



## City Council Minutes

Madison Lake City Council

Monday, November 3, 2014

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### 1) Call Meeting to Order

Mayor Reichel called the regular meeting to order at 7:06 pm.

### 2) Roll Call

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

**Members Absent:** John Howard

**Staff Present:** City Administrator Ariel Klugman, Deputy City Clerk AmberRose Brudelic, Planning Commission Chair Mike Klassen, Fire Chief Kevin Kennedy, Police Chief Dan Bunde, Building Inspector Ron Voth, and Public Works Supervisor Chris Roemhildt.

### 3) Approval of Agenda

**A motion by Hoehn**, seconded by **Hiniker**, to approve the agenda with the addition of 10C) City of Mankato.

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

### 4) Approval of Vendor Claims

**A motion by Bjerke**, seconded by **Hoehn**, to approve vendor claims in the amount of \$1,192,089.39.

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

### 5) Consent Agenda

a) Approval of minutes from regular meeting of October 20, 2014

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

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

### 6) Open Public Comments

a) Barb Dillon of The Lucky Lure

- Ms. Dillon asked the Council for permission to deliver off-sale alcohol in the City.
- City Administrator Klugman stated that whoever is delivering the alcohol must be twenty-one.
- Ms. Dillon has only received request for beer and wine but would be willing to deliver hard alcohol if it was requested. She will not however deliver any mixed or open bottles or drinks.
- Ms. Dillon stated that staff will be looking at licenses upon delivery.
- City Administrator Klugman stated that our ordinance does not prohibit alcohol delivery and Ms. Dillon was not aware that she needed permission to deliver.
- City Administrator Klugman explained that any alcohol delivered outside of the City is not within the City's discretion and Ms. Dillon would need to seek proper approval to be delivered.

**A motion by Hoehn**, seconded by **Bjerke**, to allow The Lucky Lure to deliver alcohol within the City of Madison Lake as an addendum to their liquor license.

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

Nays: None

Motion carried.

## 7) Appearances & Presentations

- a) Public Hearing on Resolution #2014-85 Vacation of a Portion of Utility Easement in Tomahawk Subdivision.
- City Administrator Klugman stated that the request is for a five foot vacation of a portion of the utility easement which would leave the City with a fifteen foot utility easement.
  - City Administrator Klugman stated that the Tomahawk Ridge Association is not opposed to the vacation but is concerned about the drainage issues at 701 and 705 Tomahawk Court.
  - Mayor Reichel opened the public hearing at 7:15 pm.
    - (1) Brian Knauss reviewed the problems with Lorraine Rustad's home.
    - (2) Mr. Knauss is concerned about how far the tie backs extend from Ms. Rustad's house.
    - (3) City Administrator Klugman stated that the tie backs are not allowed to be in the utility easement.
    - (4) Council discussed the history of Ms. Rustad's property.
    - (5) Mr. Jolitz stated he would be in touch with Mr. Messenbrink to try to find out who the original installer of the tie backs is.
    - (6) Mr. Jolitz stated he would take responsibility if the tie-backs were found in the easement.
    - (7) Mayor Reichel continued the public hearing until November 17, 2014.
- b) Public Hearing on Annexation of Property into the City of Madison Lake
- City Administrator Klugman stated that this is a continuation of the public hearing from the October 20, 2014 meeting.
  - Randy Westman's petition for annexation was reviewed.
  - City Administrator Klugman reviewed the Orderly Annexation Agreements provided in the Council packet.
  - City Administrator Klugman has started the Annexation by Ordinance process so if LeRay Township and the City are unable to pass an Orderly Annexation Agreement Mr. Westman can continue to move forward with this project.
  - Mayor Reichel opened the public hearing at 7:33 pm.
    - (1) Curt Kloss of LeRay Township stated that they would like to see phase one and phase two included in the agreement.
    - (2) Lakewood Drive is a large portion of the township's tax base and they are looking for a guarantee from the Council that they will not forcibly annex those properties at this time.
    - (3) Council would like to address Mr. Westman's property separately from the Lakewood Drive properties.
    - (4) Scott Borgmeier stated that he does not want his outlots included in the Orderly Annexation Agreement.
    - (5) Council discussed Mr. Borgmeier's outlots.
    - (6) Mr. Kloss stated that the township would be okay with removing Mr. Borgmeier's outlots from the Orderly Annexation Agreement.
    - (7) City Administrator Klugman recommended the Council pass the Orderly Annexation Agreement involving Mr. Westman's property tonight and then the township can review and approve.
    - (8) City Administrator Klugman will work on a phase two agreement including Lakewood Drive to present at a future meeting.

