



City Council Minutes
Madison Lake City Council
Monday, March 21, 2016

1) Call Meeting to Order

Mayor Reichel called the regular meeting to order at 7:03 pm.

2) Roll Call

Council Members Present: Mayor Kenneth Reichel, Carolyn Hiniker, Laurinda Sohre, and Kent Hoehn

Members Absent: Pat Burt

Staff Present: City Administrator Ariel Lenz, Deputy Clerk AmberRose Brudelic, Interim City Administrator Wendell Sande, Administrative Assistant Allie Lerud, City Attorney Jason Moran, and City Engineer Chris Larson.

3) Approval of Agenda

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

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

4) Approval of Vendor Claims

A motion by Sohre, seconded by **Hoehn**, to approve vendor claims in the amount of \$32,298.93.

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

5) Consent Agenda

a) Approval of minutes from regular meeting of March 7, 2016

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

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

6) Open Public Comments

a) Ron Voth of 516 Point Avenue

- Mr. Voth spoke to Council in regards to the storage shed at 512 Point Avenue and about comments made about him at a Planning Commission meeting.
- Mr. Voth provided Council with his comments in writing.
- Mr. Voth stated that he did not provide assistance with the design or placement of a shed at 512 Point Avenue.
- Mr. Voth stated that he refused to sign a petition allowing for the shed to remain.
- Mr. Voth stated that he has no knowledge of a recording of a conversation between him and the owners of 512 Point Avenue regarding the shed.

- Mr. Voth was unable to attend the Planning Commission meeting due to a prior commitment.
- City Attorney Moran asked Mr. Voth if he noticed the shed being built.
- Mr. Voth stated that the construction went on during the weekends when he was not at home, but he did notice some building materials next to the home at 512 Point Avenue.
- Mr. Voth stated that he did not approach the owners of 512 Point Avenue about the violations as he was no longer the building inspector.
- The property lines were discussed.
- City Attorney Moran asked who mows the property in between the shed and Mr. Voth's home.
- Gary Voth stated that he does the mowing in between the properties.
- Council discussed the need for a survey at the expense of the owners of 512 Point Avenue.

7) Appearances & Presentations

a) Public Hearing Final Plat Madison Crest

- City Administrator Lenz stated that Lois and Woody Walters are no longer working with Daybreak Developments.
- The final plat proposed is for one lot as they want to build a model home.
- This lot already has water and sewer from the annexation project.
- There will be a minor amount of cash required for park dedication when the 14 lot subdivision on the east side of the development is approved but the proposed final plat the Council is evaluating today is in excess of the required land dedication for the requested final plat.
- City Administrator Lenz reviewed the development with Council.
- Mr. and Mrs. Walters will be required to survey the property and have pins put in.
- City Administrator Lenz spoke with Mike Klassen, and because this is for one lot with water and sewer services installed by the City there is no need for a development agreement on this portion.
- Council discussed the location of the park.
- Mayor Reichel opened the public hearing at 7:27 pm.
- Council discussed the location of the proposed lot.
- Mayor Reichel closed the public hearing at 7:30 pm.

b) Dale Lee – Water Main

- Dale Lee asked Council to consider reducing his water main assessment.
- Mr. Lee does not want to pay for the water main line from 4th Street to the end of his parcel because his connection occurs before then.
- Mr. Lee would like \$7,500 taken off of his assessment.
- City Administrator Lenz stated that Mr. Lee is being assessed for a second connection that he is not using which can be removed for a savings of \$1,000.00.
- Mr. Lee stated that he would be willing to drop the appeal if there was a reduction to the assessment.
- City Attorney Moran stated that it sets a bad precedent to reduce assessments.
- Interim City Administrator Sande stated that an approach used in the past, could be to offer either a deferred assessment or a deferred connection charge without interest.
- Council discussed deferring a portion of the assessment until a sale or change in ownership occurs.
- City Attorney Moran will draft an agreement for Dale and Julie Lee to sign.

A motion by Hoehn, seconded by **Sohre**, to defer \$7,500.00 until sale or change in ownership takes place without interest and with the condition that Dale and Julie Lee drop their appeal.

