

ARLINGTON CITY COUNCIL
MEETING MINUTES
SEPTEMBER 8, 2009

The meeting was called to order at 6:30 p.m., Mayor Kreft presiding.

Members present: Mayor Kreft, Griep, Pederson, Pichelmann, Reetz, Vrklan

Members absent: None

Also present: Adm. Jaunich, Attorney Ross Arneson, Jon Piotter, Don Piotter, Police Chief Rovinsky, John Dotolo, Engineer Hawbaker, Paul Moe, Financial Advisor Sweeney, Dave Elfstrand, Paul Wiemann, Kurt Menk

Motion by Reetz, seconded by Griep, and passed by unanimous vote to approve the agenda with the following changes/additions:

Add item 4F) Approval of MMPA Easement Agreement.

Motion by Griep, seconded by Vrklan, and passed by unanimous vote to approve the consent agenda as follows:

- A) Approval of the August 17th Regular Meeting Minutes
- B) Approval of the August 27th Special Workshop Minutes
- C) Approval of the Bills
- D) Approve the Advertisement for 2 part-time police officers
- E) Approval of Bonfire on October 2nd for Homecoming
- F) Approval of MMPA Easement Agreement.

Mayor Kreft recessed the regular meeting to hold a public hearing.

Mayor Kreft called to order the public hearing regarding the Special Assessments for 2008/2009 Utility Extension Project. It was noted that there was no one present. Adm. Jaunich commented that all the prices had been verified and were correct (as presented).

Motion by Griep, seconded by Reetz, and passed by unanimous vote to adjourn the public hearing.

Mayor Kreft adjourned the public hearing and reconvened the regular meeting.

Jon Piotter was present to discuss a bill he received for a water service line leak at his property. He stated that at the time of the leak, he was not living at the address. He expressed his feelings about not being notified about the leak and that he, as co-owner should have had some say in whom did the repair work. Piotter added that the outside faucet on the home had been damaged during the repair process. Adm. Jaunich stated that City Staff had tried several times to reach Mr. Piotter, but was unsuccessful in doing so. Paul Moe from PeopleService stated that the leak was found on July 23rd and the repair work was done on July 27th. He added that they thought the leak was coming from the main and not a service line due to the location of the water and contacted the company (Juul Contracting) they use to fix those types of projects to get the repair done. Piotter stated that he could have had the work done at a much cheaper rate (had 2 other estimates). He added that his ex-girlfriend was the one who should have been sent the bill as she is the primary borrower on the mortgage and he was the secondary. Attorney Arneson explained that the City can collect from both parties on the lease. Piotter asked what the City was going to do about the bill. It was the consensus of the Council to have the Utility Committee handle this by reviewing the estimates Mr. Piotter presented and compare them to the one from Juul.

It was noted that there were no other citizens present to address the Council on non-agenda items.

The following announcements were reviewed:

- 1) Sibley County Comp. Plan Open House – September 15th @ 7:00 pm
- 2) State Historic Preservation Conference is September 17-18 at the Minnesota Landscape Arboretum
- 3) Whistle Stop Tour – September 29th @ 12:30 pm
- 4) LMC's Regional Meetings – September 23rd – November 19th (October 28th in Mankato).

The Council reviewed the following communications:

- 1) July Water/Wastewater Reports
- 2) August Building Permit Report
- 3) Minnesota Valley Regional Rail Coalition Letter.

Discussion was held on the recycling bins on Main Street. Adm. Jaunich stated that they are continuing to have problems with someone putting garbage in the recycling bins. He stated that the company that supplies the bins has been calling. The question was asked if the City should continue providing this service to the residents or not (at \$110 a week). It was noted that the County provides a yearly 'recycling' credit in the amount of \$6,070. It was also noted that non-residents utilize the recycling services also. Adm. Jaunich stated that after further researching the recycling issue, he was unable to find anything requiring the City to provide such a service, other than at all public buildings. Attorney Arneson and Adm. Jaunich were both waiting to hear back from the County Environmental Director on the subject. No action was taken.

Discussion was held on the Petition for Annexation from the High Island Creek Developers. Adm. Jaunich stated that the petition had been received back in May, at which time the City tabled action as there was a possibility of other petitions in the same area coming forth and then all could be processed at the same time. He stated that in July a 60-day extension had been granted as information continued to come in. It was noted that the extension was due to expire on September 21st.

Motion by Reetz, seconded by Griep, and passed by unanimous vote to accept the Petition for Annexation from the High Island Creek Developers.

