

CITY OF FRAZEE

PUBLIC HEARING ON THE DEFERRMENT OF SPECIAL ASSESSMENTS FOR RED WILLOW HEIGHTS PHASE II (Undeveloped Lots)

January 11, 2010

6:00 pm

Jonathan Smith, City Clerk- Smith presented a few graphs to show how the deferment of special assessments would affect the development schedule. He noted that if the specials are deferred for the 19 uncertified lots, it would offer an incentive for builders to come in and build spec homes. If however the lots are not developed or sold, the development schedule will pickup where it was left off, starting in 2012. Smith explained that the City is currently receiving enough in specials and TIF to stay current on our bond payments for two years, so if the current property owners stay current on their payments there should be no issue of making our bond payments.

Having no public comment, the public hearing was closed at 6:07pm.

REGULAR COUNCIL MEETING

Regular Meeting

The regular meeting of the Frazee City Council was called to order at 6:08 pm by Mayor Ludtke. Council members present were Miosek, Quart, Jopp, and Dermody.

Open Forum

No Comments

Consent Agenda

MOTION by Quart, seconded by Jopp, to approve the consent agenda items as follows:

- Approve the minutes from the December 14th, 2009 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, reported 14 calls; all medical for the month of December, total call hours were 66, bringing the year to date to 184 calls and 2,760 hours. Miosek noted that the Squad is looking at some additional storage for a trailer, snowmobile, and other miscellaneous items. They were also able to certify the Fire Dept. for CPR.

Paul Thon, Fire Department, reported 2 calls (1 false alarm and 1 mutual aid) totaling 32 call hours for the month of December. He noted that they had 4 trainings for a total of

60 training hours. Totals for 2009 are 1,430 training hours and 910 call hours. Thon noted ICS training will begin in a few weeks, taking place 2 consecutive Wednesday's for the 100 and one Wednesday in February for the 200. Frazee will be hosting the Northwest Regional Firefighters meeting at the Event Center on January 21st at 6pm, they hope to get some of the local representatives to attend to express their concerns about funding for Fire Departments.

Larry Stephenson, Public Works Superintendent, reported water pumped was 3.44 million gallons, 3.14 million gallons went to the wastewater plant, and 12.75 gallons of fluoride have been added for the month of December. Stephenson noted that snow removal went well over the Holidays; there is a minor issue with cars parked alongside Maple Avenue West. He also noted that the holiday decorations will be down this week.

Mike Lorsung, Chief of Police, reported 428 calls for service for the month of December bringing the year to date for 2009 to 4,348 calls. Lorsung noted that they participated in a use of force class and they just seized a 2007 Ford Fusion.

Jonathan Smith, Frazee Liquor Store, reported on the financials for the 4 entities. They had a good December with net incomes in 3 of the 4 entities. The On Sale, Off Sale, and Event Center had net incomes of \$6,720.44, \$1,480.65, and 3,505.27, respectively. The WPR had a net loss of \$175.25. Smith note the year end total for the On, Off, and WPR was \$80,605.62 and the Event Center was \$20,225.53. Ludtke noted that this is the most successful year that he can remember and is extremely happy the facilities netted over \$100,000.

Contribution to FCDC

Ludtke explained the debt on the Event Center and how the Frazee Community Development Corporation holds the mortgage. He noted now that the Event Center is in a place to contribute to the debt it should. He stated that the Liquor Store Committee recommends giving \$10,000 to the FCDC to pay down the mortgage on the Event Center. MOTION by Jopp, seconded by Miosek, to contribute \$10,000 to pay down the mortgage of the Event Center. All present in favor, motion carried.

MOTION by Miosek, seconded by Quart, to accept all staff reports as presented. All present in favor, motion carried.

