



**CITY OF GAYLORD
REGULAR CITY COUNCIL MEETING**

Wednesday, May 17, 2017
6:30 P.M., City Hall

Members Present: Mayor Boeder and Members Landaas, Losure, Muchow and Uecker
Members Absent: Council Member Homme
Staff Present: Don Lannoye, Schauer Law Office; Kim Moore-Sykes, City Administrator; Ty Reimers, Public Works Supervisor; and Lori Waltz, Accountant/Clerk
Visitors Present: Chuck Klimmek, EDA; Justin Black and Brent Kavitz, SEH; Tom Olinger, Abdo, Eick and Meyers LLP; Jon Suedbeck, Ted Pinske, Jerry Hahn, Marian and Charlie Anderson, Renae Drexler, Dale Jensen, Linda Reimer, Dave Robbins, Doris Martens, Terry Pilacinski, Connie Quast, Al and Donna Zachow, Paul Kratzke, Patty Uecker, Jay Bartels, and Joe Deis, Gaylord Hub

1. Call Meeting to Order

Pursuant to due call and notice thereof, the meeting of the City Council was called to order by Mayor Boeder at 6:30 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited by Council and visitors present.

3. Consider 05-17-17 Agenda

Boeder stated that he would like to discuss farmland rental by Meadow Wood Addition as item 10.B.

COUNCIL MEMBER LOSURE MOVED, COUNCIL MEMBER UECKER SECONDED, TO APPROVE THE MAY 17TH, 2017 AMENDED AGENDA. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

4. Comments, Updates, Concerns

Per Municipal Policy 1500, citizen comments are intended to afford the public an opportunity to address concerns to the City Council. Citizen comments will be no longer than ten (10) minutes in length and each presenter will have no more than two (2) minutes to speak, unless additional time is granted by the Mayor. Topics of discussion are restricted to City topics rather than private or political agendas. The City Council may discuss the matter, but will not take formal action on the public comments made.

4.A. Citizens
None

4.B. Council Members

4.B.i. Combined Police Force – Council Member Landaas

Landaas reported that the committee has postponed meeting with the City of Arlington regarding a joint police force, until Arlington resolves the petition that they received about their police force.

4.B.ii. Fuller Property – City Attorney Lannoye

Lannoye reported that Moore, Kavitz and himself will be meeting with Fuller tomorrow, regarding obtaining easements along 10th Street.

4.B.iii. Water Tower Demo – Mayor Boeder

Boeder wanted to remind residents that the downtown water tower will be demolition will start early on Sunday, June 11th.

5. * Consent Agenda

All items listed as part of the Consent Agenda will be approved by a single motion, unless a request to discuss one of the items is made prior to the approval of said motion. The request may come from the Mayor, a Council Member, staff member, or someone in attendance at the meeting.

COUNCIL MEMBER LANDAAS MOVED, COUNCIL MEMBER LOSURE SECONDED, TO APPROVE THE CONSENT AGENDA, WHICH INCLUDED THE FOLLOWING ITEMS. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

5.A. Minutes

5.A.i. May 3, 2017 – Regular City Council Minutes

5.B. Accounts Payable

5.B.i. May 3, 2017 through May 17, 2017

5.C. Resolutions and Ordinances

5.D. Reports of Officers, Boards, and Commissions

Planning & Zoning Commission Minutes – April 12, 2017

Ambulance Relief Meeting Minutes – April 25, 2017

HPC Meeting Minutes – April 26, 2017

Planning & Zoning Commission Minutes – May 10, 2017

5.E. Other

5.E.i. Approve Insurance Service Company Contract Renewal for 2017 – 2018

5.E.ii. Approve Hiring of PT Seasonal Staff for City Services Department

6. Public Hearings – 7:00 PM

6.A. 2017 NW Sanitary Sewer Improvement Project – SEH, Inc.

The Public Hearing opened at 7:00 pm. Kavitz reviewed the purpose of the Public Hearing, explaining the project location is in the North-West area of the City from North Avenue to Nicollet Avenue in the alley between 9th and 10th Street. Kavitz explained that the project was prompted by an intense rain event on August 12th, 2016. Kavitz reported that the sewer lines at the North end of town are very flat. Kavitz reviewed slides of the sewer in the proposed project area. Kavitz reviewed the scope of work, which will include Cured in Place Pipe lining (CIPP), Pipe Bursting and Manhole replacement and lining. Kavitz explained that Cured in Place Pipe lining involves very little digging. This is a trenchless rehab method that is used to repair existing pipe lines. Kavitz explained that they will be pipe bursting an 8” pipe with a 10” pipe. There will also be manhole rehab, which will repair leaks and then epoxy coat the manhole. Kavitz reported that the estimated project cost is \$373,000 of which \$25,000 is proposed to be assessed, \$223,000 is proposed to be funded thru the Sewer Fund with the balance of the project to be funded thru the tax levy. Kavitz explained that rehab projects cannot be assessed. Pipe bursting is considered to be an improvement. Kavitz reported that the Assessment Hearing is scheduled for August. The proposed schedule for the project is to open bids in July, construction to begin on August 1st with final completion date being in October 2017.