An amended motion by Hoehn, seconded by **Sohre**, to defer \$7,500.00 until sale or change in ownership takes place or an additional connection is needed without interest and with the condition that Dale and Julie Lee drop their appeal

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

Nays: None

Motion carried.

8) Ordinances & Resolutions

a) Resolution #2016-14 Final Plat Madison Crest

- City Administrator Lenz explained how the park dedication fee is calculated.
- Council discussed potential uses for the park dedication fee.
- City staff will maintain the park land once the final plat is recorded.

A motion by Sohre, seconded by **Hoehn**, to approve Resolution #2016-14 Final Plat Madison Crest.

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

Nays: None

Motion carried.

b) Resolution #2016-15 Resolution of Application (PFA)

- City Administrator Lenz stated that this is to apply for low interest PFA loans.
- City Administrator Lenz stated that as part of applying for PFA loans, the paperwork needs to be filled out.
- Anita Gallentine with PFA has asked Council to include well number four in the application if the City is planning to finance the project.
- City Engineer Larson estimates the cost of well number four to be approximately \$150,000.00 and an additional \$10,000.00 for the plans.
- City Administrator Lenz stated that PFA can require the City to set water rates at a certain level.
- Council discussed using reserve funds to pay for the well.
- Council discussed interest rates for the different financing options.
- Shannon Sweeney stated that we may be able to allocate the special assessments to help minimize the impact on water rates.
- Mr. Sweeney stated that PFA may require increases of two to three percent over a couple of years to the water rates.
- Mr. Sweeney recommends paying for the well with reserves.
- City Administrator Lenz reiterated PFA may require rate increases over time to meet their requirements.
- Mr. Sweeney stated that this application is for the water main portion of the 4th and 5th Street project for \$950,000.00.

A motion by Hoehn, seconded by **Sohre**, to approve Resolution #2016-15 Resolution of Application (PFA).

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

Nays: None

Motion carried.

c) Resolution #2016-16 Approving Fire Contract with Le Ray Township

- City Administrator Lenz stated that Le Ray Township has approved their fire contract.
- Jamestown Township approved their first contract but has not approved the revised contract.

- Council discussed the revised contracts.
- City Administrator Lenz stated that Jamestown Township has agree to accept the one percent increase if the City will credit them \$1,500 the estimated value of the first year difference for the first year.
- Council agreed to offer the \$1,500 credit to Jamestown.

A motion by Hoehn, seconded by **Sohre**, to approve Resolution #2016-16 Approving Fire Contract with Le Ray Township.

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

d) Resolution #2016-17 Calling for Assessment Hearing

- City Administrator Lenz stated that when Blue Earth County recorded the vacation of Vine Street they made an error and gave the entire sixty-six feet to the property to the north and none to the property to the south when it should have been split equally.
- The mistake has now been corrected.
- Council will need to hold an assessment hearing for Margaret Schmahl at the April 18, 2016 meeting for the corrected assessment amount.

A motion by Hoehn, seconded by **Hiniker**, to approve Resolution #2016-17 Calling for Assessment Hearing.

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

e) Resolution #2016-18 Revising Assessment Roll

- City Administrator Lenz stated that this is to correct John Swanson's assessment.

A motion by Hoehn, seconded by **Hiniker**, to approve Resolution #2016-18 Revising Assessment Roll.

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

9) Unfinished Business

a) Project Updates

- CSAH26
 - (1) Approve Payment to Blue Earth County for Main Street
 - (a) City Administrator Lenz stated that the City promised to pay Blue Earth County by April 5, 2016.
 - (b) This is approving the payment that we are temporarily financing in house.

A motion by Hiniker, seconded by **Sohre**, to approve payment in the amount of \$455,276.42 to Blue Earth County for Main Street.

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

- 4th and 5th Street

- (1) Parking Lot by Schneider's
 - (a) Council discussed the strip of property between the alley and Jon Schneider's property that the City owns.
 - (b) Council discussed resurfacing the strip of property that we own.
 - (c) City Engineer Larson will look to see if the resurfacing of the strip of land was included in the project.

