

Lanesboro City Council
Regular Meeting
Monday, June 2nd, 2014
5:30 p.m.
City Council Chambers

Present: Keith Eide, Steve Rahn, Ceil Allen, and Tom Smith

Absent: Tom Dybing

Visitors: Tom Manion, City Attorney and Jason Boynton, Smith Schafer-Auditor

Regular Meeting:

Council Member Eide called the Regular Meeting to order at 5:40 p.m.

- A. Agenda:** Administrator Todd stated that he would like to add items to the agenda. The items would be added under miscellaneous and include: Parking spaces for the St. Mane Theatre, complaint/observation regarding the Amish, Mediacom and Ace bids and budget review. Council Member Allen made a motion to adopt the agenda with the additions to be discussed under miscellaneous. The motion was seconded by Council Member Smith. Motion carried all in favor.
- B. Minutes:** Council Member Smith moved to approve the minutes of the May 5th, 2014 meeting without corrections. Motion seconded by Council Member Allen. Motion carried all in favor.

Committee/Commission Reports:

- A. Library:** No Report.
- B. Ambulance:** Ambulance Director Lee Peterson was on hand to address the Council on items related to the Ambulance Department. Peterson stated that the Ambulance Department had received a donation in the amount of \$500.00 from the SE Minnesota Hog Association (Motorcycle Group). Lee stated that the Hog Association selects different ambulance service providers each year and that this was Lanesboro's year to receive the award donation.
- C. Public Utilities:** PUC Member Theresa Coleman was on hand to advise the Council regarding the meeting on May 19th, 2014. She stated that the water main project on Kenilworth Avenue is complete and Wieser Construction has started on DuPont Street. She indicated that there will be an imminent increase in electric rates due to wholesale power rate increases passed on to municipalities from our power supplier. Coleman indicated that the rate increases could range from 7 percent to 15 percent depending on what the wholesaler sets the rate increase at for FY2015. Coleman stated that the PUC motioned to approve the purchase of a new City backhoe on a 50/50 match with the City. The backhoe will be purchased from Titan machinery and the PUC cost will be paid for from the vehicle replacement fund. Council Member Smith asked Coleman if

the PUC had a franchise contract with Mediacom and whether or not the City is collecting a fee for the use of the City's utility poles as has been the custom in the past. Coleman stated that the City does not have a franchise fee with Mediacom and that the only fee they collect is from the cell phone carriers for lease of the space on the water towers. She indicated that the fee collected goes into a fund to maintain the water towers. She stated that a pole usage fee would be more than likely passed on to the consumer in the form of higher rates for services from the communications company and that if the City collected a fee for the use of those poles, it more than likely wouldn't amount to much. Smith countered that every little bit helps. He asked Administrator Todd to look into collecting or establishing a utility pole usage fee. Coleman stated that they would take it up at the next Public Utility meeting.

- D. HPC:** Administrator Todd advised the Council on the HPC meeting that took place on May 19th, 2014. The HPC approved building permit to Pat Shanahan who has purchased the former Olivia's Attic building. Likewise, they approved a building permit for The Ice Cream Shoppe; both buildings are in the historic district.
- E. Planning and Zoning:** Administrator Todd provided the Council with an update of the Planning and Zoning meeting that occurred on May 21st, 2014. Todd stated that the P&Z Commission reviewed building permits and a request for a home occupation permit. Todd indicated that all but one permit was approved, however, the home occupation permit and the subsequent building permit were disapproved due to concerns regarding fence height and related nuisance issues.
- F. Park Board:** Administrator Todd provided the Council with an update of the Park Board meeting that took place on May 13th, 2014. Todd stated that the park board was advised of the completion of several projects, including the bath house improvements, new tile in the community center, and new hand dryers in the main bathrooms of the community center. Additionally, Courtney Berge was on hand to discuss possible conceptual designs on artwork that would be placed within the park space and bath pond. Likewise she was seeking support from the Park Board with regard to placement of the designs and input from board members regarding the direction of the project. Lastly, the Park Board addressed the Chamber's request for funds for mulch. They indicated that did not feel as though the issue of beautification should be under the Park's purview, but rather the Chamber's purview instead.
- G. Lanesboro Chamber of Commerce:** Council Member Allen provided the update of the Chamber meeting that took place on May 28th, 2014. She indicated that the Chamber was in desperate need of volunteers for weekend watering of the hanging baskets throughout town. She also advised of the weed-up initiative which is taking place in two weeks.
- H. Fire Department:** Rob Wagner was on hand to deliver the monthly update to the Council regarding issues of the Fire Department. Wagner stated that the FD responded to two motor vehicle accidents and two fires for the month of May. He also advised that there was a mutual aid agreement in place with Preston due to the road closure for bridge replacement on Highway 16. He also requested the Council to allow the normal activities of the FD during July Street days and Buffalo Bill Days (street closure for the dance and gambling activities as well as serving alcohol).

