

**Lake City Common Council  
Regular Meeting  
Monday September 12, 2016 6:00 p.m.  
City Hall Council Chambers**

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

Members Absent: None

Staff Present: City Administrator Mark Sievert, City Attorney Sarah Sonsalla, City Clerk Kari Schreck, Planning Community Development Director Rob Keehn

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

Beckman pulled consent agenda item( I) Approve hire of Miranda Klees for part-time Administrative Assistant for the Police department at the request of city staff.

**Motion Boe, second Klipfel to amend the agenda. All ayes 7-0-0.**

Recognize Barbara Pratt- Outgoing Finance Director for her 12 years of service.

Closed session pursuant to Minnesota Statutes Section 13D.05 subdivision 3(b) with assigned legal counsel to discuss Evanson, et al. v. Lake City, et. al.

**Motion to close Spence, second Waltman to close the meeting. All ayes 7-0-0.**

Public Forum

Phil Gartner requested that the community continue to participate in discussion with council on the Mayo Affiliation agreement and the matter on tonight's agenda be tabled.

Approve First Amendment to Lease Agreement between City of Lake City and Mayo Clinic Health System-Lake City

Mayo representatives Stephen Gudgell, John Oviatt, and Dr. Witt answered questions regarding the proposed amendments to the Lease agreement with Mayo Health Systems during the 5:00 workshop. City Attorney Sonsalla and Mr.Oviatt worked together on the amended document before the council for review and potential action. Councilmembers voiced concerns over the Articles and Plan of Merger as well as the first amendment to the lease agreement. Several councilmembers stated that they would like to see a side by side comparison of the documents to see what the actual changes are. Some Councilmembers also stated that the Lake City community does not understand what Mayo is asking and that there should be no rush to action. .

**Motion Spence, second Waltman to table First Amendment to Lease Agreement between City of Lake City and Mayo Clinic Health System-Lake City. Roll call vote: Beckman nay, Schreck aye, Boe aye Peters aye, Spence aye, Waltman aye, Klipfel nay. Motion carried 5-2-0.**

The City Administrator was directed to put together a series of public information meetings within the next 60 days

Adopt Resolution 16-083 approving the proposed property tax levy collectible in 2017

The City of Lake City is required by Minnesota Statute 275.0065, on or before September 30, 2016 to certify to the home county auditor the proposed taxes payable in the following year. Wabasha County is Lake City's home county. Adopting Resolution 16-083 will establish the maximum levy collectible in 2017 thereby establishing the maximum amount of revenues to be collected from property taxes in 2017 representing a 1.78% increase.

GENERAL	\$2,595,087
LIBRARY	90,000
2015A REFUNDING STREET BONDS	102,165
2012A STREET BONDS	161,968
2013B REFUNDING BOND (2006)	26,930
2013A STREET BONDS	184,144
EDA	<u>71,058</u>
TOTAL PROPOSED LEVY	\$3,231,352

**Motion Spence, second Boe to adopt Resolution 16-083 approving the proposed property tax levy collectible in 2017. Motion carried 6-1-0. Council member Peters voted nay.**

Adopt Resolution 16-084 approving the proposed 2017 General Fund total revenues and expenditures

The City of Lake City is required by Minnesota Statute 275.065, on or before September 30, 2016 to adopt a proposed General fund budget for the following year.

Revenues	\$5,747,621
Expenditures	\$5,708,688*

\*Note: Salaries, PERA and FICA are based on a 2% increase plus appropriate step.

**Motion Spence, second Waltman to adopt Resolution 16-084 approving the proposed 2017 proposed total revenue and expenditures for the 2017 General Fund budget. Motion carried 6-1-0. Council member Peters voted nay.**

Select the firm of Smith Schafer & Associates, LTD as the audit firm to perform the 2016 financial audit

The City of Lake City is required to have an annual audit of its financial records by Minnesota Statute 471.697 subdivision 1 (c). Every three years requests for proposals to perform the annual audit of the City of Lake City are sent to audit firms. A total of ten RFP's were sent either by mail. All proposals included request for three year pricing. There were six firms that responded to the RFP's.

