

**Lake City Common Council
Regular Meeting
Monday, July 13, 2015 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 Alan Lanning, City Clerk Kari Schreck, City Attorney Sarah Sonsalla, Public Works Director Scott Jensen, Planning and 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

Introductions were made.

Review & adopt or amend the agenda as presented

The Mayor added the expense claims from 6.5.15-7.5.15 for approval.

City Attorney Sonsalla requested that the approval of an agreement with the City Administrator be added to the agenda.

Motion Spence second Peters to adopt the agenda. All ayes 7-0-0.

Commissioner Cheryl Key and County Administrator Michael Plante updated the council on Wabasha County actions the first six months of 2015.

Public Forum

Leon Quarve addressed council about his concerns regarding the garbage charge that is on the utility bill. Residents who are not in their home, but have still utility service do have a garbage monthly garbage charge. The language is written in the current Ordinance and may not be waived.

John Hutchinson spoke in support of continuing a Waterfront vision and encouraged the city's participation in working with community groups to develop the downtown area of Lake City.

Award 2015 mill and overlay project to Monarch Paving for \$128,307.75

Bill Anderson from SEH is the city engineer and presented the project to council.

The bid opening for the 2015 mill and overlay project was held Tuesday, July 7, 2015. The tabulation was prepared by SEH, Inc. Two bids were received with Monarch Paving being the low bidder. The bid exceeds approved budget by \$18,307.75 plus engineering of approximately \$15,000.00. This project is budgeted in Streets Capital for \$110,000. If awarded, staff will bring forward a budget amendment in August or when bid item quantities are better known.

Engineering costs are not included in the bid.

Motion Waltman, second Klipfel to award 2015 mill and overlay project to Monarch Paving for \$128,307.75. All ayes 7-0-0.

Award 2015 Street Improvements, West Center Street project to Glander Excavating for 141,862.50

The bid opening for the 2015 Street Improvements West Center Street project was held Tuesday, July 7, 2015. The tabulation was prepared by SEH, Inc. Three bids were received with Glander Excavating being the low bidder. The bid exceeds approved budget by \$28,862.50 plus engineering of approximately \$24,000.00. This project is budgeted in Streets Capital for \$113,000 with an estimated \$25,800 to be assessed to adjacent properties. If awarded, staff will bring forward a budget amendment in August or when bid item quantities are better known. Engineering costs are not included in the bid.

Motion Spence, second Waltman to award 2015 Street Improvements, West Center Street project to Glander Excavating for 141,862.50. All ayes 7-0-0.

Modify the promissory note from the Street Department to the Electric fund for the purchase of a 2016 Mack truck.

The City Council on April 13, 2015 approved a promissory note between the City of Lake City and the Lake City Electric Fund. The amount of the promissory note was \$83,665.55 which was the cost of the chassis. Additional equipment was installed on the chassis including wing plow and warning lights, tailgate sander, dump body, pump and controller. The cost of this equipment was \$87,300. The total cost of the Mack truck and equipment is \$170,965.55. The Electric Board is aware of the promissory note and allowed the Council to set the interest rate. The interest rate of 3% was arrived at by reviewing the most recent bond issue interest rates.

Motion Waltman, second Spence to approve the modified Promissory Note between the City of Lake City and the Lake City Electric to include the equipment mounted on the chassis for a total cost of \$170,965.55. All ayes 7-0-0.

Introduce and conduct the first reading, in summary form, of Ordinance 551, an ordinance outlining a process for the vacation of streets, alleys, and easements by adopting Resolution 15-060

The City Charter no longer contains language which provided guidance on how to address request to vacate a public street, alley or easements. Based on the fact that the City gets inquires fairly regularly regarding requests for vacations, staff asked legal to draft an ordinance that would guide the process, outline legal considerations for processing the requests, and establish criteria for approving or denying petitions to vacate. The attached ordinance would be integrated into the public works section of the city code, although city would continue processing the applications with joint review by both Planning and Public Works, and other Departments such as Fire and Police as necessary. Included in the draft language is information on who is allowed to petition, how the city can make its recommendation, and who the land reverts to after a vacation is adopted. It also specifies that vacations can be approved with council action by resolution, instead of by ordinance. Planning & Community development director Keehn read Resolution 15-060 aloud.

