



City Council Minutes
Madison Lake City Council
Monday, April 7, 2014

1) Call Meeting to Order & Pledge of Allegiance

Mayor Reichel called the regular meeting to order at 7:02 pm.

2) Roll Call

Members Present: Mayor Ken Reichel, Carolyn Hiniker, Steve Bjerke, and Kent Hoehn.

Members Absent: John Howard

Staff Present: City Administrator Ari Klugman, Deputy City Clerk AmberRose Brudelie, Police Chief Dan Bunde, Public Works Supervisor Chris Roemhildt, Building Inspector Ron Voth, and Planning Commission Chair Mike Klassen.

Others Present: Larry Prange of 302 Main Street, Madison Lake; Mike Tatge of 204 Lake Avenue, Madison Lake; Jerry Groebner of 513 Main Street; Ed Tschida; Kyle Meyers of Abdo, Eick & Meyers;

3) Approval of Agenda

A motion by Hoehn, seconded by **Hiniker**, to approve the agenda moving the Public Hearing for the TIF District to item 7a).

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

4) Approval of Vendor Claims

A motion by Bjerke, seconded by **Hiniker**, to approve vendor claims.

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

5) Consent Agenda

a) Approval of minutes from regular meeting of March 17, 2014

A motion by Bjerke, seconded by **Hiniker**, to approve the minutes from the regular meeting of March 17, 2014.

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

b) Approval of minutes from the special meeting of March 31, 2014

A motion by Hoehn, seconded by **Hiniker**, to approve the minutes from the special meeting of March 31, 2014.

Roll Call: Ayes: Reichel, Hiniker, and Hoehn

Nays: None
Abstained: Bjerke
Motion carried.

6) Open Public Comments

7) Appearances & Presentations

a) Public Hearing TIF District

- Ed Tschida explained the history of the Tax Increment District No. 2-9.
- Ms. Klugman explained the process for tonight.
- Council discussed the development agreements for Tax Increment District No. 2-9.
- Pat Jolitz would need a new development agreement for Tax Increment District No. 2-10. At a future meeting the Council will review a development agreement.
- Mayor Reichel opened the Public Hearing for the TIF District at 7:19 pm.

A motion by Hiniker, seconded by **Bjerke**, to close the Public Hearing for the TIF District at 7:20 pm.

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

- Council discussed the reasons for allowing TIF Districts.
- Mr. Tschida stated that there are income guidelines that must be documented in order to collect TIF.

A motion by Bjerke, seconded by **Hoehn**, to proceed down to 8B) and 8C)

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

b) 2013 Audit

- Kyle Meyers from Abdo, Eick & Meyers reviewed the audit and management letter.
- The audit adjustment finding was not included in this year's audit as City Staff do a good job preparing for the audit.
- The City spends \$382 per capita compared to the \$653 per capita our peer group spends.
- The 2014 Construction Fund was discussed.
- The new standard of including the paper liability for the PERA deficit will start in 2015.
- New standard - Paper liability for PERA deficit in 2015 requirement.
- Internal borrowing was discussed.
- Asked for suggestions from Kyle - internal borrowing - look at what you need and consider funding projects internally.
- Public improvement fund (borrow and pay yourself back) not going to earn 2% in that fund.

A motion by Bjerke, seconded by **Hiniker**, to accept the 2014 audit.

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

c) CSAH26 Assessment Hearing

- Council Member Hoehn recused himself during the hearing.
- Mayor Reichel opened the Public Hearing.

(1) Mike Tatge of 204 Lake Avenue

- (a) Mr. Tatge requested that the Council continue the hearing to research his assessment from Highway 60 where he paid 100%.
- (b) Mr. Tatge would like Main Street to be considered his side lot.
- (c) Mr. Tatge would like to be provided an itemized assessment roll.

(2) Kent Hoehn of 808 Seventh Street

- (a) Mr. Hoehn requested an itemized list of how this assessment is going to improve the property value by the percentage the City says it is going to.
 - (b) Mr. Hoehn stated that the Council looked at two different ratios of 25% and 30% and doesn't understand why Council went with the 30% option.
 - (c) Mr. Hoehn stated that the City should be doing everything it can to help the businesses because they are going to be losing money during the construction and have to pay for the assessment.
- Council discussed how the 30% assessment was determined.

(1) Larry Prange of 302 Main Street

- (a) The assessment roll shows an error for Mr. Prange's property for the Cherry Avenue portion of the project.
 - (b) City Administrator Klugman will correct the roll to match the letter Mr. Prange received.
 - (c) Mr. Prange stated that he delivered a letter to the City Administrator last week requesting information and showing how his property has been devalued based upon the tax notification he received from Blue Earth County.
 - (d) Mr. Prange stated that because of the devaluation by Blue Earth County he is requesting that his assessment is reduced by the amount or something close to it.
 - (e) Mr. Prange stated that his assessment is 18.6% of his property value.
- Council discussed the improvements being done with the CSAH 26 project.
 - Council discussed how the property valuations are determined.
 - The appeal procedure was discussed.
 - Council stated that they have to make the project work for the City as a whole not just for the individual property owners.
 - The City's current assessment policy was discussed.

