

Lanesboro City Council
Regular Meeting
Monday, October 7, 2013
5:30 p.m.
City Council Chambers

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

Visitors: Matthew Kirkpatrick, Bobbie Vickerman, Mike Charlebois

Public Hearing: Small Cities Development Grant Program-Michelle Vries from CEDA

Mayor Rahn called the Public Hearing to order at 5:30 p.m. No public comments were presented. Mayor Rahn closed the Public Hearing at 5:45 p.m. due to lack of public presence and comments.

Regular Meeting:

Mayor Rahn called the Regular Meeting to order at 5:45 p.m.

- A. Agenda:** Council Member Smith stated that he would like to add items to the agenda. These items would be added under miscellaneous and include: Rick Lamon Vacation of Beacon Street, Noxious Weed Complaints, Budget Items, and Fire Prevention Week. 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 Dybing. Motion passed all in favor.

- B. Minutes:** Council Member Allen moved to approve the minutes of the September 3, 2013 meeting without corrections. Motion seconded by Council Member Smith. Motion carried all in favor.

Persons with Business before the Council

Bobbie Vickerman: Buffalo Bill Days Recap

Bobbie Vickerman presented the Council with a recap of the Buffalo Bill Days event. She indicated that the Beer and Brat Tent proceeds were a little low this year and the BBD Committee still needs to pay the groups who contributed their time to the event. Vickerman indicated that this year, the proceeds of the event may break even or be a slight loss. She indicated that the BBD Committee is looking for volunteers for next year's event. Mayor Rahn thanked Vickerman and Mara Drake for their hard work during the planning and managing of this event.

Mike Charlebois: Brew Pub License

Mike Charlebois addressed the Council regarding the establishment of a Brew Pub within the Riverside on the Root Restaurant that he owns. He indicated that he wished the Council to consider backing a license for a Brew Pub on his premises. He indicated that the first step in the licensing process was to get approval from the City Council. Mr. Charlebois stated that he had a Brew Master whom would be making the beer within the restaurant and that the licensing would be for on-sale as well as off-sale. He indicated that the state statute provided for the maximum brewing capability of 3,500 casks or barrels of brew per year but that he would be well under that amount. He estimated that he would produce less than 100 casks per month. Council Member Dybing made a motion to approve Mr. Charlebois request for pursuing a Brew Pub license. Motion was seconded by Council Member Allen. Motion passed all in favor.

Committee/Commission Reports:

- A. Library:** City Administrator Todd provided the Council a report for the Library meeting that took place on September 18th, 2013. Todd stated that the Library's budget was within proportion at this point in the year. He indicated that circulation numbers continue to hold steady. He also stated that the Library Board conducted a personnel evaluation for the Director.
- B. Ambulance:** Lee Peterson, Ambulance Director provided a monthly update to the Council regarding the Ambulance Department. He stated that the Ambulance Department currently completed CEVO Driving Training and that now the Lanesboro Ambulance Department has more drivers certified than ever before. He stated that the new Ambulance is on schedule and should be ready by mid-October.
- C. Public Utilities:** City Administrator Todd provided the Council an update on the Public Utilities Meeting on September 16th, 2013. He indicated that the PUC is working on budget items for 2014, including possible water and sewer rate increases to help fund the Water Radium project. He also indicated that the PUC was looking into the rates schedule contained within the ordinance for the City of Lanesboro as they are outdated.
- D. HPC:** Administrator Todd provided the Council an update of the meeting of the HPC on September 16th, 2013. The HPC and the City of Lanesboro hosted the annual State Historic Preservation Conference in early September. The location of the event was the Commonweal Theater and included a walking/bus tour of the historic sites in and around Lanesboro. The welcome event was hosted at the Sons of Norway Hall and included drinks and light appetizers. The agenda for the event included classes throughout the day on Friday, September 13th. The HPC conducted an after action review of the event. It was noted that Lanesboro was heavily complimented for their planning and preparation of the event and the hospitality the city extended to the attendees. Attendees from the State Historic Preservation Office were thrilled with the way in which Lanesboro conducted the event and how well the City accommodated the influx of visitors
- E. Planning and Zoning:** Council Member Dybing provided the report of the Planning and Zoning meeting that took place on September 18th, 2013. He indicated that the P&Z

Commission approved building permits for Schwartz, Miner, Johnson, Haug, Bunge, and they also received a petition for a partial vacation of a platted roadway also known as 5th Street. He stated that the Planning and Zoning Commission made a motion to approve the vacation because the parcel of land would be developed and therefore added to tax base for the City of Lanesboro, thereby establishing a public benefit to the vacation. He also stated that the Planning and Zoning Commission is working through the 330 Zoning Ordinances for adoption by the Council. He stated that by the end of the year they will have worked through the document and will provide it to the Council.