Discussion was held on the Petition for Annexation from Seneca Foods Corporation. It was noted that Seneca Foods Representatives Paul Wiemann and Dave Elfstrand were present.

Motion by Griep, seconded by Pederson, and passed by unanimous vote to accept the Petition for Annexation from Seneca Foods Corporation.

Discussion was held on annexing non-petitioning parcels (Swenson's Storage Unit property and billboard sign property) with the above accepted petitions for annexation. It was noted that by annexing these two parcels, it would help to clean up the southern boundary line issue.

Motion by Griep, seconded by Reetz, and passed by unanimous vote to annex the Swenson Storage Unit property and the Billboard Sign property as non-petitioning parties with the above (approved) Petitions for Annexation by reason of clarifying the southern boundary line.

The Council reviewed letters from tow residents regarding septic system compliance as dictated by Ordinance 200. Adm. Jaunich questioned if the City wanted to research the feasibility of providing city services to these properties. It was noted that one of the properties was in the vicinity of the 2009 Street/Utility Improvement project currently underway and it could be very feasible to hook up. The other property owner needs to re-write their letter stating they have made a determination (or admit) that their system is in non-compliance with Ordinance 200 and they will not be getting a certified inspector's report. Adm. Jaunich will contact both property owners and explain what options are available to them.

Financial Advisor Sweeney was present to discuss the Issuance and Sale of \$850,000 G.O. Permanent Improvement Revolving Fund Bonds related to the 2009 Street/Utility Improvement project. He stated that bids were solicited under two structures, a standard tax-exempt public improvement revolving fund bond and a taxable Build America Bond. He defined both types. He stated that four bids had been received and reviewed the details of each one. Sweeney commented that he assisted staff with a conference call pertaining to a rate/credit study, which the City received an excellent rating. Sweeney recommended approving the bid (a taxable Build America Bond) from United Bankers' Bank with State Bank of Arlington.

Councilmember Vrklan introduced the following resolution and moved for its adoption:

RESOLUTION NO. 58-2009

A RESOLUTION AUTHORIZING ISSUANCE, AWARDED SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$850,000 TAXABLE GENERAL OBLIGATION PERMANENT IMPROVEMENT REVOLVING FUND BONDS, SERIES 2009B

(SEE ATTACHED)

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Pederson and upon poll being taken thereon the following voted in favor thereof: Griep, Pederson, Pichelmann, Reetz, Vrklan; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Approved by the City Council of the City of Arlington this 8th day of September, 2009.

CITY OF ARLINGTON, MINNESOTA

/s/ James R. Kreft
Mayor

Attest: /s/ Matthew Jaunich
City Administrator

Councilmember Reetz introduced the following resolution and moved for its adoption:

RESOLUTION NO. 55-2009

A RESOLUTION ADOPTING AN ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the council has met and heard and passed upon all objections to the proposed assessment for the 2008 Improvement Project, an improvement extending water and sewer mains and services on 401st Avenue to the properties at 22994 and 22998 401st Avenue and the extension of water and sewer utilities on Highway 5 to the properties at 23319 and 23189 State Highway 5.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ARLINGTON, MINNESOTA:

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.
2. Such assessment shall be payable in equal annual installments extending over a period of 15 years, the first of the installments to be payable on or before the first Monday in November, 2009, and shall bear interest at the rate of 6 percent per annum from the date of the adoption of this assessment resolution. To the first installment shall be added interest on the entire assessment from the date of this resolution until December 31, 2009. To each subsequent installment, when due, shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the county auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City of Arlington, except that no interest shall be charged if the entire assessment is paid within 90 days from the adoption of this resolution; and he/she may, at any time thereafter, pay to the City of Arlington the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such

payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the next succeeding year.

4. The City Administrator shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Pichelmann and upon poll being taken thereon the following voted in favor thereof: Pederson, Pichelmann, Reetz, Vrklan; and the following voted against the same: None; and the following abstained from voting: Griep; and the following were absent: None.

Approved by the City Council of the City of Arlington this 8th day of September, 2009.

