

Lanesboro City Council
Regular Meeting
Tuesday, September 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

Regular Meeting:

Mayor Rahn called the Regular Meeting to order at 5:31 p.m.

- A. Agenda:** Mayor Rahn asked if there were any additional items to be added to the agenda. Administrator Todd stated that there were items to be added under miscellaneous and include: Letter of praise for the Lanesboro Ambulance personnel and LMCIT Insurance renewal. 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 Eide. Motion carried all in favor.
- B. Minutes:** Council Member Eide moved to approve the minutes of the August 4th, 2014 meeting. Motion seconded by Council Member Allen. Motion carried all in favor.

Persons with Interest

- A. John Davis:-Art Campus Update (Event on September 13th, 2014)** Mr. Davis was on hand to thank the Council for its continued support of the Lanesboro Art Campus Initiative and to provide an itinerary for the event scheduled for September 13th to kick off the Art Campus Project. Mr. Davis indicated that there will be a band scheduled for the day and the Arts Center would like to cordon off the Bass Pond Parking lot in order to have orderly ingress and egress from the area. Likewise, there will be an open house during the event to be held at the Lanesboro Art Center and there will be signage placed along the Bass Pond and pedestrian walkways to indicate such. Mr. Davis advised that the event will run from around 2:00 p.m. through 8:30 p.m. Additionally, Mr. Davis was on hand to answer questions regarding Resolution 2014-13 Declaring Lanesboro as an Art Campus. Mr. Davis advised that the resolution was mostly ceremonial but having the resolution in place, showing Council support, could open the pathways for additional funding sources that could benefit the City. Council will take action on the resolution in during the regular business portion of the meeting.

Committee/Commission Reports:

- A. Library:** Administrator Todd provided an update to the Council regarding the Library Board meeting held on August 20th, 2014. The Library Board is looking to replace Board member Krista Flaig who is relocating to Rochester, with Julie Obritsch (Resolution 2014-14). Additionally, they will be incorporating children's drawing and art work onto the new mural in which work on the project will commence very soon.
- B. Ambulance:** Ambulance Director Lee Peterson was on hand to address the Council on items related to the Ambulance Department. Peterson advised the Council that there are two new EMTs that are activated and participating; Allison Twite and Mark Lawstuen. Peterson also advised the Council that he was submitting his resignation as Lanesboro's Ambulance Director, effective December 31st, 2014. Peterson stated that his wife will be retiring and they wished to travel and spend a significant amount of time in Florida with family and he felt as though there would be a conflict with his duties as Ambulance Director. The Council thanked Peterson for his service and dedication to the service and a motion was made by Mayor Rahn to accept Peterson's resignation as of December 31st of 2014. Motion was seconded by Council Member Allen. Motion carried all in favor.
- C. Public Utilities:** PUC Member Theresa Coleman was on hand to advise the Council regarding the meeting on August 28th, 2014. Coleman stated that the PUC, in conjunction with Davy Engineering, opened and tabulated the bids for the water treatment facility project. The project was divided into four proposals: General/Mechanical, Electric, PRV and Water mains, and Well Abandonment and Turbine Pumps. The PUC is recommending the Council approve the low bids for proposals 1 and 2 but defer action on proposals 3 and 4 due to the high bids for those two sections. Davy Engineering indicated that they wished to rebid those two proposals at a later date. Proposal 1 low bidder was Wapasha Construction out of Winona, MN. The recommended award is in the amount of \$1,956,506.88 for general mechanical construction. Proposal 2 low bidder was Norman's Electric out of Rushford, MN. The recommended award is in the amount of \$460,294.00. The total recommended award for proposals 1 and 2 total \$2,416,800.88. Coleman also provided an update to the Council regarding the restructuring of water rates to accommodate PFA financing. The City will be utilizing a Residential Equivalency Unit matrix to provide more equity to the base fees for water. The new structure will more evenly distribute the base fees to the accounts who utilize more water (the structure is based on a combination of usage, meter size, and the potential for expanded use). In the coming months, the PUC will be placing an explanation of the new structure in the utility bills for distribution.
- D. HPC:** Administrator Todd advised the Council on the HPC meeting that took place on August 18th, 2014. The HPC addressed the signage at Merchant's Bank in Lanesboro. The current sign violates the ordinances put in place safeguarding historic preservation in the City. The HPC gave Mr. Graner copies of the historic guidelines regarding signage and an additional 60 days to come up with a more historically appropriate sign for the bank. Administrator Todd advised the Council that he reached out to the City Attorney to craft a letter to Merchant's Bank regarding this issue.
- E. Planning and Zoning:** Administrator Todd provided the report of the Planning and Zoning Commission meeting that took place on August 20th, 2014. Administrator Todd stated that the P&Z Commission approved several building permits for the month; including those from Donald Lukkason (Home Occupation Permit), Steve and Suzie

Harris (Shingles), Vern Riddle and Jennifer Wood (Garden Shed) and Jerry Evenson (Addition to Shed).