The firm of Smith Schafer & Associates LLP performed the audit for 2004-2012.

The decision to recommend Smith Schafer & Associates LLP was based on the lowest responsible quote and the positive references. The cost of the annual audit is included in the budget.

**Motion Spence, second Schreck to select the firm of Smith Schafer & Associates, LTD as the audit firm to perform the 2016 audit. All ayes 7-0-0.**

Adopt Resolution 16-085 approving a Final PUD Plan for Engineering Lab Design (ELD) at 900 North 10<sup>th</sup> Street, Lake City.

Megan Smith, the City Assistant Planner, introduced the item with the staff recommendation to approve. Kurt Banazynski and Gina Lynch, owners of Engineering Lab Design (ELD), have purchased the property located at 900 North 10<sup>th</sup> Street with the intention of moving and expanding their existing business, currently located at 2021 South Highway 61, Lake City, MN.

The preliminary PUD for this property was approved by the City Council in 2006. The preliminary plan states that lots 1 & 2 of Block 7 are reserved for industrial uses, which this plan satisfies. The building being proposed would be approximately 38,900 square feet in area.

Staff has reviewed the attached site development plan, which satisfies the requirements of Section 155.199.B of the zoning ordinance.

If approved, applicant will be required to follow requirements for development of a property zoned Light Industrial. Development of the currently vacant property will help to expand the City's existing tax base.

**Motion Peters, second Boe to approve Resolution 16-085, approving a Final Planned Unit Development (PUD) Plan for Engineering Lab Design (ELD) at 900 North 10<sup>th</sup> Street, Lake City. Motion carried 7-0-0.**

Approve Revolving Loan Fund for Huettl's Locker and Dressing Plant

Lisa Babington, EDA director, introduced the request with the recommendation from the revolving loan committee to approve.

The purpose of the loan is to replace a 35 year old meat cooler and freezer display cases for retail; purchase new grills for catering business; replace old evaporating cooling system and compressors in the building. The funds will come from Special Reserve Funds, and Community Development Revolving Loan Fund.

**Motion Spence, second Peters to approve a Revolving Loan for Huettl's Locker and Dressing Plant of \$25,000. Interest Payable Monthly (4% APR). Principal due in 5 years. Applicant agrees to pay legal and recording fees. Motion carried 7-0-0.**

Approve Revolving Loan Fund for Rick Norlund

Renovation of 100 and 106 E. Lyon Avenue. The total project includes interior and exterior renovations including new windows and doors (upper and lower), new HVAC, repaint and add brick façade to the building, add three dimensional elements above upper windows, demolition interior walls, update electrical system and repair stairs. Mr. Norlund will lease out the two retail spaces once renovations are complete. Mr. Norlund is applying for a Façade Improvement grant for the exterior improvements that have been approved by the Design Review Committee. This loan application is for interior work. Mr. Norlund may apply at a later date for a loan to fund remaining exterior work once those plans are approved by the Design Review Committee. Funds from Special Reserve Funds, Community Development Revolving Loan Fund.

**Motion Peters, second Waltman to approve a Revolving Loan in the amount of \$8274.00 for interior renovation of 101 and 106 E. Lyon Avenue. Loan amount not to exceed 50% of the renovation cost or \$25,000.00 whichever is less. Interest Payable Monthly (4% APR); Principal due in 5 years. Applicant agrees to pay legal and recording fees. Motion carried All ayes 7-0-0.**

Approve the Lake City Tourism Bureau, Inc. 2016 budget

Kathy Jo Rodester gave an overview of 2015-2016 events sponsored by the tourism bureau. The requested budget amount has not increased from the 2016 budget. At the June 22, 2009, Council meeting, Lake City Tourism Bureau, Inc. was approved as a local convention and tourism bureau

consistent with the requirements of City Ordinance #467. Lake City Tourism Bureau, Inc. is eligible to request funding from the collection of Lake City Lodging Tax. The City retains 5% of the lodging tax collected. The amount used to fund the Lake City Tourism Bureau, Inc. is limited to the amount collected from the Lake City lodging tax.

