

Lanesboro City Council
Regular Meeting
Monday, March 2nd, 2015
5:30 p.m.
City Council Chambers

Present: Jason Resseman, Autumn Johnson, Robin Krom, Tom Dybing and Tom Smith

Absent: None

Visitors: Tom Manion, City Attorney

Regular Meeting:

Mayor Krom called the Regular Meeting to order at 5:30 p.m.

- A. Agenda:** Mayor Krom asked if there were any additional items to be added to the agenda. Administrator Todd advised the Council that he would like to add the Parking Committee Report to the agenda under miscellaneous. Council Member Resseman made a motion to adopt the agenda with the additions to be discussed under miscellaneous. The motion was seconded by Council Member Dybing. Motion carried all in favor.

- B. Minutes:** Council Member Smith moved to approve the minutes of the regular Council meeting from February 2nd, 2015. Motion seconded by Council Member Johnson. Motion carried all in favor.

Persons with interest before the Council:

- A. Phil Dybing:** Mr. Dybing was on hand to address the Council regarding a request for a reallocation of the REUs assigned to the Lanesboro Golf Course. Mr. Dybing indicated that the current REUs assigned to the golf course would render the business less than viable. Mr. Dybing stated that he had gone before the PUC on a few occasions and had not received relief and he was instructed to address the Council in order to seek relief by the Golf Board. Mr. Dybing also stated that the Golf Board was investigating the possibility of detachment from the City in order to dig their own well as well as provide for other utility services in order to remain a viable business. Mr. Dybing had provided a written request for detachment for the Council to consider. City Attorney Manion advised that the Council could not consider the request as it was not a properly filed petition. Likewise, Manion provided a protocol for requesting detachment to Mr. Dybing outlining the steps necessary for the Golf Board to pursue. The City Council advised that the PUC had exclusive jurisdiction with which to set their own rates and that the Council had validated the PUC's request to set the current rates due to the need to repay the loan on the WTP. This was on the advice of the PUC and the contracted engineering firm after careful evaluation of other rate systems as well as what the PFA mandated as a form of repayment. Administrator Todd indicated that the financing was the best the City could have attained as it provided a \$1.3 million dollar principal forgiveness (grant) and a 1% interest rate for the entirety of the loan. Mr. Dybing asked if the REUs were flexible or if they were rigid in regards to what the PUC charged. Administrator Todd

advised that the REUs were predicated on repayment of the annual debt service amount and were inflexible at this time. Mr. Dybing concluded that the Golf Board would have no other choice but to pursue detachment moving forward unless the PUC would grant some relief. He indicated that he would go back to the PUC and ask, once more, for some relief. Council Member Johnson made a motion to table the request for detachment at this time until an official petition was submitted. Motion was seconded by Council Member Resseman. Motion carried all in favor. Members of the public were also on hand to express their concerns and to have questions answered regarding the REUs/new utility rates. Summarizing the conversation, the public wished to know what other options were available for financing; other options for dealing with implementing the WTP project and to educate themselves regarding this issue. They were advised that there was no better financing option on the table than what was provided to the City (with the \$1.3 million in loan forgiveness, 1% interest rate for 30 years it was labeled as the best financing available). Administrator Todd advised that all grant options were looked into, including a CDBG grant that was sought and a public survey sent out. The City was not eligible for the grant due to a lack of response from the public (51% response rate was needed to be eligible; the City response rate was 32% after four rounds of the survey was sent out). Administrator Todd also advised the forum that the REU rate schedule was chosen for two reasons: 1) It was the most equitable system available to the PUC; it is predicated on usage and the City took the average usage for the 2013 full calendar year and divided the cost amongst the utility customers based on an average use of 34,000 gallons per year (that being an REU of 1—each user would then become a multiplier of X-1 for each 34,000 gallons used). For example, if a user consumed 136,000 + gallons of water per year, they would be at an REU of 4; and 2) the financing entity mandated that the City demonstrate the ability to pay the loan utilizing the REU system. Administrator Todd also advised the public that the unfunded mandate was set at the federal level with the states adopting those mandates as well. What this means for the municipal water systems is this: In order for a municipality to provide safe drinking water to its users, that municipality must adhere to the standards of the Safe/Clean Water Drinking Act. Essentially, the City was mandated to implement new standards or risk losing the ability to provide water to the public. The City entered into a compliance agreement in 2012 with the MN Department of Health to dig a new well and build a new water treatment facility by August/September of 2015 or face fines and an injunction from providing safe, clean drinking water to our citizens (the fines were estimated to range from \$5,000 to \$10,000 per day).