CITY OF ARLINGTON, MINNESOTA

/s/ James R. Kreft
Mayor

Attest: /s/ Matthew Jaunich
City Administrator

Councilmember Griep introduced the following resolution and moved for its adoption:

RESOLUTION NO. 56-2009

A RESOLUTION APPROVING A REZONING REQUEST BY SMC FROM R-1 SINGLE AND TWO FAMILY RESIDENCE DISTRICT TO P-I PUBLIC INSTITUTIONAL DISTRICT

WHEREAS, Sibley Medical Center has applied for rezoning of the property legally described as: Lots 1 and 2, Block One, Memorial Park Addition; and

WHEREAS, The Arlington Planning Commission proposes the rezoning of the property legally described as Memorial Park, Memorial Park Addition Plat; and

WHEREAS, The subject parcel identification numbers are: 310684000, 310684010, and 310684020; and

WHEREAS, notice of a public hearing to accept input on the rezoning request was published in the official newspaper on August 23, 2009 and sent to property owners within 350 feet of the property; and

WHEREAS, the Planning and Zoning Committee conducted a public hearing on the rezoning request on September 3, 2009 and accepted input on the rezoning request; and

WHEREAS, the Planning Committee recommended the City Council approve the rezoning request; and

WHEREAS, the City Council has reviewed the rezoning request and has made the following findings:

1. The hospital and clinic are currently zoned 'R-1 One and Two Family Residence District'. While the R-1 District allows for governmental, school, and church facilities it does not allow for hospitals or clinics as either a permitted or conditional use. As such the hospital and clinic are non-conforming uses which can't be expanded.
2. The purpose of the P/I District is to "provide for uses of a public or institutional nature. The primary purpose of public/institutional district uses is delivery of public services that are typically, but not always, on a not-for-profit basis as opposed to the sale of goods or services. Such uses include local, state, and federal government facilities, places of worship, and public educational facilities. Lands devoted to public/institutional use are usually owned by public entities but may be privately owned".
3. The hospital and clinic are contained within established urban area surrounded by a mixture of uses including, a church, a nursing home, two parks, commercial establishments, single family homes, and Highway 5. The purpose/intent of rezoning is to allow for the existing use within an appropriate zoning classification.

NOW, THEREFORE, BE IT RESOLVED BY THE ARLINGTON CITY COUNCIL THAT: The City Council of the City of Arlington hereby approves a request for rezoning of the property legally described as Lot 1, Block One

Memorial Park Addition, Lot 2, Block One Memorial Park Addition, and Memorial Park, Memorial Park Addition from R-1 One and Two Family Residence District to P-I Public Institutional District.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Pederson and upon poll being taken thereon the following voted in favor thereof: Griep, Pederson, Pichelmann, Reetz, Vrklan; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Approved by the City Council of the City of Arlington this 8th day of September, 2009.

CITY OF ARLINGTON, MINNESOTA

/s/ James R. Kreft
Mayor

Attest: /s/ Matthew Jaunich
City Administrator

Adm. Jaunich spoke briefly on the transferring and/or closing of specific fund accounts.

Councilmember Vrklan introduced the following resolution and moved for its adoption:

RESOLUTION NO. 57-2009

A RESOLUTION TRANSFERRING AND CLOSING CITY FUNDS

WHEREAS, sound financial planning by the City Council and Staff is the purpose behind the transfer and closing of funds; and

WHEREAS, the City Council of Arlington deems it expedient under the circumstances surrounding a Letter of Understanding with the High Island Creek Land Developers and for past considerations to transfer the following funds:

- \$39,470 – From the General Fund (101) to the Park Dedication Fund (215)

WHEREAS, after consideration from the City Auditor, the City Administrator has recommended the closing of the following funds effective August 31, 2009:

- Fund 316 (G.O. Disposal System) to Fund 602 (Sewer Fund)
- Fund 317 (W&S Refunding Bond Fund) – 30% to Fund 602 (Sewer Fund) and 70% to Fund 601 (Water Fund)
- Fund 318 (Wastewater Sinking Fund) to Fund 602 (Sewer Fund)
- Fund 415 (Water Improvement Fund) to Fund 601 (Water Fund)
- Fund 420 (Sewer Improvement Fund) to Fund 602 (Sewer Fund)
- Fund 425 (Electric Improvement Fund) to Fund 604 (Electric Fund)

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Arlington hereby approve the transferring and closing of these funds as of August 31, 2009.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Pichelmann and upon poll being taken thereon the following voted in favor thereof: Griep, Pederson, Pichelmann, Reetz, Vrklan; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Approved by the City Council of the City of Arlington this 8th day of September, 2009.

