

CITY OF FRAZEE

**PUBLIC HEARING ON PROPOSED ASSESSMENTS FOR SWIFT SITE-MAIN
AVENUE EAST ALLEY**

**PUBLIC HEARING ON THE PROPOSED 2009 BUDGET, TAX LEVY, AND FEE
SCHEDULE**

REGULAR COUNCIL MEETING

December
~~November~~ 10th, 2008

Public Hearing – Proposed Assessments for Swift Site-Main Avenue East Alley

A public hearing on the proposed assessments for Swift Site-Main Avenue East Alley was called to order at 6:30p.m. by Mayor Ludtke. Council members present were Miosek, Quart, Trieglaff, and Dermody.

Mayor Ludtke read aloud an introduction and order of how the hearing will be run.

City Engineer, Aaron Lauinger gave a brief presentation on the project costs and assessments. He stated that a 28 foot wide asphalt surface, storm water being conveyed by curb and gutter, and a parking lot were constructed from Lake Street to East Main Avenue. A 28 foot wide asphalt surface, a 6 foot wide concrete sidewalk, and the extension of a water main were constructed for the River Drive South project. He noted that the project costs for the Swift Plant Site were \$280,697.45, East Main Ave. Alley \$118,114.12, and River Drive South \$123,076.78, totaling \$521,888.35. He stated that the City will be assessing 100% of the East Main Ave. Alley to adjacent land owners. The City will pay 75% of the street reconstruction for River Drive South and assess 25% to adjacent land owners, and the City will incur 100% of the Swift Plant Parcel improvements. The City's share is \$311,466.65 of the total project costs with \$210,421.71 being assessed to adjacent property owners.

Terry Harrison, Main Ave. East, objected to the proposed assessments quoting a portion of MN Statute #429.031 and asking what the benefit is when there is no planned development for the Swift Site. He also asked what the benefit is for the Main Ave. businesses because none of the businesses have signs or public access to their stores from the alley. He stated that traffic will be taken off Main Ave. and there will be a loss of business. He also referred to MN Statute #429.051, stating that there are businesses that benefit from this project that are not directly adjacent to the project thus assessments should be disbursed to them. Harrison noted that it needs to be looked at who actually owns the property that is abutting the project. He stated that the Rail Road should be looked at because they are abutting the project and he is not. Harrison stated that he will not benefit from this project.

Mayor Ludtke stated that the objection is duly noted, but the City feels that the benefit received from this project exceeds the amount assessed.

Mayor Ludtke adjourned the hearing with the continuation on January 12th at 6:30pm.

Harrison spoke up stating that he is not saying he shouldn't be taxed but he feels there is a better, fairer way of doing it.

Public Hearing – Public hearing on the over view of the proposed 2009 final Budget, tax levy and Fee Schedule

The public hearing was called to order by Mayor Ludtke at 6:54 pm. Members present were Miosek, Ouart, Trieglaff, and Dermody. City Clerk/Treasurer Smith explained the highlights of the budget:

- Staff payroll increases
- Second year of Fire Contracts with the townships
- Capital projects for street department

Mayor Ludtke noted that it has been a goal of the City to get the tax levy under 60% and we have done it. He noted that he is worried that the State may decide to reduce the Local Government Aid and that may affect our budget.

Having no public comment, the public hearing was closed.

Mayor Ludtke reopened the hearing after Jim Radar, Judy Nunn, and Stacy Seim, all residents of Willow Ave., voiced concern, not realizing the public comment had passed. The three residents voiced their concern on the increase of the assessed value on their homes and how the City taxes are increasing but the City Levy is the same. Ludtke made mention that the Deputy County Assessor does the assessments for Frazee under contract; Radar stated that the City should look at a change in who does the assessing. Nunn, Radar, and Seim were all in opposition to the assessed value of their properties. Seim stated that his taxes have increased from \$460 to \$2,495 in four years, but the resale value of his home has increased slightly. He stated that if his home were in Detroit Lakes, he could at sell it for what it is being assessed, but that is not possible in Frazee.

Having no additional public comment, the public hearing was closed.

Regular Meeting

The regular meeting of the Frazee City Council was called to order at 7:27 pm by Mayor Ludtke. Council members present were Miosek, Ouart, Trieglaff, and Dermody.

