

**Lake City Common Council
Regular Meeting
Monday November 9, 2015 6:00 p.m.
City Hall Council Chambers**

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

Members Absent: None

Staff Present: City Clerk Kari Schreck, City Attorney Sarah Sonsalla, Public Works Director Scott Jensen, Planning and Community Development Director Rob Keehn, Finance Director Barbara 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.

Review & adopt or amend the agenda as presented

Spence requested that item 6 (i) adopt resolution 15-100 building maintenance fund budget adjustment for public safety roof be pulled for discussion.

Motion Waltman, second Spence to adopt the agenda as amended. All ayes 7-0-0.

Public Forum

None

Selection of City Administrator candidates for interview

Council held a 5:00 workshop setting to review the candidates submitted by Gary Weiers of David Drown and Associates for consideration. After discussion, candidates 5, 10, 11, and 12 for were agreed to by consensus.

Motion Waltman, second Spence to accept candidates 5, 10, 11, and 12 for interview. All ayes 7-0-0.

Discussion followed about community panel and department manager participation and a city tour. It was agreed that a tour of the city should happen as well as department manager participation. A community panel consisting of the Goodhue and Wabasha County Administrators and Commissioners and the Lake City School Superintendent and School board chair should be invited. Council will also hold individual 15 minute interviews with the candidates on Friday.

Conduct public hearing and adopt Resolution 15-097 adopting assessments for 2015 Street Improvements, West Center Street

Motion Spence, second Waltman to open public hearing on adoption of assessments for 2015 Street Improvements, West Center Street. All ayes 7-0-0.

At the October 12, 2015 regular meeting, council set a public hearing date for November 9, 2015 regarding the assessments for the reconstruction project in the 1100 block of West Center Street. Notification was mailed to affected property owners and published as required.

No one spoke at the public hearing; however staff was made aware by one property owner an error in his calculation with some specific work the property owner chose to have done. Corrections have been made.

Motion Spence, second Klipfel to close public hearing. All ayes 7-0-0.

Motion Schreck, second Spence to adopt Resolution 15-097 adopting assessments for 2015 Street Improvements, West Center Street. All ayes 7-0-0.

Adopt feasibility study by Widseth Smith Nolting for Public Safety building.

The City Council reviewed the proposal at their October 12, 2015, workshop meeting. The Council agreed with the scope of the proposal through general consent, but requested additional information related to the cost. A fee schedule that includes the consultant's hourly rates is included with this item. The total cost, excluding incidentals such as mileage, will be \$11,800. The study will primarily review the programming for the public safety services and evaluate four options in light of that programming:

- 1) Remodel the existing facility to house Police, Ambulance, and Emergency Management
- 2) Remodel existing facility to house Ambulance and build a new facility for Police and Emergency Management
- 3) Remodel existing facility to house Police and Emergency Management and build new facility for Ambulance
- 4) Build new facility to house Police, Ambulance and Emergency management

The cost of the study will be deducted from the \$2.5 million that the Council has established as the project budget. Dana Hiebichuk architect from WSN was present and answered questions from council regarding the project.

Motion Boe, second Schreck to approve feasibility study by Widseth Smith Nolting for the Public Safety facilities. All ayes 7-0-0.

Adopt Resolution 15-098 setting fees and service charges for 2016

Annually, fees and service charges are established and adopted by resolution. Department managers have brought the fees appropriate to boards/commissions forward after their review.

Motion Spence, second Peters to adopt Resolution 15-098 setting fees and service charges for 2016. All ayes 7-0-0.

Adopt Res 15-099 decertification of Tax Increment Financing District no.15 of the City of Lake City

On July 30, 2007, TIF #15 Hearth & Home Technologies, Inc. was created. All obligations of the district have been paid in full. The TIF district requires a resolution to decertify the district and a confirmation of decertification is required to be filed with the appropriate county.

Motion Peters second Waltman to adopt Resolution 15-099 the decertification of Tax Increment Financing District no. 15 of the City of Lake City. All ayes 7-0-0.

Adopt Res 15-094 decertification of Tax Increment Financing District no.14 of the City of Lake City

On October 2, 2006, TIF #14 Pepin Manufacturing, Incorporated was created. All obligations of the district have been paid in full. The TIF district requires a resolution to decertify the district and a confirmation of decertification is required to be filed with the appropriate county.

Motion Waltman second Klipfel to adopt Resolution 15-094 the decertification of Tax Increment Financing District no. 14 of the City of Lake City. All ayes 7-0-0.

Conduct first reading of Ordinance No. 557 amending Lake City Municipal Code Title V: Public Works, Chapter 52: Water Service, Section 52.07 Rates

Motion Waltman, second Klipfel to conduct first reading of Ordinance No. 557 amending Lake City Municipal Code Title V: Public Works, Chapter 52: Water Service, Section 52.07 Rates. All ayes 7-0-0.