- F. **Park Board:** Administrator Todd provided the Council with an update of the Park Board meeting that took place on August 26th, 2014. Todd stated that John Davis was on hand to discuss the signage issue at the Bass Pond as well as the upcoming kickoff event set for September 13th, 2014. Parking in the Bass Pond Parking Lot was discussed and the Park Board asked that the outfitters and commercial vendors who utilize the parking lot relocate their equipment to the ball field parking area near the brush dump. The Park Board indicated that they will recommend the new location for commercial users at the next Council meeting. The board also made motion to recommend the sale of the unused skate park equipment. Lastly, the Park Board made a motion to recommend promoting Ardell Nordgaard to the position of Park Supervisor.
- G. **Lanesboro Chamber of Commerce:** Council Member Ceil Allen provided the monthly update of Chamber Activities to the Council. She indicated that lodging tax issue was at the forefront of Chamber discussion as the lodging tax received did not seem to be inclusive of the various campgrounds around the City of Lanesboro. Administrator Todd advised that when lodging tax is received, a monthly spread sheet is provided to the Chamber indicating who has remitted payment. Todd indicated that he was not aware of which jurisdiction was to be included in the lodging agreement. He indicated that he reached out to the City Attorney who provided lodging tax agreements from 2008 that were on file in his office. He indicated that Julie Kiehne was most likely the last person who would have had those agreements on file. Todd indicated that there were no copies of lodging tax agreements that could be located at City Hall. Todd advised Chamber Director Slinde that he would work with the City Attorney to try and come up with copies of any agreements and also letters to those jurisdictions with which the City had agreements in the past to see if they are in force.
- H. **Fire Department:** No report.

Regular Business:

- A. **Accounts Payable:** Mayor Rahn made a motion to accept the payables as presented. Motion was seconded by Council Member Allen. Motion carried all in favor.
- B. **Temporary Liquor License (1 Day Permit)-Mrs. B's Inn:** Administrator Todd presented the Council a permit from Mrs. B's for a one day liquor license for an upcoming event to be held at their bed and breakfast. City Attorney Manion pointed out that state statute 348.404(10) precluded Mrs. B's making application because they are not a non-profit, service club, religious, or charitable organization. No action taken on this permit by the Council.
- C. **Temporary Liquor License (1 Day Permit)-Preston Servicemen's Club:** Administrator Todd presented the Council a permit from the Preston Servicemen's Club for a one day liquor license for an upcoming event in Lanesboro. Todd advised that the fee had been paid and a copy of their liability insurance is on file at City Hall. Motion was made by Mayor Rahn to grant the permit request for a one day liquor license for the Preston Servicemen's Club. Motion was seconded by Council Member Eide. Motion carried all in favor.

- D. Resolution 2014-13-Declaring Lanesboro as an Art Campus:** Motion was made by Council Member Allen to approve resolution 2014-13. Motion was seconded by Council Member Eide. Motion carried all in favor
- E. Resolution 2014-14-Appointing a Library Board Member:** Motion was made by Council Member Allen to approve the resolution and appoint Julie Obritsch to the Library Board. Motion was seconded by Council Member Eide. Motion carried all in favor.
- F. Cottage House Ingress/Egress Driveway (Letter from Manion)-Eric Bunge:** Administrator Todd advised the City Council that he received a request from Eric Bunge to have a portion of the ingress/egress driveway leading into the Cottage House repaired due to the condition of the asphalt. Mr. Bunge stated that he believed that the driveway was City property and that the City should repair it. He indicated that he had a contractor lined up to replace the asphalt and that he would present the City with the bill upon completion of the work. Todd spoke with City Attorney Manion and we conducted research on the driveway in question. It did appear as though at one time the driveway was part of the City's right of way known as Coffee Street. And as such, the City's determination to repair the portion of the right of way would be as part of a larger street project. Todd asked that Manion send a letter to the Bunge's advising them that they could either proceed with the project at their own expense, or the City would repair the right of way in a larger street project as budget funds allow. The Bunge's elected to continue the project at their expense rather than wait until the City addresses the larger street project.
- G. DNR Lease at the Chamber Building:** The Council was advised that the proposed lease agreement with the DNR was complete and returned to the DNR for approval. The principal of the document has been agreed upon; however, there is some language that the City needs to clarify with the DNR prior to signing the document. As of the date of this Council meeting, the City has not heard from Janis Nelson, Lease Specialist for the State of Minnesota, to finalize the agreement. Todd stated that he would advise the Council upon completion of the agreement.
- H. Bass Pond Parking-Recommendation from the Park Board:** Administrator Todd advised the Council that the Park Board has recommended the relocation of the outfitters canoes and equipment to the ball field area by the brush dump. Todd stated that the Park Board wished to return the use of the Bass Pond parking area back to its original intent of parking for Lanesboro visitors and tourist. City Attorney Manion weighed in on this issue stating that the City has exclusive jurisdiction over the parking area but in the past the issue had been striking a balance between local business interest and the lack of adequate parking for tourism. The Council asked Administrator Todd to work with the City Attorney to investigate possible parking restrictions at the Bass Pond.
- I. Personnel-Park Supervisor Position-Park Board Recommendation (Ardell Nordgaard):** Administrator Todd provided a recommendation to the Council from the Park Board to appoint Ardell Nordgaard to the position of Park Supervisor effective August 10th, 2014 (retroactive). Motion was made by Mayor Rahn to appoint Ardell Nordgaard to the position retroactive to August 10th, 2014 with pay and benefits at pay grade 3 (\$17.33 per hour). Motion was seconded by Council Member Smith. Motion carried all in favor.

