

**Lake City Common Council
Regular Meeting
Monday, January 12, 2015 6:00 p.m.
City Hall Council Chambers**

Members Present: Mayor Joel Beckman, Andru Peters, Mary Lou Waltman, Russell Boe, Randy Klipfel, Greg Schreck, Mark Spence

Members Absent: None

Staff Present: City Administrator Alan Lanning, City Attorney Sarah Sonsalla, Planning and Community Development Director Rob Keehn, City Clerk Kari Schreck, Public Works Director Scott Jensen, Finance Director Barb Pratt

Mayor Beckman 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 Beckman led the Pledge of Allegiance.

Introductions

Introductions were made.

Swearing in new council members

Clerk Schreck sworn in newly elected council members Russell Boe, Greg Schreck, Randy Klipfel.

Recognize outgoing council members Eugene Durand and Philip Gartner for their years of service to the City of Lake City.

Review & adopt or amend the agenda as presented

Mayor Beckman noted that item 7(i) Approve attendance at Government Finance Officers Conference in Philadelphia, PA for the Finance Director/Treasurer in 2015 should be a consent agenda item and requested it be moved.

Motion Peters, second Waltman to amend the agenda item order. All ayes 7-0-0.

Public Forum

Jim Schreck spoke on behalf of a Lake City active living group requesting to put bikes in the community for public use. Lake City Active Living (LCAL) is applying for a State Health Improvement Program (SHIP) grant to purchase a number of bicycles in order to establish a local bike sharing program. The group is requesting that the City participate in the program by taking on the ownership of the bikes themselves and becoming the responsible entity for the program. Following are the main points of the request:

- The City would be the owner of the bikes and responsible for keeping them maintained. LCAL has indicated that they would perform the regular maintenance.
- The City would take on the liability of the program through the City's insurance.
- If any bikes are stored on private property a license or lease agreement with the property owner would be required.
- The City will store the bikes in the off season.

- Volunteers from LCAL would check the bikes in and out. A waiver would be required of individuals using the bikes. The waiver would include restrictions on usage as well as safety requirements.

The group has secured a SHIP grant to fund the program.

An established maintenance program should be in place and City staff needs to be involved, however the process needs to be further defined. Staff will work with the City Attorney and the active living group to work out the process.

Motion Peters, second Klipfel to approve City participation in the Lake City Active Living request to create a bike-share program. All ayes 7-0-0.

Approve Springsted employee classification and compensation study results.

Ann Antonsen of Springsted Inc. presented the completed the employee classification and compensation study as approved by the City Council on December 9th, 2013. A review of all current job classifications documentation, and validation of these for knowledge, skills, abilities, essential functions, education and experience, relevance and hierarchical consistency, job definitions, distinguishing characteristics, supervision received and exercised and any special requirements, licensing and/or certifications has been completed. Springsted analyzed the impact of any potential changes on the City's compliance with pay equity. Springsted also provided recommendation of appropriate salary ranges for existing or proposed positions based on the Classification Study and on the compensation survey results. The Personnel Committee reviewed the findings at their November 20th meeting, and is recommending Option 2 for all full time employees.

Motion Peters, second Spence to approve Springsted employee classification and compensation study results and implement Option 2 for 2015 effective pay period ending January 16, 2015 for all full time employees. All ayes 7-0-0.

Approve design specifications for the RFB process from Digicom Inc. for the audio visual room in Council chambers

The audio visual room serves as the broadcast and recording studio for city meetings, as well as community events and re-plays of county meetings. The equipment was originally installed in 2001, from documentation staff has been able to find. The electronic equipment is beginning to age to a point where it is no longer feasible to repair. In some instances, replacement is not an option, as the equipment no longer exists. The city at this time has lost the ability to re-broadcast meetings via the cable channels due to equipment failure. Russ Neitzke of Digicom Inc, presented to council a synopsis of equipment that may be needed once the council decides on the scope of the project as well as the capability and functions they would like to have the city provide to the community. The system will likely require an RFB process due to the cost, and as council is aware, a project must be defined before it can be bid.

Motion Peters, second Waltman to approve design specifications for the RFB process from Digicom Inc. All ayes 7-0-0.

Waive second reading and adopt Ordinance No 539 rezoning property located at 720 W. Chestnut St. from Light Industrial to Medium Density Residential.