The Utility Board reviewed all utility funds and their related rates with Mike Bubany, David Drown Associates, at the October 21, regular meeting. Currently Water fund reserves are decreasing as operating and maintenance costs increase and industrial usages decrease dramatically. New rates are based on a 3% increase in base and usage charges. An average residential unit using 5,000 gallons per month would see an increase from \$13.78 to \$14.19, or a \$0.41 per month increase. The estimated increase to revenues is approximately \$12,200 in 2016. Public Works director Jensen read Ordinance 557 aloud.

Conduct first reading of Ordinance 558 amending Lake City Municipal Code Title V: Public Works, Chapter 51: Electrical Service

Motion Boe, second Spence to conduct first reading of Ordinance 558 amending Lake City Municipal Code Title V: Public Works, Chapter 51: Electrical Service. All ayes 7-0-0.

The Utility Board reviewed all utility funds and their related rates with Mike Bubany, David Drown Associates, at their October 21, regular meeting. The City's power provider, SMMPA, will be implementing a 6% increase in wholesale rates in 2016. Cash flow analysis indicates that the City can increase customer rates by 2% and keep the utility's reserves at a reasonable level. New rates are based on a 2% increase in base and usage charges. An average residential unit using 650 kWh per month would see an increase from \$76.72 to \$78.25, or a \$1.53 per month increase. The estimated increase to revenues is approximately \$260,000 in 2016. Public Works director Jensen read Ordinance 558 aloud.

Conduct first reading of Ordinance No. 559, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates

Motion Waltman, second Klipfel to conduct first reading of Ordinance No. 559, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates. All ayes 7-0-0.

The Utility Board reviewed all utility funds and their related rates with Mike Bubany, David Drown Associates, at their October 21, regular meeting. 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. The estimated increase to revenues is approximately \$4,800 for 2016. Public Works director Jensen read Ordinance 559 aloud.

Conduct first reading of Ordinance 560 amending Lake City Municipal Code Title V: Public Works, Chapter 50: Garbage & Refuse, Section 50.14 Rates

Motion Spence, second Klipfel to conduct first reading of Ordinance 560 amending Lake City Municipal Code Title V: Public Works, Chapter 50: Garbage & Refuse, Section 50.14 Rates. All ayes 7-0-0.

The Utility Board reviewed all utility funds and their related rates with Mike Bubany, David Drown Associates, at their October 21, regular meeting. Currently Garbage fund reserves are decreasing as contract costs increase. Three CPI-U increases have occurred in the contract since the last increase in garbage and recycling rates. The proposed change will slow the planned reduction in reserves. It is estimated to increase revenues approximately \$13,125 in 2016. New rates are based on a 2.5% increase in garbage and recycling collection and compost charges. A residential unit will see an increase from \$17.75 to \$18.19, or a \$0.44 per month increase. Public Works director Jensen read Ordinance 560 aloud.

Approve Promissory Note with Marina for purchase of Fire Tanker Truck

The City of Lake City, as part of the 2015 Budget, approved the purchase of a fire tanker truck. The purchase price was to come from a Promissory Note between the City of Lake City and the Lake City Marina to be repaid over five years at an appropriate interest rate. The Marina Board is aware of the promissory note and allowed the Council to set the interest rate.

The payments for the fire tanker truck are included in the 2015 budget and will be included in subsequent years' budgets. A 3% interest rate was set. Townships are billed over 20 years for the cost of the truck.

Motion Spence, second Waltman to approve the Promissory Note between the City of Lake City and the Lake City Marina for \$285,535 at 3% payable over five years to purchase a tanker truck. All ayes 7-0-0.

Approve Expense Reduction Services agreement

10 years ago ERS did a telecom audit/billing review for the city and found \$11,250 savings in the first year, with \$5,600 of it recurring annually. City staff does not have the resources to conduct such an audit. The vendor realized significant savings at the time of the audit approximately 10 years ago. Staff sees this as a resource to review each department's telephone expenses to be used as a future budgeting tool.

Motion Peters, second Schreck to approve Expense Reduction Services Agreement with Brenda Hudelson. All ayes 7-0-0.

Approve proposal from Summit Fire Protection to replace pipes for attic fire sprinkler system

The existing fire sprinkler system in City Hall was put in place in 2002. An air compressor was heard running every 5 minutes instead of once a day. An air leak was discovered in the sprinkler pipes and the sprinkler pipes were corroded. The compressor was running to keep the sprinkler lines from flooding and activating the sprinkler system in City Hall. The sprinkler pipes need to be replaced to avoid damage to City Hall that would be caused if the sprinkler system was activated. Total cost is \$20,185. Finance director Pratt has identified some possible funding sources from the 2015 budget to cover the cost.

Schreck stated that he would request that there are 2 bids for consideration.

Motion Schreck, second Peters to table proposal from Summit Fire Protection to replace pipes for attic fire sprinkler system. Roll call vote: Beckman nay, Schreck aye, Boe nay, Peters aye, Spence nay, Waltman nay, Klipfel nay. Motion fails 2-5-0.

