

**Lake City Common Council
Regular Meeting
Monday, December 8, 2014 6:30 p.m.
City Hall Council Chambers**

Members Present: Mayor Joel Beckman, Andru Peters, Mary Lou Waltman, Gene Durand, Randy Klipfel, Phil Gartner, Mark Spence

Members Absent: None

Staff Present: City Administrator Alan Lanning, City Attorney Jim Thomson, 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.

Truth in Taxation

The City of Lake City set the proposed levy payable in 2015 at its September 8, 2014 Council meeting. The amount of the proposed levy was \$3,053,562. The 2015 budget was presented by Finance Director Barbara Pratt.

Bob Pope stated his concerns over his property tax increase.

Adopt Resolution 14-114 certifying the 2014 Property Tax Levy payable in 2015.

The City of Lake City is required by Minnesota Statute 275.07, on or before December 28, 2014, 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 2014 Levy will provide the revenue to support the services provided to the public in 2015.

Motion Waltman, second Durand to adopt Resolution 14-114 certifying the 2014 Property Tax Levy payable in 2015.

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

Review & adopt or amend the agenda

Council member Peters asked that consent agenda item q Approve hiring Rachon Rohe as EMT Administrative Assistant be pulled for discussion.

Motion Spence, second Klipfel to amend the agenda as presented. All ayes 7-0-0.

Public Forum

None

New Business

Adopt Resolution 14-115 approving the General Fund revenue and expenditure budget for 2015.

The City of Lake City is required by Minnesota Statute 275.07, on or before December 30, 2014, to adopt the budget for the following year. The General Fund Department Heads prepared the 2015 revenue and expenditure budget to be reviewed and approved by the City Council. Adopting Resolution 14-115 will establish the General Fund revenue and expenditures budget for 2015.

Motion Spence, second Waltman to adopt Resolution 14-115 approving the General Fund revenue and expenditure budget for 2015. Roll call vote: Beckman aye, Durand aye, Gartner aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Adopt Resolution 14-111 approving the Marina Fund 2015 revenue and expenditure budget

Annually the City of Lake City adopts the budget for the Marina Fund operating revenues and expenditures. The City Administrator and the Finance Director prepared the 2015 revenue and expenditure budgets for the Marina Fund for review by the City Council. Adopting Resolution 14-111 will establish the Marina Fund revenue and expenditures budget for 2015.

Motion Waltman, second Klipfel to adopt Resolution 14-111 approving the Marina Fund revenues and expenditures for 2015. All ayes 7-0-0.

Adopt Resolution 14-116 approving the Library Fund 2015 revenue and expenditure budget

The City of Lake City is required by Minnesota Statute 275.07, on or before December 30, 2014, to adopt the budget for the following year. The Library Administrator prepared the 2015 revenue and expenditure budget for 2015 to be reviewed by the City Council. Adopting Resolution 14-116 will establish the Library Fund revenue and expenditures budget for 2015.

Motion Spence, second Gartner to adopt Resolution 14-116 approving the Library Fund revenue budget for 2015 and the Library Fund expenditure budget for 2015. All ayes 7-0-0.

Adopt Resolution 14-117 approving the Utility Fund 2015 revenue and expenditure budget

Annually the City of Lake City adopts the budgets for the utilities funds' operating revenues and expenditures. The Public Works Director prepared the 2015 revenue and expenditure budgets for the utilities funds and they are reviewed by the City Council. Adopting Resolution 14-117 will establish the utilities funds revenue and expenditures budgets for 2015.

Motion Gartner, second Waltman to adopt Resolution 14-117 approving the utilities fund revenues and expenditures budgets for 2015. All ayes 7-0-0.

Adopt Resolution 14-115 approving the General Fund revenue and expenditure budget for 2015.

The City of Lake City is required by Minnesota Statute 275.07, on or before December 30, 2014, to adopt the budget for the following year. The General Fund Department Heads prepared the 2015 revenue and expenditure budget to be reviewed and approved by the City Council. Adopting Resolution 14-115 will establish the General Fund revenue and expenditures budget for 2015.

