

ARLINGTON CITY COUNCIL
MEETING MINUTES
JUNE 18, 2007

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

Members present: Mayor Kreft, Borchert, Griep, Reetz, Wills

Members absent: Vrklan

Also Present: Interim Administrator Schultz, Attorney Arneson, Mark Babcock, Paul Christensen, Supt. Thomes, SEA Lions' Members Bev Breyer & Nancy Mathwig

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

- 8. f) Clarification on Personnel Policy Handbook
- 15. a) Commercial Rehab Policy Changes – Action.

Motion by Reetz, seconded by Griep, and passed by unanimous vote to table the June 4, 2007 Council minutes until the next regular meeting in order to give the Council more time to review them.

Motion by Reetz, seconded by Wills, and passed by unanimous vote to approve the bills as presented and Statement of Funds for May.

PeopleService, Inc. Regional Manager Paul Christensen presented an inventory of the major items in existence at the water and wastewater treatment facilities prior to them taking over the operations of the facilities. He was very pleased with the amount of equipment, especially the safety equipment. He commented that there was a considerable amount of glassware and lab equipment that could be liquidated as it is becoming outdated and they do not intend to operate a certified lab anymore (it is more cost effective to outsource the testing). Brief discussion was held on the issues with Instrument Control Systems. Christensen stated that things appear to be operating correctly now and felt more comfortable recommending to the Council to release the money to pay ICS.

Christensen stated that the water tower was going to be drained later in the week so the inside of the tower can be cleaned. He explained that this is being done through the 10 year contract the City has with McGuire Iron in the amount of \$1,350. The process takes approximately 2-3 hours and necessary measures will be implemented to ensure that the town does not run out of water. Schultz commented that Fire Chief Otto has been made aware of the situation also. Christensen explained that Electric Pump will also be out the same day to do some annual inspections on the lift stations. He commented on the wastewater treatment facility and the problems they have been experiencing and/or fixing and how this has been affecting the budget. He also commented that the process for changing out the meters (100 per year) has been going well. He added that if the Council would decide to order more meters, PeopleService will continue to change them out as this is making meter reading easier. Christensen stated that the water treatment plant has been operating very satisfactory.

Nancy Mathwig and Bev Breyer were present on behalf of the SEA Lions Club to ask for a 1-time Temporary On-Sale Liquor License for a wine/beer tasting fundraiser they wish to host on November 9th at the Community Center. Mathwig stated that they are hopeful that this will become an annual event and the proceeds will go towards various projects (youth, sight, hearing and diabetes). Breyer explained that they are working with Arlington Liquors, who will be bringing in the wine distributors through their contacts and the event can only last for 4 hours (per State Statute).

Motion by Griep, seconded by Wills, and passed by unanimous vote to approve the 1-time Temporary On-Sale Liquor License for the SEA Lions Club for their November 9th Wine/Beer Tasting Fundraiser.

Mark Babcock was present to discuss the 2006 Audit and Summary of Financial Statements. He stated that the municipal hospital and fixed assets were not included in the audit. He commented that at some point the City should switch to the GASB 34 reporting system (a new statement for all governmental entities). He stated that the accounting system is well developed and Deputy Clerk Tesch does an excellent job with taking care of everything. Schultz questioned if there were any areas that the City should be working on (financially). Babcock commented that any inactive debt service funds and/or capital funds should be closed. He commented that all of the funds have positive balances. Brief discussion was held on when it is good to bond for or cash flow projects.

Motion by Reetz, seconded by Griep, and passed by unanimous vote to approve the Audit and Summary for 2006 as presented. (**See file for copies.)

Attorney Arneson presented Ordinance No. 206 – An Ordinance to Regulate the Keeping of Animals within the City Limits of Arlington for its first reading. Discussion was held on the number of pets allowed and if it should be changed to 3 adult animals of either species (3 dogs, 3 cats, 2 dogs and 1 cat, 2 cats and 1 dog). Some discussion was also held on whether to allow invisible fencing as a form of animal restraint. Mayor Kreft suggested that owners wishing to use this type of fencing could post a notice on their property that they have such fencing or restrict the use to rear yards only (not allow in front or side yards). Arneson also spoke on a couple of clauses pertaining to veterinary practices, etc. Discussion was held on the requirement for having a hard surface within kennels.

Motion by Reetz, seconded by Borchert, and passed by unanimous vote to approve the first reading of Ordinance No. 206 and to authorize Attorney Arneson to make the various changes to said ordinance as discussed.

Attorney Arneson presented proposed Ordinance No. 207 – An Ordinance Regulating Special Council Meetings, and Amending Ordinance No. 167. He stated that last fall the Council, by motion, had changed the amount of special meetings it gets paid for from 25 to unlimited. He informed the Council that the motion was invalid because the number of meetings, along with the fee paid for said meetings has to be changed through an ordinance, which is why he was bringing #207 to the Council for consideration. Arneson suggested surveying other cities to see what they pay for special/committee meetings. Griep questioned when the change(s) would become effective. Arneson stated that they could be effective immediately. Reetz and Borchert commented that they felt the \$25 fee per special/committee meeting was fair. Griep and Mayor Kreft commented that they would like to see what surrounding cities are paying. It was the consensus of the Council to have city staff pole various cities to see what they pay and have the information at the next regular meeting.