Motion Schreck, second Waltman to approve a project amount not to exceed \$21000.00 for replacement of City Hall fire sprinkler system pipes with a minimum number of 2 quotes. Roll call vote: All ayes 7-0-0 Motion carried.

Waive the second reading and adopt Ordinance 555, designating the South Oak Street Historic District as a Local Heritage Preservation Site.

Motion Spence, second Klipfel to waive the second reading of Ordinance 555, designating the South Oak Street Historic District at a local heritage preservation site. All ayes 7-0-0.

The City's Heritage Preservation Commission (HPC) is recommending the City Council adopt an ordinance designating the South Oak Street Historic District as a Local Heritage Preservation Site, as regulated in Chapter 153 of the City Code. The District would include 39 homes, and would follow South Oak Street, beginning at West Center Street and terminating at West Lakewood Avenue. The City Council held a public hearing on this matter at their October 12, 2015, meeting. The City has received no further correspondence from the public on this matter since the hearing. The City will manage the district as it does for any of its existing historic sites, which includes reviewing proposed changes to the exterior of the home through the site alteration permit process. Councilmember Boe lives in the designation area and will abstain from the vote.

Motion Spence, second Schreck to adopt Ordinance 555, designating the South Oak Street Historic District at a local heritage preservation site. All ayes 6-0-1 (Boe abstain).

Waive second reading and adopt Ordinance 556, an amendment to Title V, Chapters 51 and 52 of the Lake City Municipal Code relating to electric and water services.

Motion Spence, second Klipfel to waive second reading of Ordinance 556, an amendment to Title V, Chapters 51 and 52 of the Lake City Municipal Code relating to electric and water services. All ayes 7-0-0.

A \$2.00 per residence fee will be collected to replace failed underground services for residential properties as defined by the ordinance. Collection fees and program implementation will begin January 1, 2016.

Motion Spence, second Waltman to adopt Ordinance 556, an amendment to Title V, Chapters 51 and 52 of the Lake City Municipal Code relating to electric and water services. All ayes 7-0-0.

Adopt Resolution 15-100 Building Maintenance fund budget adjustment for the Public Safety building roof

Spence requested that this be pulled for discussion. His concern is that there may be more than just the roof that needs attention. Staff has no way of knowing what may or may not happen in the future with this building.

Motion Spence, second Waltman to adopt resolution 15-100 building maintenance fund budget adjustment for the Public Safety building roof. All ayes 7-0-0.

Consent Agenda

- a. City Council workshop minutes October 12, 2015
- b. City Council regular minutes October 12, 2015
- c. City Council workshop minutes October 19, 2015
- d. Approve expense claims 10.8.15-11.4.15
- e. Adopt Resolution 15-093 amending 2015 city building maintenances and Fire Department budget
- f. Adopt Res 15-094 decertification of Tax Increment Financing District no.14 City of Lake City
- g. Adopt Resolution 15-095 accepting donations totaling \$1,025.00 for the renovation/addition of the Lake City Public Library.
- h. Adopt Resolution 15-096 accepting donation of \$220.00 from the Friends of the Library to cover the registration costs for MN Library Association's annual conference.
- i. ~~Adopt Resolution 15-100 Building Maintenance fund budget adjustment for the Public Safety building roof~~
- j. Approve hiring Arden Heath as volunteer EMT
- k. Approve hiring Mike Rodman as casual paramedic
- l. Approve amendment to contract for residential refuse service & recyclable materials services
- m. Approve Hok Si La Park trail grooming contract with DNR for 2015-2017 seasons
- n. Approve renewal for legal services with Kennedy & Graven, Chartered for 3 yrs

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

Communication Updates:

October Library fundraising summary

Pledges in October	<u>\$1000.00</u>
Monies received in October	<u>\$1025.00</u>
Total pledges to date:	<u>\$278288.00</u>
Total receipts to date:	<u>\$263043.00</u>

Miscellaneous Discussion

Council member Schreck asked about the Cottonwood trees in Ohuta Park and potential removal of them as reported by a citizen. The wall repair has begun and there no intention of removing the trees unless there is something wrong with the tree.

Council suggested that the Marina should investigate the health of the trees in the Marina area.

Council would also like an update on the Emerald Ash Boer status in the city.

Council member Boe is asking for council support in working with Public Safety in recognizing High School sports teams who make it to state. Boe will work with Police, Fire & Ambulance to create some guidelines.

Council member Boe is asking for Council to reconsider Ordinance 551 permitting chickens which failed at the October 12, 2015 council meeting.

Motion Boe, second Schreck to reconsider Ordinance 551 permitting chickens as presented at the October 12, 2015 meeting. Roll call vote: Beckman nay, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman nay, Klipfel aye. Motion carried 4-3-0.

Informational Reports

As presented

Motion Waltman, second Schreck to adjourn at 7:50 p.m. All ayes 7-0-0.

ATTEST:

Joel T. Beckman, Mayor

Kari Schreck, City Clerk