

City of Loretto
Minutes of Regular City Council Meeting
December 11, 2012

CALL TO ORDER

Mayor Koch called the meeting to order at 7:00 p.m. Members present: Mayor Kent Koch, Council members Jeff France, Clark Lohr, John Neumann, and Tom Pedersen. Also present: City Clerk Cindy Patnode, Public Works Director Jeff Leuer, Council-elect Hank Pepin, City Attorney Paula Callies, and Medina Police Chief Ed Belland. There were six people in the audience.

SET AGENDA

The agenda was approved as submitted.

APPROVE MINUTES

On a motion by Lohr, seconded by Neumann, to approve the November 13, 2012 Minutes as submitted.

Motion carried, France abstained.

RESOLUTION 2012-31, SETTING LEVY & BUDGET

Mayor Koch informed the audience they could participate in the Truth in Taxation meeting regarding the levy and budget for 2013. Clerk Patnode reviewed the proposed 2013 General Fund Budget stating that the General Fund Levy remains at the 2012 amount of \$337,695. She stated that the 3% wage increase was left in there as a placeholder pending staff and Personnel Committee input.

There was no audience participation.

Summary of general Council discussion:

Opposition to a wage increase; opposition to the previous levy increase from 2010 to 2011; justification for wage increase based on performances; verification of budget items of the office furniture (*due to the move to the new location*), capital funds for the Attorney (*putting money aside for updating code*); Fun Fest increase (*offset on the revenue side due to street dance*).

On a motion by Lohr, seconded by Pedersen, approve Resolution 2012-31, A RESOLUTION SETTING THE 2013 PROPERTY TAX LEVY AND APPROVING THE 2013 GENERAL FUND BUDGET with the stipulation that the wages are not automatically increased.

Motion carried, France opposing.

ORDINANCE 2012-06/RESOLUTION 2012-32, FEE SCHEDULE FOR 2013

Leuer informed the Council of concerns that should be addressed in the water fund:

1. Aging infrastructure (three watermain breaks in 2012),
2. Hydrogen sulfide in the water (not a health concern but an odor issue),
3. MN Dept of Health 2013 mandates (six new chemicals to be monitored which increase lab costs for analyzing purposes).

Leuer recommended a 2% increase to the current water rates to be dedicated to the Water Capital Fund. This would amount to a \$0.60 increase in the base usage of water and \$0.15 per 1,000 gallons of water over the base 4,000 gallons.

Options to correct the Hydrogen Sulfide problem were discussed:

1. Super chlorinating the well (approximate cost \$5,000 - \$10,000 – but no guarantee of working or how long it would work). The well would need to be shut down for 2 to 3 days and will coordinate with the tank cleaning.
2. Place an aeration system in the storage tank (cost to be determined).
3. Drill a new well (approximate cost \$40,000-\$65,000).

Mayor Koch opened the public hearing for Fee Schedule services at 7:23 p.m. No one was in the audience to address the fee schedule hearing. A letter was received via e-mail and included as part of this hearing.

<u>Name</u>	<u>Address</u>
Tom Van Beusekom	155 Elsen Street

Summary of letter:

Opposition to a rate increase; requesting a comprehensive review of the system; inefficiencies in billing for all water pumped.

On a motion by France, seconded by Pedersen, to close the hearing at 7:23 p.m. Motion carried unanimously.

Patnode reviewed the financials with the Council stating the current balance in the Water Fund is \$60,029 and the Water Fund started the year at \$40,440.

Council would like staff to provide more information regarding the possibility of an aeration system in the storage tank to resolve the Hydrogen Sulfide issue as that appears to be a permanent fix over Option 1 and probably less expensive than Option 3.

On a motion by Lohr, seconded by Neumann, to approve Ordinance 2012-06, CITY OF LORETTO, HENNEPIN COUNTY, MINNESOTA, AN ORDINANCE OF THE CITY OF LORETTO, MINNESOTA AMENDING FEES FOR CITY LICENSES, PERMITS, AND SERVICES by increasing the base water fee to \$30.60 for 4,000 gallons and \$7.65 per 1,000 gallons over the 4,000 gallons.

