

CITY COUNCIL MEETING
Tuesday, August 18, 2009

CITY COUNCIL PRESENT: Bob Craggs, Richard Glasgow, Peg Larsen, Bob Livingston
STAFF PRESENT: Jim Gilles, Mark Nagel, Tom Niedzwiecki, Nick Vivian, Chris Wallberg
OTHERS PRESENT: Asia Bednar, Al Bergevin

Work Session

Ordinance Codification – 5:00 p.m.

2010 Budget – 6:00 p.m.

1. **CALL TO ORDER** by Acting Mayor Livingston at 7:05 p.m.

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

3. **CONSENT AGENDA** – Craggs requested Agenda Item F, G, and J be pulled. Livingston requested Items D and E pulled. **M/S/P (Craggs/Larsen) to approve Agenda Items A, B, C, H, and I. By roll call, Craggs, Glasgow, Larsen, and Livingston voted aye on Consent Agenda Item H. Resolution calling for public hearing regarding TIF modification adopted. Livingston called question on Agenda Items A, B, C, and I. Craggs, Glasgow, Larsen, and Livingston voted aye. Items approved.**

- A. **Minutes of the July 21, 2009 Regular City Council meeting**
- B. **Treasurer's Report**
- C. **Bills to be Approved**
- H. **Resolution calling for public hearing regarding TIF Modification**
- I. **Loan Distribution and Settlement Agreement regarding Gravel Tax**

Consent Agenda Item D and E. Livingston noted both D and E were resolutions adopting the Proposed 2010 Budget and 2010 Property Tax Levy; conversation at workshop that there were items yet to come in terms of property valuations; his suggestion is they set a meeting for after the end of August when those should be in to more fully review the impact they might have especially on tax rate; would like to propose they defer those uncertain numbers in terms of their overall tax rates that potentially could take effect; as City Treasurer suggested they might see it actually benefit them and they could see it benefit the City. Larsen agrees and thinks it essential they have accurate numbers before they set the preliminary, but thinks it would benefit them to know exactly what they have coming. Glasgow agreed with consensus. Livingston recommended postponing the two resolutions and asked if acceptable to CC to set a special meeting for September 1, 2009 at 7 p.m. Nagel said that is PC night, so would have to be held at 6 p.m. Livingston would appreciate getting those numbers in and he would appreciate if for that meeting they have a brief analysis of what they do from Niedzwiecki and Nagel. Niedzwiecki noted typically he has a schedule on homeowner tax impacts and has left that out for lack of market valuation so wasn't able to provide that; more typical schedules will be provided for the workshop as well as the fiscal disparity. **M/S/P (Larsen/Craggs) to set a special meeting for Tuesday, September 1, 2009 at 6:00 p.m. to discuss 2010 Budget and Levy. Craggs, Glasgow, Larsen, and Livingston voted aye. Motion passed.** City Attorney suggested they have a motion to continue the consideration of the two resolutions adopting the Proposed 2010 Budget and 2010 Property Tax Levy until Tuesday, September 1, 2009. **M/S/P (Larsen/Livingston) to continue the consideration of the budget and tax levy until the special September 1, 2009 meeting. Craggs, Glasgow, Larsen, and Livingston voted aye. Motion passed.**

Consent Agenda F. Craggs said in regard to Item F, a Resolution approving CSAH 18 landscape Plan, he requested item pulled for additional clarification; Landscape Committee met the first week in August and he sent out a summary of their recommendations to City Hall and it was forwarded to the CC; this particular resolution that was drafted incorporates those and he would just ask they modify the resolution slightly to clarify the intent so it is consistent with the recommendations; under item 2, he would recommend adding the words to insure item 1 can be addressed adequately – so would read “The quantity of plantings be reduced in the largest median as represented in Plan Sheets 13, 14, and 15 of the plan to insure item 1 can be addressed adequately,” basically the rationale behind this is they have been told they have a set budget and therefore they are buying a certain quantity of plantings; when plan done, the one median was excluded from the plan; this was caught and they recommended to the County to include; in order to be able to do that they will need to reduce some plantings in one section of the medians to cover that; County has agreed to address that in the construction and oversight; other change Item 4 to “The City Councils of Lakeland and Lakeland Shores evaluate long-term maintenance options beyond the 12-month Contractor maintenance requirement; and the options include but not be limited to using City Staff, contracting externally for such assistance and/or recruiting volunteer support after the 12-month period expires;” this particular phrase is to basically address that the CC will respectively look at options in terms of long term maintenance; consistent with memorandum he sent on behalf of the committee; very happy with

recommendations made and thinks they will be happy with the outcome; he was told by the County Engineer if this is approved by CC this evening they will indeed get a contractor to install the sod and plantings this year.

