

**Lake City Common Council
Regular Meeting
Monday, December 10, 2012 6:00 p.m.
City Hall Council Chambers**

Members Present: Mayor Jerry M. Dunbar, Andru Peters, Matt Powers, Phil Gartner, Mary Lou Waltman, Joel Beckman, Mark Spence

Members Absent: None

Staff Present: City Administrator Ron Johnson, Public Works Director Scott Jensen, City Attorney Karen England, Finance Director Barbara Pratt

Mayor Dunbar called the meeting to order at approximately 6:00 p.m. in the Council chambers of city hall with a quorum present.

Pledge of Allegiance

Mayor Dunbar led the Pledge of Allegiance.

Introductions

Introductions were made.

Review and Adopt Agenda

Gartner requested that item 7q direct staff to advertise for the Council person vacancy occurring when Council member Beckman assumes the position of Mayor in January, 2013 and also 7r approve request to waive fees for use of city hall facilities for one to three Blandin Community Leadership Program meetings be pulled from the consent agenda.

Motion Gartner, seconded Waltman to adopt the agenda as amended. All ayes 7-0-0.

Public Forum

None

Approve purchase of new ambulance from Life Line at the state bid price of \$160,225

Ambulance Director Riemersma has learned that the AFG grant did not make it to the second stage therefore was denied. Due to new federal design standards beginning January 1, 2013 the cost of ordering a new ambulance will increase by approximately \$30,000.

The Ambulance Commission is recommending the council purchase the vehicle. The new vehicle has approximately a 3 month build timeframe. Use of 271 vehicle is to be determined.

Motion Gartner, second Waltman to approve the purchase of a new ambulance from Life Line at the state bid price of \$160,225. All ayes 7-0-0

Discuss Police/EMS Supplemental Planning Study; call special meeting to complete review of study

At the direction of Council, R.A. Morton and Trimension Designs completed a study to provide an estimated cost of utilizing the former Home Pros building for an ambulance/police/emergency management facility. In addition, they were asked to provide a cost estimate for the construction of a new ambulance/police/emergency management facility on city-owned property across from

Home Pros. Estimated costs range from \$3,127,270.00 to \$4,754,771.00. These numbers are estimates for the 2013 construction season. Council stated that these amounts are too high and that they are not interested in pursuing.

Motion Gartner, second Powers to notify Alliance Bank that the City is not interested in the 7th Street building or the HomePros building. All ayes 7-0-0.

Direct City Attorney to draft ordinance amendment to allow on-sale liquor establishments to stay open until 2:00 a.m. as allowed per MN State Statute

Owners and managers of several on-sale liquor establishments are interested in increasing their hours of service until 2:00 a.m. Minnesota State Statute does allow a municipality to have an ordinance which would allow that municipality to extend their hours of service to 2:00 a.m. The Public Safety Board at their 11-7-12 meeting did recommend approval. Can the city charge an additional fee for consideration of the potential overtime which may be incurred? Direction was given to the City Attorney to review.

Motion Spence, seconded Gartner to direct the City Attorney to draft an ordinance amendment to allow on-sale liquor establishments to stay open until 2:00 a.m. as allowed per MN State Statute as well as to determine if additional fees can be charged. All ayes 7-0-0.

Approve hiring Peter Bartholome as full-time Journeyman Lineman at \$27.33/hour plus applicable increase in 2013 budget

Mr. Bartholome was found to meet all qualifications being sought for the position. Mr. Bartholome is tentatively scheduled to start with the City of Lake City in late January/early February 2013. The position is included in the 2013 proposed budget.

Motion Gartner, seconded Waltman to hire Peter Bartholome as full-time Journeyman Lineman at \$27.33/hour plus applicable increase in 2013 budget. All ayes 7-0-0.

Approve two percent wage increase and applicable step increase for non-seasonal, non-union employees effective January 1, 2013

The 2013 budget process included a two percent increase plus applicable step increase for City non-seasonal employees as part of the 2013 Budget Directives approved by Council. Staff is seeking approval to implement the two percent increase plus applicable step increases for non-seasonal, non-union effective January 1, 2013 pending satisfactory performance reviews.

