

CITY COUNCIL MEETING
September 16, 2008

COUNCIL MEMBERS PRESENT: Bob Craggs, Richard Glasgow, Peg Larsen, Robert Livingston, Brian Zeller

PC MEMBERS PRESENT: Chris White, Diane Wirth

STAFF PRESENT: Jim Gillis, Mark Nagel, Tom Niedzwiecki, John Parotti, Nick Vivian, Chris Wallberg

OTHERS PRESENT: Al Bergevin

1. **CALL TO ORDER** by Mayor Zeller at 7:02 p.m.

2. **PLEDGE OF ALLEGIANCE** was said.

3. **CONSENT AGENDA** – Craggs requested Agenda Item A pulled for clarification. **M/S/P (Craggs/Livingston) to approve Consent Agenda Items B-E. By roll call, Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.**

B. Treasurer's Report

C. Bills to be Approved

D. Increase starting hourly wage for Maintenance #1 Employee from \$16.00 to \$17.00

E. Expenditure of up to \$18,000 for tools and equipment for the new Public Works Shop

Agenda Item A. Craggs asked for clarification, since he was absent for the last meeting; according to minutes, he was present at the end when they adjourned; thought important to make that clarification.

M/S/P (Craggs/Larsen) to approve Consent Agenda Item A with Craggs name omitted in adjournment. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.

A. Minutes of the August 19, 2008 Regular City Council Meeting

Livingston was absolutely appalled at the health insurance burden that is on their employees and their families; guess it is on everybody in the Country, but was absolutely shocked at the amount of it and the fact they are part of the huge plan; wants them to know if a dollar raise helps, he is all for it; doesn't know if there are things they can do in terms of working with the plan, cafeteria plans, or anything else that would help relieve that burden. Zeller thought it did stimulate a review; something Nagel and he have talked about. Nagel said Wallberg and he met with Bill Singer from the AT Group and they are working up some figures for him so that he can take a look at it and see where they could improve their plan for the same amount of money; they will get all the employees together, because as they can well imagine, he would be resistant to change anything unless he had complete concurrence with everyone; can tell them they are pretty weak in several areas; life insurance is way below par; at \$5,000 – most cities are anywhere between \$20-30,000 depending on size; the other area they really need to resolve is Long Term Disability; they don't have a Long Term Disability Plan; if an employee gets hurt, once they are sick or their sick leave runs out, it runs out period; those were two areas that right away Bill pointed out; Wallberg and he will work to get the information to him and see what he comes up with and invite all employees once DeCorsey gets on board and start thinking about or talking about what they can do; idea would be get more benefits somehow, maybe go to pool plan or cafeteria plan; again wants to stress the fact that they want to have complete concurrence with employees before doing anything. Zeller asked from a timing standpoint whether that could be one of their 2009 goals. Nagel agreed to look at it; they may not make any changes. Gilles said that one of the things that he and DeCorsey have done is to check with some different insurance companies; they can find it with a cheaper rate, but if you look at the overall picture, you have a deductible and the less expensive deductible was about \$2,000; he had the rate down as low as \$800; they did not pay anything on prescription drugs until they make their deductible; just a doctor visit was out of pocket; after paying the deductible is paid 80%. Zeller said they really have to create a spreadsheet and look at it. Gilles was surprised; range was anywhere from \$800 to \$1400 but they all had deductibles. Larsen has to admit that when Gilles first talked to him, she thought what they offered the gentleman was \$16; actually offered him the top of the scale which Nagel has advised was \$16.77; increase to \$17 is \$.23 difference in pay; has to say he is well worth the extra money; Nagel also answered for her how this would impact the employees they already have; are they stepping over what they are giving their employees who have been with them for a long time. Zeller said it actually works out to \$1 increase. Nagel thinks the point is in order to come here, it will probably affect him in terms of \$5-6,000 worth of less pay because they don't pay as much health insurance as Livingston referred to earlier; just wanted to let them know they are trying to take a look at it and will look at various ways to do it; there are easily two to three shortcomings in their existing health plan they should look at.

M/S/P (Livingston/Zeller) to offer Pete DeCorsey the position of Maintenance #1 Employee with increase in the starting hourly wage from \$16 to \$17. Larsen just wanted to say that no matter what, he is still the highest qualified person; still thinks they are pretty lucky to have him as an employee of the City; he will save them in the long run as far as training and things like that. **Craggs, Glasgow, Livingston, Larsen, and Zeller voted aye. Passed unanimously.**