Motion Klipfel, second Schreck to introduce, and conduct the first reading, in summary form, of Ordinance 551, an Ordinance outlining a process for the vacation of streets, alleys, and easements by adopting Resolution 15-060 authorizing publication of Ordinance 551 by title and summary. All ayes 7-0-0.

Approve Cedar Corp. proposal for engineering and design of the beach seawall.

The seawall at the bathing beach is nearing 100 years old. Over the years much patch work has been done to keep it functional. The time has come to replace the wall rather than continue to add more mortar to a crumbling structure. The Board is also proposing to add two feet to the

height of the wall to eliminate erosion problems during high water events. Demolition and building a new 200 foot wall may have a cost of \$150,000. Marina Board approved the proposal at their June 2, 2015 meeting. The beach improvement project was a Capital item in our 2015 budget.

Motion Spence, second Waltman to approve proposal for engineering services of Cedar Corporation of Menomonie, Wisconsin to design a sheet piling seawall with concrete cap and facing to replace the existing seawall in the bathing beach area at a cost anticipated not to exceed \$15,900. Roll call vote: Beckman aye, Schreck nay, Boe aye, Peters aye, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Approve Cedar Corp. proposal for design of a new bathhouse for the beach.

The Marina Board has worked on a capital plan to improve the bathing beach on the northwest shore of the Marina Point. The old bathhouse built in 1966 was vacant for many years and is in extremely poor condition. The 1966 design was a poor design from the beginning and has always been high maintenance. The new bathhouse will be a simple and efficient building that will be easy to clean and maintain. We are estimating this project at \$125,000 or less. The Marina Board approved this item at their June 2, 2015 meeting. The beach improvement project was a Capital item in our 2015 budget.

Motion Spence, second Boe to approve proposal for architectural services of Cedar Corporation of Menomonie, Wisconsin to design the new bathhouse for the Marina beach at a cost of \$11,850. Roll call vote: Beckman aye, Schreck nay, Boe aye, Peters nay, Spence aye, Waltman aye, Klipfel aye. Motion carried 5-2-0.

Approve the sale of Lot 2, Block 4, Eaglewood Estates Fifth Addition, Wabasha County, Minnesota to Tim and Sara Thompson

Motion Waltman, second Peters to approve the sale of Sale of Lot 2, Block 4, Eaglewood Estates Fifth Addition, Wabasha County, Minnesota to Tim and Sara Thompson for the amount of one thousand dollars. All ayes 7-0-0.

Approve sale of Lot 5, Block 4, Eaglewood Estates Fifth Addition, Wabasha County, Minnesota to P.K Meyer Builders Inc

Motion Waltman, second Peters to approve the sale of Sale of Lot 5, Block 4, Eaglewood Estates Fifth Addition Wabasha County, Minnesota to P.K. Meyer Builders Inc. for the amount of one thousand dollars. Roll call vote: Beckman nay, Schreck aye, Boe aye, Peters aye, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Approve sale of Lot 6, Block 4, Eaglewood Estates Fifth Addition, Wabasha County, Minnesota to P.K Meyer Builders Inc.

Motion Peters, second Waltman to approve the sale of Sale of Lot 6, Block 4, Eaglewood Estates Fifth Addition Wabasha County, Minnesota to P.K. Meyer Builders Inc. for the amount of one thousand dollars. Roll call vote: Beckman nay, Schreck aye, Boe aye, Peters aye, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Reject all bids and authorize rebidding of the audio visual room project

The audio visual room serves as the broadcast and recording studio for City meetings, as well as community events and re-plays of county meetings. The equipment was originally installed in 2001. Various components no longer work. It is no longer feasible to repair the equipment due to its age.

