

Lanesboro City Council
Regular Meeting
Monday, December 2nd, 2013
5:30 p.m.
City Council Chambers

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

Visitors: Tom Manion, City Attorney

Regular Meeting:

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

- A. Agenda:** Mayor Rahn stated that he would like to add items to the agenda. These items would be added under miscellaneous and include issues of interest to the City of Lanesboro regarding Minnesota Energy. Council Member Dybing made a motion to adopt the agenda with the additions to be discussed under miscellaneous. The motion was seconded by Council Member Allen. Motion passed all in favor.

- B. Minutes:** Council Member Allen moved to approve the minutes of the November 4th, 2013 meeting without corrections. Motion seconded by Council Member Eide. Motion carried all in favor.

Committee/Commission Reports:

- A. Library:** No report.
- B. Ambulance:** Lee Peterson, Ambulance Director, provided a year end breakdown of calls for service to the Council regarding the Ambulance Department. He stated that out of 105 total responses 80 were from residents inside our service area and 25 were calls outside our service area. The following was the actual breakdown: 70 were in home incidents, 62 were medical, 31 were trauma related, 12 were alcohol/psychiatric, 5 were found in or near area bars, 7 were bike trail incidents, 6 were vehicle related, and 3 patients were found in Sylvan Park. Peterson also stated that the Ambulance Department responded to zero calls for service on the river. Peterson also stated that our biller, ExperT Billing Service recommended that the City increase the rates the Ambulance Service charges. He indicated that our rates were the lowest in the area and the recommendation is to increase from \$500 to \$600 and our loaded mile fee from \$10.41 per mile to \$11.00 per mile.
- C. Public Utilities:** Commissioner Coleman provided the Council an update on the Public Utilities Meeting on November 18th, 2013. She indicated that the PUC is working on budget items for 2014, including water and sewer rate increases to help fund the Water Radium project. She also indicated that the PUC was looking at a 5.7% increase in wholesale power rates from our supplier. Coleman provided the Council an advance copy of the proposed budget that the PUC will vote on in their December meeting.

Coleman also stated that the Council was provided with revised ordinances with the proposed rates and fees schedules for adoption at this meeting.

- D. HPC:** Administrator Todd provided the Council an update of the meeting of the HPC on November 19th, 2013. The HPC hosted Ken Graner, Bank Branch Manager for Merchant's Bank. Mr. Graner was on hand to speak with the HPC regarding the signage for the building located on the corner of Parkway Ave and Coffee Streets. The building is in a historic preservation district, thus, the HPC was concerned with the signage proposed by Merchant's that did not adhere to the historic guidelines set forth in ordinance. The HPC granted a temporary sign for up to one year, but asked to revisit this issue in six months. Meantime, Mr. Graner was given the guidelines for signage within the historic district and was asked that Merchant's come up with a more historic sign for the building. Additionally, the HPC hosted John Davis from the Lanesboro Arts Center regarding the finalization of the expansion study for the historic district. He indicated that there are a few more steps to go through before the study is finalized. He stated that there needs to be an official request once the study was approved by SHPO. He stated that he would rather see Theresa Coleman author the final official request because Tom Zahn, who conducted the expansion study, is very difficult to get ahold of and that there has been a lack of communication between he and the City regarding the expansion report. Davis stated that once the final official request was complete, there would need to be a public hearing and then new ordinance drafted of the new district. Davis stated that the rate for authoring the official request ranged from \$3000 to \$5000 but the SHPO had a grant in place for those funds. He indicated that whatever the state did not cover, the Arts Center would contribute funds for that purpose. The HPC also discussed the Historic Preservation Awards and that they are still trying to locate an address for one of the recipients. The HPC asked that Theresa Coleman design an award for the final two recipients.
- E. Planning and Zoning:** Council Member Dybing provided the report of the Planning and Zoning meeting that took place on November 20th, 2013. He indicated that the P&Z Commission approved building permits from Tindall, Serdahl, and Drake. He also stated that the Planning and Zoning Commission members approved the proposed vacation of a portion of 5th Street by the Clarice Ward Trust. Lastly, he stated that the P&Z Commission took up the issue of the Merchant's Bank sign and concurred with the HPC. They granted a temporary sign for up to one year and would like to revisit the issue in six months. He also indicated that the Commission is still working through the 330 zoning ordinance for approval by the Council in 2014.
- F. Park Board:** Administrator Todd provided the Council an update of the Park Board meeting that took place on November 12th, 2013. He stated that the Board is looking into adjusting rates and fees for rental of park property and infrastructure (Community Center, Camping Fees, etc.). He also stated that there are building and park maintenance issues that needed addressed in 2014 (Sidewalks and Gutters at the Community Center, Bath House Repairs, etc.). And, lastly, the Board was seeking a meeting between the School and the Board regarding the status of playground equipment.
- G. Lanesboro Chamber of Commerce:** Council Member Allen provided the Council a report on the Chamber of Commerce meeting that took place on November 26th, 2013. Allen stated that there was discussion regarding their annual retreat meeting and also the