Motion Durand, second Klipfel to adopt Resolution 14-115 approving the General Fund revenue and expenditure budget for 2015. All ayes 7-0-0.

Adopt Resolution 14-119 approving the EDA Fund 2015 revenue and expenditure budget

The City of Lake City is required by Minnesota Statute 275.07, on or before December 30, 2014, to adopt the budget for the following year. The EDA Director prepared the 2015 revenue and

expenditure budget for 2015 to be reviewed by the City Council. Adopting Resolution 14-119 will establish the EDA Fund revenue and expenditures budget for 2015.

Motion Gartner, second Spence to adopt Resolution 14-119 approving EDA Fund revenue budget for 2015 and the Municipal Building Fund expenditure budget for 2015. All ayes 7-0-0.

Adopt Resolution 14-103 setting fees and service charges for 2015

Annually, fees and service charges are established and adopted by resolution. The proposed resolution establishing said fees and charges for 2015 is being submitted for Council adoption at this time.

Motion Durand seconded Spence to adopt Resolution 14-103 setting fees and service charges for 2015. All ayes 7-0-0.

Conduct first reading of Ordinance No. 539 rezoning property located at 720 W. Chestnut St. from Light Industrial to Medium Density Residential.

A request to rezone the aforementioned properties 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.

Motion Waltman, second Durand to conduct the first reading of 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.

Planning and Community Development Director Rob Keehn read Ordinance 539 aloud.

Conduct first reading of Ordinance 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 have increased and industrial usages have decreased 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 with an estimated increase in revenues approximately of \$27,000.

Motion Klipfel, second Spence to conduct first 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.

Public Works Director Scott Jensen read Ordinance 540 aloud.

Conduct first reading of Ordinance 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. Increased revenues for 2015 are estimated at \$20,000.

Public Works Director Scott Jensen read Ordinance 541 aloud.

Motion Waltman, second Gartner to conduct first 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.

Introduce and conduct the first reading in summary form of Ordinance 542 - An Ordinance Amending Ordinances Nos. 407 and 504 and Adopting a New Chapter of the Lake City Municipal Code Relating to Special Assessments and adopt Resolution No. 14-113 authorizing publication of Ordinance No. 542 by title and summary

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 Klipfel, second Waltman to introduce 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, conduct the first reading in summary form and adopt Resolution No. 14-113 authorizing publication of Ordinance No. 542 by title and summary. All ayes 7-0-0.

Public Works Director Scott Jensen read Resolution 14-113 aloud.

All questions should be directed to Public Works Director Jensen, and responses to those be sent to all council members.

Introduce and conduct the first 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

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. However, there are certain procedures that must be followed and there are limited types of offenses that may be included. The City’s regulations on administrative offenses have not yet been amended to reflect the change in the law.

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 Durand to introduce 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 and conduct the first reading. All ayes 7-0-0.

City Clerk Schreck read Ordinance 543 aloud.

Introduce and conduct first reading of Ordinance 544 amending Special Ordinance No. 273, Northern States Power Gas Franchise

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 Durand, second Waltman to introduce and conduct a first reading of Ordinance No. 544 – Amendment to Special Ordinance No. 273; Northern States Power Gas Franchise. All ayes 7-0-0.

Public Works Director Scott Jensen read Ordinance 544 aloud.

Waive the second reading in summary form of Ordinance 538 - An Ordinance Amending Title XI, Chapter 112 of the Lake City Municipal Code Regarding Lawful Gambling and Adopt Ordinance 538 Resolution No. 14-112 authorizing publication of Ordinance No. 538 by title and summary

The Council conducted the first reading of Ordinance No. 538 at its meeting on September 8, 2014. At that time, the Council requested additional information with respect to the City’s current regulation of lawful gambling. This information was presented to the Council at a work session on November 10, 2014. At the work session, there was a consensus among the Council that the City should regulate the following with respect to lawful gambling: 1) require a local (City-issued) permit for the conduct of gambling exempt from the state licensing requirements (with a fee of \$25); and 2) require licensed organizations to expend all of their expenditures within the City’s “trade area”(which has been redefined to include the adjacent cities and townships and all area that is within the Lake City school district). The Council did not wish to charge a local gambling tax.