A request to rezone the property located at 720 W Chestnut Street was submitted by Thin Van Phan. The Planning Commission conducted public hearings on November 3, 2014, and voted (7-yes, 0-no) to recommend approval of the rezoning request to the City Council. The Council

conducted the first reading of Ordinance No. 539 at their December 8, 2014, meeting on motion by Waltman, second by Durand (vote: 7-0-0).

Motion Klipfel, second Waltman to waive the second reading of Ordinance no. 539. All ayes 7-0-0.

Motion Spence second Klipfel to adopt Ordinance No. 539 rezoning the property located at 720 West Chestnut Street from Light Industrial (LI) to Medium Density Residential (MDR). All ayes 7-0-0.

Adopt Resolution 15-009 rejecting bids and alternate bids for the Library renovation project. Staff is requesting that Council reject the bid for landscaping (\$37,500) due to the fact that a better price can be had through the City performing a portion of the work and by getting quotes for anything that staff cannot do. Staff is recommending the Council reject the alternate bids for a 20-year roof warranty instead of a 30-year warranty (\$8,070 less), alternative lighting fixtures (no cost difference), and alternative wood finishing (\$8,309 less). The total cost difference for the alternate bids is \$16,379 less than the original specifications.

Motion Peters, second Spence to adopt Resolution 15-009 rejecting bids and alternate bids for the Library renovation project. All ayes 7-0-0.

Adopt Resolution 15-010 accepting bids for the Library renovation project contingent on successful pre-award interviews.

The final bids for the Library renovation contract were approximately \$40,000 under the estimate determined by RA Morton Associates and MSR Design. The start date for the project is set for April of 2015 with completion in 2015. The total estimated project cost for the renovation is \$2,087,000. The project manager Paul Heinen, from R. A. Morton answered questions from council regarding the project.

Motion Spence, second Waltman to adopt Resolution 15-010 accepting bids for the Library renovation project contingent on successful pre-award interviews.

Roll call vote: Beckman aye, Schreck nay, Boe aye, Peters aye, Spence aye, Waltman aye, Klipfel aye Motion carried 6-1-0.

Approve and adopt the Lake City Employee Personnel Policy effective January 13, 2015

Revisions have been underway on the employee personnel policy since 2013. Staff along with the City Attorney has worked on the revisions. The Personnel Committee reviewed the policy at their November 20, 2014 meeting and is recommending its approval.

Motion Peters, second Klipfel to approve and adopt the Lake City Employee Personnel Policy effective January 13, 2015. All ayes 7-0-0.

Adopt Resolution 15-003 approving the application for a conditional use deed for Outlot B in Eaglewood Estates 5th Addition

Outlot B in Eaglewood Estates 5th Addition is a small strip of land that is a remnant of another outlot from the Jewel Planning Plat, and is adjacent the 10th Street Right-of-Way. The City was granted an easement across this small piece of land in 2005 for a bike/pedestrian trail.

The property has since gone into forfeiture for non-payment of taxes. Due to the fact that the property is so small that it is undevelopable, and that the City currently has a public trail across

the property, Staff is recommending that the City pursue a conditional use deed for the property from the State of Minnesota.

Motion Klipfel, second Peters to approve a resolution approving the application for a conditional use deed for Outlot B in Eaglewood Estates 5th Addition. All ayes 7-0-0.

Adopt Resolution 15-004 requesting the conveyance of Outlot E in Eaglewood Estates 5th Addition to the City of Lake City

Outlot E in Eaglewood Estates 5th Addition was platted specifically for a bike/pedestrian trail and was to be transferred to the City by the developer at the recording of the final plat for Eagle Estates 5th Addition. This did not occur and the property has gone into forfeiture due to non-payment of taxes. Approval of this resolution will initiate the process of finalizing the conveyance of Outlot E to the City.

Motion Peters, second Klipfel to approve a resolution requesting the conveyance of Outlot E in Eaglewood Estates 5th Addition to the City of Lake City. All ayes 7-0-0.

Adopt Resolution 15-005 approving the City of Lake City's interest in Outlot F of Eaglewood Estates 1st Addition for future stormwater management

Outlot F in Eaglewood Estates 1st Addition is situated adjacent to property the City owns, which is developed as a stormwater pond. Outlot F is currently undeveloped and landlocked, but could provide additional area for future stormwater management for the City. The property is currently in forfeiture due to non-payment of taxes and staff recommends notifying Wabasha County of the City's interest in the land.

