**Brainerd, MN**
**March 21, 2016**

Pursuant to due call and notice thereof, the Regular meeting of the Brainerd City Council was called to order at 7:30 P.M. by Council President Scheeler.

Upon roll call, the following members were noted present: Bevans, Johnson, Borkenhagen, Hilgart, Koep, Pritschet and Scheeler. Mayor Menk was also noted as present.

The Chair opened the meeting with the Pledge of Allegiance to the Flag.

Council Member Bevans requested that item B3, On-Sale Brewer's Taproom and Off-Sale Growler License, be moved to directly after the Consent Calendar as item 6A.

Council Member Koep reported that Mr. Jamie Edwards, who is presenting information related to History Week, will be arriving late to the meeting and that she will let the Chair know when he arrives.

MOVED AND SECONDED BY ALDERMEN BEVANS AND HILGART, DULY CARRIED, TO APPROVE THE AGENDA AS AMENDED.

MOVED AND SECONDED BY ALDERMEN BEVANS AND HILGART TO ADOPT THE CONSENT CALENDAR AS AMENDED.

**A. Approval of the Minutes of the Regular Meeting held on March 7, 2016, as distributed – Approved**

**B. Approval of Licenses – Approved**

1. Contractor's Licenses – 1 – New
2. Contractor's Licenses – 5 – Renewals
3. On-Sale Brewer's Taproom & Off Sale Growler License:

*Roundhouse Brewery, LLC*
*Mark Lelwica*
*1551 Northern Pacific Rd*
*Brainerd, MN 56401*

**C. Department Activity Reports – Acknowledged**

1. Police Chief
2. Finance Director
3. City Administrator

**D. Resolution No. 12:16 Adopted – Awarding the Sale of, and Providing the Form, Terms, Covenants and Directions for the Issuance of its $171,000 Tax Increment Note, Series 2016 and Authorizing Proper Signatures on the Investment Letter for Royal Tire, Inc. – Approved**

Upon roll call, members Bevans, Johnson, Borkenhagen, Hilgart, Koep, Pritschet and Scheeler voted "aye." No member voted "nay." The Chair declared the motion carried.

**<u>On-Sale Brewer's Taproom & Off-Sale Growler License – Approved</u>**

City Planner Ostgarden shared information on the new brewery going into the NP Center, stating that they hope to be open for business in April. He stated that the brewery will be developing a new parking lot at the facility this summer as well.

MOVED AND SECONDED BY ALDERMEN BEVANS AND PRITSCHET, DULY CARRIED, TO APPROVE THE ON-SALE BREWER'S TAPROOM LICENSE AND OFF-SALE GROWLER LICENSE FOR ROUNDHOUSE BREWERY, LLC, LOCATED IN THE NP CENTER, AS APPLIED FOR BY MR. MARK LELWICA.

*Roundhouse Brewery, LLC*
*Mark Lelwica*
*1551 Northern Pacific Rd*
*Brainerd, MN 56401*

**<u>Presentation:</u>**

**<u>Ms. DeAnn Barry – "The Center" Update and Budget</u>**

The Chair recognized Ms. DeAnn Barry, Executive Director of The Center and Mr. Dale Parks, President of The Center's Board of Directors.

Ms. Barry discussed the history of The Center as well as many activities that take place throughout the year. She stated that additional ongoing projects include prayer blankets and wooden toys that are created by residents and donated to those experiencing loss, grief and hard times.

Mr. Parks stated that The Center's title was changed from the "Lakes Area Senior Activity Center" to allow people to become members at the ages of 45-55. He stated that the cost is just $20 a year to be a member with just under 1500 members currently enrolled.

Many fundraising efforts were discussed which help to support The Center along with the City's contribution. Questions of the Council were answered and the Chair thanked Ms. Barry and Mr. Parks for their presentation.

**<u>Council Committee Reports</u>**

**<u>Safety and Public Works Committee Report</u>**

**<u>Towing Bids – Accept Bid from West Brainerd Auto – Approved</u>**

Committee Chair Bevans distributed the 3 bids received for the City's contract towing.