Citizen Comments:

Paul Kratzke, Pastor at the American Lutheran Church; was concerned about the parking lot being cut up.

Kavitz explained that the parking lot will not be cut up. The only area that there will be any cutting is in the Right of Way for the connection.

Kratzke stated that the Church is the only entity being assessed and this seems very high for a church, with only a few members.

Cheryl Lindgren, a Church Council Member, and wants to know when the pipe bursting will take place and what will access be to the church.

Kavitz explained that he plans on working closely with the Church to try to maintain accessibility at all times. Kavitz reported that the pipe bursting will take up to a week.

Boeder reminded residents to attend the special assessment hearing.

COUNCIL MEMBER UECKER MOVED, COUNCIL MEMBER LOSURE SECONDED, TO APPROVE RESOLUTION 2017-12 – A RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

Lannoye asked that Moore include a copy of this resolution in the next Council packet.

7. **Communications, Requests, and Petitions**

7.A FYSC – May Newsletter

7.B. Sibley County Development – May Newsletter

8. **Department and Committee Reports and Action Items**

8.A. **Administration:**

8.A.i. Receive 2016 Audit – Tom Olinger, Abdo Eick Meyers

Olinger reviewed the Management Letter with Council Members. Olinger reported that the number of material audit adjustments have been reduced since the previous year. Olinger reported that the Actual Revenue was \$68,972 over the Budgeted Amount. Olinger reported that the Nursing Home Fund balance decreased by \$50,000, which is used towards the Aquatic Center Bond. Olinger stated that the principal and interest payments will stay steady over the next ten (10) years. Olinger stated that currently the debt is cash flowing. Olinger suggested that the Council make a resolution to close the Hwy 5/19/22 Project. Olinger reported that currently the Water Fund has \$853,596 cash balance. The Sewer Fund cash balance is under what the Auditors recommend. Olinger stated that it might be necessary to look at a rate increase. Olinger reported that the Refuse Fund is at a breakeven point. The storm fund has a healthy reserve balance. Olinger suggests that the Council have them do a five (5) year plan to help with budgeting.

Muchow stated that the City needs to calculate how much it can afford for the 2018 Street Project.

COUNCIL MEMBER LOSURE MOVED, COUNCIL MEMBER UECKER SECONDED, TO APPROVE AND ACCEPT THE 2016 AUDIT AS PRESENTED. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

8.A.ii. Wellhead Protection – Justin Black, SEH; Kim Moore Sykes, City Administrator
Black explained that the MN Department of Health requires the City's Wellhead Protection Plan to be updated. Phase 1 of the Plan has been completed. Phase 2 is much more involved. Black recommends hiring Bayerl Water Resources to complete Phase 2. Black reported that Bayerl Water Resources is the only company that provides Phase 2 assessment for Wellhead Protection in this region.

Lannoye noted that since this is a specialty service, two quotes would be unable to be obtained.

COUNCIL MEMBER UECKER MOVED, COUNCIL MEMBER MUCHOW SECONDED, TO APPROVE HIRING BAYERL WATER RESOURCES FOR COMPLETION OF PHASE TWO (2) OF THE WELLHEAD PROTECTION PLAN. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

8.B. **Ambulance Department**

8.B.i. Approve Updated Relief Fund Policy – Ambulance Relief

Lannoye reported that a few months ago, the Ambulance Relief Committee met with the Mayor, City Administrator and himself to review and discuss the proposed updated policy. Changes were made and

presented to Lannoye for review. Lannoye reported that he developed a policy for the Relief Association with a five (5) year vesting policy. Lannoye reported that he has met with the ambulance service and recommends Council Approval.

COUNCIL MEMBER UECKER MOVED, COUNCIL MEMBER LOSURE SECONDED, TO APPROVE THE UPDATED RELIEF FUND POLICY. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

8.C. EDA – Chuck Klimmek, EDA President

8.C.i. Façade Improvement Program Proposal

Klimmek explained that the EDA is interested in implementing a Façade Improvement Program and Commercial Rehabilitation Program. The Façade program would provide financial assistance to businesses in the downtown district for exterior work that improves the public face of their property, such as windows, doors, painting, tuck pointing, exterior lighting and landscaping. Klimmek explained that these loans would be of a smaller amount and possibly interest free and/or forgivable.