M/S/P (Livingston/Craggs) to approve Resolution approving CSAH 18 Landscape Plan with amendments to Item 2 and 4 as requested. By roll call, Craggs, Glasgow, Larsen, and Livingston voted aye. Resolution adopted.

Agenda Item G. Craggs wants to speak against the resolution specifically because of the existing rules within State Environmental Laws that address siting of landfills; this particular resolution requests they support rewriting the present rules in terms of addressing non degradation of ground water; existing rules per his review via his day job are more than adequate and he disagrees with the need to move forward with requesting the rules be rewritten to address this change being made by the Friends of Washington County. Livingston commented his day job isn't as close to the subject as Craggs but knows and respects the qualifications of some of the people involved with Friends of Washington County; in years of dealing with several of them, he has learned that they have the best interests of the County at heart and he is inclined and will vote for the resolution; sees nothing in it that has a substantial impact; this resolution of supporting efforts and not of final plan; these people are doing a very good job in areas where the County itself would have difficulties. Larsen also supports this resolution for a number of reasons; she read it as encouraging the MPCA landfill siting rules – it doesn't say they must or they have to; after the history of Lakeland with their groundwater contamination, thinks it very appropriate that people from the Valley and the area are saying to insure what they do does not have a negative impact on their environment; also on Friends of Washington County and feels pretty strongly about this resolution; would ask for their support. Glasgow wanted the City Attorney's thought on 'Lakeland supports and endorses;' doesn't have a problem with Lakeland supports; would it be appropriate to remove the word 'endorses.' City Attorney indicated they can certainly remove the word and as has been stated, he doesn't believe this resolution... [tape pauses]

[secretary's note: Due to gap in tape, some information may be missing; tape continues as recording Livingston indicating they basically had law enforcement report so he doesn't think they have to go on with that unless someone has questions.]

4. LAW ENFORCEMENT REPORT (see Agenda Item 14a below)

5. PETITIONS TO THE COUNCIL

Asia Bednar, 641 Quinmore. On PC and privy to updates sent out by City Staff; reads them as often as she can; as a citizen concerned about some of the information she has been reading, she had a presentation where she had a cute moral at the end but didn't feel they needed to go there; question is why they are looking at possibly spending funds on machinery such as skid loaders and AV when they are also considering taxing citizens on lights for the streets; if they are that desperately in need of money that they are going to tax the lights and little things for the citizens to collect taxes, why are they going to spend a substantial amount if they don't have it in the bank; as representatives elected by the citizens, if they were also privy to that information, she thinks they would have more people attending the CC meetings in anger, disgust, frustration, wanting that to be addressed since they don't have an opportunity to read the minutes unless they come in because the website is not updated as they said it was going to be; they don't have access to that information; asked if as a CC it is their decision of what they are going to do regarding these if they go forward but wanted to make that known if there were more people who were made aware they were possibly going to spend this kind of money when they don't have it and don't necessarily need the equipment, it bothers her a little bit. Nagel said they are still figuring out what AV equipment will cost; dollars are there in the line item; other plus side of that is the equipment won't get any cheaper and Lakeland Shores may pay up to 50% of it; CC will see that as early as September; on the skid loader, they do need the skid loader for snowplowing among other things they would use it for; again just looking at bids and taking a look at that; just trying to make everyone aware of it; she will see it on one of the agendas and it will probably be mentioned in an future update as well; doesn't disagree with her; push/pull – prices are so good you want to take advantage of them so you use some of the reserves you have for it; on the other hand, it doesn't look very good to be spending money during that. Bednar said if they are looking at taxing the citizens for lights, that is where her anger came from. Nagel said answer to her question is there are funds available to buy that without raising the levy; if the levy goes up, it won't be because they bought a skid loader or AV equipment. Livingston excused himself as this is a petition to the council for items requested for items to be placed on the agenda; this is not on the agenda; agrees with her comments, but debating them he thinks more appropriate at the time when they come before the CC, if they come before the CC.