Committee/Commission Reports:

- A. Library:** Mayor Krom advised the Council that the Library Board, at their last meeting, discussed the bids for lighting in the hallway by the newly painted mural. At this time, they are seeking additional bids for the lighting and if no other bids are attained, they will utilize the current bid from Haakenson for around \$1,500.00.
- B. Ambulance:** Ambulance Director Deane Benson advised the Council that he is recommending allowing a third person for emergency response calls (an EMT or First Responder) due to the mandate requiring the 12 lead machine to be hooked up and the information to be e-mailed, in route, to the hospital. His concern was that the extra duties would not be mitigated by having only two members respond to emergency calls. Administrator Todd advised that there is money in the ambulance budget to accommodate this request. Motion was made by Council Member Resseman to allow a

third responder to be added to emergency calls. Motion was seconded by Council Member Dybing. Motion carried all in favor. Director Benson also requested that the Council allow the service to seek a non-profit status in order to implement fundraising and gambling opportunities to assist in raising funds for a new ambulance shed. Motion was made by Council Member Dybing to approve the seeking of a non-profit designation. Motion was seconded by Member Resseman. Motion carried all in favor.

- C. **Public Utilities:** LPU Commissioner Coleman briefed the Council on the outcome of the bid openings for phase 2 of the WTP. The Bids will be voted on later in the meeting.
- D. **HPC:** Administrator Todd advised the Council that the HPC finalized the Merchant's Bank signage issue. Merchants will be changing some aspects of the sign to make it more historically appropriate and within the guidelines set forth by the City. Additionally, the HPC entertained modifications to the High Court Pub and Granny's Liquor with building permits forthcoming. Additionally, Marlin Miner resigned from the HPC; Administrator Todd advised that he had posted the ad in the newspaper seeking his replacement.
- E. **Planning and Zoning:** Did Not Meet.
- F. **Park Board:** Council Member Johnson provided the Council with an update of the Park Board meeting. The Park Board addressed lighting for the hallway by the library (request for additional bids), tabled the project for tile in the hallway by the Library due to the cost, request for moving forward with the Bunny Trail Project (later in this meeting), and the Park Board is planning a memorial for Orville Amdahl (tree, bench, or something similar).
- G. **Lanesboro Chamber of Commerce:** Executive Director Dee Slinde provided the monthly update of Chamber Activities to the Council. She indicated that the Chamber had received a grant from Tri-County Electric for Christmas decorations. She also advised that members had attended the latest round of DMC meetings in Rochester.
- H. **Fire Department:** Chief Jerod Wagner was not available to attend and there was no update for the Council.
- I. **EDA:** Council Member Jason Resseman provided the update on the EDA meeting that took place February 4th, 2015. Resseman indicated that the Rochester Area economic Development Corporation's Journey for Growth will be meeting with the Lanesboro EDA sometime in the future to assist and share resources. Resseman also indicated that the EDA will be partnering with the Lanesboro School District to market the community and to attempt to recruit and retain people to relocate to the area.

Regular Business:

- A. **Accounts Payable:** Council Member Resseman made a motion to approve the payables as presented. Motion was seconded by Council Member Smith. Motion carried all in favor.
- B. **Public Utilities Bid Award Recommendation (Phase 2 WTP) Roll Call Vote:**
Administrator Todd advised the Council that the PUC in conjunction with Davy Engineering proposed the following bid recommendations:
Parkway Avenue Water Main Extension (Winona Mechanical, Inc.) \$111,202.00
Motion-Tom Dybing to accept the bid as presented
Motion Second-Jason Resseman
Motion carried with Council Member Smith as the sole "No" vote
Turbine Pumps and Well Abandonment (Turbine Pumps from Municipal Well and Pump, Inc) \$115,900.00 and (Well Abandonment from Their Well Co, Inc) \$198,450.00
Total Bid for Turbine Pumps and Well Abandonment \$314,350.00

Motion-Autumn Johnson to accept the bid as presented

Motion Seconded-Tom Dybing

Motion carried with Council Member Smith as the sole "No" vote

Total Base Bid Awards for Phase 2 Construction \$425,552.00, plus previously bid PRV stations \$219,000.00 equal a total Phase 2 Construction cost of \$644,552.00

- C. Fire Service Contract (City-Townships) Roll Call Vote:** Administrator Todd advised the Council that negotiations with the Townships the City Fire Department services had been conducted recently and a contract had been voted on and approved by the Township Board. The Contract stipulates that the Townships will pay the City of Lanesboro \$28.01-per capita for a total of \$28,290.10 for fire services to be reviewed every two years. Motion was made by Council Member Smith to approve the contract as presented. Motion was seconded by Council Member Johnson. Motion carried all in favor.

