



# City Council Minutes

Madison Lake City Council

Monday, May 11, 2015

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## 1) Call Meeting to Order

Mayor Pro-Tem Hiniker called the regular meeting to order at 7:04 pm.

## 2) Roll Call

**Council Members Present:** Mayor Pro-Tem Carolyn Hiniker, Laurinda Sohre, Pat Burt, and Kent Hoehn

**Members Absent:** Mayor Ken Reichel

**Staff Present:** City Administrator Ariel Klugman, Deputy City Clerk AmberRose Brudelie, Public Works Supervisor Chris Roemhildt, Police Chief Dan Bunde, Fire Chief Kevin Kennedy, Building Inspector Ron Voth, and City Engineer Chris Larson

## 3) Approval of Agenda

**A motion by Hoehn**, seconded by **Sohre**, to approve the agenda with the addition of the 5e) Approval of minutes from the Board of Appeals and Equalization, 7d) Department Updates and 10c) Police Charger Issue.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn

Nays: None

Motion carried.

## 4) Approval of Vendor Claims

**A motion by Burt**, seconded by **Hoehn**, to approve vendor claims in the amount of \$28,851.58.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn

Nays: None

Motion carried.

## 5) Consent Agenda

- a) Approval of work session minutes from April 20, 2015.
- b) Approval of minutes from regular meeting of April 20, 2015.
- c) Resolution #2015-15 Accepting Donation of a Trailer from Madison Lake Relief Association.
- d) Resolution #2015-16 Accepting Donation of Money for the Veterans Memorial.
- e) Approval of minutes from the Board of Appeals and Equalization

**A motion by Sohre**, seconded by **Burt**, to approve the consent agenda.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn

Nays: None

Motion carried.

## 6) Open Public Comments

## 7) Appearances & Presentations

- a) Public Hearing on Ordinance #2015-5 Madison Lake Designated Predatory Offender Residency Restrictions.
  - Mayor Pro-Tem Hiniker opened the public hearing at 7:08 pm.
  - City Administrator Klugman stated that the ordinance came from City of Le Center.

- City Administrator Klugman stated that both the City of Le Center and the City of Cleveland have approved this same ordinance.
  - The ordinance will take effect upon publication and has been reviewed by the City Attorney.
  - Council reviewed the ordinance.
  - Jerry Groebner of 508 3<sup>rd</sup> Street
    - (1) Mr. Groebner asked if there are any properties in town that would comply with the ordinance.
  - Mayor Pro-Tem Hiniker closed the public hearing at 7:15 pm.
  - Mayor Pro-Tem Hiniker directed City Administrator Klugman to correct the definition of daycare to add daycare facilities licensed by the state.
  - Council directed City Administrator Klugman to verify that there are properties in town that would comply with the ordinance.
- b) Public Hearing on Intention to Issue Capital Improvement Plan Bonds and the Proposal to Adopt the Capital Improvement Plan
- Mayor Pro-Tem Hiniker opened the public hearing at 7:16 pm.
  - Shannon Sweeney with David Drown Associate explained how cities borrow money and specifically the Capital Improvement Plan authority for issuing bonds.
  - This hearing is to notify the public of our intention to issue capital improvement bonds over the next five years.
  - Mr. Sweeney explained how a reverse referendum works and stated that community votes tend to be very expensive.
  - This is the lowest cost opportunity to borrow funds for the project.
  - Mr. Sweeney explained capacity limitations and stated that he does not feel that capacity is an issue in this instance.
  - Mr. Sweeney stated that capacity is only for capital improvement plan debt and that cities can still incur debt for other activities.
  - Mr. Sweeney stated that the interest rate over a fifteen year term is 3.5 to 4%.
  - If we receive a petition for a reverse referendum we have three options: not do the project, hold a special election or issue lease revenue bonds.
  - Mr. Sweeney estimated it can cost \$8,000.00 to \$15,000.00 to hold a special election.
  - Lease revenue bonds have at least a half to one percent higher interest rate.
  - Mr. Sweeney stated that this plan only sets a cap and the city is able to borrow less money.
  - Mr. Sweeney explained general obligation water and sewer bonds.
  - City Administrator Klugman explained the two options for the building and the bidding process.
  - Council discussed the insurance coverage.
  - Cheryl Reichel of 61610 Nutmeg Road
    - (1) Ms. Reichel asked how the project is going to get paid for.
    - (2) Ms. Reichel asked about much taxes would go up.
    - (3) Ms. Reichel wants to know if the project is really a necessity and if it is fiscally responsible.
    - (4) Ms. Reichel stated that this project should be tabled until some other stuff is done.
    - (5) Ms. Reichel stated that the residents have a right to understand and just heard about this recently.
    - (6) Ms. Reichel stated that the City has the highest water rates in the County and this project does not sound responsible.
  - Council Member Hoehn stated that there is a definite need for the building.
  - Council Member Burt stated that the Council is looking for no impact to low impact on property taxes.
  - If the City were to put all \$600,000 on tax levy, the impact on a \$100,000.00 property with a \$600,000.00 issuance would be about \$10.47 annually.
  - City Administrator Klugman stated that there are some other bonds coming off for previous projects and the Council is planning to use that money so this bond doesn't have as much of an impact on taxes.
  - Jerry Groebner of 508 3<sup>rd</sup> Street
    - (1) Mr. Groebner stated that if this project wasn't done the taxes could go down.