6. CODIFICATION COMMITTEE REPORT

Livingston said Craggs has been involved in this since 2002 and thinks he should have the honor of presenting the report. Craggs said the committee composed of Livingston, himself, and Wallberg did meet concerning the update on the codification process; Wallberg provided them with an overview of the process she went through relative to feedback from the City Attorney as well as working with the League of Minnesota Cities and the legal publishing organization; they talked about the process itself in terms of the updates to get comfortable with the clarifications and revisions that were made;

then they spent time on specific issues/substitute issues that needed to be addressed; at their workshop tonight prior to CC, they talked about the outcome of the committee meeting around several of those issues; relatively comfortable that revisions that they recommended be made will be adequate; one issue that is still somewhat outstanding from the committee's prospective that they would like to discuss briefly this evening; Section 159 030 Environmental Assessment Worksheet and Impact Statements; concern with that is twofold as it appears to give the zoning administrator the authority to make a determination on whether EAW and EIS is necessary; secondly, it appears it is basically laying out the process in great detail which is already in the State Code; from their perspective they wanted to talk with the City Attorney about those particular issues. City Attorney happy to address both issues; as he wrote in his comments, he thinks the proper official to make the determination as to whether a EIS or EAW is required is the City Engineer; the zoning administrator they don't necessarily think is the appropriate official to do that, but someone will have to make that call; thinks the section needs to be rewritten but it probably should be included because especially with their proximity to the River and proximity for development along the River and other commercial development within the City, it is important for the City to have the option if it feels the need to require an EIS; thinks taking that language out of the ordinance really causes the City to lose a valuable tool in the process of considering whether a development is appropriate and makes sense for the areas that are proposed; does think the section should be included and thinks it should be potentially rewritten or redrafted to provide the City Engineer with the authority to make that call and perhaps clarify with respect to which applications require an EIS because there is a mandatory provision, and clarify which have the option or provide the City with an option of an EIS to more tailor those circumstances to what they see in the City on a daily basis. Livingston has a problem; this code is basically a State Code and changes; Legislature tinkers with this type of thing almost every session; very concerned if they have their own wording, they will need to go back at this almost every year to be in compliance and conformity with State Code; wondering if appropriate to not site State Code rather than reciting State Code; has no problem and thinks the City Engineer is the appropriate person but does have a problem with staying current on Code. City Attorney said that is an important comment to realize and understand as they go through the entire code; they will see in places where they have referred back to State Code; would say their ordinances as they existed pre-codification were poor in referencing State Statute; both the codifier, and as they went through, they tried to reference back in places where State Law provides clear guidance; number of areas where they as a City have control over what happens in respect to zoning and development; Municipal Planning Act says the City has the authority to enact their own zoning code; that doesn't provide a lot of guidance; there are circumstances where State Law does require EIS and EAW and they can certainly reference State Law with respect to this particular section, but does think they need some language in here that provides the City with the authority to require an EIS in circumstances that go outside those State Law mandates and they should have the option just given their proximity to the River to require an EIS when an environmentally sensitive project or development comes along because their concerns might be different from the general concerns that are addressed by State Statute. Craggs believes the way it is drafted now – not questioning his understanding of the State Code but more a matter of the authority that has been given; appears to suggest the zoning administrator has broad discretion to require EAW/EIS and then goes on to site all the specific instances where State Code requires them; mixed messages to him. City Attorney said almost backwards; if they read it the way it is drafted right now, it is almost as though in the first couple of sentences is that there is potential for every application to require an EIS; certainly not the intent and definitely not the practice of the City; doesn't know the last time the City actually required an EIS on a project; again he suggested that section if it will stay be redrafted to essentially incorporate State Law and give the City the option to require an EIS in those circumstances where the application presents special environmental considerations. Livingston noted what is now stated is not what the City Attorney would recommend to be the final; his understanding was that this had gone through everyone and they were going to recommend they go forward; this is an important and major section and if this is something their City Attorney recommends and he is delighted it isn't, then he suggests maybe they are not ready to go forward to public hearing much as he hates to say that until they see a draft of that section. City Attorney said he would have had comments to them last week but he was out of town a couple days due to a funeral; comment he provided earlier in the week indicates the section needs to stay because it is important, but with that being said, responsibility should more probably go to City Engineer; language appears to say that all applications require an EIS/EAW for consideration thereof which is not correct or accurate; mandatory and optional language is fine but the section should actually be redrafted so it makes more sense to the City's actual process; happy to go back and redraft that section; would say that the way the process worked, the codifier took everything she had and pulled out those things that didn't make sense to the City, didn't make sense because they weren't compliant with State Law or some of their ordinances even addressed the County and not specifically the City; codifier cleaned everything up and Wallberg went through thoroughly and brought forward some additional issues and now they are seeing the last of the issues here; that is where they are at and for the most part they have resolved the issues but this is a big piece where they have to finalize this policy. Craggs would suggest a compromise; would it be possible with setting the date for the codification hearing with the understanding that the City Attorney within the next week or so would have the section addressed so it would be available for the public hearing if they scheduled that public hearing for the first Tuesday in October. Livingston asked City Attorney how much time he needed. City Attorney can have that section redrafted for them within the next week to ten days; one question he does