CITY OF ARLINGTON, MINNESOTA

/s/ James R. Kreft
Mayor

Attest: /s/ Matthew Jaunich
City Administrator

Discussion was held on the liquor license for the Community Center for 2010. Adm. Jaunich stated that the current license has been on an alternating 2-year term and will expire at the end of June 2010 and both liquor

establishments have expressed interest in the license. It was noted that during budget meetings the Council has been discussing several options, such as retaining the license or continue with the alternating schedule. An additional option was discussed that related to having the 2 establishments bid for the license. Adm. Jaunich will research the various options further and meet with the Public Buildings Committee to discuss them further before bringing a decision to the Council.

John Dotolo was present to discuss his concerns about the pending assessments related to the reconstruction project happening in his neighborhood. Adm. Jaunich stated that the final assessments won't be determined until the project has been completed. Considerable discussion was held.

Adm. Jaunich reviewed the information discussed during a recent budget workshop meeting. He stated that he has included all the requests from staff for the next year into the preliminary budget, which puts the 2010 tax levy at a 20.3% increase over the current year. Mayor Kreft stated that it is customary to set the preliminary levy high, with full intentions to lower it for the actual levy at the end of the year. Reetz expressed concern about the number being too high and suggested cutting certain items (\$20,000 for swimming pool, extra library hours, and additional fall/winter help, which would decrease levy by approximately 5%) before actually setting the preliminary levy and instilling a panic within the residents. Mayor Kreft agreed. It was suggested to set the preliminary tax levy increase at 16%.

Councilmember Pederson introduced the following resolution and moved for its adoption:

RESOLUTION NO. 59-2009

A RESOLUTION PROPOSING THE 2009 TAX LEVY, COLLECTIBLE IN 2010

BE IT RESOLVED, by the City Council of the City of Arlington, County of Sibley, Minnesota, that the following sums of money be levied for the current year, collectible in 2010, upon taxable property in the City of Arlington, for the following proposed purposes:

General Fund	\$657,519
2000 Improvement Bond	\$ 22,175
2001 Improvement Bond	\$ 15,100
Equipment (Fire) Certificates	\$ 21,811
2004 Improvement Bond	\$ 55,000
Pub. Proj. Lease Rev.	<u>\$ 40,000</u>
Total Tax Levy	\$811,605

TOTAL CERTIFIED TAX LEVY \$ 811,605.00

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Reetz and upon poll being taken thereon the following voted in favor thereof: Griep, Pederson, Pichelmann, Reetz, Vrklan; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Approved by the City Council of the City of Arlington this 8th day of September, 2009.

CITY OF ARLINGTON, MINNESOTA

/s/ James R. Kreft
Mayor

Attest: /s/ Matthew Jaunich
City Administrator

Police Chief Rovinsky presented his monthly police report. It was noted that the department had responded to 109 calls. Rovinsky commented that the number of calls were up from last year. Brief discussion was held on the need for part-time officers, as the current pool of officers the department uses is getting smaller.

Brief discussion was held on setting a date/time for the Truth in Taxation hearings.

Motion by Griep, seconded by Vrklan, and passed by unanimous vote to hold the Truth in Taxation (public comment) hearing on Monday, December 7th at 6:00 pm in the Council Chambers at the Community Center.

Pederson reminded the Council of the upcoming annual Ambulance Harvest event (fundraiser) on September 18th. Adm. Jaunich commented that he met with the Ambulance Association regarding their retirement plan (incentive package).

Griep commented on the Walking (sidewalk) Assessment that was done in the last month. He stated that there was a good turnout and it was successful. There was comment made about all the “other things” that were observed during the walk, such as junk yards, etc. Mayor Kreft commented that he was hopeful to implement next year some of the ideas/suggestions that were compiled after the walk.

Vrklan commented that he would like a tour of the wastewater treatment facility once the improvements are done. Adm. Jaunich gave a brief update on the progress of the project.

Griep commented on the progress that was being made on the wind turbine site.

Griep commented on the Letter to the Editor that Mayor Kreft had submitted in the previous week’s newspaper about the issue with the Watershed. Mayor Kreft commented that he had called the President of the Watershed with some ideas and was hopeful they will be able to work something out. Adm. Jaunich stated that the contractor was going to be starting on the street/utility improvements in the Horseshoe Lane/Circle Drive area the next day. He stated that the plan was to start putting in the water and sanitary sewer lines and then the storm sewer line later in order to give the City time to work things out with the Watershed.

Motion by Griep, seconded by Reetz, and passed by unanimous vote to adjourn the meeting at 8:29 pm.

City Administrator Matthew Jaunich

Mayor James R. Kreft