

**Lake City Common Council  
Regular Meeting  
Monday May 9, 2016 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

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

Review Adopt/Amend agenda

Councilmember Boe requested that item 9(w) Approve 2016 Fire Contracts be pulled for discussion.

Adopt Resolution 16-051 approving a financial assistance contract for Hearth & Home Technologies, LLC was pulled by the City Attorney until the June 9, 2016 meeting.

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

EMS Week Proclamation

Municipal City Clerk Week Proclamation

Tim Penny Southern Minnesota Initiative Foundation

Mr. Penny presented an overview of the Foundations work within 20 counties in SE Minnesota. Early Childhood Support, Economic Development Support and Community Support through the use of grant funding.

Public Forum

None

Conduct Public Hearing for the proposed TIF District 1-16

The City Council set the date for a public hearing regarding the creation of a new TIF District at its March 14, 2016, meeting as required by Minnesota Statutes 116J.993 through 116J.995. TIF District 1-16 will provide necessary financial assistance to Hearth & Home Technologies, LLC and Pepin Manufacturing, Inc. to allow them to expand their operations in Lake City. David Drown of David Drown & Associates outlined the process. The new district will be an Economic Development district in effect for 9 years.

**Motion Peters, second Spence to open a public hearing for the proposed TIF District 1-16. All ayes 7-0-0.**

No members of the public spoke

**Motion Spence, second Peters to close a public hearing for the proposed TIF District 1-16. All ayes 7-0-0.**

Conduct Public Hearing regarding a business subsidy contract between Pepin Manufacturing, Inc. and the City of Lake City

Since Pepin Manufacturing, Inc.'s assistance from TIF 1-16 is expected to exceed \$150,000 it requires a Business Subsidy public hearing and contract as required by Minnesota Statutes 116J.993 through 116J.995. The City Council set the date for a public hearing regarding required business subsidy contract between Pepin Manufacturing, Inc. and the City of Lake City at its April 11, 2016, meeting.

**Motion Spence, second Schreck to open public hearing regarding a business subsidy contract between Pepin Manufacturing, Inc. and the City of Lake City. All ayes 7-0-0.**

No members of the public spoke

**Motion Schreck, second Peters to close a public hearing regarding a business subsidy contract between Pepin Manufacturing, Inc. and the City of Lake City. All ayes 7-0-0.**

Adopt Resolution 16-048 removing parcels from TIF District 1-15

No action was taken on this item

Adopt Resolution 16-049 establishing TIF District 1-16

TIF District 1-16 is proposed in order to assist several local manufacturers as they expand their operations. On March 14<sup>th</sup> the City Council approved holding a TIF hearing on May 9<sup>th</sup> for the purpose of assisting the H&H project. Shortly thereafter, PMI and ELD and the Council approved the amendment of the district to include them.

The ELD project has been delayed, so no business subsidy has been forwarded for approval; however the land will still be included in the proposed district with the intent that it will be developed. The Council can then adopt a no-cost, administrative amendment resolution to authorize the project if / when the time comes. The property can also be removed by resolution if no project materializes. If approved, the tax increment increase created through the improvements to the property will be paid back to H&H and PMI.

**Motion Peters, second Waltman to adopt Resolution 16-049 establishing TIF District 1-16. All ayes 7-0-0.**

Adopt Resolution 16-050 approving a business subsidy contract for Pepin Manufacturing, Inc.

Since Pepin Manufacturing, Inc.'s assistance from TIF 1-16 is expected to exceed \$150,000 it requires a Business Subsidy public hearing and contract. Contracts subject to Business Subsidy Law must have job creation and wage goals.

**Motion Spence, second Peters to adopt Resolution 16-050 approving a business subsidy contract for Pepin Manufacturing, Inc. All ayes 7-0-0.**

Adopt Resolution 16-051 approving a financial assistance contract for Hearth & Home Technologies, LLC.

Council took action on the resolution to demonstrate the cities commitment to keeping Hearth & Home Technologies LLC in Lake City. There may be a need for a public hearing in June.