- Mr. Sweeney stated that the complete estimate for a \$600,000 issuance is \$25,000.00 to \$35,000.00 and explained the bond costs.
  - The Council's goal is to not raise the rates and to minimally impact taxes.
  - City Administrator Klugman explained the bidding and bond issuance process.
  - Council Member Sohre stated that in looking at the facility we have now the City is in need of a new maintenance building and interested rates are very favorable right now.
  - City Administrator Klugman stated that the fire department is going to purchase the current public works facility for \$26,000 instead of spending \$6,000.00 annually on storage units.
  - Rome Reichel of 61566 Nutmeg Road
    - (1) Mr. Reichel stated that there is definitely a need for a maintenance building.
    - (2) Mr. Reichel stated that the City should have numbers before going to the bank and there is a big difference in the estimates.
    - (3) Mr. Reichel doesn't believe the taxes are going to go down.
    - (4) Mr. Reichel stated that that no one knows about the project and that the sign outside should say when you are having council meetings.
    - (5) Mr. Reichel stated that the City definitely needs a maintenance building and thinks it can be done cheaper and that it would be nice to have an actual number.
  - Council Member Burt stated that \$850,000.00 to \$1,000,000.00 is too much for the Council.
  - Council discussed the costs of the project and City Engineer Larson explained how the estimates were developed.
  - Mayor Pro-Tem Hiniker closed the public hearing at 8:13 pm.
- c) Public Hearing on Resolution #2015-16 Orderly Annexation Agreement with Le Ray Township
- Mayor Pro-Tem Hiniker opened the public hearing at 8:13 pm.
  - City Administrator Klugman reviewed the properties that will be included in this agreement.
  - The parcels are not in the city right now but have already paid their assessment from the project completed in 2004.
  - Two of the four properties petitioned for annexation.
  - Mayor Reichel and City Administrator Klugman met with the other property owners.
  - This agreement gives the properties until 2023, then the Council can annex the properties by resolution. If certain conditions are met as laid out in the orderly annexation agreement, annexation could happen sooner.
  - City Administrator Klugman stated that these are the parcel Le Ray Township previously talked to the City about creating an orderly annexation agreement for.
  - City Administrator Klugman stated there is a difference in the tax rate in the City versus the Township and County.
  - Duane Chader of 1110 Park Road
    - (1) Mr. Chader would like City Administrator Klugman to provide him an estimate of what his property taxes would be when annexed into the City.
    - (2) Mr. Chader would like to keep his well at the end of the eight years for watering purposes.
    - (3) Mr. Chader stated that they requested annexation 21 years ago and the City would not do it and then a year after they built their house the City wanted to annex them.
    - (4) Mr. Chader stated that the annexation will cause a financial hardship for them and they expect to be driven from their home when annexed.
  - Sharon Chader of 1110 Park Road
    - (1) Mrs. Chader stated that they are not wealthy people and have made ends meet by being thrifty.
    - (2) Mrs. Chader stated that they worked really hard for their home and lived in a camper from April 1<sup>st</sup> until Labor Day and then lived in the basement while they completed the rest of the house.
  - City Engineer Larson stated that the well would need to be located fifty feet from the sanitary main and twenty feet from the house service.
  - Jerry Groebner of 508 3<sup>rd</sup> Street

(1) Mr. Groebner stated that Mayor Haefner gave the properties five years to annex so they should have been annexed by 2009.