4. PUBLIC SAFETY REPORT – (see Agenda Item 10a below)

5. PETITIONS TO THE COUNCIL – none

6. APPLICATION FOR CUP BY DARLA KRON FOR ACUPUNCTURE & BODYWORK CLINIC

Wallberg introduced application for CUP; about two months ago, the building in which Kron will be doing business had CUP amended to allow for a residential unit; Kron will be living there and doing her business, separated as required per her licensing; had public hearing earlier this evening; PC went through public hearing process and there were no comments either written or oral; PC is recommending approval of the CUP as they received in their packets, with the exception of recommendation for increased parking of vehicles to 10 from 5; These uses are consistent with other uses they have had in the past and have at this time; they would recommend approval. Craggs noted Wallberg referenced the residential use and commercial use and then confirmation as relates to licensing; asked she explain that a little bit further as he doesn't recall how that works. Wallberg said regarding the licensing, they have the veterinarian, the chiropractors, other medical people through here; Kron does Eastern medicine acupuncture rather than medical acupuncture, so there are agencies that have specific requirements for her to be licensed; in the City's CUPs, they don't regulate those licenses, but they do indicate in the CUP that whatever those requirements are should be taken care of by the CUP holder; this is consistent with how they have handled these types of uses in the past. Zeller recollected recommendation of PC was for approval with one change to the application. Wallberg confirmed from 5 to 10 vehicles per day; CUP for landlord, VCI also lists a certain number of vehicles, but this would be in addition to that provision.

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7. RESOLUTIONS RE: BONDING

Nagel advised David Drown asked him to have resolutions reapproved; apparently the Minnesota Rural Water Flex-Term Loan Program is so popular that they needed to split it; they are in the second pool of that and all they are really changing is the name of the pool; bonds are issued by the Minnesota Flex-Term Finance Group instead of the Minnesota Government Agency Finance Group; essentially the same thing, so really the same resolution with the exception of course of the different name; talked to Drown off and on since about 6 a.m. this morning in terms of placing their bonds; they have seen what the market has done over the last couple days, and quite frankly, Livingston is on a mission from that respect; predicted this for about six months and it came true; unfortunately what he didn't predict was that it had to come true on the day they tried to price these bonds; will polish that lucky eight ball; in any case, the bonds were able to be priced for the most part today; think they'll finish up tomorrow; they have a 20 year there and the short term isn't a problem, they are still trying to figure out the long term but as Drown said, it looks like they will have numbers right around 4.75 and maybe a less than they were looking for; markets are steady today; doesn't know if he will be retiring any earlier than he had planned; tomorrow they should be a little steadier, and Drown predicts the Mayor will have to be in at about 2 p.m. tomorrow afternoon, Wallberg will contact him, so he can accept it and then they will have it set. Zeller asked if they should state in there this is a replacement of the previous resolution. Nagel said he thought they would be in good shape in terms of approving that, at least according to Drown.

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There was additional discussion regarding issuance of bonds and interest rate.

M/S/P (Zeller/Larsen) to adopt Resolution 2008-33, a Resolution amending Resolution 2008-28 [to redefine "Group" as Minnesota Flex-Term Finance Group and replace all references to Minnesota Governmental Agency Finance Group with Minnesota Flex-Term Finance Group] authorizing the issuance of an approximately \$635,000 General Obligation Improvement Note, Series 2008A, providing for its issuance, and authorizing execution of an assistance agreement. By roll call, Craggs, Gasgow, Larsen, Livingston, and Zeller voted aye. Resolution 2008-33 adopted.

8. COMPREHENSIVE PLAN

Nagel said as he indicated at the last meeting, most of the Comprehensive Plan is done with exception of surface water or a water plan; since they have to approve this by November 1, 2008, he decided to send in the bulk of the plan; still hopeful they can get it done, and anticipating to have complete to send to Met Council by year end; attached handout, as he did talk with the Metropolitan Council; outlined steps in review process. When Craggs looking at handout, on page two his

question regards committee reviews; asked if they had a set time in which to address comments. Nagel thinks it is 120 days. Craggs asked if they actually had to have a resolution whereby they approve it with revisions. Nagel is hoping that will be quicker because many cities didn't do this; he sent them a rough draft and they provided comments - about six pages; thinking they won't have many more comments; wants to get this to December PC meeting, they will have to approve, and forward to CC; plans to send in what they have including surface water management.

M/S/P (Zeller/Craggs) to adopt Resolution 2008-34, a Resolution requesting that the Metropolitan Council extend the deadline for submission of the 2008 Lakeland Comprehensive Plan by 120 days. By roll call, Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Resolution 2008-34 adopted.

Administrator made plea to the Development Committee of the Metropolitan Council to open up application process that is actually a loan application for local planning assessment, and they will use it to pay for the water management plan; essentially they can get up to \$40,000 loan; they will cover 75% and they have to come up with the remaining 25%; for example, if the cost is \$10,000, they will provide a loan for \$7,500; not perfect but at least a way to pay for this without going over budget in 2009; right now he has gotten proposals from SEH and another firm and would like to get at least one more; whatever the low amount is they will affix it to the application. Livingston thinking outside the box on the type of people who might be able to assist with this; asked if Administrator has thought about that. Administrator contacted a couple of engineering firms the Mayor had suggested; if he could find someone else to pay for it, he would; even asked SEH to do pro bono, and obviously they want to cover their expenses. Scope of loan discussed as well as water management. Livingston referred to discussion about mosquito control district which was an eye opening situation; wondering if the runoff plan will take into account in any way the rather dramatic changes in recommended policies and decisions that this new research has come up with. Zeller said it has created awareness and something they should be cognoscente of. Livingston thinks perhaps the formal results of that research, which he believes is being published, are at least alluded to in this plan.

