

**Lake City Common Council  
Retreat Workshop December 3, 2014  
2<sup>nd</sup> floor conference room 5:30 p.m.**

Members Present: Mayor Joel Beckman, Andru Peters, Mary Lou Waltman, Gene Durand, Mark Spence, Phil Gartner, and Randy Klipfel, Council elect Russell Boe and Greg Schreck

Members Absent: None

Staff Present: City Administrator Alan Lanning

Mayor Beckman called the meeting to order at 5:30 p.m.

City Administrator Lanning began the discussion with a grouping of Initial Impressions of the conditions in Lake City. Topics discussed were:

- Extremely Positive Potential
- Good Infrastructure
- Good Staff-Some shifting many be needed to match future needs.
- Generally Good Facilities
- Marina Potential-Even greater potential might be realized.
- Steady Revenue
- Strong Reserves
- Reasonable Debt
- Good Equipment
- Good Schools
- Good Health Care

Some general discussion ensued and overall, it was acknowledged the City is in good shape and stable and steady.

City Administrator Lanning then began a discussion of challenges facing the City, which included the following topics.

- Disjointed Organizational Structure-This included a discussion of the structure and role of Boards and Commissions and their role with Departments vs. their role with Administration and elected officials.
- Stagnation: The community is not really growing and in some cases seeing declines. There was some discussion about the conditions in the downtown area.
- Development Starts: They are down. Other than the new Assisted living facility recently approved, the City is not seeing any significant development starts nor is the City involved in any significant discussions.

- Retail Business Decline: The discussion centered on the downtown and the idea that retail is suffering in the City. It was pointed out this may be a product of a steady and/or declining population.
- Housing Starts are down and existing housing stock is high.
- City Administrator Lanning indicated some have expressed and general lack of confidence in elected officials.
- Significant Individual Communications: There are many side conversations going on, creating a less than unified vision. The challenge going forward will be to improve public information.
- State Tax Structure: It was acknowledged there are significant challenges with the State taxing structure as all sales tax, tobacco tax, alcohol tax go directly to the State. There was significant discussion about the associated issues in making changes in this area. Also discussed was the current sales tax opportunities and how that might affect the budget. Administrator Lanning pointed to a large increase in tourism and the impact a higher sales tax amount might have on the budget. However, there was also discussion about handling that volume of tourism. Administrator Lanning pointed out that legislative assistance would be needed to deal with changes to the State tax structure.
- DNR: It was discussed that any changes to the waterfront would face significant DNR regulations and that would be formidable challenge. Administrator Lanning pointed out that legislative assistance would be needed to deal with the DNR.
- Location: The discussion centered on Lake City's location, in close proximity to Red Wing, Rochester and the Cities, creating shopping opportunities for residents and the negative affect that has on retail in Lake City. In addition, Lake City has a number of seasonal residents and combined, makes supporting local businesses difficult.

Population is steady or declining: Again, the conversation centered on the effect this has on business opportunities in the community.

Administrator Lanning then moved on to Opportunities that have potential in Lake City.

- Marina: As the focal point of the community, the Marina has great potential. Administrator Lanning posed the question of staying with what we have or "go big or go home".
- Waterfront/Lake: Again the discussion centered on the potential and the same question was posed to this City asset. "Go big or go home".
- Tax Structure: There was extensive discussion about the tax structure, particularly sales taxes and both the opportunities and difficulties involved. Mayor Beckman pointed out the current structure and the funds that might be realized, implementing a sales tax under current State law. Administrator Lanning discussed a significant increase in tourism and a change to allow for a 3% local sales tax would be a level that would have a worthwhile impact.
- Projects: Projects were discussed that were viewed as opportunities for the City. Those projects including the Library expansion, which is in progress. The recently failed Public Safety Center and the possibility of a revived project. Also discussed were H61

improvements and how those might complement and coincide with waterfront improvements.

- Developable Lots: It was acknowledged the City has a healthy amount of both residential and commercial lots for development and those served as opportunities for growth.
- Staffing Changes: Administrator Lanning discussed staffing changes for the purpose of gaining additional expertise for the City, such as an Events Coordinator position, should the City engage in waterfront development and working to attract additional tourism. Those kinds of opportunities would be discussed during additional and future budget cycles.

Administrator Lanning moved on to seek guidance on several key issues.

- Governance and Ends Policy: Administrator Lanning distributed the table of contents to a potential governance and ends policy and indicated he believed that would address some of the disjointed governance issues in the City. The Council indicated it would like to see a draft of a governance and ends policy and would discuss the merits of such a policy. Administrator Lanning indicated he was working on a document and would present a draft sometime in the future.
- Tourism Development: Administrator Lanning had a map with the waterfront and Marina and several attached concepts about what the waterfront might look like as a potential tourism incentive, including some type of potential pier type piece. There was extended discussion about concepts, traffic volumes, costs, timeframes, etc. Administrator Lanning asked to move forward with getting some costs for the development of the plan and then present those costs to Council.
- Public Safety Center: Administrator Lanning indicated that he would like to basically start from scratch on the development of a new Public Safety Center project, designed to be constructed on the lot next to the City Hall. The process would include Statements of Qualification, RFPs and other mechanisms to arrive at a project the Council could support and the City could afford. Council agreed to move forward.

That concluded the retreat agenda and the next step was outlined as a next retreat to begin the identification of the City “Vision/Core Value/Goals” discussion.

Mayor Beckman adjourned the meeting at 7:15pm.

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Joel T. Beckman, Mayor

ATTEST:

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Kari Schreck, City Clerk

Minutes submitted by City Administrator Lanning.