branding effort that was undertaken by the Chamber. She also stated that the Chamber would be focusing on strategic planning efforts at their annual meeting as well.

- H. Fire Department:** Rob Wagner, Fire Chief for the city of Lanesboro, provided the monthly update for the Council. Wagner stated that the Fire Department responded to a call for service regarding a deer that was trapped in the ice on the river. He also stated that he would provide the Council with an end of year report in January. Wagner also stated that he would like to have the Council take action on a resolution authorizing gambling for the department within the City for 2014. Administrator Todd advised that the resolution was provided to the Council in their packet to be acted upon later in the meeting.

Adjourn Regular Meeting: Mayor Rahn entertained a motion from Council Member Dybing to adjourn the regular meeting and open the Truth in Taxation Meeting. Motion was seconded by Council Member Eide.

Truth in Taxation Meeting:

Mayor Rahn called the Truth in Taxation Meeting to order at 6:00 p.m.

A. Property Tax Levy and Budget Discussion:

Administrator Todd addressed the Council regarding the proposed 2014 budget. He indicated that the budget placed before the Council was a very lean budget and was purely an operational budget, in that, the final number is what it actually takes to operate the City. He stated that the City currently is faced with a depleted amount in the reserve fund. Todd stated that he did not want to place an unrealistic or bloated budget before the Council and that attention needs to be given to replenish the reserve funds. Since there are no funds dedicated to that purpose, Todd stated that there needs to be cushion in the line items so that if operating expenses exceeded line item funding, we are not dipping into the reserve funds as has been the case traditionally. He indicated that he has already spoken to the department supervisors and asked them to be especially frugal with their spending so that we could rebuild reserves over the course of this year's budget and beyond.

B. Public Invited to Speak and Ask Questions Regarding the Budget and Levy

No public participation was noted. There was no public presence at this meeting.

C. Answer Questions about the Budget and Levy

There was no public presence at this meeting.

D. Final Council Comments and Discussion

A majority of the Council stated that there needed to be a plan for the budget to address the need to rebuild reserve funds, which at this point, are very low. They also expressed the understanding that the budget that was submitted by Administrator Todd was as lean as it could be given the fact that there are projects within the City that must be undertaken soon but delayed by necessity at present. Council Member Dybing stated that it was imperative that we replenish the reserves as they are dangerously low. He also stated that by allowing some cushion within the line items, while practicing fiscal restraint in spending, the City could achieve the goal of slowly rebuilding the reserve funds. Administrator Todd advised the Council that he had already spoken with the department heads about curbing spending for this budget year and possibly the next two. He stated that the City employees have a clear understanding of the situation. There was some alternate opinion, stating that if there was, for example, \$1,200 in the line item of small tools and equipment, the employees would spend that amount.

Council Member Allen disagreed with that sentiment, saying that there are good people working for the City and they would not spend money simply for the sake of spending money. Administrator Todd reminded the Council that the current employees have been working for the City for quite a while and have not had a pay step increase in more than three years. Todd stated that it was a testament to their loyalty that they have not left the City for better paying jobs; that it showed they care about the City and the work that they do for the Council. Administrator Todd stated that he believes the employees fully understand the City's current fiscal position and that they are here because they want to be here and that they care about Lanesboro. With that, Todd stated that he did not believe that any of the employees would spend or over-spend a line item simply because the money was there to do so. A majority of the Council Members agreed. Administrator Todd reminded the Council that this is a very defensible budget and that it was a practical budget as well. He also stated that based on the City's current position, he recommends that the Council pass the budget as presented and start to rebuild the reserve funds as a priority.

Mayor Rahn stated that if there were no further comments, he would entertain a motion to adjourn the Truth in Taxation Meeting. Council Member Allen moved to adjourn the Truth in Taxation Meeting. The motion was seconded by Council Member Smith. Motion carried all in favor.