Persons with interest before the Council:

- A. Jason Boynton-Smith Schafer and Associates:** Jason Boynton was on hand to deliver the 2013 Audit presentation to the City Council. Mr. Boynton stated that there was nothing unusual regarding the audit for 2013. He did want to highlight that the City's reserve position for 2013 was currently under 30% (exact figure was 27%) and he stated that the City should try and raise that figure to around 50%. This coincides with the opinion of Administrator Todd during the 2014 budget proposal given to the City Council. Mr. Boynton also addressed the deficit in the Fire Department budget, indicating that the Fire Department has exceeded their budget over the past years and this has contributed to the current deficit. Boynton stated that the City should develop a plan to bring the fire budget back on track.
- B. Dan Anderson-Vacation Request:** Dan Anderson was on hand to turn in the petition from the majority of abutting landowners to further the vacation request of a portion of Ridgeview Lane. City Attorney Manion reviewed the petition and questioned whether the exact amount of a majority of landowners was represented. Manion stated that if the condo was owned by a two member household, each member needed to sign the petition. It appeared as though Mr. Anderson did not have the requisite number of signatures on the form. He indicated that he would seek the correct number and revisit the Council next meeting. He asked, prior to leaving the chamber, if the Condo Association were to have the portion of the roadway asphalted, would the City be interested in splitting the cost. He stated that since there was a company in the area, it would be less expensive to get the asphaltting done. The Council stated that they would take it under consideration.

Regular Business:

- A. Accounts Payable:** Council member Allen made a motion to accept the payables as presented. Motion was seconded by Council Member Eide. Motion carried all in favor.
- B. Alcohol Permit-Mrs. B's-Theresa Capua:** City Council was presented a request for an alcohol permit allowing the proprietors of Mrs. B's B&B to serve alcohol to the guests. The application is for an on-sale wine license for the establishment. Motion was made by Council Member Allen to allow the on-sale wine permit for Mrs. B's B&B. Motion was seconded by Mayor Rahn. Motion carried all in favor.
- C. Office Equipment Lease-Copier Lease Renewal:** Administrator Todd stated that the City copier lease is up for renewal. The contract for office equipment was acquired on the state contract bid from A-Plus Imaging System (Sharp) for a 60 month lease at \$154.77 per month. The new copier will be an upgrade from the old copier in that it will be a color copier machine for only \$1.00 increase over the previous lease. Motion was made by Council member Allen to enter into the contract with A-Plus Imaging. Motion was seconded by Mayor Rahn. Motion carried all in favor.
- D. Fillmore County Developmental Center-Handicapped Fishing-Permit to sell in the Park:** Administrator Todd advised the Council that the Fillmore County Developmental Center will be holding an event in the park for the handicapped and they requested permission to sell calendars during the event. Motion was made by Council member Allen to allow the FCDC to sell calendars during the fishing event. Motion was seconded by Council member Smith. Motion carried all in favor.
- E. DNR Lease at the Chamber Building-Renewal:** The Council was advised that the lease negotiation between the City and the DNR had reached a point of possible impasse. The DNR Lease Specialist, Janis Nelson, stated that the DNR was proposing a lease of

\$5.00/sf plus utilities and the City would be responsible for installing new carpet for the space at the Depot building. Administrator Todd, after consulting with City Attorney Manion, sought rent quotes from the area for similar sized spaces. The average rent proportion for this area was \$400.00/sf for lesser desired areas than the Depot building. City Attorney Manion counter proposed at \$15.00/sf with utilities. The letter was mailed to DNR Lease Specialist Janis Nelson and we are currently awaiting a response. The Council did not think that, based on the average rental prices for the area, that \$15.00/sf was too high of a request.