have and doesn't know if they have received comments from the Mayor but knows the Mayor had some other areas he wanted to address in the codification process; if they are going to public hearing, it needs to be on the code that is going for adoption by the CC and there should be no changes after the public hearing unless the changes are a result of the public hearing; wants to make sure they have the code in its final form ready to go for that public hearing with no expectation there will be additional changes unless those changes come as a result of the public hearing. Livingston asked City Administrator if he had heard from the Mayor. Nagel thinks if they set up for October 20, that is their regular CC meeting, they should be in fine shape to get all comments together and make any changes. Craggs just wanted to get it on the schedule for the hearing so they have a permanent stake in the ground; seems to him based on the conversation they had there was agreement on what should be in there, but they just have to make those revisions; not privy to what the Mayor was suggesting in terms of his changes; all of the changes that they were recommending that the CC had a chance to discuss, it seemed like they were comfortable with those and they were minor. Livingston asked Nagel to query the Mayor to get his comments and changes. Wallberg added that when it moves forward to codification that doesn't stop the ability of the City to change any language. Livingston said if they have members of CC who have yet to give their opinion, he would prefer not going forward with having the public hearing unless those issues are cleared up. Craggs concurs and thought at the September meeting they would have a sense whether it was cleared up or not. Nagel said it is good to get it scheduled; if they decide in September they need more time, they can always cancel it; thinks October 20 is when they want it, as it is the regular CC meeting; will place back on agenda for September if they don't have all comments/concerns made and taken care of. Larsen asked if scheduled for September, will they be privy to what the Mayor's concerns are; thinks it would be good for them to know what it is/what he wants to change before they say October approval. City Attorney said at the minimum, the CC will want to see the redraft of this particular section.

M/S/P (Craggs/Larsen) to schedule the Public Hearing on the Recodification for Tuesday, October 20, 2009. Craggs, Glasgow, Livingston, and Larsen voted aye. Motion passed.

