

City of Loretto
Minutes of Regular City Council Meeting
279 N. Medina Street, Council Chambers
December 11, 2018

1. CALL TO ORDER

Mayor Koch called the meeting to order at 7:00 p.m.

Members present: Mayor Kent Koch, Council Members Brenda Daniels, Melissa Markham, John Neumann and Brian Sevigny.

Also present: City Attorney Paula Callies, Medina Police Chief Ed Belland, Public Works Director Jeff Leuer and City Clerk Treasurer Mary Schneider.

There were five people in the audience.

2. PLEDGE OF ALLEGIANCE

3. SET AGENDA

The agenda was approved with the following changes:

- Under Action Planning, add item k. Canadian Pacific Preliminary Engineering Agreement for Townline Road Crossing

4. APPROVE MINUTES

On a motion by Sevigny, seconded by Neumann, to approve the November 13, 2018 Regular City Council Meeting Minutes as submitted.

Motion carried unanimously.

5. MEDINA POLICE REPORT

Police Chief Belland presented the November Police Report, noting 136 total calls for service, of which 105 were general patrols. Belland noted winter parking rules are in effect and there have been some citations issued. Belland also reported alcohol compliance checks were completed at all four establishments in Loretto and all passed.

Mayor Koch asked about enforcement of trucks coming out of Eagle Mouldings parking lot, attempting to go north on County Road 19 and destroying the median road sign. Belland stated a citation for damage to property could be issued if the person is identified.

6. OPEN FORUM

Bob Meehan, 192 Summit Avenue, addressed the Council with concerns about the new trail to the Chippewa Estates development installed along his property line; loss of privacy, has two children with special needs who have anxiety about the new trail. Meehan requested the Council consider replacing the fence and extending it to the end of his property.

Further discussion on this topic took place during Action item b. Fence Replacement at Wellhouse Property.

7. CONSENT AGENDA

- a. 21st Century Bank ACH Origination Agreement
- b. Hatcher Chicken License Renewal
- c. Thompson Chicken License Renewal
- d. Stross Chicken License Renewal

On a motion by Neumann, seconded by Markham, to approve the CONSENT AGENDA as submitted.

Motion carried unanimously.

8. ACTION/PLANNING

a. Resolution 2018-50, Empire Cycle CUP Application - PUBLIC HEARING

City Attorney Callies presented the issues stating the applicant, Eric Riley of Empire Cycle, has applied for a Conditional Use Permit (CUP) to operate his small vehicle repair business at 200 Medina Street North. Callies noted Riley is not the current owner of the property, but the owner did sign off on the application. Riley currently has an Interim Use Permit that expires six months after the property is sold and Riley has stated he intends to purchase the property. Earlier in 2018, the Council passed a zoning ordinance amendment adding small vehicle repair as a permitted Conditional Use. Callies stated the applicant's request is consistent with CUP evaluation criteria, as noted in the City Planner's memo provided to the Council for review.

Mayor Koch opened the Public Hearing at 7:16 p.m.

Eric Riley, 200 Medina Street North, stated he is requesting the CUP in order to have the permit in place and not have to keep coming back to the Council. Riley proposed Condition #5 in the Resolution, "Any future site modifications, including but not necessarily limited to business expansions, are subject to conditional use permit amendment processing and subsequent approval by the city council" be removed. Riley stated his business has been a valuable addition to the community, bringing many new people to town.

On a motion by Neumann, seconded by Daniels, to close the public hearing at 7:25 p.m.

Motion carried unanimously.

Callies noted the property consists of two PIDs, or lots, which is an issue that would need to be addressed in the future if the property owner wanted to extend the current building across the property line.

On a motion by Markham, seconded by Neumann, to approve Resolution 2018-50, A RESOLUTION APPROVING CONDITIONAL USE PERMIT FOR 200 MEDINA STREET NORTH, LORETTO, MINNESOTA striking Condition #5 as submitted and replacing with the following Condition #5 "Prior to any new construction on the Subject Property, the City requires the property owner to combine the two lots (06-118-23 34 0008 and 06-118-23 34 0009) into one lot."

Motion carried unanimously.

b. Fence Replacement at Wellhouse Property

Public Works Director Leuer stated there was a fence at the wellhouse property, about four feet from the property line shared with Amy and Bob Meehan. Due to the development just north of the wellhouse property, the fence was removed and a pathway was installed two feet from the property line. Leuer stated the Meehan's would like that fence replaced and presented a quote for Area #1 for \$5,376 to replace the fence that was taken down (this fence would be on city property), and for Area #2 for \$3,024 (this fence would be on private property and would be new fence.)

City Attorney Callies stated an issue to consider is that the City only has authority to spend money for public purposes.

Summary of Council discussion: the City did not pay for fencing in other areas of town with similar issues; concerns about setting precedence; the City should not spend public funds for a private purpose; out of fairness, the City should replace the fence that was taken down due to

the new development installation; replacing the fence was the plan at the time it was taken down; is there a cheaper alternative to the current quote.