- F. Backhoe Lease-City Portion-PUC Approved:** Administrator Todd advised the City Council regarding the backhoe lease purchase. The PUC had agreed to a 50/50 cost share with the City. The backhoe is in need of repairs and the current trade-in rate would have the balance of \$45,230.00 to be financed by the City and PUC. The PUC indicated that their share would be paid in full from the vehicle replacement fund in the amount of \$22,615.00. That would leave the exact amount for the City portion. The lease/purchase options are for 3, 4, and 5 year terms at 3.59%. Motion was made by Mayor Rahn to approve the City portion of the backhoe (\$22,615.00) not to exceed a term of 4 year lease/purchase. Motion was seconded by Council Member Eide. Motion was carried all in favor.
- G. Bid/Quote for Alley Repairs/Updates-Alley between Tom Manion and the Pastry Shoppe:** The Council was presented two quotes for repair work in the alley between Tom Manion's building and the Pastry Shoppe building. The repair work was quoted for installation of a concrete trough running the length of the building, repair to the drainage tube and replacement of six sections of sidewalk. Bids were received from C&C Construction Collaborative out of Rochester and from Norse Valley Construction out of Lanesboro. C&C Construction's bid came in at \$16,441 and Norse Valley was bid at \$5,250.00. Motion was made by Council Member Smith to enter into a contract with Norse Valley for repair of the alley. Motion was seconded by Mayor Rahn. Motion carried all in favor.
- H. Vaccination Policy-Hepatitis B-Ambulance Personnel-2015:** Administrator Todd advised the Council that Lee Peterson, Ambulance Director, was seeking a policy for vaccination from Hepatitis B for the Ambulance personnel. Todd advised that the LMC had statutory language that cities are required to pay for vaccinations for ambulance personnel for Hepatitis B. Todd advised that the City did not have a policy in place for this. Mayor Rahn advised that the City pays for vaccinations and will continue to do so. He stated that he did not believe that there was a policy needed.
- I. HPC District Expansion-Final Phase-RFPs:** Administrator Todd advised the Council that the final phase of the district expansion was sent out for RFPs. Two firms contacted the City for proposals: AWS Architects out of Spring Valley and Tom Zahn and Associates out of St. Paul. AWS's bid was \$7,400 while Tom Zahn's bid was \$6,200. The HPC was recommending the City hire AWS due to quality of work issues with Mr. Zahn's firm. Motion was made by Council member Allen to hire AWS for the final phase of the

expansion project. Motion was seconded by Council Member Eide. Motion carried all in favor.

- J. Lanesboro Dam Funding Contingency:** Administrator Todd advised the Council that the only options left on the table for the dam project was to table the project until the next state bonding year, have the City issue a GO Bond for the remaining funds, or seek a loan through the USDA for the remaining funds. Todd stated that he spoke with Senator Jeremy Miller who asked about the project. Miller stated that he could reintroduce the project in the next legislative session and try to reduce the match or eliminate it altogether to make 100% funding available for the dam. Todd explained to Miller that the reduction or elimination of the match altogether would be the only way Lanesboro would be able to move the project forward. Mayor Rahn asked administrator Todd to consult with Mike Bubany to see where taxes would go if the City decided to issue a GO Bond for the project. He indicated that the City may seek public input on this project before moving forward.
- K. Street Repair-Alley Running Parallel to Kenilworth Avenue behind the Red Hotel:** Administrator Todd advised the Council that a request was brought from the owners of the Red Hotel to fix a portion of the alley behind their building. They indicated that the alley and curbing is in disrepair and is allowing water and sand to filter into their parking area. Mayor Rahn stated that the City should assess the alley prior to moving forward.
- L. Miscellaneous:** Administrator Todd advised the Council that there has been a request to reserve parking spaces in front of the St. Mane Theatre for the June 13th production of Over the Back Fence. Motion was made by Council Member Allen to approve the reserved parking spaces. Motion was seconded by Council Member Eide. Motion carried all in favor.

Administrator Todd advised the Council of a letter of observation/complaint regarding the Amish Market relocation. The letter cited the new location not being as visible and the extra distance to the public restrooms. The letter went on to say that they felt it was an arbitrary decision on the City's part to relocate the Amish to a less desirable location. Administrator Todd indicated to the Council that the authors of the complaint did not contact the City for the whole story nor did they furnish a means to contact them to offer the whole story. Mayor Rahn indicated that their concerns will be taken into consideration. No action taken.

Council Member Smith stated that he wished to start the budget process earlier this year so that the Council can take part and also the department heads. Administrator Todd advised that he too would like to start the process earlier so that everyone can be involved.

Council member Smith advised that he would also like to see the City seek bids on telecommunications. He stated that there could be a cost savings to the City if these services were bid out.

Next Meeting: July 7th, 2014 at 5:30 p.m.

ADJOURN: Mayor Rahn moved to adjourn at 7:30 p.m. Motion seconded by Council Member Eide. Motion carried all in favor.

Respectfully Submitted,

David Todd
City Administrator