7. ADMINISTRATIVE FINES

Nagel noted they had copy of Livingston's comments; thinks the chance of all five cities coming forth in support of Administrative Citations at this time, given the advice of counsel, is effectively zero – he agrees with Livingston's assessment; not saying they would never do it, but thinks they should just wait and see at this time. City Attorney's advice to the cities is to wait and see for a couple of reasons, the first being they actually generate some revenue right now based on tickets that are issued; that revenue comes in the form of prosecution costs; right now required to pay \$150 and money comes back to the City - whereas they are going to get a small percentage of the \$60 that they are allowed to charge essentially through these administrative citations; potentially their revenue will go down; not absolute because perhaps it has been suggested the deputies would issue more citations if they were just administrative citations; additionally, they have to have a qualified neutral serve as a hearing officer and they will have to pay for that whether that is a service they hire the city attorneys to provide, whether it is a service the city administrators provide or a service you hire the County to provide, somebody is going to charge for it; another thing is these administrative citations when it comes to vehicles they only really apply in very limited circumstances; advice from their office right now is to be cautious, don't act hastily; really unknown so they should take the approach they will watch and see what the other municipalities do to see if it is the prudent thing to do before they jump in; really may not be to their advantage to implement such a system. Livingston read a couple of his comments into the record - the Sheriff has taken a neutral position on this and the Sheriff will not proceed in the Lower Valley unless all five cities pass the same resolutions to do it - and that is where he came up with the 'zero' chance at this time; it is true that the items that can be ticketed at \$60 are very limited and more limited than they were before the final negotiating days in the Legislature this year; has made a request of their legislators that they take additional testimony in the next session with the hope of perhaps strengthening it; for instance, the only thing you can do with a stop sign violation is if the car goes over the white line – they have very few white lines at their stop signs and very few cities do have the lines; talk about micromanaging, that is the type of thing the lobbyists got in there to make this law less desirable; made comment he was not able to grasp the rationale that Lakeland might suffer reduction in revenue and he understands what counsel has said and respects it; his concern in this is not revenue because he believes in his heart that it will be revenue neutral, but there is a downside so he respect that; his problem is that right now they have warnings and \$160-180 fines that carry points on your license; he respects the way deputies handle this and the way they are instructed to handle this in the respect that if it is flagrant - you have an abusive person you are trying to work with, hit him with the full fine; if you have someone who works for a living and huge part of his job and their only options are to give him a warning which possibly he will probably ignore; it is easier to ignore a warning than it is writing a check or putting points on a license for a minor violation – less than 10 over the limit – stop sign violations – thinks this in concept; the administrative citations are a good tool for law enforcement; that is 99% of the reason why he would like ultimately to see administrative fines become a tool of law enforcement; thinks there is much work to be done by the Legislature, by their County who is at least discussing the idea of providing the appeal services perhaps – what are the costs; wanted to put on the record why he is both enthusiastic about administrative citations potential and why he agrees they are not ready for primetime yet.