M/S/P (Zeller/Larsen) to adopt Resolution 2008-35, a Resolution approving that Grant Application be made to the Metropolitan Council for a Local Planning Assistance Loan for the Lakeland Water Surface Plan. By roll call, Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Resolution 2008-35 adopted.

9. I-94 CORRIDOR COALITION MARKETING REPORT

Nagel said Washington County is marketing to them, in a sense that they want the City to participate; hope they have had a chance to look this over; essentially he was informed at workshop they will see a Joint Powers Agreement near October from the County that they will be asked to consider; wanted to get this on the September Agenda so they had time to look over and ask him any questions that he can forward on; if they recall, the County got a \$250,000 grant from MnDOT to look at ridership and transit ways between T.H. 120 and the St. Croix River. Zeller said Senator Saltzman is probably the one who started the discussion about the fact that so many different major corridors in the Metro area are on the list for study for funding; Interstate 94 is not on any kind of a list; focuses its review on the need as it relates to I-94. Nagel continued they are doing a complete transit analysis, a transit study analysis which focuses on ridership numbers and identification of transit mode and alignment, and an IRC study which focuses on highway and surrounding road network that they haven't found a way to fund yet; idea is to put both together, come up with a comprehensive approach to transit; if they look on page 11, the way this is going to work is to develop the joint powers agreement; Washington County is going to take the lead and planned initial administration costs through 2009; at that point, they have some consulting services in there, materials, travel, and a County staff person; very upfront with the administration costs of \$190,000; coalition would determine how costs are distributed; they would know by 2009; if they proceed to page 13, they will see the commitment by Washington County for 100% of 2009 costs; should see the draft joint powers agreement in a couple weeks; members will be solicited and signed up in December with initial coalition meeting scheduled for January/February 2009. In answer to Livingston, Nagel advised I-94 cities being solicited; at the meeting, there was much discussion as to whether they should go on the coalition if only to lessen costs for everyone else. Zeller thinks there will be a time and opportunity for that. Nagel noted too early to appoint someone to be the City's representative; will see what the joint powers agreement looks like in terms of representation, but assuming it is like most coalitions.

10. CITY STAFF REPORTS

Administrator had three brief items – the September 22, 2008 Alliance Meeting focuses on Emergency Preparedness; second, he read another article on roundabouts; one of the books he is reading this summer is called, "Traffic and Engineering"; an engineering friend of his gave it to him in hopes it will enlighten him on engineering; fascinating 387 page book on traffic and why they drive the way they do; whole section on roundabouts, and low and behold in the last issue of Time magazine, there was this beautiful rendition of a roundabout and facts of roundabouts in case they wanted to know; France has about 30,000 roundabouts, so for those going to France in the next two years they can practice on a roundabout there and be ready to go; good article and thought he would pass it along; third thing briefly is with their Public Works building, they are going to be added to the October agenda for PC; have to go through same process.

City Clerk provided information of the 2008 River Rat Tournament to be held at Beanie's with need to suspend boat trailer parking regulations for the day of the tournament, September 27, 2008; funds raised to benefit local charities. **M/S/P (Livingston/Larsen) to adopt Resolution 2008-36, a Resolution of the City Council suspending the application of boat trailer parking regulations for Saturday, September 27, 2008 from 12:01 a.m. to 11:59 p.m. By roll call, Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Resolution 2008-36 adopted.** General election update provided and update of October PC meeting.

Attorney has only one item on which he would like to report on and that is the Hubbard litigation with the DNR and Sierra Club; this morning they were at the Court of Appeals for the Appellant Court argument; received very good feeling from Court of Appeals on the issue before the City of Lakeland; mainly there was significant discussion about whether local units of government should have the authority to make a decision and to carry out the rules; felt there was positive response from the judges; pleased to note the judges took particular interest in that issue as opposed to getting wrapped up in specific facts of the case; good job in keeping the judges focused on the fact that local government ought to have the discretion to have the final say, as the local unit of government takes their job very seriously in analyzing the implications; issue of DNR authority to enact rules regarding certification also brought up. Zeller suggested having a workshop to discuss various issues.