(9) Mayor Reichel closed the public hearing at 7:46 pm.

- c) Public Hearing on Ordinance #2014-13 Regulating the Disposition of Unclaimed Property
- City Administrator Klugman reviewed the purpose of the ordinance and how the disposition of unclaimed property would occur.
  - Mayor Reichel opened the public hearing at 7:49 pm.
  - Mayor Reichel closed the public hearing at 7:50 pm.
- d) Department Updates
- Fire Chief
    - (1) Fire Chief Kennedy stated that the department attended a structure fire on Friday.
  - Public Works
    - (1) Public Works Supervisor Roemhildt stated that the mains have been flushed.
    - (2) Holtmeier finished the work on Fifth Street and did gravel instead of patching.
    - (3) City Administrator Klugman stated that Holtmeier would provide an adjusted quote.
  - Police Chief
    - (1) Police Chief Bunde stated the department had 138 calls in October.
    - (2) The police department is up approximately 200 ICRs from the same time last year.
  - Planning Commission Chair
    - (1) Planning Commission Chair Klassen stated that they have been working on the sign ordinance and the residential districts.
    - (2) The Planning Commission discussed the benefits of being involved with the Minnesota Valley Council of Governments again.
    - (3) The Planning Commission is working on a lot of ordinance amendments that the Council will be seeing at a meeting in January or February.
    - (4) Planning Commission Chair Klassen stated that the City's comprehensive plan needs to be redone as the City has gone a different direction since the original plan was written in 2006. Several parts of the City are not currently in the comprehensive plan.
  - Building Inspector
    - (1) Building Inspector Voth stated that another twin home was started in Tomahawk.
    - (2) Pat Jolitz has built six twin homes out there this year.
    - (3) Council discussed the issues in the Tomahawk Subdivision.

## 8) Ordinances & Resolutions

- a) Resolution #2014-85 Vacation of a Portion of Utility Easement in Tomahawk Subdivision
- Tabled until November 17, 2014.
- b) Resolution #2014-86 Appointing Election Judges
- City Administrator Klugman stated that she has added one additional judge from what she had at the primary election.

**A motion by Hoehn**, seconded by **Bjerke**, to approve Resolution #2014-86 Appointing Election Judges.

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

Nays: None

Motion carried.

- c) Resolution #2014-87 Orderly Annexation Agreement with LeRay Township

**A motion by Bjerke**, seconded by **Hiniker**, to approve Resolution #2014-87 Orderly Annexation Agreement with LeRay Township option 2.

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

Nays: None  
Motion carried.

- d) Resolution #2014-88 Expanding the Project Area Feasibility Area for 4<sup>th</sup> and 5<sup>th</sup> Streets
- City Administrator Klugman reviewed the proposed additions to the feasibility study.
  - Council discussed adding a path in the t-ball park as was requested previously by a group of children.
  - The Park Board and trail system in town was discussed.
  - City Administrator Klugman will work with Council Member Bjerke to come up with ideas for connecting the trail system near the T-Ball field.

**A motion by Bjerke**, seconded by **Hiniker**, to approve Resolution #2014-88 Expanding the Project Area Feasibility Area for 4<sup>th</sup> and 5<sup>th</sup> Street.

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

- e) Ordinance #2014-13 Regulation of Disposition of Unclaimed Property

**A motion by Bjerke**, seconded by **Hiniker**, to approve Ordinance #2014-13 Regulation of Disposition of Unclaimed Property.

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

## 9) Unfinished Business

- a) Project Updates

- Annexation Update

(1) Michael Wheaton

- (a) Michael Wheaton stated that he and City Administrator Klugman have been reviewing the agreement that was approved by the Council in Resolution 2014-36.
- (b) Mr. Wheaton based his tenant's payments off of Exhibit F – Sample Amortization Schedule in the agreement.
- (c) City Administrator Klugman and Mr. Wheaton found an error in the interest accrual in the Sample Amortization schedule.
- (d) City Administrator Klugman stated that our attorney has briefly reviewed the agreement and in his opinion section 7 lays out specific information in the agreement setting the terms at twenty years and 4.8% interest. He believes the specific information in section 7 would override the non-specific sample information and the interest is still owed.
- (e) It was always the intention of the Council to include interest from May 21, 2014 forward. In individual assessment payments from Mr. Wheaton interest has always been expected and paid. Mr. Wheaton agreed this was the intention.
- (f) The difference is about \$34,000 with combined interest over the twenty years and roughly a little over \$60 annually for the cabin owners.
- (g) City Administrator Klugman stated she would write a letter to the cabin owners at Mr. Wheaton's request.
- (h) Council discussed the history of the amortization schedule.
- (i) Council discussed how assessments work according to state statute.
- (j) City Administrator Klugman stated that we will not be accepting payments towards assessments after November 15, 2014.