The City's consultant prepared the necessary specifications for the equipment and services that are needed in order to upgrade the system. Because the estimated costs of the upgrade exceeded \$100,000, the City was required to competitively bid the project pursuant to Minnesota Statutes Section 471.345. The City Council approved the bidding documents for the project at its April 13, 2015 and bids were advertised for in accordance with legal requirements. Three bids were received by May 22, 2015. Bids were opened and read aloud on May 27, 2015.

City staff is recommending that the City reject all of the bids and rebid the project.

Motion Spence, second Klipfel to reject all bids and authorize rebidding of the project. All ayes 7-0-0.

Introduce and conduct the first reading of Ordinance No. 552 amending Title IX, Chapter 95 of the Lake City Municipal Code related to permitting chickens

The City Council directed staff at its June 8, 2015, meeting to bring an ordinance forward allowing chickens within the City. Spence inquired as to whether the Public Safety board, Planning Commission or applicable board or commission has reviewed the draft. Keehn stated that staff was not directed to do at the June 8th meeting and that there is no statutory requirement to do so. Spence and Schreck stated that they would like for Planning Commission and the Public Safety boards to have the ability to review. Schreck inquired as to whether language was specific to owner occupied residences rather than tenant occupied. Staff will look at the language.

Motion Spence, second Schreck to refer the draft Ordinance 552 to the Planning Commission and Public Safety board. Roll call vote: Beckman aye, Schreck aye, Boe nay, Peters aye, Spence aye, Waltman aye, Klipfel aye. Motion carried 6-1-0.

Direct staff to make an offer to purchase property located at 419 Iowa St., Lake City, MN

The City was notified by the current property owners of 419 Iowa St. that the house and lot are for sale. This property sits in the north corner of the City's wastewater treatment facility and has future potential for plant expansion or upgrades. If the Council wishes to make an offer to purchase the property, it has the option (but is not required to) to close the meeting to determine the amount and terms of the City's offer pursuant to Minnesota Statutes Section 13D.05, subdivision 3 (c)(3). Before closing the meeting, the Council must identify the property on the record. If a purchase agreement is entered into, it will need to be approved by the Council at an open meeting.

This item was moved to the end of the meeting so that the Council could go into closed session.

Waive the second reading and adopt Ordinance No 548 rezoning property located at 218 N. 8th St. from Light Industrial to Medium Density Residential.

A request to rezone the aforementioned property was submitted by Kathryn A. Thiele.

The Planning Commission conducted a public hearing on June 2, 2015, and voted (6-yes, 0-no) to recommend approval of the rezoning request to the City Council. There were no members of the public in attendance at the meeting, and the applicant was present. The Council at their June 8, 2015 meeting on motion by Klipfel second by Waltman, conducted the first reading of Ordinance No. 548 rezoning the property located at 218 North 8th Street from Light Industrial (LI) to Medium Density Residential (MDR).

Motion Waltman, second Spence to waive the second reading of Ordinance No. 548 rezoning property located at 218 North 8th Street from a Light Industrial (LI) to Medium Density Residential (MDR) zoning district. All ayes 7-0-0.

Motion Spence, second Klipfel to adopt Ordinance No.548. All ayes 7-0-0.

Waive the second reading and adopt Ordinance 549 Authorizing the sale of land within with Eaglewood Estates 5th Addition

The City Charter requires that disposal, or sale, of City owned property be done so through ordinance. This ordinance was developed to allow for a more efficient sale of land, rather than asking council to act on separate ordinances for every lot that is sold within the Eaglewood Estates 5th addition.

Motion Spence, second Schreck waiving the second reading of Ordinance 549 authorizing the sale of land within with Eaglewood Estates 5th Addition. All ayes 7-0-0.

Motion Schreck, second Peters to adopt Ordinance 549 authorizing the sale of land within with Eaglewood Estates 5th Addition. All ayes 7-0-0.

