

OCTOBER 16, 2017

The Regular Meeting of the Lake Benton City Council was held on Monday, October 16, 2017 at 5:30 P.M. in the Heritage Center/City Office. Mayor Bob Worth presided. Trustees Rosie DeZeeuw, Mark Dunn, David Enke and Daryl Schlapkohl were present. City Attorney Mike Cable was absent. City Administrator/Clerk Eileen Christensen, Police Chief Tony Sievert, Teresa Schreurs with DSI, Gary Serie-LB First Responder, Tami Benck-Benck's Lakeview Lodge, Bridget Dinnel, and Shelly Finzen from the Lake Benton Valley Journal were also present.

Mayor Bob Worth called the meeting to order. The Pledge of Allegiance was recited by all present.

Mayor Bob Worth then asked if anyone in attendance had an item, not on the agenda, to bring up during the Open Forum part of the meeting. If so they had two minutes to state their concern. No items were brought forward at this time.

Mayor Bob Worth then informed the audience the Council will now go into closed Executive Session via phone conference with Legal Counsel to discuss litigation on PERA Case regarding Thor Tollefson.

5:30 PM – **MOTION** by Dave Enke, seconded by Daryl Schlapkohl to go into Executive Session to discuss litigation. Motion carried.

5:44 PM – **MOTION** by Mark Dunn, seconded by Rosie DeZeeuw to go out of Executive Session and back into the Regular Meeting. Motion carried.

MOTION by Dave Enke, seconded by Daryl Schlapkohl to authorize Mary D. Tietjen of the Law firm of Kennedy & Graven, Chartered to bring a Motion before Administrative Law Judge, James LaFave, to have the City of Lake Benton dismissed from the action entitled in the Matter of the City of Lake Benton v. Thor Tollefson, the City of Ashby and the Public Employees Retirement Association having # OAH 60-3600-34056. Motion carried.

The minutes of the Regular Meeting of October 2, 2017 were reviewed. City Administrator/Clerk Eileen Christensen informed the Council she used the word "rescind" on the motion made by Daryl Schlapkohl, seconded by Mark Dunn regarding the Lakeview Street proposed project because that was the intent of the Council. **MOTION** by Mark Dunn, seconded by Rosie DeZeeuw to approve the minutes of the Regular Meeting of October 2, 2017. Motion carried.

The next item of business was to review/act on the claims presented against the City of Lake Benton.

CLAIMS PRESENTED AGAINST THE CITY OF LAKE BENTON:

ITC	\$ 284.44	LEAGUE OF MN CITIES	\$ 11,566.00
USTI	\$ 1.04	QUARNSTROM/DOERING	\$ 1,924.62
LB HARDWARE	\$ 124.75	EXPRESSWAY-LB	\$ 865.13
RICK'S WELDING	\$ 72.00	GOPHER STATE	\$ 10.80
CITY OF LAKE BENTON	\$ 132.91	S & E AUTO	\$ 100.00
POSTMASTER	\$ 110.16	CHAMBER-CVB	\$ 184.36
FIRST SECURITY BANK	\$24,248.35	LB FIRE RELIEF ASSOC.	\$ 24,244.47
HEIMAN FIRE EQUIP	\$12,266.15	SW SANITATION	\$ 3,428.30
SECRETARY OF STATE	\$ 20.00	JARED SCHINDLER	\$ 23.58
PROACTION	\$ 2,147.78	CARDMEMBER SERVICES	\$ 345.93
HYDRO TECH	\$ 2,100.00	VERIZON	\$ 35.01
ONE OFFICE SOLUTION	\$ 25.63	THE LIBRARY STORE	\$ 109.95
BUFFALO RIDGE NEWS	\$ 209.55	TIRE SOLUTIONS	\$ 532.08

MOTION by Mark Dunn, seconded by Dave Enke to approve payment of the claims presented against the City of Lake Benton. Motion carried and the Mayor authorized the City Administrator/Clerk to make payment.