Attorney Arneson presented proposed Ordinance No. 208 – An Ordinance Setting the Salary of the Mayor and City Council Members. He stated that the Council is currently paid once a year, which he thought should be changed to at least quarterly. He also commented on adding a COLA clause and explained how it would work (accumulate over 2 years and become effective the next year after an election). It was understood that the motion the Council made last November to increase the Mayor and Council salaries was not valid as it was not done through an ordinance. Arneson added that any changes made now as far as salary or cola would not become effective until the year after the next election (January 2009); but the change to being paid quarterly would become effective immediately. It was suggested to have city staff pole various cities to see what they are currently paying and have the information at the next regular meeting.

Discussion was held on the 2 shade tree ordinances the City has. Arneson commented that he needed more time to research the various documents that Interim City Administrator Schultz and City Staff had provided to him with regards to trees/boulevards, etc. He stated that he had talked with P&Z Administrator Jenness about becoming the City Forester, which Jenness did express an interest in. Arneson commented that one of the ordinances calls for a Shade Tree Board, which the City does not need another committee at this time and was recommending the Park Committee for this. He defined the difference between the Forester and Shade Tree

(Planning) Board and what their various duties would be. He was hopeful to have a new ordinance ready for the next regular Council meeting. Supt. Thomes expressed his feelings that trees should not be permitted in boulevards because after they mature they start causing problems, such as roots pushing up sidewalks, etc. He commented that if trees are permitted in boulevards, that the City has the right to dictate what types of trees to allow.

Attorney Arneson gave an overview of the relationship (chain of command) between the City Council and Hospital Board. He explained that the City can maintain a municipal hospital (per State statute), which is considered to be a separate agency under city government. This means that they operate independently of each other however the City is still the funding and bonding entity for the hospital. He stated that recently there has been some confusion as to member appointment and length of terms. Arneson explained that the 5 members of the Hospital Board are appointed by the Mayor with the advice and consent of the Council. In the past the Hospital Board has been given the courtesy of compiling a list of nominees for the Council to consider when appointing people to fill vacancies. By doing this, it has given the Hospital Board the "illusion" that it renews and/or reappoints itself, when in fact it does not. Arneson explained what his interpretation of the Hospital Bylaws was with regard to term length and also clarified that the terms are for calendar years and not fiscal years.

Mayor Kreft commented that the Employee Relations Committee had met earlier in the day to discuss the job opening section of the Employee Policy Handbook. He stated that a city employee has applied for the open City Administrator position and was disputing the hiring process (individual felt they should be first in line for the position, offered in-house before opening it up to the public). Attorney Arneson offered his thoughts that the intent of the section in question was directed more towards being a canned clause and not a hiring clause, and for promotional reasons (move up a position within a department). He didn't think the employee has been aggrieved or disadvantaged of any process at this time. He also commented that the City Administrator is an "employee", but not in the same respect as the rest of the city employees. Generally, when the term "employee" is used, it implies that an individual works under the main person (City Administrator in this case). Reetz questioned if the City is legally obligated to offer city staff positions solely in-house (pending qualifications) before offering them to the public or is it supposed to do both simultaneously. Arneson believed it is within the City's discretion if it wants to offer a city staff position solely in-house or not. The handbook currently states that an existing employee should be considered first provided they are qualified, but does not stop the City from considering someone from the outside who is more qualified. It was the consensus of the Council to allow the hiring process for the City Administrator position to continue as had been presented by the executive search firm that had been hired, with the understanding that the employee could apply like everyone else.

Borchert questioned if any follow up had been done on the noise issue with the racecars (regarding use of mufflers). It was noted that Code Enforcement Officer Jenness was working on this. Reetz suggested contacting the Fair Board to let them know that the City has been receiving complaints and encourage them to follow up on this as well (adhere to the ordinance). Griep commented that the racing promoter has brought this to the racers' attention and they are checking cars for mufflers. Griep added that the promoter has also taken steps to get the races done in a timely fashion, all drivers are given a 1-way radio headset so they can be informed of what is going on around the track at all times.

Street Supt. Thomes talked about the most recent Streets Committee meeting where they discussed having the storm sewers/catch basins vacuumed and jetted out. He explained that he had obtained 3 estimates to have this done as the City does not have its own equipment at this time. The Committee had also reviewed some prices for purchasing new and/or used equipment, but felt contracting for this service was more beneficial at this time as it had never been done before.

Motion by Reetz, seconded by Wills, and passed by unanimous vote to accept the Streets Committee's recommendation to approve the low bid in the amount of \$135/hour from Iowa Jetting & Televising Service, Inc. to vacuum/jet out the catch basins/storm sewers.

Supt. Thomes stated that the Streets Committee also discussed the snow blower and whether it should be repaired or replaced. He stated that he had obtained an estimate in the amount of \$26,000+ to have it fixed. He also obtained some estimates for new units. The Committee was recommending having the snow blower fixed, which the money would come out of the Streets Capital Outlay fund.