Motion carried unanimously.

On a motion by Lohr, seconded by Neumann, to approve Resolution 2012-32, A RESOLUTION APPROVING PUBLICATION OF ORDINANCE NO. 2012-06 BY TITLE AND SUMMARY.

Motion carried unanimously.

MEDINA POLICE REPORT

Chief Belland informed the Council of activities in November stating that an increase in activity has occurred in various areas. He stated that his department has been called three times in November regarding the wood stove issue that will be discussed later in the meeting and he would stay for that discussion.

RESOLUTION 2012-33, RECOGNIZING SERVICE OF COUNCILOR FRANCE

The Mayor and Council thanked France and Lohr for the service to the city.

On a motion by Koch, seconded by Pedersen, to approve Resolution 2012-33, A RESOLUTION RECOGNIZING JEFFERY FRANCE FOR A TOTAL OF NINE YEARS AND 7 MONTHS OF SERVICE TO THE CITY OF LORETTO.

Motion carried unanimously.

RESOLUTION 2012-34, RECOGNIZING SERVICE OF COUNCILOR LOHR

On a motion by Koch, seconded by Neumann, to approve Resolution 2012-34, A RESOLUTION RECOGNIZING CLARK LOHR FOR FOUR YEARS OF SERVICE TO THE CITY OF LORETTO.

Motion carried, Lohr abstaining.

RESOLUTION 2012-35, EXTENDING AGREEMENT WITH HENNEPIN COUNTY

On a motion by Neumann, seconded by Pedersen, to approve Resolution 2012-35, A RESOLUTION EXTENDING CONDITIONAL USE LICENSE AGREEMENT WITH HENNEPIN COUNTY.

Motion carried unanimously.

APPROVAL OF CIGARETTE LICENSES (RENEWAL)

On a motion by Lohr, seconded by Pedersen, to approve a Tobacco License for the Choo Choo for 2013.

Motion carried, France opposed.

APPROVAL OF CHICKEN LICENSES (RENEWALS)

On a motion by Neumann, seconded by Pedersen, to approve the Chicken Licenses for Hatcher's at 190 Hillview Lane and Voss's at 130 Loretto Street for 2013 pending all application material submitted.

Motion carried unanimously.

AUDIT AGREEMENT

On a motion by Lohr, seconded by France, to approve the 2012 Audit with Abdo Eick & Meyers in the amount of \$9,900 and authorize the Clerk to sign the Letter of Understanding.

Motion carried unanimously.

COMMUNITY SIGN

Leuer has been negotiating with the Lion's on the final terms regarding the Community Sign and signing off on the Donation Form. Agreement has been reached regarding the Lion's willingness to pay for: a computer to be housed at City Hall strictly for the sign; the IT person to connect the computer and reconfigure the firewall; the monthly charge of having a "Static IP Connection" through the phone service.

Council would like staff to verify the additional insurance cost due to the electronic sign. Leuer will continue working with the Lion's and bring an update to the January City Council meeting for possible approval. He'd also recommend that the attorney draft a simple agreement upon completing the negotiations.

2013 FIRE CONTRACT

Leuer informed the Council that the 2013 Fire Contract is currently at the Fire Dept. attorney's office finishing up with details and is not ready for signatures. He is requesting a two month extension on the current agreement but is requesting 2013 fire rate payment. Discussion centered on payment of 2012 rates for the extension.

On a motion by France, seconded by Neumann, to extend the fire contract two months until 2/28/13 with the understanding that the city would be paying the 2013 fire rates.

Motion carried - France, Neumann, and Pedersen voting aye.

Lohr and Koch voting nay.

NUISANCE COMPLAINT – WOOD STOVE AT 226 ST. JOHN STREET

Attorney Callies informed the Council on this dense smoke issue in general terms.

Fire Chief/Public Works Director Leuer had a power point presentation regarding the seven fire calls and one text message received in this area by the FD since October 10th. Dates and times from the most recent:

12/1/12 – text message;	10/25/12 – 2:40 p.m.
11/30/12 – 8:32 a.m.	10/24/12 – 3:17 p.m.
11/29/12 – 9:32 a.m.	10/11/12 – 7:30 a.m.
11/23/12 – 9:15 a.m.	10/10/12 – 8:06 a.m.