- F. Park Board:** Mayor Rahn provided the update of the Park Board meeting that took place on September 10th, 2013. He indicated that the Park Board has been looking into replacing some playground equipment and that Flagship Playground Structures has offered to host a tour of their facility. Rahn indicated that the board is also considering the removal of the sandbox from the park and have not yet made a determination as to whether the new playground structure will have a sandbox or not. Marge Drake asked the Council to consider contributing to the planting of trees in the park for the David Drake Memorial fund, to date, the park has acquired twelve new trees that have been furnished and planted by Winona Nursery. Lastly, the park board asked that Jason Resseman provide an update to the landscaping plan originally presented to the Park Board in August. The Board was not happy with the foliage presented and asked that Resseman provide alternatives to the current selection.
- G. Lanesboro Chamber of Commerce:** Administrator Todd provided the Council with the monthly update of the Chamber of Commerce meeting. The meeting focused on the branding efforts of the Chamber for the City of Lanesboro. The tag line that they selected was Arts, Nature, Rhubarb and the visual signage selected was a “keyhole” L followed by the letters spelling out the city name. Inside the “keyhole” was a visual representation of the city, which included various items depicting the local Lanesboro culture. The branding effort was conducted by Kris Kiel with input from the Chamber Board.
- H. Fire Department:** Rob Wagner, Fire Chief for the city of Lanesboro, provided the monthly update for the Council. Wagner stated that there was a piece of equipment that the department needed to purchase. The item, a rescue air bag system used to lift and/or separate heavy items, is utilized for the rescue of trapped individuals. The item cost is roughly \$19,995.00 and would be purchased through Fire Safety USA, Inc. The Council questioned whether the fire department had the money to purchase such equipment in their equipment fund. Administrator Todd advised that the department has the funds available for the purchase. It was then raised as to whether the department could wait on the purchase until January 1st, 2014, when the State Statute becomes effective allowing municipal purchases to be tax free. Wagner indicated that he would speak with his contact at Fire Safety, Inc and see if the purchase can wait until the first of the year.

Regular Business:

- A. Accounts Payable:** Council Member Dybing made a motion to approve the payables as presented. Motion seconded by Council Member Eide. Motion carried all in favor.
- B. TH 250 Storm Water Project-Final Payout to Blitz Construction:** Mayor Rahn made a motion to approve the final payout to Blitz Construction in the amount of \$2893.75. Motion was seconded by Dybing. Motion passed all in favor.
- C. Museum Repairs-Painting, Fire Escape:** Administrator Todd advised the Council that Eric Goerke had been selected by the Museum Committee to conduct repairs to the exterior of the building. Mr. Goerke came to City Hall to provide Administrator Todd a synopsis of the needed repairs. He advised that some boards on the deck and fire escape needed replaced along with the spindles. He stated that the entire decking and stairs needed stained or painted. He indicated that he would provide the materials at cost and that the work he conducts would save the city money if he were paid by the hour and not a contractual sum. I advised him to provide the city with an account of the cost of labor, materials, and scope of work to be done. The Council advised they would revisit this issue when the information was provided to the city by Mr. Goerke.
- D. LMCIT Liability Waiver:** Administrator Todd advised the Council that the League of Minnesota Cities requested that we complete the Liability Coverage Waiver Form and return it to the LMC. Historically, the City of Lanesboro has elected not to waive the monetary limits on liability coverage and Todd requested the Council continue with the coverage. Council Member Smith made a motion to continue with the liability coverage. Motion was seconded by Council Member Dybing. Motion passed all in favor.
- E. Vacation Request-Clarice Ward Trust:** Matthew Kirkpatrick, attorney from Springer and Gumbel, PC was on hand to produce a petition for the vacation of a portion of land, formerly known as 5th Street. Mr. Kirkpatrick was representing the Clarice Ward Trust. The portion of land sits just north of parcel #190412000. The purpose of the vacation would be to sell that aforementioned parcel to a private party to be developed. The vacation would be a public benefit to the city so as to increase the tax roll by allowing development of the vacated portion of the parcel. Administrator Todd advised Mr. Kirkpatrick that he would schedule a public hearing for the November Council meeting and that Springer and Gumbel would need to provide a survey for the proposed vacation, which they would be responsible for funding. Likewise, Springer and Gumbel would be responsible for providing the city with a \$200.00 vacation fee and the cost of posting the public notice. Mr. Kirkpatrick asked that the city invoice his office for the cost of printing the public notice and he also provided a check for the cost of the vacation fee. He advised that there would be a survey provided to the city prior to the November Council meeting. Council Member Dybing made a motion to continue on with the vacation process. Motion was seconded by Council Member Smith. Motion carried all in favor.
- F. Water Run-Off Complaint 101 Pleasant Street:** Administrator Todd advised the Council of a complaint regarding water run-off at 101 Pleasant Street. The homeowner stated that the water run-off from Pleasant and Kenilworth Streets have caused his basement to fill with water and erosion of soil in his yard causing a portion of his lawn to sink. Administrator Todd advised the Council that he had spoken with the City Attorney