**Motion Spence, second Peters to approve the Lake City Tourism Bureau, Inc. 2016 budget with a total of \$61,000 to the extent covered by lodging tax collected. All ayes 7-0-0.**

Approve Lake City Fire department Pension increase

Chris Tournay of the Lake City Fire department Relief Association introduced the request for an increase in the per year of service benefit from \$5675 to \$6000. The city's contribution for 2016 is currently set to be \$20,725. The city has budgeted \$20,725, a portion of this is also paid by the rural contracts. The last time that the fire department received a raise was 2015. The contribution that the city has to make is a formula determined by state statutes schedules. The relief association has traditionally asked for raises when the schedules show that we can raise the benefit without increasing the city's contribution a great deal. This will be the fifth year that the city's contribution has remained at \$20,725. At the current contribution level the city is putting \$942 per year per firefighter into the pension

There are three factors that continue make this increase possible:

The 2% money that we receive from the state, which has increased over the last four years due to the growth in our community and surrounding townships

The relief association continues to run above 80% funding and our required city contribution continues to be at or below 20,725

The performance of our investments continues to perform better than anticipated.

**Motion Beckman, second Spence to approve the Fire Department Relief Association request for increase in service benefit from \$5,675 per year to \$6,000 per year. All ayes 7-0-0.**

**Motion Spence, second Waltman to approve updated Lake City Fire Department bylaws with increased pension benefit from \$5,675 per year to \$6,000 per year and increased death benefit to \$12,000. All ayes 7-0-0.**

Waive the second reading and adopt Ordinance 569, an ordinance opting out of the requirements of Minnesota Statutes, Section 462.3593 as related to temporary family healthcare dwellings

The State has recently passed legislation to require Cities to allow temporary family health care dwellings, which goes into effect on September 1, 2016. Staff reviewed the proposed legislation as it was being considered and had concerns about it and its potential impact for enforcement. The ability to opt out of the State legislation is available. Staff's concerns are as follows:

-The new law supersedes local ordinances, yet there has not been local public input from the community

-The new law does not require input from adjoining owners and neighbors in the same way that is required for similar (permanent) dwellings already allowed by our local ordinance

-The enforcement of the law falls to City staff

-Staff has not received any requests for this type of housing.

**Motion Klipfel, second Spence to waive second reading and adopt Ordinance 569, an ordinance opting out of the requirements of Minnesota Statutes, Section 462.3593 as related to temporary family healthcare dwellings All ayes 7-0-0.**

Consent Agenda

- a. CC budget workshop minutes August 15, 2016
- b. CC regular meeting August 15, 2016
- c. CC special Finance Director hire August 29, 2016
- d. Approve expense claims
- e. Adopt Resolution 16-078 confirming board and commission appointment.
- f. Adopt Resolution 16-079 accepting TZD Grant reimbursement from the State of Minnesota, Office of Traffic Safety and amending the 2016 Police Department Budget in the amount of \$2,184.10
- g. Adopt Resolution 16-080 accepting donation of \$1,700.00 for the renovation/addition of the Lake City Public Library.
- h. Adopt Resolution 16-086 appointing Electric Superintendent Neil Postians as alternate representative to SMMPA
- i. ~~Approve hire of Miranda Klees for part time Administrative Assistant for the Police Department~~
- j. Adopt Resolution 16-087 requesting municipal state aid street funds advance of \$237,479.66

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

Communication Updates

None

Miscellaneous Discussion

Schreck requested that minutes be distributed via email to council once they are completed. This will allow the council to review the minutes in a timely matter.

Administrator Sievert would like to call a special meeting to receive the Ambulance assessment report from the Emergency Management Services Review Board for October 24, 2016 at 7:00 pm. The Ambulance subcommittee will meet at 6:00. A joint meeting of Council and the Ambulance Commission is recommended at this time. By consensus, the date was agreed to.

Council directed Administrator Sievert to respond to members of public forum.

Amy Hove was introduced to council as the new Finance Director. She will begin on October 10, 2016.

Informational Reports

As presented

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

ATTEST:

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Kari Schreck, City Clerk

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Joel T. Beckman, Mayor