Attorney Callies informed the Council that there are various ways to handle this under the code and had prepared a memo for Council. Alternatives may include criminal prosecution, civil injunction, and/or a warning letter.

Communications with Belland, Leuer, and Koecheler have been ongoing and Koecheler stated that he would shut the damper off to reduce the smoke but he's not always aware of the smoke since he is not on-site when it usually occurs.

Health issues have been brought up and that is a more serious concern. Koecheler did obtain a permit for the wood stove, however, the smoke is the issue.

Summary of Council/Police/Attorney discussion:

Fire Dept. calls are now tabulated and become part of the cost for the fire contract for Loretto, numerous calls since this has occurred, overall concern is reduce the calls being made to the PD and FD; complaints about the smoke are not all from the same person; if this goes through the criminal court system, people that submitted complaints would need to testify; COPD is a concern; send letter from the attorney to the Koecheler's as a formal notice letter and review at the January meeting; valley that the property is in creates the issue; fire should burn hotter to reduce the amount of smoke; debate if evidence would warrant a criminal complaint.

Koecheler's were present and spoke at the meeting. Following is a summary of their comments:

All firewood is dry; they instruct those placing wood in the stove to wait for the local kids to go to school; if the wind is moving from 1 – 5 mph it moves the smoke and 80% of the time, there is no lingering smoke; creates less carbon than electric; if foggy, they try not to stoke the fire; they don't feel that they create any health concerns; aren't always aware when it's too smoky to change the damper setting; they feel they are being harassed.

Council consensus was for Callies to prepare and send a letter to the Koecheler's regarding the nuisance that the wood stove is creating and put an end to it.

TEMPORARY SIGN – WINTER WALKABOUT

On a motion by Neumann, seconded by France, to approve a 15 day temporary sign permit for Vinland Center's 4th Annual Winter Walkabout.

Motion carried unanimously.

REDEVELOPMENT COMMITTEE (RAC) ITEMS

Minutes

Lohr reviewed the 11/27/12 RAC Minutes with the Council. RAC has recommended the Council to purchase property to secure the development. Lohr discussed various revenue sources for the possible purchase of property in the proposed redevelopment area. He is planning a presentation in January when most of the studies will be packaged and in final format for Council review. He will present a more in-depth proposal on purchasing property at that time.

Lohr's RAC term is up at the end of Jan and he plans to resubmit and he encourages other Council members to apply. He stated that Council-elect Girk is on the RAC so there will be continuous Council representation.

INFORMATIONAL ITEMS

Recycling Update

Forty-two households have signed up for the BioBag Program thus far with Randy's. The Council chose to drop the incentive program as it has not increased recycling in the city.

Holiday Train Update

The Holiday Train is scheduled to arrive in Loretto on 12/13. Council acknowledged and thanked staff member Mary Schneider for her work on the Holiday Train.

MONTHLY REPORTS

City Hall

City Clerk Appointment

Pedersen updated the Council on the process of the hiring committee's role in selecting the applicants. They interviewed three candidates; rated and scored them; the top candidate was Travis Rosin.

Pedersen stated Rosin graduated with a major in Political Science, has interned for cities, has election experience, has experience with grant writing, and paid his way for a Clerk's training session. Rosin's plan is to move closer to the City of Loretto within the next few months.

Summary of discussion:

Priority of the job for Rosin; office hours; plan to cross train Office Assistant Schneider so she'll be in a position to move into the City Clerk role in the future; starting Schneider in the Clerk position now; process moving too fast; no chance to meet the candidates prior to hiring; take advantage of the training Patnode can offer the new Clerk; distance Rosin lives from Loretto; commitment to Loretto.

On a motion by Lohr, seconded by Neumann, to approve the Hiring Committee's recommendation to offer the position to Travis Rosin at the rate of \$19 per hour; hours per week to range between 24 and 27; and to begin 12/17/12.

Motion carried, Lohr, Neumann, Pedersen - aye

France and Koch - nay

On a motion by Neumann, seconded by France, to approve the increase of the Office Assistant's hours to 14 hours per week for 2013.