Motion Gartner, second Spence to approve a two percent wage increase and applicable step increase for non-seasonal, non-union employees effective January 1, 2013. Roll call vote Beckman, Spence, Dunbar, Waltman, Powers, Gartner voting aye; Peters voting nay. Motion carried 6-1-0.

Approve purchase of security equipment including card identification system

There has been a concern for safety in city hall, particularly after normal business hours and weekends, and, as a result, the costs were included in the 2012 budget. 7 cameras will be installed throughout the facility, focusing on secure and high traffic areas. All cameras will record to a DVR. The 2012 budget includes \$15,000 in the Building Fund and \$11,933.40 in the Emergency Preparedness fund for a total of \$26,933.40 for the purchase of equipment.

Motion Spence, second Waltman to approve the purchase of security equipment from Simplex Grinnell including card identification system for city hall at an amount not to exceed \$26,900. All ayes 7-0-0.

Consent Agenda

- a. Approve November 5, 2012 special Council meeting minutes
- b. Approve November 13, 2012 regular Council meeting minutes
- c. Approve November 26, 2012 special Council meeting minutes
- d. Approve expense claims 11.9.12-12.6.12
- e. Adopt Resolution 12-082 accepting Toward Zero Deaths grant reimbursement and amending 2012 Police Department budget
- f. Approve continued operation and maintenance of Lake City electric utility with in-house staff and equipment
- g. Adopt Resolution 12-091 amending policy on City Meeting Minutes
- h. Confirm additional appointments to the community-wide Memorial Comm.
- i. Approve out of grade wage increase of 3% for water and electric foreman positions retroactive to water and electric supervisors' retirement dates
- j. Upgrade status of Rick Whitely from Operator B to WWTF Lead Operator
- k. Approve purchase of police records management system for \$15,000
- l. Approve pay certificate #3 for 2012 water main improvements to SL Contracting for \$9,188.34
- m. Approve hiring Jeff Svihel as volunteer EMT
- n. Approve payment of salary for Public Works Director to attend American Public Power Association Joint Action Workshop
- o. Adopt Resolution 12-093 exempting certain sidewalks from snow removal requirements for 2012-2013 Winter season
- p. Accept donation from Myrna McCullough in the amount of \$50.00 to be used for Buds and Blooms
- q. ~~Direct staff to advertise for the Council person vacancy occurring when Council member Beckman assumes the position of Mayor in January, 2013~~
- r. ~~Approve request to waive fees for use of city hall facilities for one to three Blandin Community Leadership Program meetings~~
- s. Approve 2013 license applications

**Motion Spence, seconded Peters to approve the consent agenda as presented.
All ayes 7-0-0.**

7q. Direct staff to advertise for the Council person vacancy occurring when Council member Beckman assumes the position of Mayor in January, 2013 was pulled by Gartner. Gartner is asking what are council and staff looking for in a candidate. Beckman is satisfied with the current board and commission application the city is using.

Motion Gartner second Waltman to direct staff to advertise for the Council person vacancy occurring when Council member Beckman assumes the position of Mayor in January, 2013. All ayes 7-0-0.

7r. Approve request to waive fees for use of city hall facilities for one to three Blandin Community Leadership Program meetings pulled by Gartner for discussion on the waiver of fees. Gartner has no issue with this group, but rather the vagueness of the definition on the waiver procedure. Staff should work on clarifying language in the current policy and bring back to council. Consensus was that the policy of waiver of fees should be brought back to the January meeting for review.

Motion Beckman, second Waltman approving the request to waive fees for use of city hall facilities for one to three Blandin Community Leadership Program meetings. All ayes 7-0-0.

Waive second reading and adopt Ordinance No. 514, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates

Storm water rates have not been increased since their inception in 2005. An increase in rates is planned in the 2013 proposed budget.