**Motion Spence, second Peters to adopt Resolution 16-051 approving a financial assistance contract for Hearth & Home Technologies, LLC subject to a public hearing to be called for June 13, 2016 if required. All ayes 7-0-0.**

Accept the EDA board recommendation to use unutilized Small Cities Development Fund account reserves to fund the Lake City Downtown Façade Improvement Program.

The EDA Board after the success of the pilot program wanted to continue the façade improvement program, as they found that it provided a great benefit to businesses, while driving owner reinvestment and combating structural deterioration. The interest in the program has grown, and there are a number of businesses looking to utilize the program. The continued funding of the program will help to keep the momentum going acting as a catalyst to renew, restore, rebuild, and revitalize the downtown business district

The Façade Program showed its merit with roughly \$32,000 in façade improvement grants to 4 downtown Lake City businesses. These grants spurred an additional \$46,000 of private investment committed from the recipient building owners, and assisted in enhancing the visual appeal of our downtown. If approved, roughly \$18,000 would be transferred from Small Cities Development Fund account to fund the Lake City Downtown Façade Improvement Program. City staff will review the criteria for the use of the Small Cities Development fund to determine if it can be used for this program. The EDA currently has reserves that can be used until a determination is made. Council would like the program opened up to businesses outside of the downtown area. Council also asked for use of the revolving loan funds for this purpose. Finance Director Pratt will look into this.

**Motion Spence, second Peters to accept the EDA board recommendation to use unutilized Small Cities Development fund account to fund the Lake City Downtown Façade Improvement Program. All ayes 7-0-0.**

Waive the second reading and adopt Ordinance 564, establishing a moratorium on development for un-zoned City parcels and adopt Resolution 16-042 authorizing publication by summary.

It has been brought to the attention of the City that a small number of properties located within the City limits have not been officially assigned a zoning district. In order to allow time for the City to review each property and make a recommendation on how it should be zoned, a short term (6 month) moratorium on development on these parcels is being recommended. This will allow the City's Planning Commission and Staff to conduct the required public hearings for the zoning enactment. A moratorium will protect the City from unauthorized development that could occur without zoning in place while the City is working on this project.

**Motion Waltman, second Schreck, to waive the second reading and adopt Ordinance 564, establishing an interim ordinance imposing a moratorium on the development of un-zoned properties within the City. All ayes 7-0-0.**

**Motion Spence, second Waltman, to adopt Resolution 16-042 authorizing the publication by summary of Ordinance 564. All ayes 7-0-0.**

Approve proposal for professional services from Widseth Smith Nolting for design and construction documents for the public safety building

The City Council directed staff at its April 11, 2016, meeting to secure professional services to produce construction drawings for the public safety building. Widseth Smith Nolting has conducted a feasibility report and preliminary design for the City already, and would continue their work on the project to produce final design and construction drawings. Completing this step will allow staff to put the project out to bid. The cost for services is \$103,413. This cost covers revisions to the schematic design, design and documentation, and construction documents. The fee is based on 7 percent of construction costs and does not include soft costs. It is not a fixed fee.

**Motion Spence, second Waltman to approve a proposal for professional services from Widseth Smith Nolting for design and construction documents for the public safety building. All ayes 7-0-0.**

Approve Promissory Note with Marina to cover the balance remaining on the Library Building renovation

The total cost of the library building renovation was budgeted at \$2,087,000. The City contributed \$1,000,000 to the project, the library reserves contributed \$400,000 and \$300,000 was raised by designated donations.

The building renovation came in under budget by approximately \$62,800. The payments for the construction came from the Library cash account. The Library cash account has a \$278,000 deficit balance and has the 2016 budgeted expenditures to pay. The money from the promissory note would replenish the Library's cash account.

The Library will continue fundraising efforts and all monies received will be used to repay the promissory note. The ability to raise funds for this project will diminish and the unpaid balance of the promissory note at the end of 2017 will be forgiven. The ability of the Library to meet its financial needs will be solved by this promissory note. The Marina has the financial ability to absorb any unpaid balance.