Motion carried unanimously.

It is understood that during the transition period, office staff may be putting in over the budgeted hours. Patnode also has PTO that will be paid out in 2013.

Streets

Leuer informed the Council that a Loretto resident contacted Three Rivers District to complain about Loretto cleaning the bike path from Hwy 55 to County Road 115. Council direction in November of 2011 and February of 2012 requested staff to plow this section for the safety of Loretto residents while out walking. The Council recommended that staff apply for a winter use permit with Three Rivers annually to reduce liability exposure. However, since that section of the path is in Medina, Loretto cannot apply and Medina chose not to apply on their behalf.

Further investigation will be necessary as the information just came to Leuer's attention. If it can't be worked out with Medina, it will not be plowed.

Water

No items brought forward.

Wastewater

No items brought forward.

******* The Attorney was dismissed at 9:05 p.m. *******

Parks

Update on backstop

Leuer gave a presentation on the backstop stating that the current backstop has safety concerns and the proposed netting has a 10 – 15 year lifespan.

France stated he would like to hire an architect to orchestrate a plan for the parks and then prioritize expenditures based on the overall plan.

The Parks Committee members have had discussions in the past and the backstop has been a priority.

On a motion by Lohr, seconded by Neumann, to move forward with the purchase of the baseball netting as proposed in the estimate from Northern Specialties, Inc. dated September 21, 2012.

Motion carried, France abstained.

Storm water

Update on Loretto/Medina project

Leuer informed the Council that the project is progressing nicely. They are currently working on the temporary road to access the property to the north. They plan to start to dig the pond on Thursday (12/13). They will begin in the furthest west point and move eastward (towards CR 19). Water will be diverted to the newly constructed pond at the end of the project.

FINANCIAL

December Bills

On a motion by Neumann, seconded by France, to approve electronic check #'s 1288E-1310E (void #1307E) and paper checks #'s 20030-20075 for a grand total of \$74,278.91. Motion carried unanimously.

Other Financials

Patnode reviewed the Monthly Balance Sheet, Year-to-Date Reports , Year-End transfers and Year End bills with the Council.

Year-End Transfers

Patnode noted that verification will be made on any year-end bills which could reduce the amount of the Capital Fund transfers.

Council added the Fun Fest revenue of \$1,800 and an additional \$10,000 in Park Capital since the mower budgeted for 2012 received a grant for \$10,000.

On a motion by France, seconded by Koch, to transfer:

- \$1900 from the General Fund Election account to Capital Fund Elections (Future election equipment) 101-41410-720 to 225-41000-39201;
- \$2000 from the General Fund Attorney to Capital Fund Legal (ordinance changes) – 101-41610-720 to 225-41000-39201;
- \$8000 from General Fund Planning (RAC grant bills have yet to all come in for 2012) – 101-41910-720 to 225-41000-39201;
- \$1800 from General Fund Fun Fest to Capital Fund Fun Fest (beautify Loretto project) – 101-45100-720 to 225-41000-39201;
- \$17,783.35 from General Fund Parks to the Capital Funds Parks (Capital expenses) - 101-45200-720 to 225-41000-39201;
- \$26,425.40 from the Wastewater Fund to the Wastewater Capital Fund (build reserves) - 602-49450-720 to 612-49450-39203;
- \$8,000 from the Stormwater Fund to the Capital Fund – Stormwater (future projects) - 604-49600-720 to 614-49600-39203.

Motion carried unanimously.

Year End Bills

On a motion by Neumann, seconded by France, to authorize payment of the 2012 year end bills on or before 12/31/12 and have available for the January 2013 Council meeting.

Motion carried unanimously.

Outgoing Council Advice

Future planning is key - possibility of a public works facility storage; develop a salt/sand storage facility; planning for ballparks as it is an eye catcher; invest every once in a while.

ADJOURN

On a motion by France, seconded by Lohr, to adjourn at 9:43 p.m.

Motion carried unanimously.

ATTEST:

Cynthia J. Patnode, City Clerk

Kent Koch, Mayor