MOVED AND SECONDED BY ALDERMEN BEVANS AND BORKENHAGEN, DULY CARRIED, TO ACCEPT THE BID FROM WEST BRAINERD AUTO FOR THE CITY'S 2016-2018 CONTRACT TOWING.

**SAC & WAC Fees – Informational**

City Engineer Hulsether pointed the Council's attention to the Agenda Request which included information on potential SAC and WAC fees that could be collected in the future as a funding source to assist with the debt service on the utility extension bond issue.

**Oak Lawn Township Chip Seal Project – Authorize Participation in Cost of Chip Sealing Two Mile and Red Pine Road Adjacent to the Former State Hospital Site Pursuant to the City's Agreement with Oak Lawn Township at an Estimated Cost of $16,000 – Approved**

MOVED AND SECONDED BY ALDERMEN BEVANS AND HILGART, DULY CARRIED, TO AUTHORIZE PARTICIPATION IN THE COST OF CHIP SEALING TWO MILE AND RED PINE ROAD ADJACENT TO THE FORMER STATE HOSPITAL SITE PURSUANT TO THE CITY'S AGREEMENT WITH OAK LAWN TOWNSHIP AND AT AN ESTIMATED COST OF $16,000.

**Resolution No. 13:16 Adopted – Right-of-Way Resolution for Business 371 Reconstruction**

MOVED AND SECONDED BY ALDERMEN BEVANS AND BORKENHAGEN TO ADOPT RESOLUTION NO. 13:16 – RIGHT-OF-WAY RESOLUTION FOR BUSINESS 371 RECONSTRUCTION.

**RESOLUTION NO. 13:16**

Upon roll call, members Bevans, Johnson, Borkenhagen, Hilgart, Koep, Pritschet and Scheeler voted "aye." No member voted "nay." The Chair declared the motion carried and the resolution adopted.

**Improvement 14-15 – Airport Utility Extension:**

**Professional Services Agreement for the Project Construction Phase with Total Engineering Fees for the 3 Service Agreements Equaling $1.2 Million and with the Opportunity to Request Additional Compensation if Necessary – Approved**

MOVED AND SECONDED BY ALDERMEN HILGART AND BORKENHAGEN TO ACCEPT THE PROFESSIONAL SERVICE AGREEMENT WITH SEH ON THE AIRPORT UTILITY PROJECT.

The Chair recognized Mr. Scott Hedland, SEH, who answered questions on the scope of engineering work included in the projects.

Members Johnson, Hilgart and Pritschet voted "aye." Members Bevans, Borkenhagen, Koep and Scheeler voted "nay." The Chair declared the motion failed.

MOVED AND SECONDED BY ALDERMEN HILGART AND BORKENHAGEN TO APPROVE THE PROFESSIONAL SERVICES AGREEMENT FOR THE PROJECT CONSTRUCTION PHASE WITH TOTAL ENGINEERING FEES FOR THE 3 SERVICE AGREEMENTS EQUALING $1.2 MILLION AND WITH THE OPPORTUNITY TO REQUEST ADDITIONAL COMPENSATION IF NECESSARY.

Members Johnson, Borkenhagen, Hilgart, Koep, Pritschet and Scheeler voted "aye." Member Bevans voted "nay." The Chair declared the motion carried.

**Mr. Mark O'Day – Brainerd Public Utilities Commission Chair – Informational**

The Chair recognized Mr. Mark O'Day, Brainerd Public Utilities Commission Chair, who expressed concerns over the Airport Utility Extension Project, stating that he feels rates will be affected. He also stated that historically it is the body authorizing a bond that approves the corresponding project and contracts involved; therefore, as soon as revenue bonds from BPU were determined to be used for this project it became "BPU's project." He asked for legal opinion as well as a joint meeting between Council and BPU to discuss these concerns.