Residential rate – monthly increase from \$2.00 to \$2.50

Commercial rate – monthly increase from \$5.00 to \$6.25

Small Industrial rate – monthly increase from \$10.00 to \$12.50

Large Industrial rate – monthly increase from \$20.00 to \$25.00

Motion Gartner, second Spence to waive second reading of Ordinance No. 514, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates. All ayes 7-0-0.

Motion Spence, second Powers to adopt Ordinance No. 514, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates. Gartner stated that he felt it unfair the commercial rates significantly increased compared to the residential rates.

Roll call vote: Beckman, Spence, Peters, Dunbar, Waltman, Powers voting aye; Gartner voting nay. Motion carried 6-1-0.

Waive second reading of and adopt Ordinance 515, amending ordinance regarding Library Board powers

The new proposed language was introduced at the November 13th 2012 city council meeting: “Subject to the direction of the City Council, the Library Board shall recommend the services that the library shall provide and the manner in which the services are provided. They shall recommend general policy concerning the library, recommend proposed rules governing operations of the library, and assist with short and long-range plans for the library. They shall provide assistance to City Council in the hiring process for a Library Administrator. They shall review and recommend an annual budget. They shall implement those directives and assist with the supervision, care and custody of the library.”

Motion Beckman second Waltman to waive second reading of Ordinance 515, an ordinance amending Section 30.053 of City Code regarding Library Board powers. Roll call vote: Beckman, Spence, Dunbar, Waltman, Powers, Gartner voting aye; Peters voting nay. Motion carried 6-1-0.

Motion Beckman, second Powers to adopt Ordinance 515, an ordinance amending Section 30.053 of City Code regarding Library Board powers. Roll call vote: Beckman, Dunbar, Waltman, Powers voting aye; Spence, Peters, Gartner voting nay. Motion carried 4-3-0.

Confirm appointment of Library Administrator search process team

The objective of the committee is to formulate training and experience point system, approve the position profile, review applications, recommend candidates to interview and participate in the interview process and recommend successful candidate to Council.

Motion Waltman, second Spence to confirm the appointment of Council members Mary Lou Waltman and Phil Gartner, Library Board members Kay Lastine and Bob Parrot, Ann Hutton (Executive Director, SELCO), a non-local retired Library Administrator and

City Administrator Ron Johnson to the Library Administrator search process team that will be responsible for the following: Formulate a training and experience point system, approve the position profile, review applications, recommend candidates to interview and participate in the interview process and recommend successful candidate to Council.

All ayes 7-0-0.

The committee was requested to review the Library Board's recommendation for the position as their first item of business.

Authorize drafting of an agreement with Kennedy & Graven, Chartered to provide civil legal services

Council conducted interviews with four firms on 11/28, 11/29 and 12/5 for the provision of civil legal services. Upon completion of the final interview, Council, by consensus, directed the City Administrator to bring forward the firm of Kennedy & Graven, Chartered for approval at the December 10, 2012 regular meeting.

Motion Waltman, second Powers to authorize drafting of an agreement with Kennedy & Graven, Chartered to provide civil legal services and direct the legal services task force to work on details on terms of agreement. All ayes 7-0-0.

8. Communication Updates

a. Gilbert Creek Bridge Guard Rail

Public Works Director Jensen reported that MnDOT did respond to the letter sent by the city. He will update the council with any future correspondence. Council wants to know what the city is responsible for in writing from MnDOT.

Accept \$100,000.00 multi-year matching grant award for expansion of the Lake City Public Library Project subject to specified terms

The Grant will be payable in four yearly installments of \$25,000.00, and is to be used for capital expenses of the project. The grant is being made by an anonymous donor and is contingent on the following terms and conditions:

1. The funds are to be paid by the donor to the City in annual increments of \$25,000.00 based upon the city providing evidence to the donor that the City has received \$100,000.00 of matching donations from individuals and non-public entities. Accrued payments will be made by the donor upon commencement of the project, ground has been broken and upon the City's verification that it has entered into a signed contract with its contractor. Payments will accrue commencing on the effective date of this agreement. The effective date is defined as the date the City approves and signs the agreement. Annual payments after the initial funding will be made on the first business day of the year.