Because there is no stipulation in the Eaglewood Estates 1st Addition development agreement stating that the land should come to the City, it can only be transferred by sale. Wabasha County staff indicated that the City would need to formally indicate an interest in the property to initiate determining a sale price. If approved, this resolution does not bind the City to purchasing the land. Additional action would be required by the Council to purchase it once the sale price is determined by the County.

Motion Peters, second Klipfel to approve a resolution approving the City of Lake City's interest in Outlot F of Eaglewood Estates 1st Addition for future stormwater management. All ayes 7-0-0.

Approve Administrative Assistant, Water/Wastewater Superintendent and Electric Superintendent positions in Public Works

The administrative assistant position is new to the department and is budgeted as part-time (less than 30 hours per week). Public Works is the largest department in the city and has never had administrative support. As regulatory requirements continue to grow in all areas of Public Works, including electric, water, wastewater and storm water, the director's time commitment to these areas has increased dramatically.

The Water/Wastewater and Electric Superintendent positions are new to Public Works in title and various duties only. The previous positions were titled "Supervisor" and were part of the IBEW union, where they supervised persons in that same union. The supervisor positions have been vacant for the past 2.5 to 3 years. Since then new job descriptions have been written to emphasize greater autonomy in the positions, increased educational and experience requirements, performance evaluation and exempt status.

Motion Spence second Klipfel to approve Administrative Assistant, Water/Wastewater Superintendent and Electric Superintendent positions in Public Works. All ayes 7-0-0.

Adopt Resolution 15-008 amending 2015 Water, Wastewater and Electric budgets for Public Works Superintendent positions

The proposed superintendent positions will replace those that have existed for many years under a supervisor title. The new positions/titles include greater supervisory duties, increased educational and experience requirements, performance evaluation and exempt status. The positions have been vacant and were not included in the 2015 budget.

The budgetary fiscal impact would be split between Water/Wastewater budgets – total increase of \$43,930 and the Electric budget – total increase of \$99,300.

Motion Spence, second Waltman to adopt Resolution 15-008 amending 2015 Water, Wastewater and Electric budgets for Public Works Superintendent positions. All ayes 7-0-0.

Elect president pro tem

Should the need arise, the president pro tem steps into the role of mayor. This includes presiding at Council meetings, attending ceremonial events and representing the City to the public. It may include public speaking and the writing of letters, memos and other documents. In accordance with the City Emergency Operations Plan, the mayor is responsible for some decision making and other specific tasks during emergencies. Prior presidents pro tem include these: 2005 Matt Powers; 2006 Tom Dwelle; 2007 Joel Beckman; 2008 Ray St. Martin; 2009 Mary Lou Waltman; 2010 Mark Spence; 2011 Andru Peters; 2012 Phil Gartner, 2013 Matt Powers, 2014 Eugene Durand.

The Charter of the City of Lake City requires “that the Council shall choose from its members a president pro tem who shall hold office at the pleasure of the council and shall serve as president in the Mayor’s absence and as Mayor in case of the Mayor’s disability or absence from the City.”

Motion Spence, second Waltman to elect Council Member Klipfel as president pro tem to serve until the first Council meeting of January 2016. All ayes 7-0-0.

Approve 2015 council member board and commission liaison appointments & other task force and committee assignments

Each year annual appointments are made to the standing board and commissions of the city. Typically, these boards and commission meet once a month. Council members are assigned as liaisons of the city council. Liaisons are assigned not to directly participate, but to be a conduit for communication between council and the respective board or commission. It was decided that these appointments would be for a two year period 2015-2016.

Motion Spence second Schreck to approve 2015-2016 council member board and commission assignments. All ayes 7-0-0.

Waive second reading and adopt Ordinance No. 540 amending Lake City Municipal Code Title V: Public Works, Chapter 52: Water Service, Section 52.07 Rates.

The Utility Board reviewed the water fund and related rates with Mike Bubany, David Drown Associates, at their November regular meeting. Currently fund reserves are decreasing as operating and maintenance costs increase and industrial usage decreases dramatically.

New rates are based on a 5% increase in base and usage charges. An average residential unit using 5,000 gallons per month would see an increase from \$13.11 to \$13.77, or a \$0.66 per month increase. The budgetary fiscal impact is estimated to increase revenues \$27,000 annually.

Motion Klipfel, second Waltman to waive second reading of Ordinance No. 540 amending Lake City Municipal Code Title V: Public Works, Chapter 52: Water Service, Section 52.07 Rates. All ayes 7-0-0.