**Jamie Edwards – Brainerd History Week; Native American Dialogue as Part of Activities – Informational**

Aldermen Koep introduced Mr. Jamie Edwards, Director of Government Affairs with the Mille Lacs Band of Ojibwe. He discussed the importance of the Band's presence at this summer's History Week to showcase their culture. He stated that he feels this type of activity fosters a greater understanding of both similarities and differences between governments and people.

**Personnel and Finance Committee Report**

**Approval of Bills, Transfer of Funds & Payments to Contractors – Approved**

| | |
|---|---|
| General Fund to Public Safety Fund | $300,000 |
| General Fund to Park Fund | $ 45,000 |
| General Fund to Street & Sewer Fund | $ 75,000 |
| General Fund to Airport Fund | $ 12,960 |
| | $432,960 |

MOVED AND SECONDED BY ALDERMEN KOEP AND JOHNSON TO APPROVE THE PAYMENT OF BILLS AND TRANSFER OF FUNDS AS RECOMMENDED BY THE PERSONNEL AND FINANCE COMMITTEE.

Upon roll call, members Bevans, Johnson, Borkenhagen, Hilgart, Koep, Pritschet and Scheeler voted "aye." No member voted "nay." The Chair declared the motion carried.

**Police Department – Resignation of CSO Ashley Stansberry and Request to fill Vacancy – Approved**

MOVED AND SECONDED BY ALDERMEN KOEP AND PRITSCHET, DULY CARRIED, TO ACCEPT THE RESIGNATION OF POLICE DEPARTMENT COMMUNITY SERVICE OFFICER (CSO) ASHLEY STANSBERRY AND AUTHORIZE THE REQUEST TO FILL THE VACANCY.

Council discussed the importance of employees giving sufficient "notice" when leaving employment with the City.

**Fire Department – Funding for Fire Engine – Motion Failed – No Action Taken**

Committee Chair Koep reported that there was no motion out of Committee; however, she recommends taking $200,000 to buy the bond down; she feels the Fire Advisory Board would be in favor as they would see a savings in their levy.

MOVED AND SECONDED BY ALDERMEN KOEP AND BEVANS TO APPLY $200,000 FROM FIRE CAPITAL FUND TO PURCHASE A NEW FIRE ENGINE AT AN ESTIMATED COST OF $530,000; LEAVING $330,000 TO BE BONDED.

Discussion was held on various ways of funding the purchase as well as investing and budgeting for this and future purchases.

Upon roll call, members Hilgart, Koep and Scheeler voted "aye." Members Bevans, Johnson, Borkenhagen and Pritschet voted "nay." The Chair declare the motion failed.

**Sanitary Sewer Rates and Type of Fund – Authorize Change to Account for Sanitary & Storm Sewer Funds as Enterprise Funds and Enter into Agreement with UFS, LLC Authorizing up to $10,000 from the Sanitary and Storm Sewer Fund to Conduct a Sanitary Sewer Collection and Storm Water Financial Plan and a Rate Design Study – Approved**

MOVED AND SECONDED BY ALDERMEN KOEP AND PRITSCHET, DULY CARRIED, TO AUTHORIZE THE CHANGE TO ACCOUNT FOR THE SANITARY AND STORM SEWER FUNDS AS ENTERPRISE FUNDS RATHER THAN SPECIAL REVENUE FUNDS.

MOVED AND SECONDED BY ALDERMEN KOEP AND JOHNSON TO ENTER INTO AGREEMENT WITH UTILITY FINANCIAL SOLUTIONS, LLC AUTHORIZING UP TO $10,000 FROM THE SANITARY AND STORM SEWER FUND TO CONDUCT A SANITARY SEWER COLLECTION AND STORM WATER FINANCIAL PLAN AND A RATE DESIGN STUDY.

Members Johnson, Borkenhagen, Pritschet and Scheeler voted "aye." Members Bevans, Hilgart and Koep voted "nay." The Chair declared the motion carried.

