

**City of Oronoco
Regular City Council Meeting Minutes
September 21, 2009 @ 7:00PM**

I. CALL TO ORDER

Councilor Kevin McDermott called the meeting to order at 6:45pm and closed the meeting for a closed session at 6:46pm to discuss potential litigation with Journey Development. Councilor Kevin McDermott reopened the meeting at 7:23pm summarizing that Council had met in closed chambers to discuss possible litigation.

II. ROLL CALL

Councilor Paul Briggs, Councilor Brian Breider, Councilor Jackie Hall, Councilor Kevin McDermott, Attorney Fred Suhler, and Clerk Sandy Jessen were present, Mayor Scott Keigley was absent.

III. APPROVAL OF AGENDA

Councilor Jackie Hall motioned to approve the agenda, Councilor Paul Briggs second; all in favor, motion carried.

IV. PUBLIC FORUM

Denise Heppelman Wangsness of 95 5th Street SW came forward to discuss the ROW by her house, since the ROW has been regarded it has been difficult to mow, the grass is knee high, and the sod is rough, she can't mow, it's a mess and when sod was laid there were gaps, and the neighbor is in the same position. City Engineer Joe Palen and Sandy went out and looked at the area; there was a limited ROW and that is why it needed to be steep, it has not been maintained and that's why it has weeds. It is city row but residents are generally asked to mow the row like a boulevard. Denise asked if she could dig it up and replant grass. City Engineer Joe Palen recommends not changing the pitch. Denise; it is difficult to mow and she is unable to take care of it with the new sod that was put in. Councilor Kevin McDermott will drive by and take a look and possibly have someone knock it down once and then she will be responsible.

Dan Ondler 135 1st Ave NW asked where he could view the minutes. The City Council meeting minutes are posted on line after approval.

Councilor Kevin McDermott made 3 calls for public forum and closed it at 7:38pm.

V. DEPARTMENTS & COMMITTEE REPORTS

A. OCSO ~ Sgt. Mike Morrow

B. FIRE DEPARTMENT ~ EOC ~ Chris Stolp, Fire Chief

1. Runs – 2; medical assists

2. Request for Fire Call discount. – **Councilor Brian Breider motioned to not discount the bill, Councilor Paul Briggs second; all in favor, motion carried.**

3. Phones- contract is up in October, looking for a less expensive option; Tim is willing to purchase the maintenance cell phone from the City to replace his personal phone as the city employees do not require a cell phone. The Fire Dept and 1st Responders need to have a phone for the trucks. The 1st Responders need to have a phone to talk to medical control; for calling out, and need adequate coverage. **Councilor Brian Breider motioned to get an appropriate plan and Tim can get the old phone, Councilor Kevin McDermott second; all in favor, motion carried.**

C. FIRST RESPONDERS ~ Gwen Holt, 1st Responder Director

1. Runs – 13 Total: 8 for Gold Rush, 2 City, 3 Township

2. Retiring member Jerry Lubahn after 15 years of service, the city had a nice thank you letter. They will discuss having a get together sometime in November at their next meeting.

D. PERSONNEL

1. Park & Dam Personnel – setting policy on ordering supplies and materials needed, will they need credit cards or charge accounts? Job description needs to be established. What responsibilities the office and maintenance staff will have. Councilor Brian Breider will set up a meeting.

E. ORDINANCES & RESOLUTIONS

1. City Code – update: Attorney Fred Suhler has some questions on the liquor licensing; state law continues to expand with wine licensing, catering licensing, the only restriction was for not allowing one day licenses for Gold Rush vendors. State law permits many things and the city can add restrictions, under state law the city could issue up to four licenses. Is there any particular regulation that the council would like to be included? There would be no objection to include 3.2 beer. Attorney Fred Suhler will come back with a draft at the next meeting. The burning ordinance needs to be added; the city issues burn permits for the burning of brush.

F. DOWNTOWN ORONOCO GOLD RUSH DAYS* ~ Co- Chairs Councilor Kevin McDermott, Councilor Brian Breider.

1. Meeting Minutes
2. They had a brief discussion on the finances and that they are down year to year and to get the residents more involved, make it more of a community event.

G. PARKS & TRAILS*

1. Meeting Minutes – Capital Budget Plan requests for 2010 - 2020
2. Authorization to lower the manhole – the City received an e-mail from Dan Fitzpatrick authorizing this. May cost up to \$800 to lower. Councilor Kevin McDermott should get some quotes on the work. Come back for the cost of the delineation of the trail and the estimate to lower the manhole and council will vote on the whole thing.
3. Parks would like to have a legal survey of the land for the trail in RWH's Park. City Engineer Joe Palen has marked off the pins and put lathe in the ground to mark them, they were pretty close, within a foot. To have someone come and put in monuments or pins is very expensive. Discussion: There are still some questions on the legal boundaries. It is a city outlot; the plats says it's a drainage easement and it is dedicated as such. Where will the trail go? There will eventually be a fence. What is the parks plan? They don't want to do anything until this is resolved. There is a second tree in the way of the trail. The fence is going to delineate the trail so no one goes on the resident's yard. It will be a grass trail. Have parks come forward with a plan to delineate the trail.