Motion Spence, second Schreck to adopt Ordinance No. 540 amending Lake City Municipal Code Title V: Public Works, Chapter 52: Water Service, Section 52.07 Rates. All ayes 7-0-0.

Waive second reading and adopt Ordinance No. 541, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates

Storm water regulations are creating a larger financial burden on the fund each year. This fund also supports annual storm water maintenance and repairs, including related labor costs, street sweeper replacement and maintenance, storm water capital expenses and is part of the debt funding package for the 2010 street reconstruction project on N. 7th St.

As of October 20, 2014 the Minnesota Pollution Control Agency (MPCA) notified the city that Lake City has been identified as a Municipal Separate Storm Sewer System (MS4), making the city subject to regulation under the National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS) requirements of Minnesota Rule 7090 for storm water discharges. These requirements include development and implementation of a Storm Water Pollution Prevention Program (SWPPP) and a separate storm water permit through the MPCA. Utility Board recommended approval at its November 19, 2014 meeting

The budgetary fiscal impact is as follows:

Residential rate - Monthly charge @ ~~\$2.50~~ \$3.00

Commercial rate - Monthly charge @ ~~\$6.25~~ \$7.50

Small Industrial rate - Monthly charge @ ~~\$12.50~~ \$15.00

Large Industrial rate - Monthly charge @ ~~\$25.00~~ \$30.00

The estimated increased revenues for 2015 are \$20,000.

Motion Klipfel, second Waltman to waive second reading of Ordinance No. 541, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates. All ayes 7-0-0.

Motion Beckman, second Spence to adopt Ordinance No. 541, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates. All ayes 7-0-0.

Waive second reading of Ordinance 542 Ordinance Amending Ordinances Nos. 407 and 504 and adopting a New Chapter of the Lake City Municipal Code Relating to Special Assessments; and adopt Ordinance 542

Minnesota Statutes Section 435.193 (b) states that a city wishing to defer special assessments must adopt an ordinance or resolution establishing standards or guidelines for determining the existence of a hardship and for determining the existence of a disability. It does not appear that the City has adopted a resolution or ordinance but instead has been addressing these issues on a case-by-case basis. The City Attorney has recommended that the City adopt an ordinance. Typically this type of ordinance is placed in the “assessment procedures” section of the City Code. However, in this case, the City’s assessment procedures were not ever codified. They were adopted as standalone ordinances. Ordinance No. 407 was adopted in 1967 and Ordinance

No. 504 was adopted in 2011 (Ordinance No. 504 amended Ordinance No. 407). Therefore, it was suggested by the City Attorney that along with adopting the assessment deferral provisions, that the City codify Ordinances No. 407 and 504. Ordinance No. 542 updates and codifies Ordinances Nos. 407 and 504 and adds the assessment deferral standards and guidelines.

Motion Spence, second Klipfel to waive second reading of Ordinance No. 542 - An Ordinance Amending Ordinances Nos. 407 and 504 and adopting a New Chapter of the Lake City Municipal Code Relating to Special Assessments. All ayes 7-0-0.

Motion Schreck, second Klipfel to adopt Ordinance No. 542 - An Ordinance Amending Ordinances Nos. 407 and 504 and adopting a New Chapter of the Lake City Municipal Code Relating to Special Assessments. All ayes 7-0-0.

Waive the second reading of Ordinance 543 - An Ordinance Amending Title I, Chapter 10 of the Lake City Municipal Code and Repealing Ordinance No. 415 Relating to Administrative Offenses and adopt

As part of the recodification process, the City Attorney performed a legal review of Chapter 10, Title I of the City Code.

The first substantive change that has arisen relates to Section 10.98 of the City Code and Ordinance No. 415 (which was not adopted in 2006 but not codified). These provisions relate to administrative offenses. In 2009, there was a change in state law that specifically gave cities the authority to implement an administrative citation program. The City's regulations on administrative offenses have not yet been amended to reflect the change in the law. When this issue was discussed with City staff, it was decided that there would be very little benefit for the City in continuing to use administrative offenses. This is due to the costs and staff time that would be incurred by the City in administering a program that complies with the statutory requirements and the fact that they are not being used on a frequent basis now. Therefore, City staff is recommending that instead of amending the administrative offenses provisions in order to bring them into compliance with state law, that they be removed.

Motion Beckman, second Spence to waive the second reading Ordinance No 543- An Ordinance Amending Title I, Chapter 10 of the Lake City Municipal Code and Repealing Ordinance No. 415 Relating to Administrative Offenses. All ayes 7-0-0.