Public Works Gilles provided update on CSAH 18; between now and the end of the month, they will probably be seeing changes to the south end; some traffic will be flowing on the new roundabout, some will be diverted back into the Plaza road and then back on 5th Street; they put trees in around south roundabout so things are starting to proceed; contractor wanted to get that done this week, but the County declined until all plantings done and seeds planted; good news is replacement of the bike trail from just north of 5th Street South to north of Upper 5th; thinks they received enough complaints about the bike trail the County decided to do it; he will send an email to Cory Slagle to inquire exactly what they are doing; they won't be able to put the seed down until they get the bike trail done, so that means they can't put traffic on the new road until the bike trail is done; on Quehl Avenue, they ran into 450' of black dirt, muck underneath the road; drainage area on Quehl and 2nd Street that the culverts were doing their job but just minimally; cost to replace culvert was pretty high, so they decided to put alternative with a culvert that cost about \$2,000; these will all covered under contingency; biggest thing was the black dirt underneath the road; County pretty much on schedule for CSAH 18. In answer to Glasgow, believes they still have to allow snowmobiles on the east trail; resolution might be needed.

Treasurer Niedzwiecki wanted to note on page 1 the funding claim for the truck and equipment; as previously discussed, the initial truck and equipment purchases are first funded by Snow & Ice "carryover" from prior years and second from the balance in Building Inspection Fund; with the Snow & Ice "carryover" currently at \$60,267 and with the estimate for two Trucks at approximately \$58,000 and an additional \$18,000 for equipment, they will need approximately \$16,000 from the Building Inspection Fund (currently at \$56,181); could have a shortfall but depends on expenses; new schedule on page 10 called Public Works Fund that could be refined to make it more informative and provide feedback; looking at the Snow & Ice section E of that schedule, there are two aspects, snow and ice operations and reserve for truck equipment; from the line item reserve for truck equipment, they will see that \$60,267 he was just talking about; that will go away when they buy the truck and/or equipment; snow and ice operation has balance of \$3,600; their additional funding will come from the actual snow & ice operation through 2008, they have about \$16,000 yet to come from their second half property taxes budgeted that will bring the balance up to \$20,000; that is their revenue source; estimating what expenses could be, based on the 2009 budget and taking out a few factors, they could have a shortfall. In regard to City investments brought up by Livingston's concern, he and Nagel will confirm with the 4M Fund through the League of Minnesota Cities on any negative effects; plan to complete some diversification of those investments within the 4M Fund, which does not need Council approval; will move some of the money into CD's this week.

10a. PUBLIC SAFETY REPORT (see Agenda Item 4 above)

Livingston reported both the ICR's and citations were down for the month of August; noted in citations there were 11 citations, 6 were no parking; doesn't see any tickets given within the area of construction; started the push on that after August, so will be interesting to see if there are any tickets written for that area, Quinmore/Quinlan, and u-turns during the month of September; did note when he was coming over tonight that there was a squad parked looking northbound on Quinlan and Upper 4th; still some watercraft issues that will tail off this month.

11. COUNCIL MEMBER REPORT/Craggs

Parks discussed, i.e. Humphrey's Park working with Livingston on identifying resources with experience in terms of ball diamond maintenance.

12. COUNCIL MEMBER REPORT/Glasgow

No Cable meeting again this month; no pressing issues and commitment by a few Cable Commission members to a very large convention that was in town; have it rescheduled for next month.

13. COUNCIL MEMBER REPORT/Larsen

2009 Street Improvements updated.

14. COUNCIL MEMBER REPORT/Livingston

Had no report until this Sunday when he detected a persistent natural gas smell close to where he lives; on Sunday, it was bad enough that four people who were helping him move every time someone walked in the door for the first time, they said natural gas; called Centerpoint and once he finally got through, the representative did not show up for 93 minutes; after one hour and 10 minutes, he called 911 and Kris Peterson responded within 1.5 minutes; they went in, cleared the building; finally when the technician arrived from Centerpoint, he went through a procedure whereby he turned the gas back on in one half of the duplex, waited 20 minutes and then checked for leaks; gas turned on this morning in other half of duplex and as soon as turned on, they could smell gas again; saw competence and incompetence – great caring and not caring; last words the representative of Centerpoint said was asking why they called the fire department as it was only a gas leak and then left; knows they don't regulate who the gas provider is in the State, but that level of service and that attitude scare him; doesn't know if the City should write a letter.

15. MAYOR'S REPORT –

Gravel Tax Update

Will meet with West Lakeland Township on Wednesday to discuss Gravel Tax settlement; sent email to Corbid of Washington County offering a combination of two options to get the discussions started; Lakeland would contribute any dollars over the \$10,000 budgeted as revenues from the Gravel Tax in 2009, while remainder would be made up from County's Reclamation Fund; since Lakeland will not be receiving any revenue after 2009 because there will not be any mining in Lakeland, the City would be unable to contribute any more dollars to the settlement; added that WLT should be paid as soon as possible since they are losing interest, that all affected municipalities and townships should be involved in the financial solution, and that a better process should be put in place so it doesn't happen again; may have to request legislators to sponsor an amendment to current law that would divide up revenue more evenly.

