

COUNCIL MEETING MINUTES

January 22, 2018

The Council meeting was called to order at 6:00 p.m. by Mayor Werner. The Pledge of Allegiance was recited by those in attendance. Present for the meeting: Mayor John Werner; City Councilors John Goman, Greg Andrews, and Bob Quade; Clerk Joan Jauss; and attached list of public.

PUBLIC DISCUSSION: None

CORRESPONDENCE:

- Email from the MPCA thanking the City for donating documents to the digital library in reference to the MS4.
- Email for the League of Minnesota Cities noting the 2018 Legislative Conference for Cities is March 22 in St. Paul. John W. stated he will be going, the rest of the Council will let Joan know.
- Email from MIC stating there is going to be a meeting on the Twin Ports interchange reconstruction. Suzanne emailed Joan stating she will be attending. John W. and Bob stated they will be going also. Joan will post.

CONSENT AGENDA:

A. Minutes

January 8, 2018 Council minutes
January 9, 2018 WLSSD I&I minutes
January 10, 2018 Fern Architect minutes

B. Resolution

- Resolution 18-01-03 Designating Authorization for Account Adjustment for Utilities
- Resolution 18-01-04 Opting to Increase the Benefit Level for Firefighters who are Vested in the Voluntary Statewide Volunteer Firefighters Retirement Plan
- Resolution 18-01-05 Resolution Waiving Zoning and Building Permit Fees

C. Executed Claims

General fund checks – 12252 thru 12280 and 454E
Fair Housing Authority – none

John W. stated Resolution 18-01-05 is waiving zoning and building permit fees for City projects only. Greg made a motion to approve the consent agenda with a second by Bob. All vote in favor. Motion passed.

NEW BUSINESS:

Memorandum of understanding (MOU); Duluth Urban Watershed Advisory Committee (DUWAC): Greg shared a copy of a proposed MOU with DUWAC, this is an information document at this time on what DUWAC is trying to achieve. Greg asked that the Council mark it up with any changes and we will let DUWAC know. John G. stated he does not see the need to be involved with this organization. Greg stated the attendance at the meetings has been getting less, joining is voluntary and we can elect to be in or out. Nellie Scheffler asked who the driving force is for this committee and can anyone be involved with it. Nellie also requested a copy of the MOU. Greg stated this is state endorsed committee and anyone can be involved. It can be the City, a group, or a private citizen. John W. explained the thought process is to slow or retain water instead of having it run off, which includes potentially downsizing some of the road culverts. All the Councilors agreed there are already other entities i.e. MPCA, DNR, etc. that monitor these concerns. John W. stated Nellie can take the copy of the MOU from the public packet at the end of the meeting.

Minnesota Budget Summary: Joan shared a copy of the Minnesota Budget Summary she had prepared, this shows the 2018 budget numbers. John W. asked why there was such a big discrepancy on the special assessments that was budgeted last year to this year. Last year it was \$348,861 and

this year there is only \$90,000. Joan explained, the report was completed by the Treasurer last year and she is unable to explain those amounts. Joan stated for this year's figures, she used the total amount of assessments that was turned in to St. Louis County for collection in 2018. John W. also asked about the ending balance, last year was \$752,983 and in 2018 it is \$929,521 for a difference of \$176,538 this is the difference of what we have budgeted for revenues and expenses. Joan explained she had Mary Reedy, the City Auditor, review and Mary noted the figures look correct. John G. made a motion to approve the Minnesota Budget Summary with a second by Bob. John W. asked, in the previous year, did the Treasurer run her numbers by the City Auditor, Joan stated to her knowledge no. John W. stated it is disturbing the discrepancy. All vote in favor. Motion passed.

2019 St. Louis County Road Project: Joan shared an email with the Council from Steve Krasaway at St. Louis County in reference to doing renovations to E. Calvary Road and 1st Ave. N. in 2019. There is a public meeting to be held on March 1st; Joan asked if anyone is going to attend the meeting. John W. stated he will be going.

League of Minnesota Cities (LMC) Administrative workshop: Joan shared an email from the LMC stating they are going to be holding an administrative workshop in Duluth on April 4. Suzanne had emailed Joan stating she would like to go, John G. and Greg stated they would like to go also. Joan will post.

Reder Accounting: Joan shared a letter with Council from Peggy at Reder Accounting noting she is going to be increasing her monthly fee to do payroll for the City. John G. made a motion to approve the monthly fee increase to \$150 with a second by Greg. All vote in favor. Motion passed.

3 Year Revenue Summary: Joan shared a copy of the 3 Year Revenue Summary with Council, this includes the 2017 unaudited revenue numbers. Minnesota State Statute requires this. John G. made a motion to accept the 3 Year Summary with a second by Bob. Greg stated we collected more in taxes than we had levied, so we must have received some of the back taxes, which is good. All vote in favor. Motion passed.