2. All funds are to be returned to the donor upon the occurrence of any of the following conditions:

*The City stops work on the project

*The Project is not completed; or

*The City does not receive matching donations which total \$100,000.00 over four years.

3. There shall be no specific references to the donor while the City is soliciting donations for the project. The donor is not opposed to a recognition plaque or some other form of recognition upon completion of the project.

4. This donation pledge will expire if the project has not been started by January 1, 2015

Motion Beckman , second Waltman to accept a \$100,000.00 multi-year matching grant award for the expansion of the Lake City Public Library Project subject to specified terms. All ayes 7-0-0.

6:30 pm. Truth in Taxation

Finance Director Pratt presented an overview of the 2013 budgets including the proposed levy amount. One person spoke regarding the valuation of his home. He was directed to the County Assessor's office.

Motion Beckman, second Waltman to close the Truth in Taxation hearing at 6:40 p.m. All ayes 7-0-0.

Adopt Resolution 12-084 certifying 2012 Property Tax Levy payable in 2013

The City of Lake City is required by Minnesota Statute 275.07, on or before December 28, 2012, to certify to the home County the levy for the following year. The City of Lake City annually prepares budgets and adopts the levy to fund the budgets.

Motion Beckman, second Spence to adopt Resolution 12-084 certifying the 2012 Property Tax Levy payable in 2013. Roll call vote: Beckman, Spence, Dunbar, Waltman, Powers voting aye; Peters & Gartner voting nay. Motion carried 5-2-0.

Adopt Resolution 12-085 approving General Fund revenue and expenditure budget for 2013

The City of Lake City is required by Minnesota Statute 275.07, on or before December 28, 2012, to adopt the budget for the following year. The General Fund Department Heads prepared the 2013 revenue and expenditure budget for 2013 to be reviewed by the City Council. Gartner and Peters stated that they do not support the purchase of new police vehicle, City Administrator out of state travel and dues.

Motion Beckman, second Spence to adopt Resolution 12-085 adopting the General Fund revenue budget for 2013 and the General Fund expenditure budget for 2013. Roll call vote: Beckman, Spence, Dunbar, Waltman, Powers voting aye; Peters & Gartner voting nay. Motion carried 5-2-0.

Adopt Resolution 12-086 approving Library Fund revenue and expenditure budget for 2013

The City of Lake City is required by Minnesota Statute 275.07, on or before December 28, 2012, to adopt the budget for the following year. The Interim Library Director prepared the 2013 revenue and expenditure budget for 2013 to be reviewed by the City Council.

Motion Spence second Powers to adopt Resolution 12-086 adopting the Library Fund revenue budget for 2013 and the Library Fund expenditure budget for 2013. All ayes 7-0-0.

Adopt Resolution 12-087 approving utility funds' revenue and expenditure budgets for 2013

Annually the City of Lake City adopts the budgets for the utilities funds' operating revenues and expenditures. The Public Works Director prepared the 2013 revenue and expenditure budgets for the utilities funds for review by the City Council.

Motion Gartner, second Spence to adopt Resolution 12-087 adopting the utilities funds' revenue budget for 2013 and the Utilities funds expenditure budgets for 2013. All ayes 7-0-0.

Adopt Resolution 12-088 approving EDA revenue and expenditure budget for 2013

The City of Lake City adopts the budget for the EDA and, as part of the year-end financial procedures, the EDA reviews with the Council the status of their reserve fund. If the amount held in reserve exceeds the allowable amount identified in the EDA Reserve Fund Policy, they recommend to the Council such proposed uses of those funds. Last year the EDA proposed the Downtown Façade Improvement Program for one year. Council approved, with the understanding that at the end of 2012 any remaining excess reserves would be used to reduce the EDA tax levy for 2013. Therefore, the revenue budget has now been amended, and the 2013 EDA levy reduced by \$31,170 which is the remaining amount of excess reserve funds held by the EDA assuming the balance of revenues are received as planned and there are no unexpected expenditures.