Green River Greening

Gilles, Parotti, and he will meet with Great River Greening and residents regarding options for the drainage problem along Quixote Avenue next Wednesday; thinks they came up with low cost solution that will be tried first, but if not, a Plan B will follow; project slated to get underway in the spring and should cost less than the \$20,000 budgeted for (50% City-50% GRG); also working with GRG on a grant for the Lakeland Beach project. **M/S/P (Livingston/Craggs) to authorize the City Administrator to make application with Green River Greening for possible grant funds for Lakeland Beach project. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.**

16. ADJOURN – M/S/P (Larsen/Craggs) to adjourn at 8:53 p.m. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.

Brian Zeller, Mayor

Kate Piscitello, Recording Secretary

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Treasurer Niedzwiecki wanted to note on page 1 the funding claim for the truck and equipment; as previously discussed, the initial truck and equipment purchases are first funded by Snow & Ice "carryover" from prior years and second from the balance in Building Inspection Fund; with the Snow & Ice "carryover" currently at \$60,267 and with the estimate for two Trucks at approximately \$58,000 and an additional \$18,000 for equipment, they will need approximately \$16,000 from the Building Inspection Fund (currently at \$56,181); could have a shortfall but depends on expenses; new schedule on page 10 called Public Works Fund that could be refined to make it more informative and provide feedback; looking at the Snow & Ice section E of that schedule, there are two aspects, snow and ice operations and reserve for truck equipment; from the line item reserve for truck equipment, they will see that \$60,267 he was just talking about; that will go away when they buy the truck and/or equipment; snow and ice operation has balance of \$3,600; their additional funding will come from the actual snow & ice operation through 2008, they have about \$16,000 yet to come from their second half property taxes budgeted that will bring the balance up to \$20,000; that is their revenue source; estimating what expenses could be, based on the 2009 budget and taking out a few factors, they could have a shortfall. In regard to City investments brought up by Livingston's concern, he and Nagel will confirm with the 4M Fund through the League of Minnesota Cities on any negative effects; plan to complete some diversification of those investments within the 4M Fund, which does not need Council approval; will move some of the money into CD's this week.

10a. PUBLIC SAFETY REPORT (see Agenda Item 4 above)

Livingston reported both the ICR's and citations were down for the month of August; noted in citations there were 11 citations, 6 were no parking; doesn't see any tickets given within the area of construction; started the push on that after August, so will be interesting to see if there are any tickets written for that area, Quinmore/Quinlan, and u-turns during the month of September; did note when he was coming over tonight that there was a squad parked looking northbound on Quinlan and Upper 4th; still some watercraft issues that will tail off this month.

11. COUNCIL MEMBER REPORT/Craggs

Parks discussed, i.e. Humphrey's Park working with Livingston on identifying resources with experience in terms of ball diamond maintenance.

12. COUNCIL MEMBER REPORT/Glasgow

No Cable meeting again this month; no pressing issues and commitment by a few Cable Commission members to a very large convention that was in town; have it rescheduled for next month.

13. COUNCIL MEMBER REPORT/Larsen

2009 Street Improvements updated.

14. COUNCIL MEMBER REPORT/Livingston

Had no report until this Sunday when he detected a persistent natural gas smell close to where he lives; on Sunday, it was bad enough that four people who were helping him move every time someone walked in the door for the first time, they said natural gas; called Centerpoint and once he finally got through, the representative did not show up for 93 minutes; after one hour and 10 minutes, he called 911 and Kris Peterson responded within 1.5 minutes; they went in, cleared the building; finally when the technician arrived from Centerpoint, he went through a procedure whereby he turned the gas back on in one half of the duplex, waited 20 minutes and then checked for leaks; gas turned on this morning in other half of duplex and as soon as turned on, they could smell gas again; saw competence and incompetence – great caring and not caring; last words the representative of Centerpoint said was asking why they called the fire department as it was only a gas leak and then left; knows they don't regulate who the gas provider is in the State, but that level of service and that attitude scare him; doesn't know if the City should write a letter.

15. MAYOR'S REPORT –

Gravel Tax Update

Will meet with West Lakeland Township on Wednesday to discuss Gravel Tax settlement; sent email to Corbid of Washington County offering a combination of two options to get the discussions started; Lakeland would contribute any dollars over the \$10,000 budgeted as revenues from the Gravel Tax in 2009, while remainder would be made up from County's Reclamation Fund; since Lakeland will not be receiving any revenue after 2009 because there will not be any mining in Lakeland, the City would be unable to contribute any more dollars to the settlement; added that WLT should be paid as soon as possible since they are losing interest, that all affected municipalities and townships should be involved in the financial solution, and that a better process should be put in place so it doesn't happen again; may have to request legislators to sponsor an amendment to current law that would divide up revenue more evenly.