Consent Agenda (Items D-H)

- D. Lanesboro Fire Relief Association-Application for Temporary On-Sale Liquor License:**

- E. Turkey Federation-Request for Temporary On-Sale Liquor License:**

- F. Turkey Federation-Application for Gambling Permit:**

- G. Lanesboro Area Chamber of Commerce-Application for Temporary On-Sale Liquor License:**

- H. Lanesboro Area Chamber of Commerce-Application for Gambling Permit:**

Motion made by Council Member Resseman to approve the Consent Agenda. Motion Seconded by Council Member Dybing. Motion carried all in favor.

- I. Street Department Vehicle/Equipment Purchase-Case Tractor with Front Loader: Roll Call Vote:** The Council was presented a request for equipment purchase from the Street Department. City Administrator Todd advised the Council that the City owned John Deere Tractor was in need of repairs and nearing the point of inequity for trade leverage. The request from the Street Department to trade in the John Deere for a case tractor with current equity of nearly \$20,000 would price the new piece of equipment at \$29,500.00 for purchase. The Street Department has the money in the capital outlay in order to make the cash purchase for the new piece of equipment. Motion was made by Council Member Resseman to approve the purchase of the new piece of equipment in the amount of \$29,500.00 from Hammell Equipment in Rushford, MN. Motion was seconded by Council Member Dybing. Motion carried with Tom Smith as the sole "No" vote.

- J. Bob Bovee of Bluff Country Gathering-Request for Banner Assistance:** Bob Bovee of the Bluff Country Gathering has asked the City if they would assist in the hanging of a newly purchased banner for the upcoming festivities. Mr. Bovee indicated that he would purchase the banner and materials for hanging (brackets, cable, etc.) if the City would utilize their bucket truck and allow the banner to be hung across Parkway Avenue where Merchant's Bank is located. Administrator Todd advised that the banner was to be of standard length, ventilated, and would be hung where banners have been traditionally hung at the intersection of Parkway Avenue and Coffee Street. Council advised that Street Superintendent Drake should verify the configurations and assist Mr. Bovee in this regard.

- K. Bunny Trail Update:** Council Member Johnson indicated that after meeting with the Church Hill Condo Board and the Lanesboro Park Board, there were issues identified regarding placement of the trail and whether the proper approval from the CHB would be ascertained. She indicated that the project would still be considered plausible by amending the location of the trail so that consent would not be needed from CHB.

Likewise, due to the low cost of the project (labor and materials donated and low cost materials available, there would not be a need to pursue a grant. The Lanesboro Park Board was seeking Council approval to proceed with the project absent a grant and amending the trail's location. Motion was made by Council Member Dybing to proceed with the project with the new constraints. Motion was seconded by Council Member Resseman. Motion carried all in favor with Council Member Johnson abstaining.

- L. Local Board of Adjustment and Equalization Meeting:** Administrator Todd reminded the Council that April 13th, 2015 from 5:30-6:00 p.m. is the date and time scheduled for the LBOAE meeting. Todd reminded the Council that a quorum must be present at the meeting.
- M. HPC Opening: Marlin Miner Resignation:** Administrator Todd advised the Council that Marlin Miner had resigned his position on the Historic Preservation Commission. Todd stated that an advertisement had already been placed in the local newspaper seeking a replacement.
- N. Peddler's Cart Ordinance and Review:** The City Council has elected to table this issue until further information and discussion can be conducted. Motion to table this item was made by Council Member Smith. Motion was seconded by Council Member Dybing. Motion carried all in favor.
- O. Fillmore County GIS: Pictometry for Cities within Fillmore County:** Motion was made by Council Member Dybing to table this matter until more information could be gleaned. Motion seconded by Council Member Smith. Motion carried all in favor.
- P. Miscellaneous:** Parking Committee results and issues considered were as follows: Signs on County Rd. 8 directing traffic to the Bass Pond Parking Lot; Motorcycle Parking by the Legion and by Iron Horse Outfitters; (5) 30 minute parking spaces on Coffee Street; add (2) handicapped parking spaces by the Chamber building; and encourage employee parking at the ball field. Council Member Johnson indicated that there will be additional meetings of the Parking Committee upcoming. No action taken by the Council regarding this issue.

Next Meeting: Monday, April 6th, 2015 at 5:30 p.m.

ADJOURN: Council Member Resseman moved to adjourn at 7:45 p.m. Motion seconded by Council Member Johnson. Motion carried all in favor.

Respectfully Submitted,

David Todd
City Administrator