Motion Spence, second Klipfel to adopt Ordinance No 543-An Ordinance Amending Title I, Chapter 10 of the Lake City Municipal Code and Repealing Ordinance No. 415 Relating to Administrative Offenses. All ayes 7-0-0.

Waive second reading of Ordinance 544 amending Special Ordinance No. 273, Northern States Power Gas Franchise and adopt.

In order to allow Northern States Power (Xcel Energy) to continue to collect gas franchise fees on behalf of the City, the City needs to amend Section 8 of its Special Ordinance No. 273. This was done in 2013 for a two year period (April 30, 2013 to April 30, 2015).

Ordinance No. 273 is the Northern States Power (Xcel) franchise ordinance. The franchise established a specific franchise fee schedule – basically two percent of Xcel's gross revenues and \$.005 per therm for commercial customers. This fee arrangement was only effective through 2005. Thereafter, the franchise fee amount could be established by the Council, per a separately adopted fee ordinance. In past years, the Council has elected to continue the fee arrangement

contemplated by Ordinance No. 273, by adopting fee ordinances with two year terms so that increases could periodically be considered, although none have been implemented.

Since the fee has not changed for many years, City staff is recommending that the Council approve a one year period (commencing on April 30, 2015 until April 30, 2016). During this one year period, City staff will have discussions with Xcel about whether there should be a fee increase or other change in the fee structure.

Motion Waltman, second Klipfel to waive 2nd reading of Ordinance No. 544 – Amendment to Special Ordinance No. 273; Northern States Power Gas Franchise. All ayes 7-0-0.

Motion Spence, second Beckman to adopt Ordinance No. 544 – Amendment to Special Ordinance No. 273; Northern States Power Gas Franchise. All ayes 7-0-0.

Consent Agenda

Council retreat workshop December 3, 2014

Council retreat workshop minutes December 8, 2014

Council minutes December 8, 2014

Approve expense claims 12.5.14-1.7.15

Adopt Resolution 15-001 confirming board and commission reappointments.

Adopt Resolution 15-002 accepting donations totaling \$4,000.00 for the renovation/addition of the Lake City Public Library.

Adopt Resolution 15-006 amending 2014 Public Works budgets

Confirm the reappointment of Jan Bruce to the Economic Development Authority

Approve 2015 license applications for Commercial Haulers /Industrial Garbage and Refuse Hauler and Games of Skill /Mechanical Musical Device

Approve 2015 billboard license applications for Fairway Outdoor Funding, LLC and Jim Whiting Nursery & Garden Center, Inc.

Approve attendance at Athenian dialogue in Decorah IA and IIMC conference in Hartford CT for City Clerk in 2015

Adopt Resolution 15-011 accepting donations of \$400.00 from the Friends of the Public Library to purchase two card catalog monitors and art supplies

Adopt Resolution 15-012 identifying the City of Lake City as sponsoring agency for Transportation Alternatives project funding

Adopt Resolution 15-013 agreeing to maintain Federal Highway Administration funded projects

Adopt Resolution 15-014 amending 2014 Fire department budget

Adopt Resolution 15-015 confirming new board and commission appointments

Adopt Resolution 15-016 designating the official newspaper, official depositories, city attorney and auditing firm

Approve 3-year Cemstone farm lease with John H. Dose

Approve 3-year Lake Township farm lease with Moechnig Farms

Approve Hok-Si-La Park Manager Agreement for 2015

Approve Residential Lease agreement between Hok-Si-La Park Manager Joanne Klees and City of Lake City

Install No overnight parking signs on both sides of the street in 1000 block W Marion

Approve attendance at Government Finance Officers Conference in Philadelphia, PA for the Finance Director/Treasurer in 2015

Motion Waltman, second Klipfel to adopt the consent agenda as presented. All ayes 7-0-0.

Communication Updates:

Library fundraising summary total pledges to date \$214948.00, total receipts to date \$26503.00

Miscellaneous Discussion

Peters attended a meeting hosted by the Rochester Area Chamber of Commerce and area economic development personnel on the outlook for communities surrounding Rochester in the future growth impact for surrounding cities.

Informational reports:

As presented.

Future Meeting dates:

As presented.

Motion Peters second Klipfel to adjourn at 8:05 p.m. All ayes 7-0-0.

Joel T. Beckman, Mayor

ATTEST:

Kari Schreck, City Clerk