H. LAKE SHADY ~ Katie Dudley, Lake Shady Committee Chair*

I. COMMUNITY CENTER*

J. STREETS & ROADS*

1. Frontage Road – Joint Powers Agreement from MNDOT - Resolution 09-12 for the frontage road. Councilor Kevin McDermott; the appraisal from before was close to \$750,000 to build the road the estimates were for \$22,000 an acre for the property. Discussion: Some of the costs may be able to be assessed. The state is willing to take over the construction costs and land acquisition costs; the city will never have it built any cheaper than this. The public has agreed that the frontage road is needed and with the Elk Run development being built there will be increased traffic going through town. **Councilor Kevin McDermott motioned to pass resolution 09-12 for the Joint Powers Agreement from MNDOT, that they will build the frontage road and the cities only expense will be the land, acquisition will be done by MNDOT, Councilor Jackie Hall second; voice vote: Ayes; Councilor Paul Briggs, Councilor Kevin McDermott, Councilor Brian Breider, Councilor Jackie Hall; motion passes.**

Councilor Kevin McDermott called for a five minute recess at 8:35pm. The meeting reconvened at 8:48pm.

2. Review of Crack Fill Quotes: Received two bids one from Rochester Service at \$1.52 per pound and one from Astech Corp for \$3.44 per pound. **Councilor Kevin McDermott motioned to accept the Rochester service bid, Councilor Jackie Hall second; all in favor, motion carried.** Councilor Kevin McDermott brought to his attention there is one broken up area that goes towards Grace Lutheran, should look at patching that area and get a quote

on that patching area. Discussion: Should also look at 3rd where you come out of the development and also the Woodsvie corner. If there are other known areas needing repair should be notated. Craig Durst has offered to drive with Councilor Kevin McDermott to look at the roads and then they could mark them with paint and have others go out to bid. Clarification on motion to spend \$11,000 or the pounds quoted – spend the \$11,000 for the crack filling.

K. PLANNING & ZONING*

1. Meeting Minutes – review of the Bouwkamp sign they feel it does not meet the criteria to remain. It's outside of what is permitted in town without a permit. It could blow over. It's a banner with a semi permanent structure holding it up. Any place he puts a sign will be difficult in his location. Discussion: The season is almost over; it has been brought up to council and he should be sent a letter letting him know that he needs a CUP for next year. Would hate to see him not be able to have signage. P&Z has given him some ideas and can pursue offering more options. **Councilor Paul Briggs motioned to allow the next 30 days to remove the sign, Councilor Kevin McDermott made a friendly amendment to allow to the end of October, Councilor Jackie Hall second; Councilor Brian Breider; make it clear that it will not go back up next year. All in favor, motion carried.** P&Z would like to form a communications subcommittee to look at redoing the website and all communications and streamlining information. P&Z has funds left to redo the website; they would put together a proposal for the website, the people that would be on the committee have a lot of experience with this and making it user friendly, lower costs in operation, and the city could save money, they would bring back recommendations and mock websites. Existing site is difficult to use and not user friendly. There are sites that can update and track changes of ordinances. **Councilor Jackie Hall motioned to have the Planning & Zoning Commission create a subcommittee for working on and creating a new website and communications, Councilor Paul Briggs second; Councilor Brian Breider zero cost? No funding is required at this time. All in favor, motion carried.**
2. Inspection Services – Thomas Thompson – bid for service for building permit inspections once the county service ends on December 31st. CMS does area towns. Councilor Kevin McDermott would like to have a few more bids to compare. Put a request out and request to attend next months meeting. Call and set up bids.
3. Communications Subcommittee

L. WATER & SEWER*

1. Minutes
2. Pre Public Hearing Workshop - October 5th at 7:30pm, Public Hearing at 7:00pm at Grace Lutheran and postpone the CIP for after the public hearing for after the 7th of October.
3. Updates:
 - Water meters will be added to the original plans to allow for installation of them as part of the water project, this may increase the principal forgiveness the city will receive. RPU does meter reading for cities like Kasson.
 - Inclusion of the income survey done previously in the downtown area to PFA for possible ARRA and Disadvantaged Community Grant dollars.
 - PFA Options on land: if the land is acquired through eminent domain, city funds must be used (investment fund) for payment and will not be included in the loan. If an agreement is reached prior to October 10th; PFA will only loan up to 110% of the appraised value or \$12,100 and 20% forgiven.
 - Cash Flow and monthly users' fee update – Auditor updated.
 - The following is a breakout of the ARRA Principal Forgiveness and the DWRF /SRF Loan dollars:
 - Total ARRA Principal Forgiveness (PF) = \$1,309,574; Base PF = \$545,876
 - + Supplemental PFA = \$763,698 which is approximately a 40% grant.
 - DWRF /SRF Loan = \$1,508,922
 - Total Project Financing = \$2,818,496