regarding this issue as it is reminiscent of two other complaints received in recent months regarding the city's liability for damage caused by water run-off. The city Attorney concurred with the Administrator's opinion that the city has no liability with regard to water run-off. Further, there are four catch basins (two on Kenilworth and Two on Pleasant Street) that were put in by the city to deal with water run-off issues. Mayor Rahn advised that he also observed the area, including the homeowner's claim of damage to the lawn. The mayor, along with the Street Supervisor agreed that the sunken portion of the lawn appeared to be an abandoned cistern. Likewise, the Mayor concurred with the City Attorney that the city is not liable for the damage to private property. Administrator Todd advised that he would relay the findings to the homeowner regarding their rights and the City's liability in this issue.

- G. Health Insurance Update-Benefits Solutions:** Administrator Todd provided the Council information on the future of health insurance for the city in response to the Affordable Healthcare Act. After consulting with the current third party administrators of the city's Health Reimbursement Account, it was learned that the city would no longer be able to fund an HRA or an HSA (Health Savings Account) without having a qualified health plan in place. The provisions of the ACA (Affordable Healthcare Act) regarding small organizations of less than 50 full-time employees stipulate that the small organizations are not obligated to provide insurance to their employees nor are they subject to a tax penalty in lieu of providing insurance. Administrator Todd also contacted the LMC who, in turn, directed him to Gallagher Benefits Solutions, who are benefits attorneys contracted through the League of Minnesota Cities. They assisted Todd in navigating the provisions of the ACA. After the consultation with Gallagher, Todd advised the Council that there are three basic options for the City to choose from; 1-The City could do nothing in regards to providing a health benefit to its employees and are not obligated to do so according to the ACA, 2-The City could choose to procure a high deductible group plan for its employees if they so choose, or 3-The City could provide a benefit stipend in any given amount(the city currently funds an HRA at \$600.00 per month) although the stipend would now be taxable according to the provisions of the ACA. Todd advised the Council that Benefits Solutions advised that the employee's HRA accounts would still be valid through the first of the year provided there was a balance in the account. For example, if an employee had not used the accrued balance before January 1st that balance would remain in the HRA for that employee until it is used. Todd advised the Council that he would like to see the city continue to provide a health benefit to its employees through the stipend. Todd advised that the employees often use the current HRA and providing the same benefit through a stipend would allow the employees to offset the cost of health insurance even though the stipend would be taxable. Todd advised that he would seek advice on how best to implement the stipend through the city's payroll system if the city decided to go that route. Mayor Rahn thanked Todd for researching this issue and the Council will consider their options once all the information was gathered.
- H. Planning and Zoning Commission Open Position:** Administrator Todd advised the Council that there was an open seat on the Planning and Zoning Commission due to the resignation of Andy Drake. Todd advised the Council that responsibility for appointing a member to the P&Z Commission was under the purview of the Council and that, so far, there was only one interested person in the open seat. Council Member Smith indicated his preference to open the seat up to the public. Todd advised that he would advertise the open seat in the Republican Journal to seek interested candidates to fill the vacancy.

Mayor Rahn made a motion to advertise the open seat in the paper prior to filling it. Motion was seconded by Council Member Dybing. Motion carried all in favor.

