

SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
FRIDAY, NOVEMBER 12, 2004
10:00 A.M. - CITY HALL

Pursuant to proper notice and call, the City Council met in a special session on Friday, November 12, 2004 at 10:00 A.M. at City Hall. The following Councilmembers were present: Mayor Darrell Swanson, Dean Eggena, Bettie Miller, Dick Phillips and Irene Schultz. Also present was Community Development Director Ken Anderson, Park and Recreation Director Jon Henke, City Attorney Paul Sandelin, Mayor Elect Jay Andolshek, Councilmembers Elect Terry Curtis and Dean Swanson and Clerk/Treasurer Darlene Roach. There were four individuals in the audience. City Administrator Tom Swenson was out ill.

- a. Mayor Swanson called the meeting to order at 10:00 A.M. and stated that the first item on the agenda was to review Park Dedication Fees. Councilmember Eggena asked if the discussion regarding the purchase of the old Public Works Facility could be handled first since Roger Burshem was present at the meeting. A purchase agreement has been received offering \$107,000 for the purchase of the old Public Works building contingent on several items being completed by the City. The building was previously appraised at \$157,000 and the Council agreed to reduce the price by \$5,000 each month beginning June 1, 2004 to a minimum sale price of \$125,000. As of November 1, 2004, the sale price was set at \$127,000. No offers have been received by the City this year prior to the one submitted by Roger Burshem on behalf of Don Engen. Councilmember Eggena commented that the City has done its due diligence in trying to sell the property. The Council reviewed the addendum included with the purchase agreement and also reviewed the easement that allows access to property owned by Mr. Engen directly behind the City's property. The Council discussed the cost of the roof repair and Councilmember Eggena estimated the cost of repair at \$200. Councilmember Schultz asked about the holding tank and other items and Councilmember Eggena stated that the total cost would be no more than \$1,000. MOTION 11S1-01-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE THE SALE OF THE OLD PUBLIC WORKS FACILITY TO DON ENGEN AND ALL CITY INTEREST IN THE PROPERTY ACCORDING TO THE PURCHASE AGREEMENT; AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR SIGNING THE CLOSING DOCUMENTS; AND COMPLETION OF THE ITEMS INCLUDED IN THE ADDENDUM AT A COST NOT TO EXCEED \$1,000. The closing was set for December 16th so all work must be completed prior to that date. It was noted that the easement concerns would not be an issue with Mr. Engen purchasing the property. MOTION CARRIED WITH ALL AYES.
- b. Discussion of Park Dedication Fees – Park and Recreation Director Jon Henke and Community Development Director Ken Anderson provided the Council with action taken at the Joint Park and Recreation and Planning and Zoning Commission Meeting held on November 4th. It was noted that a public hearing

would be required prior to changing the Ordinance pertaining to Park Dedication Fees. One of the motions approved at the Joint Meeting would increase the minimum park dedication fee per unit to \$1,000 from the current \$500 fee per unit. Park and Recreation Director Henke stated that he would like to see a \$2500 flat fee set. The newly elected officials were asked to participate in the discussion to express their thoughts regarding the fees. Councilmember Eggena stated that he would not be in favor of raising fees but would like to look at how the money can be used, how fast the park system should grow and exempting remnant parcels from paying the fee. Eggena stated that he feels the fees are an unfair tax. He stated that we assume that we are adding people that use parks. He stated that Crosslake has a surplus of public land available for park use. Eggena's concern is that we continue to add capital projects that we may not be able to afford to maintain. He used an example of building a house too big that we can't afford the paint when it needs painting. Eggena stated that the City has averaged revenues of \$30,000 a year since 1993 in park dedication fees and the amount is increasing annually. Eggena stated that he would vote to get rid of park dedication in its entirety. Of the 5,000 parcels in Crosslake, adding \$6.00 per year to the tax base would still give the City the same amount of revenue and not burden the developers or the property owners. City Attorney Paul Sandelin stated that park dedication fees cannot be used for maintenance. If the City is planning on using the park dedication fees for the gym floor, it needs to be specific that the funds are being used as a capital expenditure. Councilmember Schultz stated that she doesn't feel property owners would want any fees added to their taxes. If the City hopes to someday have affordable housing, the fee would have to be forgiven on these properties. Eggena stated low income yes, affordable housing no. Anderson read the portion of the ordinance pertaining to the waiving of park dedication fees. Mayor Elect Andolshek stated he would like to see the walking paths paid for out of park dedication fees and would support keeping the park dedication fees the way they are with the exception of the remnant piece which he agrees should be exempt from paying a park dedication fee. Councilmember Elect Curtis stated that he struggles over this issue since the Legislature allows it, but you don't have to use it. Is it necessary for our City or is it a tax burden? Curtis stated that he would not be in favor of increasing the fee and doesn't always feel it is right to take the money. He would support using land in areas where people live that could be used for greenspace or park space in a development. He stated that there is some logic in keeping neighborhood parks but the question is do we need it or is it a tax we have. Councilmember Miller asked if the greenspace in Old Log Landing was park dedication and Councilmember Eggena stated that it was left that way by the developer not as a means of donating the land in lieu of park dedication. Councilmember Miller stated that the Park Director is recommending \$2,500 and maybe it would be a good idea to charge everyone the same. Councilmember Schultz stated that she likes the idea of charging a flat fee also. She stated that she would like to see the money used for the #103 property. Councilmember Eggena asked who was going to pay for all of the maintenance on these small areas if they are situated all around the City. Curtis commented that if the residents can use the public land do

