

**Lake City Common Council
Regular Meeting
Monday December 14, 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 Attorney Sarah Sonsalla, City Clerk Kari Schreck, Public Works Director Scott Jensen, Planning and Community Development Director Rob Keehn, Finance Director Barbara Pratt, Police Chief Cory Kubista, Library Director Patti Bross

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 9 (t) Approve hiring of Stacie Falvey and Marian Mahoney as part-time Library Aides. Public Works Director Jensen pulled item 9 (i) Adopt Resolution 15-105 approving assessment of water service line replacement at 506 S Oak St (PIN 220056600) for an estimated \$10,000.00

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

Recognition of 15 year employee Marcia Hilsman from the Planning Department

Recognition of 25 year employee Rhonda Harkins from the Utility Department.

Goodhue County Administrator Scott Arneson and Commissioner Jason Majerus addressed the Council and gave an overview of 2015 county actions.

Public Forum

Skip Jobe and Susan Drave spoke on behalf of the Mississippi Bluff land Trail group who is actively working on a trail between Red Wing and Lake City.

Hold the public meeting at 6:15 pm in the Council Chambers to allow the public to discuss the proposed property tax levy for the taxes payable year 2016 and the proposed budget for the taxes payable year 2016.

Finance Director Pratt the 2016 proposed budget and tax levy. The public was invited to speak. Three residents spoke that the property tax on their residences and one business had gone up significantly. In 2015, the market value credit that homeowners received in the past is gone.

Clarification on this should come from the County Assessor Office and council encouraged the residents to contact the Assessor's office.

Adopt Resolution 15-113 certifying the 2015 Property Tax Levy payable in 2016.

The City of Lake City is required by Minnesota Statute 275.07, on or before December 28, 2015, 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.

Certifying the 2015 Levy will provide the revenue to support the services provided to the public in 2016.

Motion Spence, second Waltman to adopt Resolution 15-113 certifying the 2015 Property Tax Levy payable in 2016. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Adopt Resolution 15-114 approving the General Fund revenue and expenditure budget for 2016

The City of Lake City is required by Minnesota Statute 275.07, on or before December 28, 2015, to adopt the budget for the following year. The General Fund Department Heads prepared the 2016 revenue and expenditure budget to be reviewed and approved by the City Council.

Adopting Resolution 15-114 will establish the General Fund revenue and expenditures budget for 2016.

Motion Boe, second Schreck to adopt Resolution 15-114 approving the General Fund revenue and expenditure budget for 2016. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Adopt Resolution 15-115 approving the Library Fund 2016 revenue and expenditure budget

The Library Director prepared the 2016 revenue and expenditure budget to be reviewed by the City Council. Adopting Resolution 15-115 will establish the Library Fund revenue and expenditure budget for 2016.

Motion Spence, second Waltman to adopt Resolution 15-115 approving the Library Fund revenue budget for 2016 and the Library Fund expenditure budget for 2016. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters aye, Spence aye, Waltman aye, Klipfel aye Motion carried 7-0-0.

Adopt Resolution 15-116 approving the Utilities Funds 2016 revenue and expenditure budget

The Public Works Director prepared the 2016 Utilities revenue and expenditure budgets to be reviewed by the City Council. Adopting Resolution 15-116 will establish the Utilities Funds revenue and expenditure budget for 2016.

Motion Waltman, second Klipfel to adopt Resolution 15-116 approving the Utilities Funds revenue budget for 2016 and the Utilities Funds expenditure budget for 2016. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Adopt Resolution 15-117 approving the Marina Fund 2016 revenue and expenditure budget

The Marina Director prepared the 2016 Marina revenue and expenditure budgets to be reviewed by the City Council. Adopting Resolution 15-117 will establish the Marina Fund revenue and expenditure budget for 2016.

Motion Spence, second Waltman to adopt Resolution 15-117 approving the Marina Fund revenue budget for 2016 and the Marina Fund expenditure budget for 2016.

Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters aye, Spence aye, Waltman aye, Klipfel aye Motion carried 7-0-0.

Adopt Resolution 15-118 approving the Municipal Building Fund 2016 revenue and expenditure budget

The Finance Director prepared the 2016 Municipal Building revenue and expenditure budget with the assistance of other Department Managers to be reviewed by the City Council. Adopting Resolution 15-118 will establish the Municipal Building Fund revenue and expenditure budget for 2016.