- City Administrator Klugman explained the orderly annexation agreement annexation terms.
- In January of 2023 the Council would have to vote on the annexation.
- There is an ability for the properties to annex if there is a failure of their septic system or well.
- The WAC and SAC fee was included in the original assessment and will not need to be paid at the time they connect.
- Mayor Pro-Tem Hiniker closed the public hearing at 8:37 pm.

d) Department Updates

- Public Works Supervisor
  - (1) Public Works Supervisor Roemhildt stated that he has a quote from Loken's to complete street sweeping for the whole town for the same price as last year.
  - (2) The funds will come of the street contract and repair budget.
  - (3) Council asked that Loken's wait until after Spring Clean Up to complete the street sweeping.

**A motion by Hoehn**, seconded by **Sohre**, to approve street sweeping with Loken's.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn

Nays: None

Motion carried.

- Police Chief
  - (1) Chief Bunde stated that there will be a TZD grant coming up for seatbelt enforcement.
  - (2) The police department will be holding a child safety seat class on Saturday.
  - (3) The new squad car should be here within a week and should be on the road in early June.
  - (4) Chief Bunde stated that year to date we are at 1,100 ICRs and last year we had a total of 1,400 ICRs.
- Fire Chief
  - (1) Chief Kennedy stated that there have been 28 calls year to date with four major fires in our territory.
  - (2) The new recruits are almost done with their first half of training and two of them will complete medical training.
  - (3) The permit has been received for the Hammett's building and Fire Chief Kennedy will be meeting with them tomorrow to walk through the building.
  - (4) Chief Kennedy will work with Deputy Clerk Brudelie to send out a letter to residents in the area letting them know about the burn date and time.
  - (5) Chief Kennedy stated that Deputy Clerk Brudelie received a grant from BENCO for the fire department to purchase a new gas meter.
  - (6) Alpha Wireless installed paging equipment on the water tower and it has taken care of the problems we were having.
  - (7) The Fire Department will be at the Air Fest the end of June.
- Building Inspector
  - (1) Building Inspector Voth stated that not a lot is going on right now.
  - (2) There were eight permits issued last month.
  - (3) The annexation area is requesting garden meters.
  - (4) City Administrator Klugman stated that Public Works Supervisor Roemhildt ordered eighty additional meters to have on hand.
  - (5) City Administrator Klugman stated that staff are switching out meters when there is a sale of a property because staff are already in the residence.

## 8) Ordinances & Resolutions

- a) Ordinance #2015-5 Madison Lake Designated Predatory Offender Residency Restrictions
- Council tabled this discussion until a future meeting.
- b) Resolution #2015-17 Orderly Annexation Agreement with Le Ray Township
- City Administrator Klugman stated that two of the properties petitioned for annexation.
  - City Administrator Klugman stated that she and Mayor Reichel met with the property owners to allow the properties eight years to annex.
  - One of the property owners wants to subdivide and one would like to build a new house.

**A motion by Hoehn**, seconded by **Burt**, to approve Resolution #2015-17 Orderly Annexation Agreement with Le Ray Township.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn  
Nays: None  
Motion carried.

- c) Resolution #2015-18 Giving Preliminary Approval for the Issuance of the City's General Obligation Capital Improvement Plan Bonds in an amount not to exceed \$600,000 and Adopting the City of Madison Lake Capital Improvement Plan 2015-2019
- Council Member Sohre stated that she does not want taxes to increase because of this building.
  - Shannon Sweeney stated that approving this resolution starts a thirty day clock to see if we are going to get a reverse referendum.
  - Shannon Sweeney recommends adoption of this resolution and stated that it does not commit you to issuing bonds it only sets a cap on what the City can borrow.
  - John Howard of 54 Lake Avenue asked why Council would put a cap of \$600,000 on the project without complete plans or costs.
  - Shannon Sweeney stated that the Council can issue other types of bonds for the project also.

**A motion by Sohre**, seconded by **Burt**, to approve Resolution #2015-18 Giving Preliminary Approval for the Issuance of the City's General Obligation Capital Improvement Plan Bonds in an amount not to exceed \$600,000 and Adopting the City of Madison Lake Capital Improvement Plan 2015-2019.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn  
Nays: None  
Motion carried.

- d) Resolution #2015-19 Reaffirming and accepting the results of the Standard Performance Measure Program.
- City Administrator Klugman stated that we have to pass a resolution every year to reaffirm the result and submit them to the State to allow us to continue in the program.
  - We will complete the survey again this fall.