Regular Meeting:

Mayor Rahn called the Regular Meeting to Order at 6:25 p.m.

Regular Business:

- A. Adoption of the 2014 Budget:** With no further discussion regarding the 2014 final budget, Council Member Eide made a motion to adopt the 2014 budget as presented. Motion was seconded by Council Member Allen. Motion carried with Council Members Allen, Eide, Rahn, and Dybing voting aye and Council Member Smith voting against.
- B. 2013-15-Resolution certifying the Final 2014 Tax Levy to County Auditor:** Council Member Dybing made a motion to adopt Resolution 2013-15 certifying the final 2014 tax levy to the County Auditor as presented. Motion was seconded by Council Member Eide. Motion carried with Council Members Dybing, Eide, Allen, and Rahn voting aye and Council Member Smith voting against.
- C. Accounts Payable:** Council Member Dybing made a motion to approve payment of the payables as presented. Motion was seconded by Council Member Allen. Motion carried all in favor.
- D. 2013-16-Resolution Vacating a portion of 5th Street-Clarice Ward Trust:** Hearing no objections from the public and with consent of the Planning and Zoning Commission, Mayor Rahn made a motion to approve Resolution 2013-16 vacating a portion of 5th Street as petitioned by the Clarice Ward Trust. Motion was seconded by Council Member Smith. Motion carried all in favor.
- E. 2013-17-PFA Resolution of Application:** Council was asked to consider approval for a resolution approving the City Administrator to make application to the PFA Loan program for the water radium project. Council Member Dybing made a motion to approve the resolution allowing the Administrator to complete the application. Motion was seconded by Mayor Rahn. Motion carried all in favor.

- F. 2013-18-Resolution for Reimbursement-Bond Counsel:** The Council was asked to consider approval of a resolution for reimbursement of funds incurred from the proceeds of the PFA Loan. This resolution is required by the City's contracted bond counsel. Motion was made by Council Member Allen to approve the resolution. Motion was seconded by Council Member Eide. Motion carried all in favor.
- G. Ordinance Title V Chapter 505 Garbage Refuse Rates:** The Council was asked to approve updated ordinance that set garbage and refuse rates for the City. A Motion was made by Council Member Dybing to approve the updated ordinance establishing garbage and refuse rates. Motion was seconded by Mayor Rahn. Motion carried all in favor.
- H. Ordinance Title V Chapter 515 Sewer Rates:** The Council was asked to approve updated ordinance that set sewer rates for the City. A Motion was made by Mayor Rahn to approve the updated ordinance establishing sewer rates. Motion was seconded by Council Member Allen. Motion carried all in favor.
- I. Ordinance Title V Chapter 525 Water Rates:** The Council was asked to approve updated ordinance that set water rates for the City. A Motion was made by Council Member Eide to approve the updated ordinance establishing water rates. Motion was seconded by Council Member Dybing. Motion carried all in favor.
- J. Ordinance Title V Chapter 555 Electric Rates:** The Council was asked to approve updated ordinance that set electric rates for the City. A Motion was made by Council Member Dybing to approve the updated ordinance establishing electric rates. Motion was seconded by Mayor Rahn. Motion carried all in favor.
- K. Miscellaneous:** Administrator Todd asked the Council to consider a motion to adopt Resolution 2013-19 authorizing legal gambling by the Fire Department within the City. A motion was made by Mayor Rahn to approve the resolution authorizing legal gambling by the Lanesboro Fire Department within the City. Motion was seconded by Council Member Eide. Motion carried all in favor.

Mayor Rahn asked Administrator Todd to contact Minnesota Energy regarding the distribution of natural gas to the City. The Mayor stated that he had heard that due to the large consumption of natural gas by RLH Grain reference to their conditional use permit allowing an extra leg and dryer that the impact would be no new homes or businesses could be built in Lanesboro. Administrator Todd stated that he was told by Minnesota Energy that RLH Grain would be interruptible and that residential and commercial gas consumption would be priority. Todd stated that he would get clarification by MN. Energy and advise the Council at the January Meeting.

Next Meeting: January 6th, 2013

ADJOURN: Council Member Eide moved to adjourn at 7:35 p.m. Motion seconded by Council Member Allen. Motion carried all in favor.

Respectfully Submitted,

David Todd
City Administrator