8. CITY STAFF REPORTS

- Administrator – no additional report

- Attorney

Provided update on potential revenue source they have talked about which is a franchise fee on electrical and gas providers to the City; Nagel has asked him to layout a process for CC so CC understands how that would work; State Law doesn't require any sort of public hearing before a City imposes a franchise; more or less contractual and no written process; State Law does say they can require franchise agreements for franchises, but of course these franchises need to be negotiated with the providers; really two steps in every franchise agreement, the first the adoption of a franchise ordinance that really doesn't need to be negotiated; the second is the adoption and agreement of the provider to charge the fee which ultimately is a 'pass through' fee; fee is passed through to the residents and they see a fee on their bill and it gets paid back to the City based on a formula they will negotiate with the provider; some cities will take the approach they will pass the franchise ordinance, get that in place, and then go out and negotiate with the providers on the fee; their office is taking the position that is not prudent; going to be an all or nothing deal – either they will go out and negotiate with Xcel and get an agreement in place that makes sense for both the City and provider, or they are not going to have the franchise ordinance in the first place; first step in process if the CC wants to move forward with a prospective franchise ordinance is for their office to contact Xcel and Centerpoint and inform these providers of the City's desired intent to move forward with a franchise ordinance and to initiate negotiations; number of issues that have to be negotiated with the providers, first of which is the collection of the fee back to the City; the providers will try to exact a number of concessions with the City in regard to right of way use, waiver of all City permit fees; have been relatively successful in other communities in exacting those concessions; intent would be not to bring anything to CC until they have deals completed with both Xcel and Centerpoint so they have a nice package to work up a fee structure for their consideration; first step in the process is getting direction from CC if they want their office to begin negotiating with providers so they can start the process knowing that politically the end result will be a fee to the residents of the City because they are requiring the providers to pay a fee but ultimately that fee will be passed through to the end users; don't have to make decision on the fee tonight; have to make decision if they want them to move forward with contacting providers and indicating the City is intent on moving forward so that they initiate negotiations and discussions. Craggs asked reference in terms of what the franchise fees have translated into in terms of amounts for users. City Attorney said typically they are talking .50 - \$2.00; depends on how they set that structure up; a city like Grant generates about \$50,000 annually on their gas franchise; can't tell them what Bayport makes but they have both electric and gas franchise; they expect that the franchise fee will generate something like \$20-30,000 annually in revenue for the City; will wind up to a minor tax on residents for that amount but will be purely a function of what the formula is that they negotiate. Nagel said St. Paul has a 10.5%; Anoka was 3-4%; what they were thinking of was about a percentage or two. Larsen heard City Attorney stating this is a tax so obviously a pass through tax; they are taxing but not taking any responsibility. City Attorney said it isn't a tax that shows up on a tax statement but is an additional charge to residents – whether they call it a charge, a fee, a tax, it will be an additional cost to residents; doesn't matter how they classify. Glasgow doesn't like franchise fees at all; if they are going to tax residents they should just be upfront and put it right on their property tax and take responsibility for themselves instead of sneaking taxes in; just hates that thought; at a time when many residents are suffering to sneak another tax, he doesn't think would be looked on very well by the City; Bednar spoke to it tonight; sure they would receive negative comments; if they need money, they should just be upfront and put on mill rate; be upfront and do their due diligence as they are doing with the budget; this City does a very good job of keeping that budget down and spending resident's money wisely. Livingston likes not that they sneak it through, he would never sneak it through and it would have to be well publicized, but he likes if this is correct, they would put it on the value of the bill; therefore a property or business using \$1,000/month worth of electricity would bear a much more heavy responsibility than a homeowner with a \$40 bill; if they put that amount of money as a property tax increase, the homeowners would get the brunt of it and he doesn't like that as much as Glasgow doesn't like the fee; no one likes taxes or fees of any kind; sees some merit to this as he likes user fees in a way that if they don't want to pay the fee it is fine; if they don't pay their property taxes they will be in trouble; open to it personally; doesn't think he is open to asking the City Attorney to begin negotiations with Xcel and Centerpoint at this stage; asked if the utilities have the right to add to the fee for their administrative cost. City Attorney stated 100% pure pass through with no fees extracted for any utilities. Nagel said with a fee they do have control over whether or not or how much you use it; point here is not necessarily whether a fee or tax and the end result is appropriately the same; he is talking about revenue diversification; City has all of their eggs in two baskets, LGA and property taxes; idea is not necessarily to increase taxes but the end result will be the same and they will have less diversity in their revenue base; have none now and that will be a problem for them down the road; if they don't want to begin the process, he could show them what it would cost and bring information back; no schedule but they have a serious problem; they do not have revenue diversification, and in fact have less than they had before; pretty soon it will be all property taxes and it will be a heavier burden on the homeowners and anyone else; with a little revenue diversification and a replacement of that LGA, thinks it fairer way to do instead of raising taxes; understands what they are saying about

fees; would say before they throw it out and decide they don't want to do it, he would like to obtain additional information for them. Craggs open to exploring it further; agrees with Livingston he is not interested in initiating negotiations with Centerpoint and Xcel; thinks they owe it to their residents to look for a new diversification; thinks Nagel makes a good argument why it is responsible on their part to take a look at it, understands what other communities have done and how they have paid for it; again it is not a tax – it is a fee tied directly to that particular utility use; in sense a utility user fee. Livingston would like City Treasurer and Administrator to look at average electric bill and at amount the City would raise totally in franchise fees which would include any businesses, etc.; would like to compare that with taking that same amount of gross revenue and seeing what it would do to a typical homeowner's property tax bill; thinks if they have that type of thing, from his personal standpoint he will agree with Glasgow's position or he thinks Glasgow might say at that point they can't screw the homeowner when they had a chance to get franchise fees from commercial and City; they don't know that yet; when they are ready with that type of information, maybe trade groups have done this already, but his suggestion would be when they are ready with that type of information and any other that he thinks helpful they come back to the City to discuss. Larsen would also like City Administrator to obtain a list of cities that do franchise fees; curious loss end of this. City Attorney said it is all about negotiating a structure that makes sense for the Community; they will do what will work well for Lakeland. Glasgow thinks they have other issues in the City right now that they need to get cleaned up before they start a new task for the City Administrator. Craggs agreed with Livingston's perspective and offered to Nagel that MMUA is probably a good source. Nagel will contact the League of Minnesota Cities and MMUA that he has contacts with previously; won't spend much time on it and thinks data readily available; knows he can get an average residential household and commercial numbers so they can look at data and decide what they want to do; ultimately agrees with all of them and gets down to what they feel in terms of policy; no hurry for any of this. Larsen thinks a fee is a tax and that is her personally philosophy and hearing the governor take the word tax out and put fee in – can't remember which he did; consensus from her point of view is it is definitely a tax to pass through tax to their residents; not unwilling to see what kind of revenue is raised and how much it will affect residents due to the fact they have only a base of certain things and they will facing some much more difficult times than they are now when putting in the State's projections; doesn't like it though and wants record to indicate she does not like the fact it is not a straightforward tax and this is what we are going to do with your tax money. City Administrator said the only reason for bringing it forward is revenue diversification; they could do other methods; could take same amount and instead of levying additional taxes they could use that. Larsen suggested they should all put their mind in gear to see what other ways they can diversify their revenue. City Administrator said back in May they discussed a list of things they could do, and the only two that fell out were the administrative fines and franchise fee; will develop pros/cons and bring it back to CC. Glasgow asked about probability of cell towers on the water tower. Nagel said they are looking into that and also talking about an audit of street lights.