**A motion by Hoehn**, seconded by **Burt**, to approve Resolution #2015-19 Reaffirming and accepting the results of the Standard Performance Measure Program.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn  
Nays: None  
Motion carried.

## 9) Unfinished Business

- a) Project Updates
- Annexation Update

(1) Pay Apps

- (a) City Engineer Larson stated that by the end of the week all of the utilities should be connected.
- (b) The private services have until June 30, 2015 to connect.
- (c) City Engineer Larson stated that by Memorial Day everyone will be able to access their cabins.
- (d) The contractor will get stuff moved to the end of the road for Spring Clean Up on Saturday.
- (e) The contract deadline for completion of the road was originally June 30, 2015 but was previously extended to July 15, 2015.
- (f) City Engineer Larson reviewed what was included in the Holtmeier Application for Payment #6 and recommends approval.
- (g) City Engineer Larson reviewed change order two for relocating the Doran lift station.
- (h) City Engineer Larson reviewed change order four for exploratory excavation in the CIC area.

**A motion by Hoehn**, seconded by **Sohre**, to approve Holtmeier Application for Payment #6.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn  
Nays: None  
Motion carried

(2) Culvert Discussion

- (a) City Administrator Klugman stated that the culvert is falling in and the channel is filling in with sediment.
- (b) The DNR is taking no responsibility for the culvert but we must meet their standards if we want to repair or replace it.
- (c) DNR taking no responsibility for the culvert but we must meet their standards if you want to do something to it.
- (d) City Engineer Larson explained the proposed plan to repair the culvert.
- (e) City Engineer Larson stated that the contractor quoted the repairs at \$4,500.00 while their equipment is in the area.

**A motion by Hoehn**, seconded by **Sohre**, to approve repairs of the culvert.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn  
Nays: None  
Motion carried.

- Facility Update

- (1) City Administrator Klugman reviewed what is included with each plan option for the facility.
- (2) Final plans and specifications will be completed for the next meeting.

- 4<sup>th</sup> & 5<sup>th</sup> Update

- (1) City Engineer Larson stated that he walked the project area on Friday with City Administrator Klugman, Council Member Burt and Council Member Sohre.
- (2) City Engineer Larson will put together a summary to review at the work session in the future.
- (3) Council discussed the parking issue on Fifth Street.
- (4) ISG will hold an open house to meet with people adjacent to the project.
- (5) City Engineer Larson stated that a portion of the project is on the PFA priority list.
- (6) Council is hoping to award the bid this fall so construction can start early next year.
- (7) City Engineer Larson stated that there is some looping that could be completed this fall dependent on timing.

## 10) New Business

a) Comprehensive Plan Update

- City Administrator Klugman included the letter the Planning Commission is planning to send out to the larger parcel around the City as they are updating the comprehensive plan.
  - The Planning Commission will be sending out a survey in June asking people for their thoughts on the community to get data points.
  - The Comprehensive Plan was last updated in 2006 and they are planning to ask a lot of the same questions.
- b) Tomahawk Park
- City Administrator Klugman stated that the park in the Tomahawk Subdivision was deeded to the Tomahawk Association instead of the City.
  - City Administrator Klugman has spoken with the association and they do not want to keep the park so it will need to be deeded to the City.
- c) Police Charger Issue
- Council Member Sohre stated that Council approved the purchase of the new police charger six weeks ago and that staff stated the new tires, breaks and rotors were included in the trade in value.
  - Council Member Sohre contacted Lagers and learned that the tires were not included in the quote and Lagers would adjust the trade in value by \$500.00 to \$9,500.00.

## 11) Staff Reports

## 12) Mayor & Council Reports

- a) Council Member Hoehn
- Council Member Hoehn asked about the temporary cell tower being removed.
  - Public Works Supervisor Roemhildt stated the temporary cell tower has been removed but the electrical is still there.
- b) Mayor Pro-Tem Hiniker
- Mayor Pro-Tem Hiniker asked staff about the locating that has been completed in the Pines Subdivision.
  - Public Works Supervisor Roemhildt stated the contractor will be completing patching, seal coating and repairs to the catch basins this week.

## 13) Adjournment

**A motion by Burt**, seconded by **Hoehn**, to adjourn the meeting at 9:31pm.

Roll Call: Ayes: Sohre, Hiniker, Burt, and Hoehn

Nays: None

Motion carried.

Attest:

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Carolyn Hiniker, Mayor Pro-Tem

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AmberRose Brudelic, Deputy City Clerk