Council directed Leuer to bring back additional quotes to the January council meeting.

c. Storage Space

Clerk Treasurer Schneider presented information on additional storage space available for rent at the Loretto Office Park. Space #1 is 360 square feet for \$350 per month (the space right next to council chambers.) Space #2 is 720 square feet for \$600 per month (the space across the hall from the council chambers.)

Public Works Director Leuer stated the smaller space would help his department not have to move items around during the year, but does not address the larger storage issues for his department.

Council directed staff to bring back an agreement for the rental of Space #1 in the Loretto Office Park to the January council meeting, with the term of the agreement not to exceed the current office rental term.

d. Resolution 2018-51, Setting Final Levy and Budget - Truth in Taxation Hearing

Clerk Treasurer Schneider presented the 2019 Final Levy and Budget, noting the Final Levy recommendation is \$411,115, which is \$10,713 lower than the Proposed Levy set at the September council meeting. Schneider stated reductions to the General Fund budget were made to Criminal Attorney, Rentals, Streets Capital Outlay and Miscellaneous and slight increases were made to Auditing and Assessing. The Final General Fund Budget recommendation is \$552,670. In the Wastewater Fund, Engineering was increased due to a surplus in expected revenues. In the Stormwater Fund, revenues were increased based on projections from the user rate increase. On the expenditure side, an increase was made to the Capital Outlay for Stormwater Pond Cleanout.

Mayor Koch opened the Truth in Taxation Hearing for public comment at 8:11 p.m.

Raymond Cyr, 215 Mallard Lane, addressed the Council, with questions:

1. In the General Fund, Small City Transportation Funding, why is there no amount in the budget for 2019?
Schneider stated the Legislature did not fund this for 2019. If the funding does come through in 2019, this would be set aside for streets and would benefit the 2020 budget.
2. In the General Fund Rentals, why has this been increased so much over the previous year?
Schneider stated \$13,000 is for current office rental, \$4,800 for current Public Works storage, additional \$4,200 for additional storage space at the Loretto Office Park and \$2,500 for rental space for snow plows during the second half of 2019, for a total of \$24,500.
3. Why did the Fire Contract go up and how is that determined?
Public Works Director Leuer stated the Loretto Fire Department covers five different cities and there is a formula for splitting the total cost based on estimated market value and calls of service.
4. In the General Fund, Engineering for Streets, why did this line item go up by so much?
Leuer stated the Council directed a long term infrastructure CIP study for ten year and twenty year plan for maintenance and repairs. The idea would be to become less reactive and address aging infrastructure.
5. In the General Fund, Streets Capital Outlay, what is the reason for the increase?
Schneider explained that in CIP, or Capital Improvement Plan, there are items budgeted for funds to be set aside for future needs. The bulk of the increase is due to replacing the fence at the wellhouse property.

6. In the General Fund, Parks Capital Outlay, Cyr expressed concerns for increasing in this part of the budget.
Schneider referred Cyr to the CIP, which gives explanations for items for which the Council approved funds to be set aside.

On a motion by Sevigny, seconded by Daniels, to approve Resolution 2018-51, A RESOLUTION SETTING THE 2019 PROPERTY TAX LEVY AND APPROVING THE 2019 GENERAL FUND BUDGET as submitted.

Motion carried unanimously.

e. Randy's Environmental Services Contract Amendment

Clerk Treasurer Schneider presented cost savings information if the City were to approve the Option 2 amendment to the current contract with Randy's Environmental Services, noting a projected savings of \$11,621.53 over ten years.

On a motion by Neumann, seconded by Markham, to approve the Option 2 amendment to the Agreement for Residential Garbage and Recycling Services with Randy's Environmental Services.
Motion carried unanimously.

f. Ordinance 2018-05, Amending Fee Schedule

On a motion by Markham, seconded by Daniels, to approve Ordinance 2018-05, AN ORDINANCE OF THE CITY OF LORETTO, MINNESOTA AMENDING FEES FOR CITY LICENSES, PERMITS AND SERVICES, with a one dollar increase to the Recycling Collection Monthly Service Rate and a two dollar increase to the Stormwater Base Rate per REF value.

Motion carried unanimously.

g. Resolution 2018-52, Summary Publication of Ordinance 2018-05

On a motion by Neumann, seconded by Markham, to approve Resolution 2018-52, A RESOLUTION APPROVING PUBLICATION OF ORDINANCE NO. 2018-05 BY TITLE AND SUMMARY.
Motion carried unanimously.

h. Resolution 2018-53, Recognizing 2018 Volunteers

On a motion by Markham, seconded by Daniels, to approve Resolution 2018-53, A RESOLUTION RECOGNIZING AND THANKING 2018 VOLUNTEERS.

Motion carried unanimously.

i. Resolution 2018-54, Recognizing Service of Council Member Neumann

On a motion by Sevigny, seconded by Daniels, to approve Resolution 2018-54, A RESOLUTION RECOGNIZING JOHN NEUMANN FOR 8 YEARS OF SERVICE TO THE CITY OF LORETTO.