Open Forum

Angela Battey and Dawn S. of Rural Area Transit were present to inform the City of their intent to form a transit business in the community. They noted that they have approximately \$750,000 needed for startup, most of which is coming from grants. They are going to run a geo-thermal system and incorporate solar power. Becoming a Green business is a priority for them so they can gain financing as well as recognition. Rural Area Transit is looking for approval from the State, County, and City for acceptance of the type of business that they will be bringing to the area.

Terry Harrison, Main Ave. East business owner, stated that the City needs to look at the Rail Road right of way along Main Ave. East. He stated that the Rail Road is using the right of way from where the tracks were, not where they are now. This would gain property for the business owners, as well as the City. Harrison stated that if you were to look at the Auditors lots, they overlap on Rail Road right of way as it stands, if the Rail Road used its current right of way, the lines would not overlap. Ludtke noted that the City will look into the situation.

Consent Agenda

MOTION by Ouart, seconded by Dermody, to approve the consent agenda items as follows:

- Approve the minutes from the November 11th, 2008 meeting.
- Approve the City claims for payment.
- Approve the Liquor Store claims for payment.

All present in favor, motion carried.

Staff Reports

Ken Miosek, Frazee Rescue Squad, did not have a report for us.

Paul Thon, Fire Department, had to step out; Chief of Police Mike Lorsung read the report. There were 2 calls in November, one lost hunter and a fire on West Main.

Larry Stephenson, Public Works Superintendent, reported that the water plant has 91.5% of the water accounted for. The water plant pumped 3,418,000 gallons, 3,125,825 gallons went to the wastewater plant for the month of November. Plows are ready to go and they will be doing a test run tonight (12-8-08).

Mike Lorsung, Chief of Police, reported 340 calls for service and the Safe Route to Schools grant application is complete and sent in. He has been talking with the School about ticketing cars in their parking lot. There has been a concern about the parking around the School and they will be looking for the best solution. Lorsung stated that they will be getting 3 laptop computers for their vehicles, for the cost of shipping.

Jonathan Smith, Frazee Liquor Store Manager, reported on the financials for the 4 entities. They had a good November with net incomes in 2 of the 4 entities; the EC was a net loss due to linens that have not yet been paid for. Smith stated that they purchased a new 26" TV to replace an old TV that was losing its picture. The Liquor Store will be closed Christmas Day and New Years Day; inventory will not be done due to the start of a perpetual inventory count. Event Center has bookings for just about every weekend in 2009. We will be planning an Event Center Advisory Board meeting for January or February.

Old Business

MOTION by Miosek, seconded by Trieglaff, to approve Resolution #1208-08A, the 2009 Fee Schedule. All present in favor, motion carried.

MOTION by Trieglaff, seconded by Dermody, to approve Resolution #1208-08B, accepting the 2008 revised budget, the 2009 budget, and the Tax Levy for 2009. All present in favor, motion carried.

New Business

MOTION by Dermody, seconded by Ouart, to support Rural Area Transit Taxi in their business. All present in favor, motion carried.

MOTION by Ouart, seconded by Trieglaff, to approve the City Attorney to hire an appraiser for an assessment appeal. All present in favor, motion carried.

MOTION by Miosek, seconded by Trieglaff, to approve a Special Meeting of the Council for December 15th at 5:30pm. All present in favor, motion carried.

Corner Bar and Grill Liquor Application

Smith informed that they have not completed the full application for the Liquor License. David Carrier, name on the license application, stated that they are waiting for quotes on insurance, and then they can complete the application. Ludtke stated that he would look to table a decision until the Special Meeting Monday so the information can be brought forward and background checks can be complete.

MOTION by Ouart, seconded by Trieglaff, to table the decision on David Carrier's Liquor License application until the Special Meeting on Monday, December 15th. All present in favor, motion carried.

Council member reports

Public Safety Committee- Dermody stated that the Committee came up with three names that may or may not be a good fit for the new road. Trieglaff suggested that the decision be tabled until the Special Meeting on Dec. 15th so there can be some public polling done to see what the residents like better.

MOTION by Trieglaff, seconded by Dermody, to table the naming of the street until Monday, Dec. 15th at the Special Meeting. All present in favor, motion carried.

Winter Parking Restrictions- Lorsung stated that due to the narrow width of some of the City streets winter here we need to restrict parking so streets can be plowed. Streets to be restricted will be:

No Parking on the East side of 2nd St. NE from Ash to Birch anytime.

No Parking on the West side of 2nd St. NE from Ash to Birch Nov. 1 to April 1.