Motion Waltman, second Schreck to adopt Resolution 15-118 approving the Municipal Building Fund revenue budget for 2016 and the Municipal Building Fund expenditure budget for 2016. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Adopt Resolution 15-119 approving the Economic Development Authority Fund 2016 revenue and expenditure budget

The EDA Director prepared the 2016 EDA revenue and expenditure budget to be reviewed by the City Council. Adopting Resolution 15-119 will establish the EDA Fund revenue and expenditure budget for 2016.

Motion Spence, second Waltman to adopt Resolution 15-119 approving the Economic Development Authority Fund revenue budget for 2016 and the Economic Development Authority Fund expenditure budget for 2016. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Approve an extension for a revolving loan of \$20,000 to Jan Bruce and Judith Rutz d.b.a. Rather Bee Quilting of Lake City, related extension and re- amortization of loan

Jan Bruce and Judith Rutz d.b.a. Rather Bee Quilting of Lake City have requested an extension to a revolving loan of \$20,000. The City and Rather Bee Quilting (the "Borrower") executed a Development Agreement, dated as of September 27, 2010 (the "Contract"), providing, among other things, for a loan of \$20,000 by the City to the Borrower (the "Loan") to finance a portion of certain site improvements and equipment to improve a commercial business on certain property located in the City. Pursuant to the terms of the Contract and Note, the Loan was payable in monthly installments over a period of five years, with a final balloon payment of the remaining outstanding principal and accrued interest due and payable on October 1, 2015.

The Borrower has never failed to make any Loan payments when due. In order to allow payment of the outstanding principal (in a total amount of \$4,770.21) in level payments over the next twelve months, the Borrower has requested a one-year extension of the Loan, execution of a First Amendment to the Contract (the "First Amendment"), and delivery of an amended Note. This item was approved by the RLF Committee on November 4, 2015.

The \$20,000 loan will be re-amortized for 12 months from the Lake City RLF account.

Motion Spence, second Klipfel to approve an extension of a revolving loan of \$20,000 to Jan Bruce and Judith Rutz d.b.a. Rather Bee Quilting of Lake City, for 12 months. All ayes 6-0-1 councilmember Schreck abstained from the vote.

Approve addition of full-time laborer utilized between Street/Parks and Hok Si La Park and direct staff and Springsted, Inc. to modify Street/Parks Laborer job description to include work at Hok Si La Park

As utilization of Hok Si La Park continues to expand, day-to-day maintenance hours needed have also expanded. This maintenance has been largely performed with seasonal labor, with the park manager's hours required in the office and related activities. However, the Street/Parks division has assisted with significant hours where temporary staff has not been able to keep up. This, in turn, has taken staff away from other maintenance duties such as storm system inspection and cleaning, pond maintenance and street signage. Since 2006 the park has realized an increase in revenues of approximately \$40,000 while expenses have increased approximately \$20,000. Adjustments to Street and Hok Si Park budgets are reflected in 2016 budgets. The Personnel Committee recommended approval at the November 19, 2015 meeting.

Motion Klipfel, second Waltman to approve addition of full-time laborer utilized between Street/Parks and Hok Si La Park. 7-0-0.

Motion Waltman, second Spence to direct staff and Springsted, Inc. to modify Street/Parks Laborer job description to include work at Hok Si La Park. 7-0-0.

Approve library closure from January 17th, 2016 through January 30, 2016.

The library moved to a temporary facility in 2014 in preparation for the library renovation/addition. The renovation/addition is complete and the materials need to be moved back to the 201 South High Street location. In addition to the move, SELCO would like to have a physical inventory taken before the library re-opens.

Motion Klipfel, second Boe to approve Lake City Public library closure from January 17th January 30th, 2016 for the purpose of moving back to the renovated library. All ayes 7-0-0.

Approve City Administrator contract for Mark Sievert

At the December 5, 2015 city council interviews for the city administrator four candidates were interviewed with Mark Sievert being selected and offered the proposed contract. The personnel committee reviewed the draft contract at the December 10th 2015 meeting and is recommending approval.

Motion Schreck, second Klipfel to approve City Administrator contract for Mark Sievert. All ayes 7-0-0.

Adopt Ordinance No. 552 amending Title IX, Chapter 95 of the Lake City Municipal Code related to permitting chickens

The City Council introduced and conducted the first reading of Ordinance 552 at its September 14, 2015, meeting. The second reading was waived at the October 12, 2015, meeting and the Council voted (3 – yes, 4 – no) to adopt the ordinance and the motion failed. At the November 9, 2015, meeting Councilmember Boe requested that the item be reconsidered for adoption at the December Council meeting. The Council voted (4 – yes, 3 – no) to bring the item back for consideration. Chief Kubista read an email to council members from a member of the Public Safety Board to council explaining why the board took the action it did in not recommending approval of the Ordinance.