7. Consent Agenda

- a. City council Hwy 61 workshop minutes June 8, 2015
- b. City council minutes June 8, 2015
- c. City council special meeting minutes June 22, 2015
- d. City council special meeting - City Administrator performance review- meeting minutes June 29, 2015
- e. Approve hire of Summer Recreation employee Baures for 2015 programs
- f. Approve rule variance on Minnesota fluoridation law
- g. Approve one from utility billing and two from clerk/finance to attend the annual Civic Symposium in Wisconsin Dells, WI
- h. Adopt Resolution 15-053 confirming new board and commission appointments
- i. Adopt Resolution 15-054 accepting donations totaling \$7,255.00 for the renovation/addition of the Lake City Public Library.
- j. Adopt Resolution 15-055 accepting donations totaling \$127,045.00 for the renovation/addition of the Lake City Public Library.
- k. Adopt Resolution 15-058 approving a conditional use permit for three permanent camper cabin structures at Hok Si La Park
- l. Adopt Resolution 15-059 approving application to conduct off site gambling for the Lake City Chamber of Commerce.
- m. Approve expense claims from June 5 – July 5, 2015

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

Communication Updates

Library fundraising summary June 30, 2015

Pledges in June	<u>\$35275.00</u>
Monies received in June	<u>\$134300.00</u>
Total pledges to date:	<u>\$266780.00</u>
Total receipts to date:	<u>\$251448.00</u>

Miscellaneous Discussion

The Mayor thanked the O'Neill foundation for the generous monetary donation for the 3 camper cabins at Hok Si La.

The budget meeting scheduled for July 16, 2015 will be rescheduled to an August date.

The Heritage Preservation Commission meeting date has changed to August 26 to conduct a public hearing to consider designating a portion of South Oak Street as a historic district.

Spence asked about the garbage charge on the utility bill. Staff stated the garbage is charged as long as the residence has active utility service. A resident can disconnect services, and that will suspend the garbage service.

Boe stated that he had hoped the chicken ordinance continue to move forward.

Boe inquired on the involvement of ISD -813 in the summer recreation program. He would like to see the program moved into the Community Ed department. Council sees the program can only get better in a partnership with the school and will meet with the school district to see if there is any possibility of this happening.

Klipfel asked about the status of the Public Safety building.

Informational Reports

As presented

City Attorney Sonsalla requested that the Council recess the regular meeting after the closed session to consider making an offer to purchase the property located at 419 West Iowa Street.

Motion Spence, second Waltman to close the meeting pursuant to Minnesota Statutes Section 13D.05, subdivision 3 (c)(3) to determine the amount and terms of the City's potential offer to purchase the property located at 419 West Iowa Street. All ayes 7-0-0.

Time 7:55 p.m.

The Council reopened the regular meeting after the closed session regarding the property at 419 West Iowa Street with no action taken at 8:30 p.m. The Council then recessed the regular meeting to return back to the recessed 5:00 p.m. closed meeting to continue the City Administrator performance evaluation.

The Council reconvened the regular meeting at 9:10 p.m. State Senator Matt Schmidt provided the Council with an overview of the 2015 Minnesota Senate legislative session. The Council then recessed the regular meeting again until 10:00 p.m. when it reconvened. The Council summarized the performance evaluation of the City Administrator that it had conducted during the June 29, 2015 and July 13, 2013 special City Council Meetings. The summary was as follows: "the Council found Mr. Lanning's performance to be generally satisfactory however both parties have found it to be in their best interests to enter into a separation agreement."

Motion Klipfel, second Boe to approve the separation agreement with the City Administrator as negotiated and authorize the Mayor and City Clerk to sign the agreement. All ayes 7-0-0.

Motion Waltman, second Boe to adjourn at 10:07 p.m. All ayes 7-0-0.

Joel T. Beckman, Mayor

ATTEST:

Kari Schreck, City Clerk