Klimmek explained that the Commercial Rehabilitation Program would be intended to be used for exterior building improvements as well as interior improvements such as general remodeling and improvements related to safety, accessibility, habitability and energy consumption. Klimmek explained that these loans would be larger, low interest-bearing and repayable.

Klimmek explained that the details of the programs are yet to be finalized. At this time, the EDA is seeking funding for the programs and is proposing that the City re-invest funds that were previously allocated for EDA programs but have not been fully expended or are being returned to the City in the form of loan repayments.

Muchow suggested that the Council leave the funds from the EDA programs with the EDA for their use.

Klimmek reported that the City of Owatonna places a lien on properties that have the bigger loans.

Council consensus is to have the EDA move forward with the program details and put this item back on the Council Agenda when there are more details.

9. Unfinished Business

- 9.A. Resolution 2017-09 – Approving CUP for Hot Haus, LLC – Kim Moore Sykes, Administration
Moore-Sykes reported that the Planning and Zoning Committee held a public hearing on May 10th, whereby the Commission voted to recommend approval of the CUP to the City Council.

COUNCIL MEMBER LANDAAS MOVED, COUNCIL MEMBER MUCHOW SECONDED TO APPROVE RESOLUTION 2017-09 – A RESOLUTION REQUESTING A CONDITIONAL USE PERMIT TO ALLOW THE COSTRUCTION OF AN INDUSTRIAL BUILDING TO HOUSE A BIO DRI AUTOMATED HEAT/DRY SYSTEM FOR LIVESTOCK SEMI-TRAILERS AT NICOLLET AVENUE EAST.

Discussion: Uecker stated that residents approached her and were concerned about this area being so close to a residential area. Landaas stated that this area is zoned for Industrial.

WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

- 9.B. Proposed Street Construction Agreement, Hot Haus, LLC – Jon Suedbeck
Lannoye explained that Suedbeck has reviewed the Street Construction Agreement and the gravel road will be built to MNDOT standards. The City will be responsible for removing snow. Lannoye reported that Suedbeck has already done some tiling and drainage on the property.
Black reported that SEH didn't review the tiling.

Landaas inquired who would be inspecting the road construction.
Lannoye explained that road specifications are clarified in the contract.

COUNCIL MEMBER LOSURE MOVED, COUNCIL MEMBER LANDAAS SECONDED, TO APPROVE THE STREET CONSTRUCTION AGREEMENT WITH HOT HAUS, LLC. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

10. New Business

- 10.A. Proposed Updates to City's Special Assessment Policy – Don Lannoye, City Attorney
Lannoye explained that the current process of handling special assessments need to be updated to reflect the City's current special assessment practices for new, replacement or repair of sanitary sewer projects.
Lannoye reported that he would like to create a Special Assessment Policy for the City to address these items.

Council consensus is for Lannoye to create a policy for special assessments and present at a future meeting.

- 10.B. Discuss renting Meadow Wood land for farming – Don Boeder, Mayor
Boeder explained that this land was removed from renting, because of a possible development. Boeder reported that this development fell through and suggests offering this land for rent again. Boeder suggests inquiring if the farmer that rents the rest of the City land would be interested in renting this area again instead of hiring him to disc up this area.
Lannoye reported that the farmland lease is in effect for another year.

COUNCIL MEMBER LOSURE MOVED, COUNCIL MEMBER UECKER SECONDED, TO APPROVE PLACING THE MEADOW WOOD DEVELOPMENT LAND BACK INTO FARM LAND WITH CURRENT LEASEE. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

Council directed Moore-Sykes and Reimers to move forward with this item.

11. Other

- 11.A. Thank You
Jon Suedbeck stated that he wanted to thank Council for their help with this project.

12. Upcoming Meetings and Events

- 12.A. Tuesday, May 23rd @ 4:00 – Financial Advisory Committee, City Hall
12.B. Wednesday, May 24th @6:00 – Heritage Preservation Committee, City Library
12.C. Monday, May 29th – Memorial Day – City Offices Closed
12.D. Monday, June 5th @ 6:30 – Ambulance Staff Meeting
12.E. Wednesday, June 7th @ 6:30 – Council Meeting
12.F. Monday, June 12th @5:30 – EDA
12.G. Wednesday, June 14 thru 16 – League of Minnesota Cities Conference, Rochester
12.H. Wednesday, June 21st @6:30 – City Council Meeting

13. Adjournment of Regular Meeting

There being no further business to come before the City Council. COUNCIL MEMBER UECKER MOVED, COUNCIL MEMBER LOSURE SECONDED TO ADJOURN. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED. The meeting was adjourned at 8:12 p.m.

Kim Moore-Sykes
City Administrator

Don Boeder
Mayor