10) New Business

- a) PFA Updates, Well and Fees
 - Council discussed this under item 8b) Resolution #2016-15 Resolution of Application (PFA).
- b) Three Lakes / KJ Walk – Attorney Moran
 - City Attorney Moran stated that this follows up a discussion we had several months ago.
 - City Attorney Moran, City Administrator Lenz, and City Engineer Larson have met with KJ Walk to discuss the easement and developer's agreement.
 - KJ Walk seemed to be willing to sign the developer's agreement and the easement.
 - KJ Walk asked for preliminary approval on the plans.
 - City Engineer Larson stated that they provided comments on the plan and have not heard anything more from the developers.
 - Council discussed the quick take process.
 - Council discussed the punch list still out for the Three Lakes Subdivision.
 - Council directed City Attorney Moran to continue to pressure them to sign the developer's agreement and to start getting the quick take ready.
 - Council would like to start the quick take process next month if the developer's agreement is not signed.
- c) Mankato WWTP Update
 - City Administrator Lenz provided Council with materials from Mankato.
 - City Administrator Lenz stated that we received a major concession for the 2015 bill.
 - Council discussed whether or not they would be obligating themselves to paying the 2016 bill if they approve payment for the 2015 bill.
 - City Administrator Lenz stated that the Eagle Lake City Administrator has found some miscalculations in excel spreadsheets provided by Mankato.
 - Interim City Administrator Sande would need to look through the number before offering an opinion.
 - Council discussed having AE2S look at our bill similar to what they have been doing for Eagle Lake.
 - City Administrator Lenz will contact Pat Hentges to discuss paying the 2015 bill and continuing to negotiate the 2016 bill.
 - City Administrator Lenz will meet with Interim City Administrator Sande to discuss the contract.
 - Council discussed the need for a base fee increase of \$1.00 to cover the increase from the City of Mankato.
- d) Televising Sanitary Sewer Mains
 - City Administrator Lenz stated that we received quotes with the City of Eagle Lake for televising sanitary sewer mains for a little less than \$1.00 per foot.
 - City Administrator Lenz described the area we would be televising.
 - City Engineer Larson explained how televising the lines occurs.

- Council discussed inspecting lateral lines.
- City Engineer Larson stated that as part of the 4th and 5th Street project the contractor will televise the individual service lines and require replacement of damaged lines.

A motion by Hoehn, seconded by **Hiniker**, to approve the quote for televising the sanitary sewer lines.

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

Nays: None

Motion carried.

e) EDA Updated Bylaws and City Code Review

- City Administrator Lenz stated that Council will need to hold a public hearing at the April 4, 2016 meeting.

f) Farmers Market Petty Cash

- City Administrator Lenz stated that the Farmers Market would like to have a petty cash fund of \$50.00 for the summer.
- Council discussed the rules for petty cash.
- The Farmers Market will be required to turn in receipts in order to receive additional funds and will need to turn the money in at the end of the season.

A motion by Sohre, seconded by **Hoehn**, to approve \$50.00 in petty cash for the farmers market for the summer.

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

Nays: None

Motion carried.

11) Staff Reports

a) City Administrator Lenz

- City Administrator Lenz stated that the public works department is requesting permission to purchase a chop saw.
- Mayor Reichel stated that the City has been using his saw for two years.
- Council Member Hoehn stated that this is a piece of equipment the City should have.

A motion by Hoehn, seconded by **Sohre**, to approve the purchase of a saw for \$1,040.00.

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

Nays: None

Motion carried.

12) Mayor & Council Reports

13) Adjournment

A motion by Hoehn, seconded by **Hiniker**, to adjourn the meeting at 8:49 pm.

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

Nays: None

Motion carried



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A handwritten signature in black ink, appearing to read "Ken Reichel".

Kenneth Reichel, Mayor

Attest:

A handwritten signature in blue ink, appearing to read "AmberRose Brudellie".

AmberRose Brudellie, Deputy City Clerk