- I. **Liquor License Renewals:** The Council was presented a spreadsheet regarding 20 licenses to be renewed for 2014. The spreadsheet was a listing of current businesses that have licenses that are up for renewal. Council Member Dybing made a motion to approve the license renewals for 2014. Motion was seconded by Allen. Motion carried all in favor.
- J. **Dan Anderson Church Hill Condos Parking:** The City Council was asked to address Dan Anderson's request for the City to enter into an agreement to acquire the parking spaces to the east of the Church Hill Condominiums. Mr. Anderson wished for the city to be responsible for the maintenance and snow removal for the parking spaces, which are bisected by the property line. Mayor Rahn stated that he didn't believe this would be in the City's interest to take ownership of the parking spaces. Council Member Smith stated that currently, half of the parking spaces are asphalt while the rest are gravel. He stated that it didn't make sense that the City wouldn't take over the spaces as they are currently conducting snow removal for the spaces anyway. He reiterated that it didn't make sense to keep them half gravel and half asphalt. The Council advised Administrator Todd to look into an agreement with Mr. Anderson that would address maintenance, striping, and snow removal for the parking spaces as well as a hold harmless agreement between Mr. Anderson and the City.
- K. **Lodging Tax Audit Process-Smith Schafer:** Administrator Todd advised the Council the Chamber of Commerce was interested in proceeding with the Lodging Tax Audit process. Todd advised the Council that he spoke with Smith Schafer, the City's contracted Auditing Firm, as well as the City Attorney regarding specifics of the process. Todd expressed concern regarding the relationship with the B&B owners if city staff conducted the on-site audit. This question was also raised in the conversation with Smith Schafer accountant Jason Boynton. According to the ordinance crafted for the Lodging Tax Audit, the city can select 2 to 5 lodging establishments per year to conduct the audit, after the necessary information was supplied by the owners. The ordinance states that the B&B owners would have until June 30th of the following year to provide the required information. The ordinance states that the city or a designated representative of the city may conduct an on-site audit of the lodging establishments. The City Council directed Administrator Todd to look into what Smith Schafer would charge to conduct the audit on behalf of the city. The Council agreed, along with the City Attorney, that an independent auditor would be in the best interest of the city.
- L. **MN DOT Land Acquisition-TH 16:** Administrator Todd presented the Council with an update on the land acquisition by the Minnesota Department of Transportation. The land, located adjacent to TH 16, is owned by the City of Lanesboro but has been occupied by the Olson family for quite some time. MN DOT provided a breakdown of the market value of the land and the competing interest between the parties. MN DOT was conducting negotiations between the City and the Olson family. As of Oct 7th no offer had been made to the City. The Olson's are seeking a Quit Claim Deed from the City so that their interest can be satisfied and compensated. The Olson's were to meet with MN DOT representatives in Rochester on Friday, October 11th in order to negotiate a settlement. Todd advised the Council that he would provide information as he

receives it. City Attorney Manion stated that the City needs to take a wait and see approach to the negotiations prior to asserting an amount for compensation of the land.

- M. Historic Preservation District Expansion Report-Tom Zahn:** Administrator Todd provided the Council an update of the Historic Preservation District Expansion Report provided by Tom Zahn. The report indicates that the district expansion would include the Lanesboro Co-op Creamery and the contributing buildings at 201,202, 204, and 206 Parkway Avenue North as well as the St. Mane Theater. The Council was asked to ratify the completion and results of the district expansion study by the HPC in order to proceed with wrapping up the study and opening grant funding and alternative funding sources from the SHPO. Council Member Allen made a motion to accept the findings of the district expansion study. Motion was seconded by Council Member Smith. Motion carried all in favor.
- N. Miscellaneous:** The Council was asked to consider wrapping up the vacation of Beacon Street request by Rick Lamon. Administrator Todd advised he had finally received the legal description and survey from Schwarz Construction in order to proceed with the vacation. Todd also advised that he had received the resolution for vacation, crafted by City Attorney Manion, which represents the last pieces of paperwork needed for this vacation request to be completed. The Council stated that they had not heard from the P&Z Commission regarding the placement of the stakes in relation to the survey and stated that they would like the Planning and Zoning Commission to sign off on the placement of the stakes prior to Council making a motion for resolution to vacate. A Motion was made by Council Member Dybing to have P&Z Commission look at the placement of the stakes and approve the survey prior to Council action on the resolution to vacate the portion of Beacon Street. Motion was seconded by Mayor Rahn. Motion carried all in favor.

Council Member Smith stated that he had received some complaints regarding noxious weeds around town and that the city needs to do something about it. Mayor Rahn asked Administrator Todd if he had received complaints regarding the weeds and Todd stated that he had not. Mayor Rahn stated that whoever made the complaint to Council Member Smith needed to do so at City Hall so that Administrator Todd could follow the protocol established to deal with this nuisance issue.

Council Member Smith also stated that he would like to see some progress on the budget and indicated that he would like the City Administrator to initiate a budget workshop in order to work on trimming the budget prior to December. Administrator Todd agreed and stated that he wished to conduct a budget work group to include the department supervisors in order to work towards the goal of trimming the budget where we can. Todd advised the Council that he will gather a consensus from the department supervisors on a time to meet and will advise the Council as such.

The City Council addressed Fire Prevention Week and asked Fire Chief Wagner if there was anything special that the Fire Department was doing with the school aged children. Chief Wagner indicated that the children would be visiting the fire department and the fire department would be visiting the school to discuss issues for fire prevention. Mayor Rahn stated that everyone needs to spread the word about Fire Prevention.

Next Meeting: November 4th, 2013

ADJOURN: Council Member Eide moved to adjourn at 8:15 p.m. Motion seconded by Council Member Smith. Motion carried all in favor.

Respectfully Submitted,

David Todd
City Administrator