- City Clerk – no report
- Engineer - absent
- Public Works Director – went to fire meeting
- Treasurer**

If anyone has questions on the financial report, he also has additional comments that he made in the email he sent. Larsen and Livingston agreed they would like to continue with email.

9. COUNCIL MEMBER REPORT/Craggs

Happy to report as of the middle of this upcoming week they will be playing soccer in Cully Park; field has been lined and VAA will be providing them with the goals, so they are precluded from having to purchase new goals; happy to report he will be practicing his team there.

10. COUNCIL MEMBER REPORT/Glasgow

They had a Cable Commission meeting and had a lot of sensitive data from Comcast; looking to find which houses are in Lakeland/Lakeland Shores/Lake St. Croix Beach; to speak to Bednar's comments and he appreciates those comments - anytime they can get citizens involved in the City, they are better off as a City; the audio/visual, he has been doing it himself, bought all their equipment and hasn't taken any fees from that at all; time they move into their own system; with Lakeland Shores contributing half of the money, they are getting everything half price and will have the ability hopefully to put their CC meetings on the website so people can see those who don't have Comcast or Cable; a lot of potential here and the amount they are spending is money that is dedicated for that type of thing; very in favor of moving this forward a lot faster now especially since they had trouble tonight with the audio/visual. Livingston asked Nagel when they would have final costs and a report on actually how they are going to do it. Nagel said it should be in the next 30 days; meeting Thursday at 10 a.m. to make sure all the wiring can be done and election can still be accommodated; need to also look at fiscal policies to make sure they don't have to get another bid or decide among themselves if they are going to get another bid or not; would think they would have a report by the September meeting. Glasgow said one of the things they are looking at is taking all wiring, dropping it to the basement going through and back up; would have plugs in the floor they