**Motion Spence, second Boe to a non-interest bearing promissory note in the amount of \$350,000 between the City of Lake City and the Lake City Marina to cover the balance of the construction cost for the library building renovation to be repaid from the donation collected that are designated for the library building project. The unpaid balance on the promissory note at December 31, 2017 will be forgiven. All ayes 7-0-0.**

Consent Agenda

- a. CC retreat meeting with Mayo Clinic Health Systems minutes April 11, 2016
- b. CC regular meeting minutes April 11, 2016
- c. CC retreat meeting minutes Hwy 61 April 25, 2016
- d. Approve Expense claims 4.7.16-5.3.16
- e. Approve out of state travel to Kansas City, Mo. to attend International City Management Association Annual Conference September 24-28, 2016
- f. Adopt Resolution 16-040 designating Wabasha County as an absentee ballot board for City of Lake City for 2016 election cycle.
- g. Adopt Resolution 16-041 approve hiring up to 30 election judges for the upcoming State Primary and General elections.
- h. Approve hire of part time election judges for 2016 election cycle

- i. Approve hire of 2016 Marina seasonal employees
- j. Approve hire of summer recreation, pool, parks and Hok-Si-La Park seasonal employees for 2016
- k. Approve the request for the Lake City Education Foundation to host a raffle and a bingo event
- l. Approve the request for the Lake City Education Foundation to host a lawful gambling event.
- m. Approve New 3.2% On Sale & 3.2% Off Sale for Papa Tronnio's Pizza Lake City
- n. Approve renewals of 2016 liquor licenses for the term of July 1, 2016 – June 30, 2017, pending all requirements are met.
- o. Approve 1-4 day Temporary On-Sale liquor license for the VFW Post 8729 Bean Bag Tournament held on June 18, 2016.
- p. Approve 1-4 Day Temporary On-sale Liquor License for Lake City Fire Department Relief Association event 7-2-16 through 7-3-16
- q. Approve hire of Mike Rodman as a full time Paramedic
- r. Adopt Resolution 16-044 certifying special assessments to County Auditor of Wabasha County for nuisance abatement - snow removal during the 2015-2016 winter season
- s. Adopt Resolution 16-045 approving a minor subdivision at 119 N High Street
- t. Adopt Resolution 16-046 accepting donation of \$250.00 for the renovation/addition of the Lake City Public Library.
- u. Adopt Resolution 16-047 accepting donations for Hok-Si-La Park sleeping cabins
- v. Approve listing 3 items in value over \$1,000 but less than \$25,000 on government auction site
- w. ~~Approve 2016 Fire Contracts~~

**Motion Waltman, second Schreck to approve the consent agenda as amended. All ayes 7-0-0.**

#### Approve 2016 Fire Contracts

Councilmember Boe had questions on the formula for the township contracts. Fire Chief Diepenbrock answered questions. On March 2, 2016 a meeting was held with the area Township representatives, members of the Fire Department, and City Staff to discuss the Fire Contracts. The contract information was approved by the City Council in 2015. After the meeting on March 2, 2016, the contracts were mailed to the townships for acceptance or rejection. The signed contracts are presented to the Council for approval.

The signed Fire Contracts that have been returned are as follows; Florence Township, Lake Township, Mount Pleasant Township, West Albany Township, and Gilford Township. The amount of revenue received by the Fire Department is affected by the number of townships that enter into an agreement with the city for fire services.

**Motion Waltman, second Schreck to approve the 2016 Fire Contracts. All ayes 7-0-0.**

#### Communication Updates

Rural Ambulance assessment subcommittee minutes were presented to council. The process continues to move forward with the review date set in June.

Miscellaneous Discussion

Mayor Beckman requested that the City Attorney and City Clerk review and update the Liquor ordinance with law changes and review the suspension section of the ordinance relating to unpaid liquor taxes or other unpaid fees, taxes etc due to the city.

Informational Reports

As presented

**Motion Schreck, second Klipfel to adjourn at 7:30 p.m. All ayes 7-0-0.**

ATTEST:

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Joel T. Beckman, Mayor

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Kari Schreck, City Clerk