Motion Boe, second Schreck to adopt Ordinance 552, an Ordinance amending Title IX, Chapter 95 of the Lake City Municipal Code related to permitting chickens. Roll call vote:

Beckman nay, Schreck aye, Boe aye, Peters nay, Spence nay, Waltman nay, Klipfel nay. Motion fails 2-5-0.

Waive second reading and adopt Ordinance 557 amending Lake City Municipal Code Title V: Public Works, Chapter 52: Water Service, Section 52.07 Rates

The Utility Board reviewed all utility funds and their related rates with Mike Bubany, David Drown Associates, at their October 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.

Motion Spence , second Waltman to waive second reading of Ordinance 557 amending Lake City Municipal Code Title V: Public Works, Chapter 52: Water Service, Section 52.07 Rates. All ayes 7-0-0.

Motion Waltman, second Klipfel to adopt Ordinance 557 amending Lake City Municipal Code Title V: Public Works, Chapter 52: Water Service, Section 52.07 Rates. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Waive second reading and adopt Ordinance 558, an amendment to Title V – Public Works, Chapter 51 Electrical Service

The Utility Board reviewed all utility funds and their related rates with Mike Bubany, David Drown Associates, at their October 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 to increase revenues is approximately \$260,000 in 2016.

Motion Spence, second Klipfel to waive second reading of Ordinance 558, an amendment to Title V – Public Works, Chapter 51 Electrical service. All ayes 7-0-0.

Motion Klipfel, second Spence to adopt Ordinance 558, an amendment to Title V – Public Works, Chapter 51: Electrical service. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Waive second reading and adopt Ordinance 559, 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. The estimated revenue increase is \$4,800 for 2016.

Motion Spence, second Klipfel to waive second reading of Ordinance 559, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates. All ayes 7-0-0.

Motion Spence, second Klipfel to adopt Ordinance 559, an amendment to Title V – Public Works, Chapter 52.09, Storm Water Service, (D) Rates. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Waive second reading and adopt Ordinance 560 amending Lake City Municipal Code Title V: Public Works, Chapter 50: Garbage & Refuse, Section 50.14 Rates

The Utility Board reviewed all utility funds and their related rates with Mike Bubany, David Drown Associates, at their October 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. 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. The estimated increase to revenues is approximately \$13,125 in 2016.

Motion Waltman, second Spence to waive second 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.

Motion Klipfel, second Spence to adopt Ordinance 560 amending Lake City Municipal Code Title V: Public Works, Chapter 50: Garbage & Refuse, Section 50.14 Rates. Roll call vote: Beckman aye, Schreck aye, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

9. Consent Agenda

- a. City Council meeting workshop minutes November 9, 2015
- b. City Council regular meeting minutes November 9, 2015
- c. City Council Administrator Interview minutes December 5, 2015
- d. Approve expense claims November 11.5.15-12.10.15
- e. Adopt Resolution 15-101 accepting \$100.00 donation from Jerry and Marlyce Koskovich
- f. Adopt Resolution 15-102 accepting the TZD Grant reimbursement from the State of Minnesota, Office of Traffic Safety and amending the 2015 Police department budget in the amount of \$6705.46
- g. Adopt Resolution 15-103 exempting certain sidewalks from the snow removal for the 2015/2016 season.
- h. Adopt Resolution 15-104 approving assessment of water service line replacement at 714 W Lyon Ave. (PIN 220102200) for \$7,761.13

- i. ~~Adopt Resolution 15-105 approving assessment of water service line replacement at 506 S. Oak St. (PIN 220056600) for an estimated \$10,000—work not completed~~
- j. Adopt Resolution 15-106 approving 2016 volunteer EMT hires for the Ambulance
- k. Adopt Resolution 15-107 accepting donations totaling \$1,530.00 for the renovation/addition of the Lake City Public Library.
- l. Adopt Resolution 15-108 accepting donations totaling \$9,840.00 for the renovation/addition of the Lake City Public Library.
- m. Adopt Resolution 15-109 accepting donation of \$1,678.07 from the Friends of the Library to purchase a wireless patron counter with computer software
- n. Adopt Resolution 15-110 accepting a \$1,580.00 donation from the Merle Mahn Family for the purchase of adult books amending the 2015 library budget.
- o. Adopt Resolution 15-111 requesting municipal state aid street funds advance of \$401,220.60
- p. Adopt Resolution 15-112 approving budget authority transfer from Parks Capital to Building Maintenance Capital
- q. ~~Adopt Resolution 15-121 amending 2016 fee schedule (Resolution 15-098) not moved~~
- r. Approve the request for the Lake City Sportsmans Club to host a raffle
- s. Approve School Resource Officer Contract for 2016/2017
- t. ~~Approve hiring of Stacie Falvey and Marian Mahoney as part-time Library Aides.~~
- u. Appoint Alexandra Gilles to the vacant Police Reserve Officer position from the Civil Service Commission Certified List of Candidates
- v. Appoint Bryan Ormsby to the vacant Police Reserve Officer position from the Civil Service Commission Certified List of Candidates
- w. Appoint Michael Pfeilsticker to the vacant Police Reserve Officer position from the Civil Service Commission Certified List of Candidates
- x. Appoint Nickolas Sievers to the vacant Police Reserve Officer position from the Civil Service Commission Certified List of Candidates
- y. Approve contract negotiation terms and amendment to contract for residential refuse service and recyclable materials services
- z. Approve 2016 license applications for: Commercial Haulers/Industrial Garage & Refuse Hauler, Games of Skill & Mechanical Music Devices, Junk Dealers, Tobacco and Tree Trimmers.

