost of the permit review and inspection services in that area. These fees could not be more than the amount adopted by the Department of Labor and Industry. The bill would also create whistleblower protection for independent contractors who report a violation, suspected violation, or planning violation of planning or zoning by municipalities

Member Ness said that he does not feel that several of the proposed changes are in the best interest of the city and would like the council to jointly send a letter to our representative indicating this.

The council scheduled a special meeting on March 24, 2020, at 7:00p.m. to prepare a letter for submittal to the state.

Adjourned at 9:10p.m.

Mayor M. Utecht declared the meeting adjourned at 9:10p.m.

Sharon MT Payne