A motion by Bjerke, seconded by **Hiniker**, to close the public hearing at 8:27 pm.

Roll Call: Ayes: Reichel, Bjerke, and Hiniker

Nays: None

Abstained: Hoehn

Motion carried.

8) Ordinances & Resolutions

- a) Resolution #2014-24 Adopting the Proposed CSAH 26 Assessments
- Council discussed the history of the CSAH 26 Assessments.
 - Council discussed the assessment policy.
 - City Administrator Klugman stated that the Council needs to treat everyone the same.
 - The appeal process was discussed.
 - City Administrator Klugman stated that the process for appealing the assessments was provided in the assessment letter.
 - City Administrator Klugman recommended making an adjustment to Donel LLC for an error in the assessment letter.

A motion by Bjerke, seconded by **Hiniker**, to approve Resolution #2014-24 Adopting the Proposed CSAH 26 Assessments as amended.

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

- b) Resolution #2014-25 Removing Parcels from Tax Increment District No. 2-9.

A motion by Bjerke, seconded by **Hiniker**, to approve Resolution #2014-25 Removing Parcels from Tax Increment District No. 2-9.

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

- c) Resolution #2014-26 Approving Tax Increment District No. 2-10 and the Use of Tax Increment Financing.
- The Council will need to approve a development agreement in the future to implement TIF.

A motion by Bjerke, seconded by **Hoehn**, to approve Resolution #2014-26 Approving Tax Increment District No. 2-10 and the Use of Tax Increment Financing.

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

- d) Resolution #2014-27 Joint Resolution for Orderly Annexation (Jamestown Township).

A motion by Bjerke, seconded by **Howard**, to approve Resolution #2014-27 Joint Resolution for Orderly Annexation (Jamestown Township).

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

- e) Resolution #2014-28 Infiltration Basin Easement Agreement

A motion by Bjerke, seconded by **Hoehn**, to approve Resolution #2014-28 Infiltration Basin Easement Agreement.

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

9) Unfinished Business

- a) Facility Discussion
- Tabled

10) New Business

11) Staff Reports

- a) Dan Bunde, Police Chief
- Police Chief Bunde stated there have been eighty-seven calls for service.
 - The interviews for the new full-time officer went well and two finalists have been selected.
- b) Chris Roemhildt, Public Works Supervisor
- Public Works Supervisor Roemhildt stated that the water has been cold which is why the water has been running. The hydrants were turned off today.
 - A service line on Fifth Street will be repaired on Thursday.
 - The repair previously done on Fourth Street needs to be redone.
 - The MPCA requirements for silt fencing were discussed.
 - Public Works Supervisor Roemhildt stated that the generator at North Shore has been acting up and will need to have the control panel repaired.
 - Construction season is starting as the department has been busy with locates.
- c) Mike Klassen, Planning Commission Chair
- The Planning Commission made a motion to move forward with the transitional district which will be used on the Wheaton property.
 - Point Wild will be coming forward with a preliminary plat for review.
 - City Administrator Klugman is planning to reorganize the zoning ordinances in the future.
 - Pro Fabrication will be requesting rezoning and preliminary plat approval.
- d) Ari Klugman, City Administrator
- City Administrator Klugman stated that police interview were completed today and two finalists have been selected.
 - Council discussed when to hold the second round interviews.
 - City Administrator Klugman would like the full Council present for these interviews.
 - The timeline for the background checks was discussed.
 - Council selected May 5, 2014 for the second round interviews.
- e) Ron Voth, Building Inspector
- Building Inspector Voth stated that two holes have been dug and one has been been partially framed in Tomahawk.
 - Pat Jolitz is planning to dig two more holes tomorrow.

12) Mayor & Council Reports

- a) Ken Reichel, Mayor
- Mayor Reichel want to meet with City Engineer Larson before the Public Hearing on April 15, 2014 to review the assessments for the annexation area.

- City Administrator Klugman reviewed a few of the items that contributed to the increase to the assessments.
- Council approved the assessments at the last meeting.
- Council would like Council Member Bjerke, Mayor Reichel, and City Administrator Klugman to meet with City Engineer Larson on Monday.

13) Adjournment

A motion by Hiniker, seconded by **Bjerke**, to adjourn the meeting at 9:28 pm.

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

Nays: None

Motion carried.



Ken Reichel, Mayor

Attest:



AmberRose Brudellie, Deputy City Clerk