Green River Greening

Gilles, Parotti, and he will meet with Great River Greening and residents regarding options for the drainage problem along Quixote Avenue next Wednesday; thinks they came up with low cost solution that will be tried first, but if not, a Plan B will follow; project slated to get underway in the spring and should cost less than the \$20,000 budgeted for (50% City-50% GRG); also working with GRG on a grant for the Lakeland Beach project. **M/S/P (Livingston/Craggs) to authorize the City Administrator to make application with Green River Greening for possible grant funds for Lakeland Beach project. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.**

16. ADJOURN – M/S/P (Larsen/Craggs) to adjourn at 8:53 p.m. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.

Brian Zeller, Mayor

Kate Piscitello, Recording Secretary

CITY COUNCIL MEETING
September 16, 2008

COUNCIL MEMBERS PRESENT: Bob Craggs, Richard Glasgow, Peg Larsen, Robert Livingston, Brian Zeller

PC MEMBERS PRESENT: Chris White, Diane Wirth

STAFF PRESENT: Jim Gillis, Mark Nagel, Tom Niedzwiecki, John Parotti, Nick Vivian, Chris Wallberg

OTHERS PRESENT: Al Bergevin

1. **CALL TO ORDER** by Mayor Zeller at 7:02 p.m.

2. **PLEDGE OF ALLEGIANCE** was said.

3. **CONSENT AGENDA** – Craggs requested Agenda Item A pulled for clarification. **M/S/P (Craggs/Livingston) to approve Consent Agenda Items B-E. By roll call, Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.**

B. Treasurer's Report

C. Bills to be Approved

D. Increase starting hourly wage for Maintenance #1 Employee from \$16.00 to \$17.00

E. Expenditure of up to \$18,000 for tools and equipment for the new Public Works Shop

Agenda Item A. Craggs asked for clarification, since he was absent for the last meeting; according to minutes, he was present at the end when they adjourned; thought important to make that clarification.

M/S/P (Craggs/Larsen) to approve Consent Agenda Item A with Craggs name omitted in adjournment. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.

A. Minutes of the August 19, 2008 Regular City Council Meeting

Livingston was absolutely appalled at the health insurance burden that is on their employees and their families; guess it is on everybody in the Country, but was absolutely shocked at the amount of it and the fact they are part of the huge plan; wants them to know if a dollar raise helps, he is all for it; doesn't know if there are things they can do in terms of working with the plan, cafeteria plans, or anything else that would help relieve that burden. Zeller thought it did stimulate a review; something Nagel and he have talked about. Nagel said Wallberg and he met with Bill Singer from the AT Group and they are working up some figures for him so that he can take a look at it and see where they could improve their plan for the same amount of money; they will get all the employees together, because as they can well imagine, he would be resistant to change anything unless he had complete concurrence with everyone; can tell them they are pretty weak in several areas; life insurance is way below par; at \$5,000 – most cities are anywhere between \$20-30,000 depending on size; the other area they really need to resolve is Long Term Disability; they don't have a Long Term Disability Plan; if an employee gets hurt, once they are sick or their sick leave runs out, it runs out period; those were two areas that right away Bill pointed out; Wallberg and he will work to get the information to him and see what he comes up with and invite all employees once DeCorsey gets on board and start thinking about or talking about what they can do; idea would be get more benefits somehow, maybe go to pool plan or cafeteria plan; again wants to stress the fact that they want to have complete concurrence with employees before doing anything. Zeller asked from a timing standpoint whether that could be one of their 2009 goals. Nagel agreed to look at it; they may not make any changes. Gilles said that one of the things that he and DeCorsey have done is to check with some different insurance companies; they can find it with a cheaper rate, but if you look at the overall picture, you have a deductible and the less expensive deductible was about \$2,000; he had the rate down as low as \$800; they did not pay anything on prescription drugs until they make their deductible; just a doctor visit was out of pocket; after paying the deductible is paid 80%. Zeller said they really have to create a spreadsheet and look at it. Gilles was surprised; range was anywhere from \$800 to \$1400 but they all had deductibles. Larsen has to admit that when Gilles first talked to him, she thought what they offered the gentleman was \$16; actually offered him the top of the scale which Nagel has advised was \$16.77; increase to \$17 is \$.23 difference in pay; has to say he is well worth the extra money; Nagel also answered for her how this would impact the employees they already have; are they stepping over what they are giving their employees who have been with them for a long time. Zeller said it actually works out to \$1 increase. Nagel thinks the point is in order to come here, it will probably affect him in terms of \$5-6,000 worth of less pay because they don't pay as much health insurance as Livingston referred to earlier; just wanted to let them know they are trying to take a look at it and will look at various ways to do it; there are easily two to three shortcomings in their existing health plan they should look at.