Motion by Reetz, seconded by Griep, and passed by unanimous vote to accept the Streets Committee's recommendation to accept the bid in the amount of \$26,135.75 from MacQueen Equipment, Inc. to fix the snow blower.

Mayor Kreft commented that the City had contracted with the Sibley County Sheriff's Department for police service with the understanding that the contract/services would be reviewed in 90 days. Some discussion was held on how this should be evaluated (what criteria should be considered) and who should be allowed to provide input. Mayor Kreft commented that the service contract as whole appears to be working well. He felt that the City was not ready to do the review and questioned how it could be handled subjectively. It was agreed to invite the Police Chief, Sibley County Sheriff or designee, and a representative from the Police Committee to the next meeting to address any concerns and set some goals.

Interim Administrator Schultz commented that the city office is in need of some filing cabinets and office chairs. He wants to make things as easy as possible for the new administrator when they come on board (able to find things easier).

Motion by Griep, seconded by Wills, and passed by unanimous vote to authorize Interim City Administrator Schultz to purchase the necessary office equipment (filing cabinets and chairs) up to \$2,000.

The Council opened and reviewed the 2 sealed bids for the 1994 Ford Diesel Wheeled Coach Ambulance.

Motion by Reetz, seconded by Wills, and passed by unanimous vote to accept the high bid in the amount of \$7,050 from Mitch Stuewe for the 1994 Ambulance.

The Council reviewed the letter from a resident requesting city water and sewer services. He explained that this resident was not currently in city limits and said utilities were not available to them at this time. The resident was informed by the County that the current septic system does not comply with code and were given 10 months to get it in compliance. It was noted that this request was not cost effective for the City to extend said utilities at this time. However, the resident could have the utilities put in, but it would be at their expense. Reetz suggested sending a letter to all the residents in the area to let them know of this and see how many of them are in the same situation or possibly hold a public meeting to discuss this further. It was suggested to contact the County to see if an extension could be given to the resident as the City researches extending the water and sewer to the area. It was also suggested to contact City Engineer Hawbaker to see what if anything he had on file as far as preliminary numbers for extending said utilities to the area. Mayor Kreft commented that if said utilities are extended, the area should be annexed into city limits as it already has electric service through the City.

Motion by Reetz, seconded by Borchert, and passed by unanimous vote to do the following:

- 1) Send a letter to the resident who submitted the request for city utilities and let them know what the City is doing;
- 2) Contact the County (Jeff Majeski) to see if an extension can be granted and to find out how many other properties are in the same situation;
- 3) Send letters to the property owners in the area to see where their systems are at; and
- 4) Contact City Engineer Hawbaker so get some preliminary estimates on extending said utilities to the area, along with any possible deferments (don't pay until hook up, etc.).

Motion by Wills, seconded by Reetz, and passed by unanimous vote to contribute \$500 to the Southern Minnesota Initiative Foundation.

Motion by Griep, seconded by Borchert, and passed by unanimous vote to authorize Interim City Administrator Schultz to attend the Data Management Seminar in Mankato on June 19th.

Interim City Administrator Schultz updated the Council on the Small Cities Development Grant. He stated that public meetings (Housing, Rental and Commercial) are scheduled on the evening of July 27th. He also explained that there was an omission of a sunset clause in the Commercial Rehabilitation Policy.

Motion by Reetz, seconded by Griep, and passed by unanimous vote to include the following in the Commercial Rehabilitation Policy:

The SCDP assistance is in the form of a 0% interest, 10-year deferred loan that is paid back to the City of Arlington or Gaylord when the property title is transferred or sold within 10 years. These loans carry no interest and no periodic payments. If the person doing the SCDP improvements maintains ownership for 10 years after improvements are made, the loan is 100% forgiven.

The Council reviewed a thank you letter from the SEA Lions for the use of the Community Center for their annual pillow cleaning event.

Mayor Kreft commented that preliminary budget meetings will be getting scheduled in the near future. Interim City Administrator Schultz said emails would be going out.

Griep commented that he had spoken with SMC Administrator about the hospital taking over the ambulance service, which this will be on the next Hospital Board meeting agenda. The 2 Councilmembers on the Utility/Fire/Ambulance Committee are also invited to participate in the meeting for discussion reasons.

Wills commented that he was intending to contact Bruce Pinske (Seneca Foods) about setting up a meeting in the next week or so. Schultz explained that he had heard from Pinske early that day and would be getting back to him with some dates.

Borchert questioned if the cleaning contract had been signed for the Community Center. Schultz commented that it had not. Some discussion was held on if things had been completely worked out as far as paying Jay's Cleaning for tear down and setup.

Borchert questioned if an A-GI Wastewater Committee was going to be held (it had been postponed). Schultz stated that he had received an email from Lana Tullis (Bolton & Menk) that things were going smoothly and a meeting was not necessary until late summer early fall.

Motion by Wills, seconded by Borchert, and passed by unanimous vote to adjourn the meeting at 9:50 pm.

Interim Administrator Dennis P. Schultz

Mayor James R. Kreft