Motion Spence, second Powers to adopt Resolution 12-088 adopting the EDA revenue budget for 2013 and the EDA Fund expenditure budget for 2013. Roll call vote: Beckman, Spence, Peters, Waltman, Dunbar, Powers voting aye; Gartner voting nay. Motion carried 6-1-0.

Adopt Resolution 12-089 approving Municipal Building Fund revenue and expenditure budget for 2013

Annually the City of Lake City adopts the budget for the Municipal Building Fund operating revenues and expenditures. The City Administrator and the Finance Director prepared the 2013 revenue and expenditure budgets for the Municipal Building fund for review by the City Council.

Motion Gartner, second Powers to adopt Resolution 12-089 adopting the Municipal Building Fund revenue budget for 2013 and the Municipal Building Fund expenditure budget for 2013. All ayes 7-0-0.

Adopt Resolution 12-090 approving Marina Fund revenue and expenditure budget for 2013

Annually the City of Lake City adopts the budget for the Marina Fund operating revenues and expenditures. The Marina Director prepared the 2013 revenue and expenditure budgets for the Marina fund for review by the City Council.

Motion Gartner, second Powers to adopt Resolution 12-090 adopting the Marina Fund revenue budget for 2013 and the Marina Fund expenditure budget for 2013. All ayes 7-0-0.

9. Miscellaneous Discussion

Gartner requests a copy of the performance review of Public Works Director.

Motion Gartner, second Peters that the City Administrator is required to furnish to the city council the performance review for all department heads for calendar years 2010, 2011, 2012 by the first meeting of the city council in January of 2013. The data with regard to those performance reviews will remain private data as it is classified.

City Attorney England stated that the performance reviews can be viewed by the council as the city council is the employer. It is private data and must be maintained as such, and the council as a body, can look at the performance reviews.

Roll call vote: Spence, Peters, Dunbar, Waltman, Powers, Gartner voting aye; Beckman voting nay 6-1-0.

Mayor Dunbar noted that this will be a closed session at the January council meeting.

10. Informational Reports- as presented
11. Future Meeting Dates- as presented

Mayor Dunbar thanked Council and staff for their efforts over the past 4 years.

Closed session to consider purchase of 215 West Center street property

Motion Beckman, second Waltman to close the meeting at 7:07 p.m. to develop or consider offers or counteroffers for purchase of real property at 215 West Center Street. All ayes 7-0-0.

Mayor Dunbar opened the meeting at 7:46 p.m.

Closed session to consider purchase of Parcel 22.02633.00 adjacent to Underwood Park

Motion Peters, second Powers to close the meeting at 7:47 p.m. to develop or consider offers or counteroffers for the purchase or sale of real property known as Parcel 22.02633.00 adjacent to Underwood Park. All ayes 7-0-0.

Mayor Dunbar opened the meeting at 8:03 p.m.

Closed session to discuss labor negotiations strategies

Motion Gartner, second Waltman to close the meeting to discuss labor negotiations strategies at 8:06 p.m. Carried 7-0-0.

Mayor Dunbar opened the meeting at 8:11 p.m.

Motion Beckman, second Gartner to approve a 2% cost of living increase and applicable step increases for 2013 for the IUOE and IBEW bargaining units. Carried 7-0-0.

Motion Beckman, second Waltman to compensate Timothy Dick for the operation, maintenance and use of his boiler license from March, 2010 through December 31, 2013, and make payment of \$183.75 per month beginning in January, 2013 for providing same services and license use. Carried 7-0-0.

Motion Beckman, second Waltman to adjourn at 8:18 p.m. Carried 7-0-0.

Jerry M. Dunbar, Mayor

ATTEST:

Kari Schreck, City Clerk