Motion carried unanimously.

j. Award Snowmobile Club Gift Certificate

On a motion by Koch, seconded by Markham, to award the Sno-Birds gift certificate to Carol Hatcher.

Motion carried unanimously.

k. Canadian Pacific Preliminary Engineering Agreement for Townline Road Crossing

Public Works Director Leuer reported the cities of Medina and Independence have agreed to pay one third each of the total cost of \$5,000 to get the preliminary engineering completed for the Townline Road Crossing. Independence stipulated that the improvement must be agricultural friendly.

Council Member Sevigny noted the Council approved spending up to \$5,000 at the November Council Meeting.

On a motion by Sevigny, seconded by Markham, to approve the Canadian Pacific agreement for completing preliminary engineering for the Townline Road railroad crossing.
Motion carried unanimously.

9. INFORMATIONAL ITEMS

a. Holiday Train Update

Clerk Treasurer Schneider reported a Holiday Train planning meeting took place on December 5th and all plans are ready to go for the event tomorrow, Wednesday, December 12th. Local festivities will begin at 3:00 p.m. with free hot cocoa and cider, cookies, kiddie train rides, the RE/Max Hot Air Parade Blower, bon fires, characters roaming the crowd (including the Grinch, Cindy Lou Who and Max, Olaf the Snowman, Mickey, the Gingerbread Man and a Christmas Tree!) Schneider reminded everyone to bring donations for the food shelf. The Holiday Train is scheduled to arrive at 4:15 p.m. with the performances starting at 4:30 p.m.

b. Quiet Zone Update

Public Works Director Leuer stated he will have a report in early 2019 with costs. Leuer reported the project completion timeframe is 12-18 months. The City needs to work with Hennepin County on options to secure the driveway at the business north of the tracks.

Mayor Koch called for a brief recess at 8:56 p.m. The meeting reconvened at 9:03 p.m.

10. MONTHLY STAFF REPORTS

a. City Hall

No items were brought forward.

b. Streets

No items were brought forward.

c. Water

No items were brought forward.

d. Wastewater

Public Works Director Leuer stated he is moving forward with specs and plans for the MCES connection, working with city engineers.

e. Parks

1) Hennepin Youth Sports Facility Grant (HYSFG) Update

Council reviewed a breakdown of expenditures and expected revenues for the grant project. Clerk Treasurer Schneider stated the paperwork is mostly complete to submit for reimbursement from Hennepin County, with the exception of the Affidavit of Completion.

Council discussed concerns that the City is out \$341.66 for the Bob Koch Field renovations. The agreement with the LCAA covers overages for the Arnold Klaers Field project, but nothing was discussed regarding overages for the Bob Koch Field project.

Council directed staff to set up a meeting with the LCAA to go over the final accounting and let the Parks Committee know when the meeting is so they have the option to attend.

2) Lions Park Building Update

Mayor Koch stated he has been unable to connect with the Morton Building representative after multiple attempts.

3) LCAA Operation and Maintenance Annual Statement
Council reviewed. No action taken.

f. Stormwater

Public Works Director Leuer reported there is a blockage in the culvert down at the ballfields. Three beavers have been trapped and the City needs to unblock the culvert. Leuer reported that Corcoran public works is coming to help dig it out with their backhoe through the equipment sharing agreement.

11. MAYOR AND COUNCIL REPORTS

Mayor Koch reported he will be meeting with HWY 55 Corridor Coalition on Friday, December 14th.

12. FINANCIAL

a. December Bills

On a motion by Koch, seconded by Daniels, to approve Electronic check numbers 3056E-3078E and paper check numbers 22902-22949 for a grand total of \$153,423.88.
Motion carried unanimously.

b. Monthly Balance Sheet

Council reviewed. No action taken.

c. Year-to-Date Financial Reports

Council reviewed. No action taken.

d. Year-end Transfers

On a motion by Koch, seconded by Neumann, to approve the following transfers:

- \$5,000 from TIF Fund to the General Fund. This was budgeted in 2018 as a payment on the TIF interfund loan from the General Fund. (200-41000-720 to 101-41000-39200)
- \$18,000 from the Wastewater Fund to the Wastewater Capital Fund – to build up reserves for future wastewater needs (602-49450-500 to 612-49450-39203)
- \$14,000 from the Stormwater Fund to the Stormwater Capital Fund - to build up reserves for future stormwater projects (604-49600-500 to 614-49600-39203).

Motion carried unanimously.

e. Year-end Bills

On a motion by Neumann, seconded by Daniels, to authorize payment of the 2018 year-end bills on or before 12/31/18 and have information available for the January 2019 Council meeting.
Motion carried unanimously.

13. ADJOURN

On a motion by Neumann, seconded by Sevigny, to adjourn at 9:25 p.m.
Motion carried unanimously.

ATTEST:

Mary K. Schneider, City Clerk Treasurer

Kent Koch, Mayor