- (k) City Administrator Klugman will schedule a meeting with Mr. Wheaton, Shannon Sweeney, Council Member Hiniker and Mayor Reichel.
- (l) Tabled until the next meeting.

(2) Payments

- (a) Holtmeier Construction Request for Payment No. 2 (\$314,848.79)
- (b) Kunkel Electric Request for Payment No. 5 (\$130,222.97)
  - (i) City Administrator Klugman provided council documentation from City Engineer Larson reviewing the requests for payment. .

**A motion by Bjerke**, seconded by **Hiniker**, to approve the Contractor's Applications for Payment No. 2 to Holtmeier Construction for \$314,848.79 and Payment No. 5 to Kunkel Electric for \$130,222.97.

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

Nays: None

Motion carried.

(1) Culverts on the CIC property

- (a) Council discussed the information provided by City Engineer Larson regarding the culverts on the CIC property.
- (b) The DNR will require three culverts that are twenty-four inches wide in order to allow for an intake, an outtake, and a spawning area.
- (c) There will be significant costs to change the culvert.
- (d) Council reviewed the history of the request to change the culverts.
- (e) Council directed City Administrator Klugman to speak with the surrounding property owners and ISG.

- FEMA Update

- (1) City Administrator Klugman reviewed the reimbursements from FEMA.
- (2) The City will be receiving \$57,264.59 from FEMA.
- (3) Council discussed what to do to the culvert on 217<sup>th</sup> Avenue.
- (4) Council directed staff to install signs stating "No Trucks Allowed".

**A motion by Hoehn**, seconded by **Bjerke**, to repair the culvert on 217<sup>th</sup> Avenue.

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

Nays: None

Motion carried.

## 10) New Business

a) Barb Dillon – Liquor Delivery

- Item was previously discussed.

b) Review Ordinance #2014-14 Chapter 93 Public Nuisance Ordinance Revisions

- City Administrator Klugman asked Council to review the ordinance over the next two weeks and also reviewed a few of the proposed changes to the ordinance.
- Council discussed the definitions of recreational vehicles and recreational off-highway vehicles and how many should be allowed on each property.
- City Administrator Klugman worked with our attorney to determine what we need in the ordinance in order to be able to issue misdemeanor tickets and to allow for language to abate the property.
- Council will hold a public hearing at their next meeting regarding this ordinance.

c) City of Mankato

- Council discussed the changes being made to the contracts with other cities and the City of Mankato regarding sewer treatment.
- City Administrator Klugman stated that we have eleven years remaining on our contract.
- Council directed City Administrator Klugman to speak with other cities that send their wastewater to the City of Mankato for treatment.
- Council discussed our quarterly lift station maintenance bills.
- City Administrator Klugman stated that in 2012 we paid approximately \$11,000.00, in 2013 we paid \$12,000.00 and in 2014 we have paid \$32,000.00 year to date.
- City Administrator Klugman sent an e-mail to Mankato regarding the third quarter bill of \$15,000.00 to determine why there was a dramatic increase over the average.
- Council discussed the deferred assessment for the oversizing of the pipe on County Road 12.

### 11) Staff Reports

a) City Administrator

- City Administrator Klugman stated that she will be out of the office on Friday and Monday.
- City Hall will be closed on Tuesday, November 11, 2014 for Veteran's Day.
- City Hall will be closed on Wednesday, November 12, 2014 for training with Abdo, Eick, and Meyers, the City's auditors.

### 12) Mayor & Council Reports

a) Council Member Hiniker

- Council discussed the siren.
- City Staff have corrected the time and it will go off at noon again.

### 13) Adjournment

**A motion by Hoehn**, seconded by **Bjerke**, to adjourn the meeting at 9:56.

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

Nays: None

Motion carried.

Attest:



Kenneth Reichel, Mayor

  
AmberRose Brudellie, Deputy City Clerk