could very easily dismantle everything and plug it back in. Livingston would suggest that it isn't a matter of would this be valuable for the City and probably pay for itself and they have the funds; would suggest that in answer to Bednar's question in a way that is fundable will be the real problem here; if this was not 2009 with all that is happening to them, he doesn't think there would be a question in the world and they would be rolling out the roses; thinks the perception issue of why they are doing this at this time is really one that needs to be addressed; need to put on September agenda and if they need to have a little bit of agenda subject at a workshop, they can do that. Glasgow thinks they can have the final figures and the CC can provide the go ahead in September; they have enough information now, but need to look at the floor and see if they can go underneath and back up which to him would be the ideal situation; thinks they will like this system once they have it. Larsen said after what happened tonight, and knows many people watch this on television, it is almost their duty to make sure they get information out to citizens because it very important they know what the CC is doing. Glasgow continued truthfully once they are done at the meeting, he spends two to three hours getting it ready to send to Valley Access; they would be able to take it right to Valley Access from meetings. Craggs wanted to clarify that before any purchases are made, the subject be brought back to CC; would request there be more than one option, a less expensive option to a more expensive option; one size doesn't fit all especially in this economy; doesn't disagree with what Glasgow is saying but agrees with the Acting Mayor that the perception of spending dollars on this at this time is not one that will be easy to address. City Attorney thinks it important for the CC to note that the funds that come from Valley Access are restricted; not as if the funds can go into the General Account or use them for debt service. Nagel disagreed saying they can use the funds for anything they want to; they put funds in communication. Glasgow said communication is what they are dedicated for. Livingston said it has been stated that the Cable Commission has indicated they should be used for communication purposes so that is not using it for anything they want to. Nagel said they could if they wanted to; will check on it; as a policy matter he thinks that is just fine but he knows of cities that put it in their General Fund. Wallberg noted when initially set up, the Cable Commission asked the cities to use for technology; plan there was that each city would have equipment that the public could come and use; change they made was to say it needed to go for communication; communication could be interpreted to perhaps even be a siren if they needed to do that; certainly to call it communication is much broader than to just say technology; the newsletter they would probably not call high technology, but a newsletter is certainly a tool in communication. Glasgow said the Cable Commission has given quite a bit of money back once they asked the attorney to leave; have handled that fairly well now within the commission; their only expenses were \$50/month when they used to tape and they don't do that any longer; will have \$7,000 at the end of the year they will be giving back to the City once again; goal to keep a balance of \$30,000 in their account because the franchise agreement is coming up and they will be having attorney fees to renegotiate that; everything else comes back to the cities and that never used to happen; \$29,624 plus \$7,000 – they are looking at spending maybe \$7,714 to update the City Hall at the most. Livingston said to get the numbers; agrees with Craggs that they need to get options in there and bring it back in September.

11. COUNCIL MEMBER REPORT/Larsen

Provided report for Mayor Zeller who attended the I-94 Corridor Commission meeting; everything is going forward and the feasibility study is out for bid.

12. COUNCIL MEMBER REPORT/Livingston

Wanted to commend two of their Staff; had situation in Valley where Chaplain John Morris from the Minnesota National Guard's Red Bull unit was supposed to come home on leave in about a month and ended up getting early leave; just before that with thunderstorms that came through a week ago Friday, there was significant damage to his home; a group of volunteers from all over including the Guard and friends and neighbors got together and a contractor came in donating his equipment to pump the place out and take up the carpet; Jim Gilles and Matt Klein volunteered on their own time to go down there and lend a hand especially on the outside where there were tree limbs down, etc. and got rid of it; all he can say is that Mrs. Morris', at the conclusion of the effort by the Community, comment was 'it was a miracle;' all was finished before Chaplain Morris arrival; wanted to commend Jim and Matt for their participation in it; contrary to popular opinion being spread by Gilles, he did not hold a gun to their head; they were very much volunteers and he just wanted to put it on the record.

13. MAYOR'S REPORT - Absent

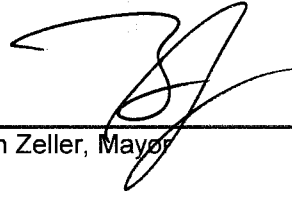
14. CLOSED SESSION REGARDING POTENTIAL PENDING LITIGATION

M/S/P (Glasgow/Larsen) to go to Closed Session at 8:40 p.m. Craggs, Glasgow, Larsen, and Livingston voted aye. Motion passed.

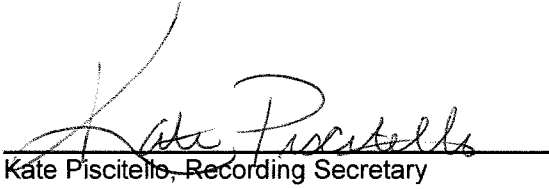
14a.LAW ENFORCEMENT REPORT (see Agenda Item 4 above)

Livingston added for record the Law Enforcement Report for July included 91 incidents and 17 citations issued.

15. ADJOURN – M/S/P (Glasgow/Larsen) to come out of Closed Session and adjourn the meeting at 9:23 p.m. Craggs, Glasgow, Larsen, and Livingston voted aye. Meeting adjourned.



Brian Zeller, Mayor



Kate Piscitello, Recording Secretary