- The PF went way up. This is due to the PFA's ability to use the Income Survey the city did.
- The APPROXIMATE Loan Terms follow. These numbers are approximate until the city tells me in writing (an e-mail from Sandy is fine) that they want to lock in the rate and whether they want to do a 20-year or 30-year loan. Yes, the city triggers the possibility of doing a 30-year loan if they choose. Again, this was due to the Income Survey submitted. The approximate rates would be 1.10% for a 20-year term, and 1.95% for a 30-year term. The approximate Debt Service on the 20-year term would be ~\$84,000; on the 30-year term would be ~\$66,675. When determining whether to go with a 20-year or 30-year term, please take into consideration the difference in % and the number of years to repay the debt. Again, the exact terms will not be known until the city indicates to me in writing when they want to lock in their rate. Rae Lynn
- Should lock in the interest rate and accept the bid prior to the hearing. The assessment calculations were with the \$763,000 with the result of the income survey they could be the ones to benefit from this the lateral costs it would bring the assessment down substantially per house; last month it was about \$6200, the city can increase or decrease as long as the value is there. The city could assess everyone \$1000 so it is all even, no matter where it's located. There is the issue of making a decision on the term. **Councilor Jackie Hall motioned to 1.1% for the twenty year term, Councilor Brian Breider second;** Discussion: financially for the city are we better off in paying off some other bonds and extending this out to 30 years. Ten years of bonded debt; the city would pay more back in interest. Could any of the bonds be refinanced? It may make sense to pay off at least one of the bonds; may make sense to pay off some of the others first; the 2007 bond. Should speak to Mike Bubany tomorrow and go with his recommendation; don't want to delay things. The city can work on the CIP with Mike; can set to pay off the debt through that. **Councilor Jackie Hall rescinded the motion.** Discussion: It would be about \$330,000 additionally for the added 10 years. The rates are both low. **Councilor Jackie Hall resubmitted the motion to do the 20 year term at 1.1%, Councilor Brian Breider second; Ayes: Councilor Kevin McDermott, Councilor Jackie Hall, Councilor Brian Breider, Naye: Councilor Paul Briggs, motion carried.**
- At the next water and sewer meeting Rob Matthias will give a presentation for grant/ loan program for low income residents to abandon their wells.
- RPU

4. Assessment Deferments – sample form enclosed in packet, need policy and procedures set for the undeveloped lots as well for senior citizens with hardship. This may not be an issue with the new loan forgiveness amount. The new developments – undeveloped lots will be deferred until they are sold.

VI. PETITIONS, REQUESTS & COMMUNICATIONS*

- A. Veolia – rate change: explanation of increase was requested and not received, bids from other companies: an Olmsted County fee pamphlet was sent but no letter of explanation after a number of requests. A copy of Veolia's Contract with Eyota shows that they pay less than Oronoco residents by \$2.45 - \$5.45 per month. Prices were received from Green Planet, Sunshine Sanitation, and Waste Management. Green Planet was present: they pick up recycling each week; offer two sizes of recycling bins and there is one truck on a pass, will offer similar to what is offered now for Gold Rush. There would be a Tuesday pick up. They have been in business three years and have added more business over that time. They would have extra containers and a roll offs for Gold Rush. This year Gold Rush had 4- 30 yard dumpsters that were filled. Waste Management was present Daryl has provided rates; recycling would be single sort every other week pick up. Residents are complaining about the costs of Veolia. Waste Management would only very if taxes change and the fuel surcharge. There would be two trucks running. It will be brought back to next meeting with the info that we have.

2. Special City Council Meeting Minutes – 9-3-2009

C. FINANCIALS

1. MBIA Account Summaries
2. Budget – available at the office to view
3. Accounts Payable ~ General & Special Funds
4. Accounts Receivable
5. Transaction Report

Councilor Kevin McDermott motioned to approve the consent agenda, Councilor Jackie Hall second; all in favor, motion carried.

X. ADJOURNMENT

Councilor Kevin McDermott motion to adjourn at 10:44pm, Councilor Paul Briggs second; all in favor, motion carried.

Respectfully Submitted,

Assistant City Clerk

Mayor