M/S/P (Livingston/Zeller) to offer Pete DeCorsey the position of Maintenance #1 Employee with increase in the starting hourly wage from \$16 to \$17. Larsen just wanted to say that no matter what, he is still the highest qualified person; still thinks they are pretty lucky to have him as an employee of the City; he will save them in the long run as far as training and things like that. **Craggs, Glasgow, Livingston, Larsen, and Zeller voted aye. Passed unanimously.**

4. PUBLIC SAFETY REPORT – (see Agenda Item 10a below)

5. PETITIONS TO THE COUNCIL – none

6. APPLICATION FOR CUP BY DARLA KRON FOR ACUPUNCTURE & BODYWORK CLINIC

Wallberg introduced application for CUP; about two months ago, the building in which Kron will be doing business had CUP amended to allow for a residential unit; Kron will be living there and doing her business, separated as required per her licensing; had public hearing earlier this evening; PC went through public hearing process and there were no comments either written or oral; PC is recommending approval of the CUP as they received in their packets, with the exception of recommendation for increased parking of vehicles to 10 from 5; These uses are consistent with other uses they have had in the past and have at this time; they would recommend approval. Craggs noted Wallberg referenced the residential use and commercial use and then confirmation as relates to licensing; asked she explain that a little bit further as he doesn't recall how that works. Wallberg said regarding the licensing, they have the veterinarian, the chiropractors, other medical people through here; Kron does Eastern medicine acupuncture rather than medical acupuncture, so there are agencies that have specific requirements for her to be licensed; in the City's CUPs, they don't regulate those licenses, but they do indicate in the CUP that whatever those requirements are should be taken care of by the CUP holder; this is consistent with how they have handled these types of uses in the past. Zeller recollected recommendation of PC was for approval with one change to the application. Wallberg confirmed from 5 to 10 vehicles per day; CUP for landlord, VCI also lists a certain number of vehicles, but this would be in addition to that provision.

M/S/P (Livingston/Craggs) to approve the application for a Conditional Use Permit by Karla Kron for Acupuncture & Bodywork Clinic at 76 St. Croix Trail North. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Passed unanimously.

7. RESOLUTIONS RE: BONDING

Nagel advised David Drown asked him to have resolutions reapproved; apparently the Minnesota Rural Water Flex-Term Loan Program is so popular that they needed to split it; they are in the second pool of that and all they are really changing is the name of the pool; bonds are issued by the Minnesota Flex-Term Finance Group instead of the Minnesota Government Agency Finance Group; essentially the same thing, so really the same resolution with the exception of course of the different name; talked to Drown off and on since about 6 a.m. this morning in terms of placing their bonds; they have seen what the market has done over the last couple days, and quite frankly, Livingston is on a mission from that respect; predicted this for about six months and it came true; unfortunately what he didn't predict was that it had to come true on the day they tried to price these bonds; will polish that lucky eight ball; in any case, the bonds were able to be priced for the most part today; think they'll finish up tomorrow; they have a 20 year there and the short term isn't a problem, they are still trying to figure out the long term but as Drown said, it looks like they will have numbers right around 4.75 and maybe a less than they were looking for; markets are steady today; doesn't know if he will be retiring any earlier than he had planned; tomorrow they should be a little steadier, and Drown predicts the Mayor will have to be in at about 2 p.m. tomorrow afternoon, Wallberg will contact him, so he can accept it and then they will have it set. Zeller asked if they should state in there this is a replacement of the previous resolution. Nagel said he thought they would be in good shape in terms of approving that, at least according to Drown.

[Secretaries Note: Some specific detail is missing from minutes from this point on - due to audio equipment failure]

M/S/P (Zeller/Larsen) to adopt Resolution 2008-32, a Resolution approving Joint Powers Agreement, authorizing the issuance of bonds by the joint board, and appointing the Mayor to be the initial delegate to represent the City. By roll call, Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Resolution 2008-32 adopted.

There was additional discussion regarding issuance of bonds and interest rate.

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Attorney has only one item on which he would like to report on and that is the Hubbard litigation with the DNR and Sierra Club; this morning they were at the Court of Appeals for the Appellant Court argument; received very good feeling from Court of Appeals on the issue before the City of Lakeland; mainly there was significant discussion about whether local units of government should have the authority to make a decision and to carry out the rules; felt there was positive response from the judges; pleased to note the judges took particular interest in that issue as opposed to getting wrapped up in specific facts of the case; good job in keeping the judges focused on the fact that local government ought to have the discretion to have the final say, as the local unit of government takes their job very seriously in analyzing the implications; issue of DNR authority to enact rules regarding certification also brought up. Zeller suggested having a workshop to discuss various issues.

Public Works Gilles provided update on CSAH 18; between now and the end of the month, they will probably be seeing changes to the south end; some traffic will be flowing on the new roundabout, some will be diverted back into the Plaza road and then back on 5th Street; they put trees in around south roundabout so things are starting to proceed; contractor wanted to get that done this week, but the County declined until all plantings done and seeds planted; good news is replacement of the bike trail from just north of 5th Street South to north of Upper 5th; thinks they received enough complaints about the bike trail the County decided to do it; he will send an email to Cory Slagle to inquire exactly what they are doing; they won't be able to put the seed down until they get the bike trail done, so that means they can't put traffic on the new road until the bike trail is done; on Quehl Avenue, they ran into 450' of black dirt, muck underneath the road; drainage area on Quehl and 2nd Street that the culverts were doing their job but just minimally; cost to replace culvert was pretty high, so they decided to put alternative with a culvert that cost about \$2,000; these will all covered under contingency; biggest thing was the black dirt underneath the road; County pretty much on schedule for CSAH 18. In answer to Glasgow, believes they still have to allow snowmobiles on the east trail; resolution might be needed.