we need more park area for our population. Councilmember Eggena stated that he is not in favor of cutting the park budget, but if we get rid of park dedication fees, we need to budget the same amount to offset the loss of revenue. Roger Lynn commented that the park dedication fees are taxing the people moving into the area who are increasing the need for a larger park system. Lynn felt future Councils will understand the necessity of maintaining what has been built. Lynn stated that you can levy the fee by indexing. Eggena stated that we are doing that today based on valuation with a minimum and maximum amount. Councilmember Elect Swanson stated that the only change he sees as valid is to change the remnant piece and make it exempt from the fee. Community Development Director Anderson stated that it was the consensus of the Commission members that the park dedication fee should remain in order that the people that live here don't pay all the cost. Henke stated that this is a user fee not a tax. It was noted that Duckwood paid \$10,000 for 21 lots, and Silent Oaks paid \$15,000 for 31 lots. This \$25,000 for 52 lots will not buy very much. Four swings and a slide cost \$65,000. Mayor Swanson commented that the discussion has resulted in good comments and his position is that he likes park dedication fees and as the City is developed the money is set aside for future items. Swanson suggested leaving the fees where they are and future Council's can debate if necessary. A motion made by Irene Schultz to raise the fee to \$1,000 minimum and \$5,000 maximum died for lack of a second. MOTION 11S-02-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO LEAVE THE PARK DEDICATION FEES AS IS AND ADDRESS THE REMNANT PORTION. MOTION CARRIED 4-1 WITH COUNCILMEMBER SCHULTZ OPPOSED. Regarding the remnant portion, the motion approved at the Joint Meeting would eliminate the park dedication fee on the remnant piece provided there is a permanent dwelling on the parcel. Several examples were drawn on the board showing how fees would be calculated based on various scenarios for subdividing property. The Council reviewed whether the Ordinance would need to be amended if the intent is not to charge on the parcel containing a residence. Eggena stated that he feels the Council is asking for trouble if we tie the fee to a house, garage, trailer and etc. City Attorney Sandelin stated that a policy decision by the Council needs to be made regarding whether a fee would be charged on the remnant parcel if the remnant parcel is subdivided again. Councilmember Schultz stated that maybe the City should charge a fee based on the number of lots that can be created under the Ordinance. Park and Recreation Director Henke agreed and stated that was his reason for suggesting a flat fee. Mayor Elect Andolshek stated that he wouldn't want to create a loophole for a developer. Andolshek stated that he doesn't know what a flat fee would generate versus a percentage, but feels we need the fees to grow the park system. Curtis stated that the City could charge a flat fee and sell memberships to the Community Center. Curtis stated that he was not concerned with loopholes for developers since \$500 is not a make/break amount for a developer. The question is do we need and when? Schultz asked if commercial properties pay and Eggena stated a business doesn't add people to the park system, yet the developer of commercial property also pays park dedication fees. MOTION 11S1-03-04 WAS

MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO INSTRUCT THE PLANNING AND ZONING DEPARTMENT TO NOT COLLECT FEES ON THE REMNANT SECTION OF THE PROPERTY. MOTION CARRIED WITH ALL AYES. Anderson asked when the park dedication fees are due and City Attorney Sandelin stated that under State Statute fees are payable upon final approval. Henke asked if a change to the Ordinance was needed based on the motion and he was informed no change was needed. Community Development Director Anderson stated that the Planning and Zoning Department will invoice the applicant when a metes and bounds subdivision is approved. Councilmember Eggena stated that a sunset period should be placed on final plat approvals.