The next item of business was to review/act on the final application for the City of Lake Benton's Small Cities Grant. Teresa Schreurs with DSI informed the Council when she worked on the application, the target area was based south of Benton Street. The target area does not include the Mork Addition and Lakeview Street residential areas because of the newer modeled homes. Including those additions in the application will hurt the percentages. Therefore, Teresa would like to propose writing the grant for 25 owner-occupied residential homes south of Benton Street for the first 12 months.

Should the City receive the grant for the south end, the City might consider another grant for the Mork Addition and Lakeview Street which has shown interest.

There are 12 commercial sites that showed interest but Teresa cannot propose all 12. Her goal will be 50% which is six (6) commercial sites city wide. Teresa will be applying for 25 owner-occupied residential homes and six commercial sites.

Teresa then passed out a financial scenario for the Council to review. Currently the City has \$22,770.00 in the revolving loan fund with approximately \$345.00 per month coming in through 2024. By this time next year, the revolving loan fund should have enough funding for the total start-up for Administration which totals \$25,750.00.

Teresa continued on with the construction part of the financial scenario. At the time of start-up, the City should have approximately \$600.00 to use toward the construction leverage. If the City does not have all the funding perhaps another entity within the City would assist (i.e. EDA). If the City does not have additional funding, the state will assist with paying the construction. However, the City should explore additional options for additional funding for the construction process out of next year's budget.

The Council asked if getting the grant is a guarantee and Teresa explained nothing is guaranteed. However, she is working to put together two of the best grants – one for the City of Lake Benton, and one for the cities of Ruthton and Tyler. Teresa expressed to the Council that DSI has a good working relationship with DEED. **MOTION** by Mark Dunn, seconded by Dave Enke to approve up to \$25,750.00 for the Administration Start-up from the revolving loan fund. Motion carried.

Teresa then continued on with years two and three of the owner-occupied rehabilitation administration costs of \$82,000.00. The City should have funds available in their revolving loan fund to pay 10% of this amount to assist homeowners who cannot get a loan from a bank or other means. **MOTION** by Dave Enke, seconded by Mark Dunn to have, when available, \$8,000.00 in the revolving loan fund to assist homeowners if needed. Motion carried.

The third item needing to be addressed was for the Council to authorize the Mayor to sign the preliminary proposal and authorize DSI to submit the preliminary proposal to DEED. **MOTION** by Dave Enke, seconded by Mark Dunn to authorize the Mayor sign the preliminary proposal and authorize DSI to submit the preliminary proposal to DEED. Motion carried.

The fourth and final item to be addressed was to plan a public hearing for the Small Cities Development Grant. The Council agreed to hold a public hearing at the second regular meeting Tuesday, January 16, 2018 regarding the Small Cities Development Grant. DSI will handle the details for the hearing.

The next item of business was to review/act on repairing the garage doors on the EMS Building. Gary Serie, Lake Benton First Responder was available to explain the big doors on the EMS

building do not seal correctly and the building is losing heat. Gary obtained two quotes to fix the two south doors and the seals. Gary Nordmeyer provided a quote of \$400.00 and Al Trigg provided a bid of \$260.00.

MOTION by Daryl Schlapkohl, seconded by Mark Dunn to approve hiring Al Trigg for \$260.00 to fix the garage doors and seals on the EMS building. Motion carried.

The next item of business was to review/act on a building permit for Chad and Tami Benck to build a fence at 605 Highway 75. Although the Benck's were not aware of the most recent Ordinance adopted by the Council on April 17, 2017, they built their fence without obtaining a building permit and without paying the fee. Maintenance Supervisor Todd Draper confirmed there were no setback concerns and everything is in compliance with the Ordinance. The Benck's have completed the building permit application and paid the \$25.00 fee. **MOTION** by Mark Dunn, seconded by Dave Enke to approve the building permit for Chad and Tami Benck to build a fence at 605 Highway 75. Motion carried.