Treasurer Niedzwiecki wanted to note on page 1 the funding claim for the truck and equipment; as previously discussed, the initial truck and equipment purchases are first funded by Snow & Ice "carryover" from prior years and second from the balance in Building Inspection Fund; with the Snow & Ice "carryover" currently at \$60,267 and with the estimate for two Trucks at approximately \$58,000 and an additional \$18,000 for equipment, they will need approximately \$16,000 from the Building Inspection Fund (currently at \$56,181); could have a shortfall but depends on expenses; new schedule on page 10 called Public Works Fund that could be refined to make it more informative and provide feedback; looking at the Snow & Ice section E of that schedule, there are two aspects, snow and ice operations and reserve for truck equipment; from the line item reserve for truck equipment, they will see that \$60,267 he was just talking about; that will go away when they buy the truck and/or equipment; snow and ice operation has balance of \$3,600; their additional funding will come from the actual snow & ice operation through 2008, they have about \$16,000 yet to come from their second half property taxes budgeted that will bring the balance up to \$20,000; that is their revenue source; estimating what expenses could be, based on the 2009 budget and taking out a few factors, they could have a shortfall. In regard to City investments brought up by Livingston's concern, he and Nagel will confirm with the 4M Fund through the League of Minnesota Cities on any negative effects; plan to complete some diversification of those investments within the 4M Fund, which does not need Council approval; will move some of the money into CD's this week.

10a. PUBLIC SAFETY REPORT (see Agenda Item 4 above)

Livingston reported both the ICR's and citations were down for the month of August; noted in citations there were 11 citations, 6 were no parking; doesn't see any tickets given within the area of construction; started the push on that after August, so will be interesting to see if there are any tickets written for that area, Quinmore/Quinlan, and u-turns during the month of September; did note when he was coming over tonight that there was a squad parked looking northbound on Quinlan and Upper 4th; still some watercraft issues that will tail off this month.

11. COUNCIL MEMBER REPORT/Craggs

Parks discussed, i.e. Humphrey's Park working with Livingston on identifying resources with experience in terms of ball diamond maintenance.

12. COUNCIL MEMBER REPORT/Glasgow

No Cable meeting again this month; no pressing issues and commitment by a few Cable Commission members to a very large convention that was in town; have it rescheduled for next month.

13. COUNCIL MEMBER REPORT/Larsen

2009 Street Improvements updated.

14. COUNCIL MEMBER REPORT/Livingston

Had no report until this Sunday when he detected a persistent natural gas smell close to where he lives; on Sunday, it was bad enough that four people who were helping him move every time someone walked in the door for the first time, they said natural gas; called Centerpoint and once he finally got through, the representative did not show up for 93 minutes; after one hour and 10 minutes, he called 911 and Kris Peterson responded within 1.5 minutes; they went in, cleared the building; finally when the technician arrived from Centerpoint, he went through a procedure whereby he turned the gas back on in one half of the duplex, waited 20 minutes and then checked for leaks; gas turned on this morning in other half of duplex and as soon as turned on, they could smell gas again; saw competence and incompetence – great caring and not caring; last words the representative of Centerpoint said was asking why they called the fire department as it was only a gas leak and then left; knows they don't regulate who the gas provider is in the State, but that level of service and that attitude scare him; doesn't know if the City should write a letter.

15. MAYOR'S REPORT –

Gravel Tax Update

Will meet with West Lakeland Township on Wednesday to discuss Gravel Tax settlement; sent email to Corbid of Washington County offering a combination of two options to get the discussions started; Lakeland would contribute any dollars over the \$10,000 budgeted as revenues from the Gravel Tax in 2009, while remainder would be made up from County's Reclamation Fund; since Lakeland will not be receiving any revenue after 2009 because there will not be any mining in Lakeland, the City would be unable to contribute any more dollars to the settlement; added that WLT should be paid as soon as possible since they are losing interest, that all affected municipalities and townships should be involved in the financial solution, and that a better process should be put in place so it doesn't happen again; may have to request legislators to sponsor an amendment to current law that would divide up revenue more evenly.

Green River Greening

Gilles, Parotti, and he will meet with Great River Greening and residents regarding options for the drainage problem along Quixote Avenue next Wednesday; thinks they came up with low cost solution that will be tried first, but if not, a Plan B will follow; project slated to get underway in the spring and should cost less than the \$20,000 budgeted for (50% City-50% GRG); also working with GRG on a grant for the Lakeland Beach project. **M/S/P (Livingston/Craggs) to authorize the City Administrator to make application with Green River Greening for possible grant funds for Lakeland Beach project. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.**

16. ADJOURN – M/S/P (Larsen/Craggs) to adjourn at 8:53 p.m. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.

Brian Zeller, Mayor

Kate Piscitello, Recording Secretary