- c. Fee Schedule – The Council met in August and September and reviewed proposed changes to the Fee Schedule. A revised schedule was prepared by Ken Anderson showing the proposed changes. The Council reviewed each item on the fee schedule and made various changes to what was previously proposed. MOTION 11S1-04-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO ADOPT THE 2005 FEE SCHEDULE AS PROPOSED WITH CHANGES. MOTION CARRIED WITH ALL AYES.
- d. Review Development Agreement for Reeds/Cotton/Barnes and Town Square – Previously the Council amended the Ordinance dealing with the need for Conditional Use Permits in the commercial district. If the use is a permitted use, no CUP is required. Based on this, the developers in the downtown district have requested that the City review the Planned Development District Specific Implementation Plan and eliminate the need for Conditional Use Permits in this district as well. MOTION 11S1-05-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO REMOVE THE REQUIREMENTS IN THE SPECIFIC IMPLEMENTATION PLANS FOR THE DOWNTOWN DISTRICT AS IT PERTAINS TO THE NEED FOR CONDITIONAL USE PERMITS. City Attorney Sandelin stated that this change is not a significant alteration and can be made without the need for a public hearing. Sandelin recommended that the property owners be notified of this change. Community Development Director Anderson stated that he received an email from Bruce Larson expressing concern with Ace Hardware’s request for outdoor storage. If the motion on the floor passes, Ace Hardware will not be required to obtain a conditional use permit for outside storage. In addition to adding outside storage, Ace Hardware, is requesting two more curb cuts off of Pioneer Drive and Bill Reed, who owns Pioneer Drive, does not want to jeopardize the City’s acceptance of the road in the future by allowing the additional curb cuts. Councilmember Eggena stated that he would personally sue the City if we do anything to a road we don’t own. There was some discussion by the Council regarding the number of parking spaces that would be needed for the additional retail sale of docks, boatlifts, patio blocks, landscaping materials and etc. MOTION CARRIED WITH ALL AYES.
- e. Review Non-Conformity Uses in the Shore Impact Zone – The Council passed an ordinance amendment pertaining to non-conforming uses, but inadvertently excluded the area pertaining to the shore impact zone. A proposed ordinance

amendment was prepared by City Attorney Sandelin which clarifies the intent of the Council which is to allow structures in the shore impact zone to remain and to allow additions to the current structure, without a variance, provided they do not encroach any further into the shore impact zone. MOTION 11S1-06-04 WAS MADE BY DICK PHILILPS AND SECONDED BY DEAN EGGENA TO APPROVE ORDINANCE AMENDMENT NO. 201 RELATING TO NONCONFORMING USES AND STRUCTURES. MOTION CARRIED WITH ALL AYES. It was noted that on page 3 of the Ordinance Amendment, the requirement for a Certificate of Survey was omitted. MOTION 11S1-07-04 WAS MADE BY DEAN EGGENA AND SECONDED BY IRENE SCHULTZ TO ADD THE REQUIREMENT FOR A CERTIFICATE OF SURVEY ON PAGE 3 OF ORDINANCE AMENDMENT NO. 201. MOTION CARRIED WITH ALL AYES.

- f. Council approval was requested to renew the Joint Powers Agreements for Ideal and Fairfield Townships for snowplowing. MOTION 11S1-08-04 WAS MADE BY DEAN EGGENA AND SECONDED BY DICK PHILLIPS TO APPROVE THE JOINT POWERS AGREEMENTS WITH IDEAL AND FAIRFIELD TOWNSHIP FOR SNOWPLOWING. MOTION CARRIED WITH ALL AYES.
- g. Review Collateral Agreement with Olson Thielen – MOTION 11S1-09-04 WAS MADE BY DEAN EGGENA AND SECONDED BY BETTIE MILLER TO TABLE THIS ISSUE TO THE NEXT COUNCIL MEETING. MOTION CARRIED WITH ALL AYES.
- h. Bills for Approval – MOTION 11S1-10-04 WAS MADE BY BETTIE MILLER AND SECONDED BY IRENE SCHULTZ TO APPROVE THE BILLS FOR PAYMENT AS SUBMITTED IN THE AMOUNT OF \$6,090.98. MOTION CARRIED WITH ALL AYES.

MOTION 11S1-11-04 WAS MADE BY DICK PHILLIPS AND SECONDED BY DEAN EGGENA TO ADJOURN THIS SPECIAL COUNCIL MEETING AT 1:35 P.M. MOTION CARRIED WITH ALL AYES.

Recorded and transcribed by,



Darlene J. Roach
Clerk/Treasurer

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BILLS FOR APPROVAL
12-Nov-04

VENDOR	DEPT	AMOUNT
Crosslake Portable Welding, repair snowblower	PW	4,066.00
Crow Wing County Treasurer, e911 addresses	Gov't	300.00
Echo Publishing, public hearing 11-19	P&Z	62.50
Johnson, Killen & Seiler, personnel legal services	Gov't	459.40
Marco, copier contract , meter overage	P&R	389.15
Mastercard, Fleet Farm, snowpusher, tank	PW	93.34
Mills Motors, install headlights and battery	PW	131.72
Park Inn & Suites, lodging for class ck#36290	P&Z	302.24
Terry Kinkaid, reimburse uniform	P&R	250.00
UPS, postage	Police	20.65
Viking Coca Cola, pop	Gov't	15.98
TOTAL		6,090.98