The next item of business was to meet with Tami Benck to discuss the Animal Ordinance No. 91.06-Kennels. Tami Benck informed the Council when they moved to the City of Lake Benton they did not know they couldn't have more than four dogs. Just recently, the Benck's acquired five English bulldogs which are house dogs and low maintenance. The Benck's have a special needs child with a severe case of PTSD and ADHD, and she has seen a huge change in their child since they acquired the five bulldogs. The bulldogs can be bred and are a protected breed.

Tami informed the Council she will pay any legal fees impaired with amending the ordinance and is prepared to pay any type of City tax. The City ordinance states the keeping of five or more dogs on the same premises constitutes a kennel and they have six English bulldogs. Tami also explained the dogs will not go over five litters a year.

The Council inquired how much the dogs will sell for and Tami explained it can be around \$2,700.00 with no breeding rights, and up to \$5,000.00 with breeding rights. All six of the Benck's dogs are registered with the State and four are registered with the City.

The Council also inquired how many special needs dogs does one need with a case of ADHD. Tami explained that all of the six dogs interact with their son.

The Council explained to Tami that they are here to represent the City as a whole and the ordinances are in place for a reason. It was also discussed the Benck's own a lodge, live near a church, are breeding dogs, and living in a kennel situation.

After a lengthy discussion that the City registers 150 dogs and wanting to amend the ordinance to more than the allotted four dogs per household is asking for trouble. The Benck's should have checked the City ordinances prior to getting their dogs, and ignorance of the law is no excuse.

MOTION by Daryl Schlapkohl, seconded by Dave Enke to leave the ordinance as written with the keeping of five or more dogs shall constitute a kennel.

Other Council members felt there could be something the City could do for the Benck's and their special needs child. If the dogs help their child, the City should look into options they can work with them on. They would like to see the City amend the ordinance to meet the Benck's needs.

The Council discussed and understood each other's issues. **MOTION** by Dave Enke, seconded by Mark Dunn to table this item until the next regular meeting of November 6, 2017 to give the Council an opportunity to evaluate the situation and come up with a reasonable solution. Motion carried with three yes's, and one no.

The Council referenced the City's claims and noticed Benck's Lakeview Lodge had not paid the August and September lodging tax and inquired when this will be paid. Tami Benck said she has the figures and is working on getting that completed within the next week. The Council reminded Tami the lodging tax is to be paid the first of each month.

The next item of business was to review amending Ordinance No. 52.24 on Late Payment and Collection of Fees for utilities. City Administrator/Clerk Eileen Christensen reminded the Council at their last regular meeting they discussed amending the amount of days to give residents to pay their delinquent utility bills before the water is shut off. City Administrator/Clerk Eileen Christensen informed the Council she contacted surrounding cities asking how many days they give their residents to pay their delinquent bill and the amount of days varied from 30 to 60 days which is less than the City of Lake Benton which uses 90 days. Late charges included: \$5.00 late fee, \$20.00 late fee for all services (water, sewer, garbage, electric, gas), and 10% late fee. The City of Lake Benton currently charges a \$10.00 late fee.

MOTION by Daryl Schlapkohl, seconded by Mark Dunn to approve amending the ordinance to state a time period not to exceed 60 days and a \$10.00 late fee. Motion carried.

City Administrator/Clerk Eileen Christensen informed the Council the adoption of this ordinance will be brought back at a future Council meeting.

The next item of business was to review/act on utility fee charges. City Administrator/Clerk Eileen Christensen reminded the Council they approved the increase of \$0.75 for garbage per container/per month by resolution. The Council can amend the fees by resolution for late fees and reconnect fees. Surrounding cities reconnect charges include: \$75.00, \$100.00, \$50.00, and \$70.00. The City of Lake Benton currently charges a \$25.00 reconnect fee.