Ordinance No. 538 has been revised to reflect what was discussed at the work session. Since there have been substantive changes to Ordinance No. 538 since the first reading, it is recommended that the Council adopt a new resolution authorizing publication by title and summary that includes a revised summary. The \$25.00 fee charged by the City for the local permit will cover the City’s costs in investigating and administering the local permit.

Motion Klipfel second Durand to waive the second reading in summary form of Ordinance No. 538 - An Ordinance Amending Title XI, Chapter 112 of the Lake City Municipal Code

Regarding Lawful Gambling, adopt Ordinance No. 538 and to adopt Resolution No. 14-112 authorizing publication of Ordinance No. 538 by title and summary. All ayes 7-0-0.

7. Consent Agenda

- a. Council workshop minutes November 10, 2014
- b. Council minutes November 10, 2014
- c. Approve expense claims 11.5.14-12.3.14
- d. Approve 2015 license applications for:
Plumbers & Drain layers, Commercial Haulers /Industrial Garage and Refuse Hauler, Games of Skill, Junk Dealers, Tobacco, Tree Trimmers
- e. Approve hire of Seth Eastwood as full-time Water/Wastewater Class D Operator at \$17.29 per hour pending background check
- f. Approve sale of 1968 Streets tanker truck for \$1,550 to Duane Hansen
- g. Adopt the Conflict of Interest Policy for the City of Lake City
- h. Adopt Resolution 14-104 amending 2014 Fire department budget
- i. Adopt Resolution 14-105 accepting donations totaling \$ 7,025.00 for the renovation/addition of the Lake City Public Library.
- j. Adopt Resolution 14-106 exempting certain sidewalks from snow removal requirements for 2014-2015
- k. Adopt Resolution 14-107 amending the 2014 library budget
- l. Adopt Resolution 14-108 approving assessment of water service line replacement at 411 N. Garden St. (PIN 220065500) for \$5,589.46
- m. Adopt Resolution 14-109 approving assessment of water service line replacement at 205 N. 6th St. (PIN 220103900) for \$4,536.37
- n. Adopt Resolution 14-110 amending 2014 Wastewater Treatment and Water budgets
- o. Adopt Resolution 14-120 amending the 2014 Ambulance Department Budget
- p. Approve hiring Jacob Jittfin as casual paramedic Lake City Ambulance
- q. ~~Approve hiring Rachon Rohe as EMT Administrative Assistant~~

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

7 q. Approve hiring Rachon Rohe as EMT Administrative Assistant

Councilmember Peters pulled this as he is concerned that there is no definitive start date. Ambulance Director Riemersma stated that Rohe would have to give her notice so the start date would be within 2 to 4 weeks depending on the amount of notice the employee needed to give her other employer.

Motion Spence second Klipfel to approve the hiring of Rachon Rohe as EMT Administrative Assistant. Roll call vote: Beckman aye, Durand nay, Gartner nay, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 4-3-0.

Communication Updates:

Library fundraising summary total pledges to date \$208,838.00, total receipts to date \$22,393.00

Miscellaneous Discussion

Council member Gartner presented to the council 3 names of individuals or institutions that could do an independent review of the city ambulance service.

There was discussion by the council with the concerns of the council regarding the service.

Administrator Lanning stated that he his capable to do the review of the service given his past

working history. Council directed Lanning to find out the costs of such a study so the council could then decide how to move forward. Administrator Lanning asked for clarification from the council on defining the scope of the evaluation as that will have a direct impact on cost. Lanning will meet with Durand and Gartner to work on defining the scope.

Informational reports:

As presented.

Future Meeting dates:

As presented.

Motion Peters second Spence to adjourn at 8:10 p.m. All ayes 7-0-0.

Joel T. Beckman, Mayor

ATTEST:

Kari Schreck, City Clerk