**Unfinished Business**

**Public Hearing – Final Reading of Proposed Ordinance No. 1447 – Zoning Text Amendment to Amend Section 61 – B-2 (Neighborhood Business) District to ADD Residential as a Use Permitted in the District and Remove Liquor Stores as a Use Permitted in the District – City Administrator Thoreen Recommends Dispensing with the Actual Reading – Approved**

The Chair opened the Public Hearing at 8:52 P.M. No one came forward.

The Chair closed the Public Hearing at 8:53 P.M.

MOVED AND SECONDED BY ALDERMEN BEVANS AND PRITSCHET, DULY CARRIED, TO HOLD THE FINAL READING OF PROPOSED ORDINANCE NO. 1447 – ZONING TEXT AMENDMENT TO AMEND SECTION 61 – B-2 (NEIGHBORHOOD BUSINESS)

DISTRICT TO ADD RESIDENTIAL AS A USE PERMITTED IN THE DISTRICT AND REMOVE LIQUOR STORES AS A USE PERMITTED IN THE DISTRICT.

MOVED AND SECONDED BY ALDERMEN BEVANS AND PRITSCHET TO ADOPT ORDINANCE NO. 1447 – ZONING TEXT AMENDMENT TO AMEND SECTION 61 – B-2 (NEIGHBORHOOD BUSINESS) DISTRICT TO ADD RESIDENTIAL AS A USE PERMITTED IN THE DISTRICT AND REMOVE LIQUOR STORES AS A USE PERMITTED IN THE DISTRICT.

**ORDINANCE NO. 1447**

Upon roll call, members Bevans, Johnson, Borkenhagen, Hilgart, Koep, Pritschet and Scheeler voted “aye.” No member voted “nay.” The Chair declared the motion carried and the ordinance adopted.

**Airport Sewer and Water Extension Project Financing:**

**Resolution No. 14:16 Adopted – Providing for the Issuance and Sale of General Obligation Utility Revenue Bonds, Series 2016A, in the Proposed Aggregate Principal Amount of $10,715,000**

MOVED AND SECONDED BY ALDERMEN JOHNSON AND PRITSCHET TO ADOPT RESOLUTION NO. 14:16 PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION UTILITY REVENUE BONDS, SERIES 2016A, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF $10,715,000

**RESOLUTION NO. 14:16**

Upon roll call, members Johnson, Borkenhagen, Hilgart, Pritschet and voted “aye.” Members Bevans, Koep and Scheeler voted “nay.” The Chair declared the motion carried.

**Resolution No. 15:16 Adopted – Providing for the Issuance and Sale of General Obligation Equipment Certificates of Indebtedness, Series 2016B, in the Proposed Aggregate Principal Amount of $1,105,000**

MOVED AND SECONDED BY ALDERMEN PRITSCHET AND JOHNSON TO ADOPT RESOLUTION NO. 15:16 PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION EQUIPMENT CERTIFICATES OF INDEBTEDNESS, SERIES 2016B, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF $1,105,000.

**RESOLUTION NO. 15:16**

Upon roll call, members Bevans, Johnson, Borkenhagen, Hilgart, Pritschet and Scheeler voted “aye.” Member Koep voted “nay.” The Chair declared the motion carried and the ordinance adopted.

**Agreement for Professional Services – See Action Taken at Safety and Public Works Committee**

**Airport Security Update – City Administrator**

City Administrator Thoreen reported that Interim Airport Manager O'Brien is working on this item with Federal representatives. Discussion was held by Council.

**Airport Annexation Update – Council President**

City Council President Scheeler reviewed minutes of the Oak Lawn Township monthly meeting relating to airport annexation, reporting that Oak Lawn is in favor of orderly annexation.

Alderwoman Koep requested a special meeting be held for the Council to discuss this item in more detail followed by a citizen panel being set up for public discussion.

**Call for Applicants – Informational:**
**(Application Information at www.ci.brainerd.mn.us/boards/)**

Cable TV Advisory Committee – 1 Term to expire 12/31/2016
Library Board – 1 Term to expire 12/31/2021
Rental Dwelling Board of Appeals – 1 "Tenant Representative" term to expire 12/31/2016

**(Apply for any Board or Commission at: www.ci.brainerd.mn.us/boards)**

**New Business**

**Consider Informal Work Session Meeting**

A request was included in the Packet from City Administrator Thoreen for a future informal work session meeting.