Re-appointment of Planning Commission members: Joan read into record a recommendation from Teresa Koivula, Zoning Administrator, requesting to re-appoint Kathy Meyer and Pete Branca to the Planning Commission. Greg made a motion to approve re-appointing Kathy Meyer and Pete Branca to the Planning and Zoning Commission with a second by John G. All vote in favor. Motion passed.

Re-appointment of Utility Commission member: Joan shared a recommendation from the Utility Commission, to re-appoint Cindy Endicott to the Utility Commission. Greg made a motion to approve re-appointing Cindy Endicott to the Utility Commission with a second by John G. All vote in favor. Motion passed.

UNFINISHED BUSINESS:

City of Duluth water rates: John W. stated he and Councilor John G. went to a meeting with the Cities of Duluth, Hermantown, and Proctor to discuss the water rate increase. The City of Duluth proposed a rate reduction to \$3.02 per cubic foot, for 2017 and then increasing the 4.7% annually from there, pending the City of Duluth's Public Utility Commission's (PUC) approval. John W. shared a copy of a rate sheet that the City of Hermantown put together showing the proposed rates from 2018 - 2023. This reduction in rates would reduce what the City of Duluth receives from all three municipalities by approximately one million dollars. We will still have to pay the higher rate until the Duluth PUC approves the rate change, which they may or may not accept. At the end of the meeting it was agreed all municipalities will take the proposal back to their Councils for approval of the proposed rate decrease. John W. also shared that he received a call from the City of Duluth very unhappy with the City of Proctor as they filed a complaint with the Minnesota PUC, the City of Duluth felt they were betrayed as they thought they had a verbal agreement. John W. stated that the City of Duluth can

legally charge municipalities more due to the infrastructure repairs they have done, which they have not done. John W. stated he recommends we accept City of Duluth's proposal. Greg asked if the other Cities are going to accept, John W. stated yes. John W. reiterated the rate we will have to pay City of Duluth is the higher rate until the change is approved by City of Duluth PUC. Our acceptance of this proposal will let the City of Duluth bring the proposal to their PUC for approval. Cindy Endicott and Jayme Heim from the Utility Commission both agreed this looks good. The new rates will equalize the rates for all of the municipalities. Nellie asked with Proctor filing, will that make a difference. John W. stated it is unknown, they were very upset. The City of Rice Lake and Hermantown chose not to file. John G. made a motion to approve the proposed rate structure as presented by the City of Duluth with a second by Greg. All vote in favor. Motion passed. John W. stated he will call the City of Duluth noting we have verbally approved the new proposed rate structure.

WLSSD recycle shed meeting: Joan shared an email from WLSSD giving a brief update as to what occurred at the recycle shed meeting that John G. was unable to attend. WLSSD is going to be putting the meeting information into a pdf and emailing it to the municipalities.

City Roof: Joan shared a copy of a letter from Fern Architects noting the cost to do artist renderings and the cost to enhance the flat roof. John W. explained that we are looking at two options a flat versus a sloped roof. The art renderings will let the Council know what a sloped roof would look like, the cost will be an hourly fee not to exceed \$1,500. Robert from Fern Architects is supposed to be coming to the February work meeting with the drawings.

AT&T lease amendment: Joan gave the Council a copy of the amendment which allows AT&T to move their antenna from the water tower to the cell tower and raise it to 127 feet. The City received an increase in rent of \$1,000.

February Calendar: Joan gave the Council a copy of the February calendar.

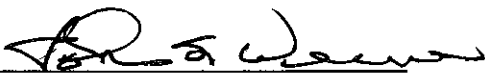
PFA conference call: Joan shared that there will be a conference call tomorrow at 1:30 pm with Joe from MSA, our City Engineer, Joan, and James at the PFA in reference to the E. Calvary water project and 3rd Ave. S. financing. John W. stated he will also be attending

COUNCIL REPORTS: None

PUBLIC COMMENT: Nellie asked about ditch 14, she stated she noticed there is a quite a bit of tax forfeited land in this area, does the ditch go with the land. John W. stated no, the ditch is a governmental ditch. John W. stated when the ditch is cleaned the cost is supposed to be assessed to all the homes that benefit from the project. Rice Lake is hoping to pick up the cost of cleaning the ditch. He reiterated this project is a 2020 or 2021 project.

Having nothing further to discuss, John G. made a motion to adjourn the meeting. Mayor Werner adjourned the meeting.

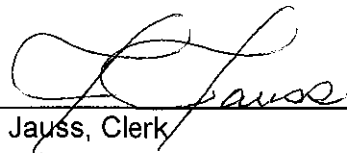
Respectfully submitted,



John Werner, Mayor

2-12-18

Date



Joan Jauss, Clerk

2-12-18

Date

**Council Meeting
January 22, 2018**

	Name:	Address:	phone and/or email address:
1	Cindy Langicott	Kingston Rd.	
2	Chime Okon	Kingston Rd	
3	Nelle Schick	Award Green Rd	
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