

**Lake City Common Council
Regular Meeting
Monday, June 27, 2011
Council Chambers 6:30 p.m.
City Hall**

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

Members Absent: None

Staff Present: City Administrator Ron Johnson, City Clerk Kari Schreck, Planning &
Community Director Rob Keehn, Public Works Director Scott Jensen

Mayor Dunbar called the meeting to order at approximately 6:30 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.

Disclose Conflicts and Relationships

None

Review and Adopt Agenda

Gartner requested that item 3c under consent agenda Approve a minor subdivision request from U.S. Gas Inc to subdivide a parcel at 1609 N Lakeshore Drive be taken off the consent agenda and addressed separately.

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

Recognize Tim Dick of the Water/Wastewater department for his 5 years of service.

Public Forum

none

New Business

Affirm the 2010 annual audit report

Minnesota Statute 6.55 requires the audit of the financial records to be performed annually by a qualified preparer. The City of Lake City retained the services of Smith Schafer & Associates, LTD to perform the required audit in compliance with state statutes and audit standards. In addition, the audit must be filed with the State by June 30, 2011. As part of the completion of the annual audit, the information is reviewed with the governing body. Jason Boynton, Principal and Steve Salvesson, Audit Manager from Smith Schafer & Associates, LTD were present to provide an overview of the audit and answer any questions.

Motion Beckman, second Peters to affirm the 2010 audit performed by Smith Schafer and Associates, LTD. Roll call vote: Beckman, Spence, Peters, Dunbar, Waltman, Powers, voting aye, Gartner, voting nay. Motion carried 6-1-0

Repeal Sub-Committee Policy for Finance Committee and Personnel Committee and adopt Sub-Committee Policy for Personnel Committee; Repeal Capital Committee Policy

The Personnel Committee is recommending adoption of the new policy describing the mission of the Personnel Committee. The current policy that addresses Personnel Committee duties is combined in a policy that addresses the Finance Committee duties. The Finance Committee duties have since been absorbed by the City Council acting as Capital and Finance Committee.

Motion Peters, seconded Waltman to repeal the Sub-Committee Policy for Finance Committee and Personnel Committee (dated July 11, 2005) and adopt a new Sub-Committee Policy for Personnel Committee. All ayes 7-0-0.

Motion Spence, seconded Peters to repeal the Capital Committee Policy (dated February 26, 2007). All ayes 7-0-0

Discuss policy regarding citizen complaints

This has been the subject of occasional discussions at previous Council meetings, and Council directed staff to place this on the 6/27/11 agenda for further discussion. It has been questioned by staff and Council members over time, whether or not this policy needs updating. The issue of potentially limiting the number of ways for reporting the complaints has arisen. Should anonymous complaints be addressed? Is there value in the quarterly complaint summary? Council as well as staff should forward comments and suggestions to the City Administrator who will incorporate revisions into the document and bring back to council for review, if possible, at the July 11, 2011 meeting.

Discuss Public Forum agenda item

This has been the subject of occasional discussions at previous Council meetings. The public forum platform has at times been used by citizens to promote personal agendas. The procedures for City Council meetings which is in every council packet as well as posted in the back of the room, has defined parameters which council members agree are not being adhered to. Council and staff were directed to submit suggested changes to the City Administrator who will incorporate any changes and submit to the City Attorney for review. A red-lined version will be available at the July 11, 2011 meeting if time allows.

Coalition of Greater MN Cities membership benefits update

At the 6-13 meeting, staff was requested to provide an update of the benefits of the Coalition of Greater MN Cities membership. The City joined the CGMC after a few years of absence. The 2012 renewal is not being requested at this time, but staff will be recommending inclusion of this membership in the 2012 budget.

Overall, staff has found the CGMC membership very valuable in keeping current with legislative issues and found their information regarding labor and employee relations valuable as well, and will encourage Council to continue the membership when considering the 2012 budget. Staff was requested to provide to Council the costs associated with membership in the League of MN Cities for a year as well.

Comprehensive Plan Update

The Planning Commission has reviewed all the chapters of the comprehensive plan, and review was stopped until the most current Census 2010 figures were available for the City's demographics. After updating these numbers, staff intends to distribute the plan to the different City departments for their review, as well as make it available to the public, after which the Planning Commission would conduct a public hearing. Staff will update Council as progress is made.

Adopt Resolution 11-034 adopting performance measures developed by Council on Local Results and Innovation

The State of MN, Office of State Auditor has a new program created by the legislature through its Council on Local Results and Innovation. Adoption of this resolution will allow the city of Lake City to receive approximately \$710 in state aid and exempt the city from levy limits for the 2012 property tax levy, plus provide a basis for measuring performance in the 10 performance benchmarks.

Motion Waltman, seconded Peters to adopt Resolution 11-034 adopting performance measures developed by Council on Local Results and Innovation. All ayes 7-0-0.

Frac sand mining

A request for a one-year moratorium on the issuance of any Conditional Use Permit for a new silica/frac sand mining operation within rural Goodhue County was considered by the Goodhue County Planning Advisory Commission on June 20. The request was tabled until the Commission's July meeting.

This is being placed on the agenda for information and for potential discussion. No action is being requested by the City Council. Mayor Dunbar requested that City Administrator Johnson contact both County Commissioners Dave Harms and Jim Bryant to report to the city what both counties are doing. This item will remain on the agenda.