**Planning Commission**

**First Reading – Proposed Ordinance No. 1448 – Rezoning of 810 NW 7th Street from R-3 (Multiple Family) District to B-4 (General Commercial) District – City Administrator Thoreen Recommends Dispensing with the Actual Reading – Approved**

MOVED AND SECONDED BY ALDERMEN PRITSCHET AND JOHNSON, DULY CARRIED, TO HOLD THE FIRST READING OF PROPOSED ORDINANCE NO. 1448 – REZONING OF 810 NW 7TH STREET FROM R-3 (MULTIPLE FAMILY) DISTRICT TO B-4 (GENERAL COMMERCIAL) DISTRICT, FURTHER TO DISPENSE WITH THE ACTUAL READING.

**First Reading – Proposed Ordinance No. 1449 – Zoning Text Amendment to Amend Zoning Ordinance Sections to Add Brew Pubs and Breweries/Taprooms as Permitted Uses or Conditional Uses – City Administrator Thoreen Recommends Dispensing with the Actual Reading – Approved**

- *515-02 - Definitions adding Brew Pub and Brewery/Taproom*
- *515-61 - B-2 (Neighborhood Business) District by Conditional Use Permit*
- *515-62 - B-3 (Central Business) District by Conditional Use Permit*
- *515-63 - B-4 (General Commercial) District as a Permitted Use*
- *515-64 - B-5 ( Commercial Amusement) District by Conditional Use Permit*
- *515-65 - B-6 ( Washington Street Commercial) District as a Permitted Use*
- *515-70 - I-1 (Light Industry) District as a Permitted Use*

MOVED AND SECONDED BY ALDERMEN PRITSCHET AND BEVANS, DULY CARRIED, TO HOLD THE FIRST READING OF PROPOSED ORDINANCE NO. 1449 – ZONING TEXT AMENDMENT TO AMEND ZONING ORDINANCE SECTIONS TO ADD BREW PUBS AND BREWERIES/TAPROOMS AS PERMITTED USES OR CONDITIONAL USES; FURTHER TO DISPENSE WITH THE ACTUAL READING.

**Public Forum:**

The Chair recognized Mr. Mike Higgins, owner of Brainerd Industrial Center (BIC), who expressed disappointment with Brainerd being "stuck" on many issues. He spoke of the importance of the Airport, stating that it will be very vital as Brainerd grows and recommended the City and Council work on relationships and partnerships with neighboring communities.

**Council Member Reports**

Mayor Menk reported stated that last Tuesday he had the opportunity to attend the Chambers Legislative Meeting to meet with state representatives. He stated that he was also contacted by the public relations representative of Enbridge relating to a pipeline project possibility; she would like to appear before Council to discuss the need for accommodations for workers during the time of construction.

Council Member Johnson stated that the Mississippi Riverfront Project Subcommittee will be meeting at 3:00 P.M. this Thursday, March 24, 2016 at the HRA Building.

Council Member Pritschet presented City Administrator Thoreen with the "District Communicator of the Year Award" on behalf of the Northern Lights District Committee of the National Speech and Debate Association following Mr. Thoreen's work and follow-up article on speech and debate judging experience.

Council Member Hilgart reported that the Transportation Advisory Committee will have some policy changes coming forward relating to the Civil Rights Act.

**Adjourn into Closed Session Pursuant to M.S. 13D.05, Subd. 3, to Conduct the City Administrator Performance Review – 9:42 P.M.**

**Break:** The Council took a break from 9:42 P.M. to 9:48 P.M.

The Council reconvened into open session at 10:19 P.M.

**Adjourn – To the Mississippi Riverfront Project Subcommittee Meeting to be held at 3:00 P.M. on Thursday, March 24, 2016 at the HRA Building**

The Chair adjourned the meeting at 10:20 P.M.

____________________________________
James M. Thoreen
City Administrator