No Parking on the South side of Ash at anytime from 5th St. to 8th St.

No Parking on 6th 7th and 8th streets between Main Ave. and Ash Ave. on the West side and No Parking on East side Nov. 1 to April 1.

No Parking on Elm Ave. from 3rd St. to 5th St. Nov. 1 to April 1.

MOTION by Dermody, seconded by Trieglaff, to accept the parking restrictions as presented. All present in favor, motion carried.

Planning Commission- MOTION by Miosek, seconded by Dermody, to approve the secondreading of Ordinance #141 Regulating Biofuel Burners. Smith noted that the penalty for noncompliance has been added to the Ordinance, but after the Ordinance is adopted we need to set, by resolution, the day to day fines for violation. All present in favor, motion carried.

Personnel Committee- Miosek stated that after review of City Clerk Jonathan Smith they recommend a step increase in pay and to offer him the full time City Clerk position. MOTION by Ouart, seconded by Trieglaff, to give a step increase and removal of probationary status for City Clerk Jonathan Smith. All present in favor, motion carried.

Department Heads will be meeting after the first of the year and updating job descriptions.

EDA- Ludtke noted that the EDA is looking at a couple of different properties to acquire for the development of a new industrial park. The Small Cities Grant is moving along nicely after a huge push in the last two weeks. It looks as if all of the funds will be used for what they were initially intended for.

Sesquicentennial Committee- Dermody noted that it is the end of the year, therefore the end of the Sesquicentennial, but he would like to keep a group together to promote some of the events that the Sesqui. Committee started. MOTION by Miosek, seconded by Trieglaff, to change the Sesquicentennial Committee to the Special Events Committee.

Trieglaff read a letter thanking everyone and saying goodbye after a great term as a council member.

Clerk/Treasurer Report

Smith stated that the budget is complete and he will be preparing for the audit as well as getting year end financials done and in the appropriate spots.

There will be a Special Meeting December 15th, 5:30pm.
Next regular meeting is set for January 12th, 7:00pm.

Having no further business, meeting was adjourned at 9:15 pm.

ATTEST:

Jonathan Smith, Clerk/Treasurer

CITY OF FRAZEE

December 15th, 2008

5:33 PM

SPECIAL MEETING

The special meeting was held in the Frazee City Fire Hall. The meeting was called to order by Mayor Hank Ludtke. Council members in attendance were Ouart, Miosek, Trieglaff and Dermody.

Consent Agenda

MOTION by Trieglaff, seconded by Ouart approve to consent agenda items as follows:

- Approval of Ordinance No. 141, which approves the regulation of biofuel burners.
- Approval to allow the temporary use of alcohol at the City of Frazee Fire Hall on January 14, 2009 for the Volunteer Fire Department's Annual meeting.

All present in favor, motion carried.

Paul Thon, Fire Department, was present and asked the Council to consider an on-call hourly rate increase for the Volunteers and notified the Council that they recently held elections. Mayor Ludtke thanked Thon for the information and the Council will look at his requests at the next regular meeting.

Resolution #1215-08 Naming the Swift Street

MOTION by Trieglaff, seconded by Ouart, to conduct a secret ballot of the Council to choose the name. All present in favor, motion carried.

The council all wrote anonymously on a piece of paper their choice for the name of the street. Names chosen were: Horizon Drive-1; Wannegan Way-1; Veterans Byway-1; Notta Road-2
MOTION by Dermody, seconded by Trieglaff, to name the newly constructed alleyway Notta Road. In favor, Dermody, Ludtke, and Trieglaff. Opposed, Ouart and Miosek. Majority in favor, motion passed.

MOTION by Miosek, seconded by Dermody, to change the spelling of the newly named road from Notta to Knotta. All present in favor, motion carried.

David Carrier Liquor License Application

Smith explained to the Council that we have not received worker's compensation insurance information or a certification by the Dept. of Health to serve food in the "bar" area of the Corner Bar and Grill. Due to the lack of information the application is not complete. Dave Carrier stated that he would be able to get the work comp. insurance right away in the morning and he would be in contact with the health inspector to set up a time as soon as possible. Terry Harrison asked the Council if they would grant the liquor license pending the receipt of the needed information. Mayor Ludtke informed them that the Council will not make a decision "pending" other information. Smith explained that Mr. Carrier could request a special meeting at his expense to grant the license once all of the necessary items are completed and received.