Unfinished Business:

Update on Ordinance No. 500, an Ordinance amending the City's shoreland regulations

Staff has submitted the ordinance to the Department of Natural Resources for review, but has heard nothing back from them at the time of writing. The potential government shutdown might affect the response time from the DNR. The Planning and Community Development Director will provide an updated timeline to council with dates as they become available.

City facilities project update

Staff presented information about building proposals to the respective boards and commissions in order to get a firm advisory recommendation concerning new police, EMS, and library facilities. There were proposals to expand the library at its current location, and also to build a public safety building for police and EMS in their current location. The Library Board at their June 20, 2011 meeting approved a motion to forward a recommendation to the City Council that a professional be hired to determine the feasibility and cost of a remodel/expansion to enclose the four corners of the library, thereby enlarging the current facility by approximately 1600 square feet, and remodel the interior to meet current and future needs. The Public Safety Board

spoke in favor of phased construction of a shared facility in the current location. The Ambulance Commission is also in favor of phased construction of a shared facility in the current location. **Motion Gartner, seconded Waltman to hire a professional to determine the feasibility and cost of a remodel/expansion to enclose the four corners of the library, thereby enlarging the current facility by approximately 1600 square feet, new roof design, possible basement expansion and remodel the interior and for City staff to obtain a proposal and forward proposal to council for consideration of such to meet current and future needs of the library. All ayes 7-0-0.**

Discuss code of conduct

At the 5-23-11 Council meeting, staff provided a code of conduct template from the League of MN Cities. Staff was subsequently directed to modify the template to be specific to the city of Lake City. The proposed modified code of conduct was briefly discussed at the 6-13-11 meeting, with Council members being asked to submit their comments to Administrator Johnson. If possible, a red-lined version will be available at the July 11, 2011 meeting.

Update on Board and Commission and liaison duties

An update on Library Board action was included.

Update on Revolving Loan Fund

The first quarter update for 2011 was provided to council members. There was considerable discussion regarding making public the names of those who are delinquent. Council requests monthly updates on the status of these loans with names, as they are public funds. It was suggested to EDA Director Erin Sparks to report these delinquencies to the credit bureau. The policy states that the applicant is responsible for all legal costs. Council would like the Revolving Loan Fund Committee to schedule a meeting to discuss.

Update on outstanding Request for Legal Activity requests

A listing of items for legal activity was provided to council. Council requested that dates be added to the next quarterly report provided to them including the date received and completion date. It was also requested that the non-retainer items be identified on the report. The quarterly reports should be presented to the council no later than 30 days after the quarter ends.

Adopt Resolution 11-033 requesting termination by the SE MN Multi-County Housing Authority of purchase agreement regarding Bella Vista Condominiums

Subsequent to the 6-13 Council meeting, C/M Gartner received a copy of the purchase agreement in which it is stated "This purchase will be financed by the sale of public issue bonds. The bonds must be approved by the City Council for the City of Lake City, MN, or other authorized local government unit having jurisdiction over the Property. Such approval has not yet been obtained and may further be subject to court challenge by citizens. In the event that the local government does not approve issuing bonds, or the closing does not take (sic) by June 30, 2011, then this Purchase Agreement may be cancelled by either Seller or Buyer upon written notice to the other." Mr. Gartner then requested approval from Mayor and Administrator to include Resolution 11-033 for Council consideration. Legal has reviewed the resolution.

Motion Gartner, second Peters to adopt Resolution 11-033 requesting termination by the SE MN Multi-County Housing Authority of purchase agreement regarding Bella Vista Condominiums. All ayes 7-0-0.

3. Consent Agenda:

- a. Approve expense claims
- b. Approve June 13, 2011 Council meeting minutes
- c. ~~Approve a Minor Subdivision request from U.S. Gas Inc. to subdivide parcel at 1609 N Lakeshore Drive~~ taken off consent
- d. Approve the hiring of Tammy Heise as a substitute library aide Grade 5 step A \$11.18/ hr
- e. Approve purchase of John Deere Gator from SEMA Equipment
- f. Approve purchase of Phase 2 Playground Equipment for Underwood Park

Motion Spence, seconded Peters to approve the consent agenda as presented.

All ayes 7-0-0

Consent agenda item pulled 3c Approve a Minor Subdivision request from U.S. Gas Inc. to subdivide parcel at 1609 N Lakeshore Drive.

Motion Waltman, seconded Powers to Approve a Minor Subdivision request from U.S. Gas Inc. to subdivide parcel at 1609 N Lakeshore Drive. Motion carried 6-0-1. Gartner recused himself from discussion and the vote.

Miscellaneous Discussion

Mayor Dunbar thanked everyone for their efforts in making a successful Waterski Days.

Powers noted that all contracts must come before the City Council for approval.

Gartner noted that the bike/hike trail to Hok-Si-La project could be looked at again as the bridge work that is currently being done on HWY 61 has asphalt that has been laid that could be used.

Mayor Dunbar directed councilpersons Peters and Gartner to work with Public Works Director Jensen on this.

Informational Reports:

As presented

Future Meeting Dates:

As presented

Motion Waltman, second Powers to adjourn at 9:08 p.m. All ayes 7-0-0.

Jerry M. Dunbar, Mayor

ATTEST:

Kari Schreck, City Clerk