Old Business

RWH Default of Development Agreement

MOTION by Dermody, seconded by Quart, to call the \$100,000 letter of credit issued by United Community Bank for Paul Thon and Lowell Bradbury, developers of Red Willow Heights, for the reason of default of the Development Agreement. Discussion: Smith noted that the developers of RWH are in default of their development agreement due to their letter of credit being terminated. He stated at this time this issue has not been resolved, thus the Council needs to make a decision to call the current letter of credit or not. Smith stated that we have until January 30th to call the current letter, if we did not call the letter, the City would not have any immediate recourse if there was a default on specials or property taxes by the developers. Ludtke asked Paul Thon and Lowell

Bradbury if they had any comment. Bradbury stated that he would like to see the Council give them some more time to get their options in line. He asked the Council to consider a Special Meeting on January 25th. Ludtke called the questions, all present opposed, motion failed. MOTION by Miosek, seconded by Jopp, to hold a special meeting on January 25th, at 6pm to allow more time for the developers to become compliant with the agreement. All present in favor, motion carried.

RWH Deferral of Assessments

MOTION by Dermody, seconded by Miosek, to defer the special assessments for the undeveloped, un-certified, lots of Phase II in the Red Willow Heights Addition for a period of 2 years. All present opposed, motion failed.

MOTION by Miosek, seconded by Dermody, to add the deferral of special assessments to the Special Meeting on January 25th, at 6pm. All present in favor, motion carried.

Lake Street Sewer Project

Aaron Lauinger, Ulteig Engineers, went through the final study of the sewer main on Lake Street. He noted that the three options still exist to solve the problem and recommended the third option, which would vacate the current crossing and re-route the sewer line along East Maple to flow the opposite way. Ludtke noted that he would like to keep the two crossings and thought that the second option would be the best fit. Jopp agreed that if we have two crossings we may as well keep them, noting the price will be a little less and the estimated life is the same. Lauinger explained the next steps in moving forward the project, stating that he would need a go-ahead to get an engineering report done in accordance with MN Statute 429. MOTION by Miosek, seconded by Jopp, to move forward with the engineering report in accordance to MN Statute 429 for the second option in the preliminary report. All present in favor, motion carried.

New Business

Liquor License Application-George and Becky's on the Corner

Smith noted that we have received an application for a full liquor license for the restaurant and bar located at 101 West Main. Smith stated that everything is complete except for the final policy numbers on the Work Compensation and Liquor Liability Insurance. He also stated that he has talked to the Insurance agent and everything is a go, they just need to finish their paperwork and will have the policy numbers by later this week. Dermody asked owner Becky Johnson about if there were to be gambling and what the hours of operation were. Johnson stated that there will be no gambling, they are looking to have a family style atmosphere and just want the liquor license so the patrons have an option to drink with their dinner. She stated hours are tentative for 11 am to 9 pm Monday-Thursday and 11 am to 11 pm Friday and Saturday, Closed Sunday's.

MOTION by Ouart, seconded by Dermody, to approve the Liquor License for George and Becky's on the Corner, 101 West Main, with the provision that all policy numbers are received by end of week. All present in favor, motion carried.

Council member reports

Resolution #0111-10A Organizational Structure for 2010

MOTION by Quart, seconded by Miosek, to approve Resolution #0111-10A setting the Organizational Structure for the Frazee City Council for 2010, noting that the Rules and Procedure follow Roberts Rule of Order (attached). All present in favor, motion carried.

Clerk/Treasurer Report

LINK Library Update

Bonnie Julius was present to update the Council on volunteer hours served, number of visits, and the benefit of the LINK site. Julius noted that there is a small issue with snow removal on the handicap ramp, but they will talk to the school about that. She also noted that they will be having a Genealogy class along with the Community Education.

MOTION by Dermody, seconded by Jopp, to accept the report of the LINK library as presented. All present in favor, motion carried.

Liability Coverage Waiver

Smith explained that this is the annual waiver we sign limiting the Cities risk if something were to happen. MOTION by Jopp, seconded by Miosek, to not waive the monetary limits on municipal tort liability. All present in favor, motion carried.

There will be a Special Meetig January 25th at 6:00pm.

Next regular meeting is set for February 8th, at 6:00pm

Having no further business, meeting was adjourned at 7:42 pm.

ATTEST:

Jonathan Smith, Clerk/Treasurer