MOTION by Ouart, seconded by Miosek, to table the decision on granting a liquor license to David Carrier until all information is received and they request a special meeting or the next regularly scheduled council meeting, whichever comes first. All present in favor, motion carried.

Mayor Ludtke closed the meeting to the public in pursuant to MN Statute 13d.05 subd. 3, to discuss the legal strategies on a special assessment challenge that is pending litigation. Present were Mayor Hank Ludtke, Councilmember John Dermody, Councilmember Donna Ouart, Councilmember Don Trieglaff, Councilmember Ken Miosek, City Clerk Jonathan Smith, and City Attorney Charlie Ramstad.

Mayor Ludtke reopened the meeting to the public at 7:00pm.

Discussion on LGA and Budget

Smith present copies of a few emails that he has received in relation to the future of the LGA payments. He noted that there is too much speculation to know for sure what is going to happen but the League of Minnesota Cities has put together an estimation of what the cuts could look like for individual cities if the State unallotted \$25 million and \$100 million. Smith explained that neither one of these scenarios would sink us but it could cause for some reserve funding to be lost. He noted that whatever the State has planned for the 2009 payments has the most impact on us but we do have some room in our capital improvements to do some trimming if necessary. Smith stated that he just wanted everyone to be aware of the situation and to keep their eyes and ears open on what is happening and we would make adjustments as needed.

Meeting was adjourned at 7:10 PM

ATTEST:

Jonathan Smith, City Clerk/Treasurer

CITY OF FRAZEE

December 26th, 2008

12:00 PM

SPECIAL MEETING

The special meeting was held in the Frazee City Fire Hall. The meeting was called to order by Mayor Hank Ludtke. Council members in attendance were Ouart, Miosek, Trieglaff and Dermody.

David Carrier Liquor License Application

Smith went over the Liquor License Application submitted by David Carrier and explained that everything has been received. Mayor Ludtke reaffirmed to Mr. Carrier that the having a Liquor License is a privilege and it can be revoked. Smith recommended that the business sends their employees to server training as soon as they can. Smith clarified that the license is just for the Corner Bar and Grill and not for The Restaurant, which is adjacent to the bar on the west side, therefore alcohol will not be allowed in the West end of the building.

MOTION by Dermody, seconded by Trieglaff, to grant David Carrier, d.b.a. Corner Bar and Grill, a liquor license at 101 Main Ave. West. All present in favor, motion carried.

In conversation after the Motion it was reiterated that alcohol will not be allowed in The Restaurant at this time, if Mr. Carrier would like to pursue that option he would have to go through another application process. Mr. Carrier stated that at this time he does not want to have alcohol in The Restaurant, but they may look to change that in the future.

Knotta Road Assessment Discussion

Smith explained that there was a concern about who owned or had rights to the property between the new road project and the property owners. Upon some research Smith found that the City, per a 1963 agreement, has an easement with the Railroad for the use of the property. Smith also addressed that the Railroad was being assessed for their frontage alongside the project. Terry Harrison, Main Ave. business owner, expressed his concern that the assessments are not being distributed fairly to those who benefit from the project. Harrison expressed his concern that other properties benefit greatly from this project and should be assessed. Charlie Ramstad, City Attorney, explained that the way the assessments were going to be distributed was determined prior to the project by the Council and that it can not be changed at this point. Ramstad stated that it is difficult to determine how much a certain property will benefit from a project, so the City has determined that front footage of a property is the fairest way to allocate the benefit of a project.

Mayor Ludtke closed the meeting at 12:45 pm to the public in pursuant to MN Statute 13d.05 subd. 3, to discuss the legal strategies on a special assessment challenge that is pending litigation. Present were Mayor Hank Ludtke, Councilmember John Dermody, Councilmember Donna Ouart, Councilmember Don Trieglaff, Councilmember Ken Miosek, City Clerk Jonathan Smith, and City Attorney Charlie Ramstad.

Mayor Ludtke reopened the meeting to the public at 1:02 pm.

MOTION by Miosek, seconded by Quart, on the amended proposed assessments on the Jim Nelson property, parcel R50.0247000, for the amount of \$2,569.80. All present in favor, motion carried.

MOTION by Trieglaff, seconded by Dermody, for a special meeting on January 15th at 5:30pm for a hearing on the amended proposed assessment for parcel R50.024700. All present in favor, motion carried.

Meeting was adjourned at 1:15 PM.

ATTEST:

Jonathan Smith, City Clerk/Treasurer