Items moved to consent:

- AA. Adopt Resolution 15-122 identifying the City of Lake City as sponsoring agency for Transportation Alternatives project funding
- BB. Adopt Resolution 15-123 agreeing to maintain Federal Highway Administration funded projects
- CC. Approve EMT scheduling policy change

Councilmember Klipfel leaves 8:05 p.m.

Motion Spence, second Waltman to adopt the consent agenda as amended. All ayes 6-0-0.
Council member Klipfel returns 8:09 p.m.

Approve hiring of Stacie Falvey and Marian Mahoney as part-time Library Aides.

Council member Spence pulled for clarification on the hiring of two positions at this time. Administrator Bross explained that in order for the Library to continue to grow and offer new resources, the skillsets need to broaden in order to accommodate the growth. More staffing will

allow for this as well as flexibility in the schedule. All positions at the Library are part time, and there has been a shift in hours to allow for the addition of staff.

Motion Spence, second Waltman to approve the hiring of Stacie Falvey and Marian Mahoney as part-time Library Aides at Grade 1 step 2 (\$14.91) per hour effective December 15, 2015 pending successful background check. All ayes 7-0-0.

Communication Updates

Revolving loan committee minutes November 19, 2015 – as presented

November Library fundraising summary

Pledges in November	<u>\$11,905.00</u>
Monies received in November	<u>\$11,620.00</u>
Total pledges to date	<u>\$290,193.00</u>
Total receipts to date	<u>\$274,663.00</u>

Attorney memo - Liquor licensing

Attorney Sonsalla drafted a memo outlining some of the 2015 legislative action that has taken place and looking for council direction on updating the city's current ordinance. By consensus the council is directing staff to bring proposed updated language to council for consideration.

2016 proposed council meeting dates

The dates were accepted as presented.

Miscellaneous Discussion

Council member Peters would like updates on the following items:

Pier ownership was determined by the City Attorney is owned by the Army Corp of Engineer since 1935.

~Update and current activities on the GMPTC grant application for Application # 15-038D, Hok Si La Park, city of Lake City under the classification of Natural Resource based regional park

~Discussion, status & concerns on the US Highway 61 (Lake City) Scoping Study, Hok-Si-La park road to Elm Street, report dated November 2015

~Wabasha County - TH 61 south - Miller Creek bridge replacement- need to insure that a 10-foot multi use bike/pedestrian trail lane is included in the rebuild of the bridge , for pedestrian safety lane for the 110+ trailer court residents to cross over the RR tracks to reach Lake City

provide a bike lane on the bridge

Explore and ADD an expansion south 10th street extension to TH 61

[a] takes Ardent Mills and pallet factory truck traffic out of down town streets

[b] provides a short cut to TH 63 rather t using High Street as the short cut

[c] provide a connection near the bridge

~Goodhue County - TH 61 north - 10 miles of road rehab 10 miles from Lake City to Red Wing Ready mix plant

Need to include other considerations:

- [1] Identify portions of this road to be included in the Lake City to Red Wing bike trail
- [2] Identify portions of this road which is MRT designated
- [3] At the Gilbert Creek bridge create a trail head to 332nd street
- [4] At the MNDOT boat launch north Central Point, need to ADD turn lanes off/on TH 61 to improve safety issues and parking short fall during boating season

Schreck questioned the lack of some sidewalks on properties, and consideration of a sidewalk policy.

Informational Reports

As presented

Motion Waltman, second Schreck to adjourn at 8:40 p.m. All ayes 7-0-0.

ATTEST:

Joel T. Beckman, Mayor

Kari Schreck, City Clerk