MOTION by Daryl Schlapkohl, seconded by Mark Dunn to approve the utility fee charges as follows: Reconnect Fee is \$75.00; Late Fee is \$10.00. Motion carried.

The next item of business was to review/act on a Resolution Approving the Issuance of General Obligation Sewer Revenue Refunding Bonds, Series 2017A. City Administrator/Clerk Eileen Christensen has been in contact with George Eilertson of Northland Securities who explained that this resolution is authorizing the Mayor and Administrator/Clerk to approve and execute a bond purchase agreement provided the total savings is at least \$330,000.00 (per Council approval on September 5, 2017).

George also stated interest rates are currently rising which lowers the bond savings which is close to \$300,000.00.

Should the interest rates lower sometime next week to provide a savings of at least \$330,000.00, the Mayor and Administrator/Clerk can approve and execute a bond purchase. Upon approval of the sale of Bonds, the City Council (with George Eilertson present) will take action at the next regular scheduled meeting or special meeting to adopt the necessary approving resolutions.

Should the interest rates continue to rise, the savings continues to lower, and approval of the bonds has not been executed for purchase by February 28, 2018, the resolution will expire.

MOTION by Daryl Schlapkohl, seconded by Rosie DeZeeuw for the adoption of the Resolution Approving the Issuance of General Obligation Sewer Revenue Refunding Bonds, Series 2017A. Roll call vote: Mark Dunn—in favor; Rosie DeZeeuw—in favor; Dave Enke—in favor; Daryl Schlapkohl—in favor, Bob Worth—in favor. Motion approved unanimously.

PUBLIC WORKS UPDATE: No report.

COMMITTEE REPORTS:

Trustee Mark Dunn – No report.

Trustee Rosie DeZeeuw – The Chamber met last week. The \$2.00 Senior Dining this month is scheduled for October 19, 2017, featuring a speaker who will talk about fraud. Kinner and Company is sponsoring this month's \$2.00 Senior Dining meal.

The Holiday Open Houses will be held the same as they have in the past. Santa Claus Day is scheduled for December 9, 2017 with the judging of the lights the evening before so they can announce the winners at Santa Claus Day. The Chamber Kickoff is scheduled for January 20, 2018.

Trustee Dave Enke – The EDA met last week. The Benck's provided an update on Lakeview Lodge. The wind tower construction is expected to go through January so they should have tenants through January. The Benck's continue to work on getting their electronic sign up and running as well as their website.

Scott Dominiack owns two buildings in town – Scory (the former Emporium), and The Corner Stone (the former drug store). He is too busy to actively market the buildings which he would like to sell both of them for \$50,000.00 with an estimated market value of \$41,000.00.

The EDA proposed another bid for the CHS Property and probably will not hear anything from CHS until November.

The EDA is looking into options on new housing development in Lake Benton. No decisions have been made at this time as the EDA is gathering information and will need to review the housing study that was done within the past year.

Trustee Daryl Schlapkohl – The Opera House did well with their performances of The Cemetery Club. The Opera House Board continues to look for new directors and is advertising for them. The new thermostats were installed but they were hooked up incorrectly. It was suggested the Opera House hire a professional to install the thermostats correctly.

ADMINISTRATOR/CLERK REPORT:

City Administrator/Clerk Eileen Christensen informed the Council the Chamber is sending their November/December edition of Snippets in early to mid-November. A copy of the City's information was included in the Council's packet for consideration and review. If the Council has any additions, and/or corrections, please let her know.

The Council would like to see additional information in the Snippets on the following ordinances: No blowing of grass onto the road and curb; and removal of snow on property owner's sidewalks.

MAYORAL REPORT: No report.

There being no further business to come before the Council at this time, a **MOTION** was made by Mark Dunn, seconded by Dave Enke and carried, the meeting adjourned.

MAYOR

ADMINISTRATOR/CLERK