J. Personnel-Ambulance Director Position-Lee Peterson Resignation Letter:

Administrator Todd advised the Council that he received notification that Lanesboro's Ambulance Director, Lee Peterson, has tendered his resignation effective December 31st, 2014. Motion was made by Mayor Rahn to accept Peterson's resignation effective December 31st, 2014. Mayor Rahn thanked Peterson for his service to Lanesboro and for providing plenty of notice to the City. Motion was seconded by Council Member Eide. Motion carried all in favor.

K. Bid Award for WTP-Davy Engineering-Recommendation from PUC:

Administrator Todd advised the Council that the PUC and Davy Engineering recommended the following award of contracts for the WTP Project mandated by the Minnesota Department of Health: The project was divided into four proposals: General/Mechanical, Electric, PRV and Water mains, and Well Abandonment and Turbine Pumps. The PUC and Davy Engineering are recommending the Council approve the low bids for proposals 1 and 2 but defer action on proposals 3 and 4 due to the high bids for those two sections. Davy Engineering indicated that they wished to rebid those two proposals at a later date. Proposal 1 low bidder was Wapasha Construction out of Winona, MN. The recommended award is in the amount of \$1,956,506.88 for general mechanical construction. Proposal 2 low bidder was Norman's Electric out of Rushford, MN. The recommended award is in the amount of \$460,294.00. The total recommended award for proposals 1 and 2 total \$2,416,800.88. Motion was made by Mayor Rahn to award the contract for proposal 1 to Wapasha Construction out of Winona, Minnesota for general mechanical in the amount of \$1,956,506.88 and the contract for proposal 2 to Norman's Electric out of Rushford, MN for electric contracting in the amount of \$460,294.00 and to defer proposals 3 and 4 to be rebid at a later time. Motion was seconded by Council Member Allen. Motion carried with a yes vote from Council Member Eide and a no vote from Council Member Smith.

L. Truth and Taxation Meeting December 1st, 2014 at 6:00 p.m.:

Administrator Todd advised the Council that the truth and taxation meeting is scheduled for December 1st, 2014 at 6:00 p.m. Motion was made by Ceil to approve the T&T meeting for that date and time. Motion was seconded by Mayor Rahn. Motion carried all in favor.

M. Resolution 2014-15-2015 Preliminary Budget:

The Council was presented the preliminary 2015 budget by Administrator Todd for approval. The budget focuses on building reserve funds for 2015 and beyond as well as maintaining City operations for the upcoming year. Todd advised the Council that his recommendation is to increase the amount of money appropriated for overtime due to the harsh winter in the past year. The overtime used by the street personnel in keeping our roads clear was not adequately budgeted for in the past year and as a result, the funds to compensate for overtime was used from reserve funds. Todd advised that in this year's budget, an additional \$5,000 was incorporated to compensate for overtime. Likewise, Todd recommended to the Council to provide step (merit) increases for the City personnel indicating that it had been five years since their last merit increases. Todd stated that he believed the City to have very caring and dedicated personnel and they need to be

recognized for the job they do. Todd also advised the Council that he had spoken with all of the department heads regarding the need to spend responsibly in order to pull funds into the reserves. Todd stated that he believed this could be done by limiting spending or spending responsibly and not cutting the line items to the bare bones to adequately fund operations. Todd stated that the budget represented a 1.9% increase over all, although the recommendation to the Council by Mike Bubany, the City's Financial Advisor was 2.5% to 3.0% annually. Todd stated that even with the overall increase in the budget of 1.9%, the property owners will see a decrease in taxes paid: For example, taxes paid on property valued at \$100,000 will see a decrease of one dollar and taxes paid on property valued at \$350,000 will see a decrease of around six dollars. Todd stated that this was a very defensible budget that did not include any gratuitous spending but focused on operations and building reserve funds as recommended by the City's Auditor. Motion was made by Council member Allen to approve the preliminary budget with the associated 1.9% increase as presented. Motion was seconded by Council Member Eide. Motion carried all in favor.

- N. Miscellaneous:** Administrator Todd advised the Council that he had received a renewal request from the LMCIT for property/casualty coverage for the upcoming year. Todd asked the Council for permission to renew the policy. Motion was made by Mayor Rahn to renew the LMCIT policy. Motion was seconded Council Member Smith. Motion carried all in favor.

Administrator Todd advised the Council of a letter of commendation received by the City regarding the outstanding job done by the Lanesboro Ambulance Service. The Council expressed their thanks to the Ambulance Service for a job well-done and for representing the City of Lanesboro with professionalism and pride.

Next Meeting: Monday, October 6th, 2014 at 5:30 p.m.

ADJOURN: Council Member Eide moved to adjourn at 6:45 p.m. Motion seconded by Council Member Allen. Motion carried all in favor.

Respectfully Submitted,

David Todd
City Administrator