

LILYDALE CITY COUNCIL MEETING

March 11, 2013

Present – Mayor Anita Pampusch; Council Members Robert Bullard, John Diehl (arrived at 4:37 PM), Warren Peterson, and Marilyn Lundberg; Andy Pratt, Eckberg Lammers; David Neameyer, Building Official; Mike Aschenbrener, Chief of Police; Mary Schultz, City Clerk; and Lois Owen, Assistant.

Others Present – David Drown, Financial Consultant; Jim Maher and Roxanne Sands, City Planning Commission; Mark Babcock, Auditor.

The City Council meeting was called to order at 4:30 PM by Mayor Pampusch. The Pledge of Allegiance was recited.

Agenda – There were several changes to the agenda – the swearing in of Warren Peterson; item nine on the agenda will be moved to the beginning of the meeting; and for the Clerk’s Report, before the February Financial Report, there will be financial items on the audit which is in preliminary form; and finally, in the Mayor’s Report, some comments will be made on the minutes of the cable commission meeting. **Motion by Councilmember Lundberg, seconded by Councilmember Peterson to approve the agenda as amended. Passed 4 – 0.**

Oath of Office – Councilmember Warren Peterson took the oath of office which was given by Attorney Andy Pratt.

Minutes – **Motion by Councilmember Lundberg, seconded by Councilmember Bullard to approve the February 11, 2013 City Council Minutes. Passed 4 – 0.**

City Hall Debt Payoff Options – David Drown, Financial Consultant for the City, appeared before the Council to continue the discussion of City Hall Debt payoff options laid over from previous meetings. He reviewed that the Council financed the City Hall debt in 2003 through the Economic Development Authority (EDA). The bonds have an interest rate of about 4% and are designed to be outstanding for approximately 10 more years. He said in answer to the Council’s question of whether to pay an extra \$50,000 this year and \$25,000 each additional year to pay off the debt faster, that yes, that is permissible because we are beyond the call date for the bond. He also said another option is to re-finance the debt at a lower interest rate which would make the payments drop considerably. Councilmember Lundberg inquired about refinancing but keeping payments about the same dollar amount as currently. Drown recommended refinancing with Minnesota Rural Water Association with an interest rate at about 2%. Councilmember Peterson suggested paying \$50,000 now and then refinancing the balance, and to decide on an annual basis whether to make an extra principal payment. Drown explained that in 2003 the law changed and cities are allowed to issue general obligation bonds for capital improvements. Drown outlined the steps to refinance using G.O. bonds including developing a capital improvement plan specifically for the city hall building and holding a public hearing. **Motion by Councilmember Peterson, seconded by Councilmember Diehl to refinance our city hall debt and make a principal payment of \$50,000 in addition to the scheduled payment of \$41,338 and amortize over the balance of the loan in payments comparable to what we are now paying. Passed 5 – 0.** This motion gave Drown the direction to put the capital improvement plan financing together.

A second motion was made by Councilmember Diehl, seconded by Councilmember Lundberg to have a public hearing at the April 8, 2013 Council meeting, to allow for the development of the capital improvement plan and refinancing. Passed 5 – 0. Drown noted the lower interest rate can be locked in at the April meeting. Attorney Pratt (filling in for Tom Lehmann and Mike O'Brien) advised that a capital improvement plan has certain statutory requirements about what needs to go into the plan. Legal counsel would be needed to look over the plan, consult with Clerk Schultz on developing it, and then the public hearing would be held, the plan drawn up, and concurrently, the preliminary issuance of the re-financing completed. He said there is a 30-day waiting period in case any objections are made by the public.

2012 Audit – Mark Babcock presented the audit and pointed out the positive changes that have been made in the handling of the city's financial operations over the past year including decreasing the number of bank accounts, changing the accounting software to CTAS, and use of an on-line backup system. Babcock mentioned several financial items for action as outlined by Mary Schultz in a memo dated March 11, 2013. **Motion by Councilmember Bullard, seconded by Councilmember Lundberg to accept the 2012 Audit. Passed 5 – 0.** Babcock will submit the financial statements to the state auditor on behalf of the City.

Civil & Criminal Attorney Report – Attorney Pratt stated he had no criminal report and for the civil report, he said he would be happy to work with Clerk Schultz on the City Hall refinance plan. In answer to councilmember's questions, he said the city would call the public hearing because the city will be the bond issuer, not as formerly, when the EDA issued the bond. However, EDA still owns City Hall and will need to be at the April meeting for the closing.

Building Official Report – David Neameyer stated the building activity has been light which has given him time to follow up on open permits. Construction at The Villa Apartments is proceeding. Councilmember Lundberg asked if the city has checked if the apartment building is set back 40 feet from the bluff and according to the drawings. Neameyer confirmed that it was.

Police Report – Chief Aschenbrener had no official report.

Ordinance 13-01 Relating to Criminal History Background Checks for Applicants for City Employment and City Licenses - Attorney Pratt said that there is a new state law requiring cities to have the correct ordinance in place for conducting local background checks, and if they do not, they will receive a sanction if a state audit finds it is not complying with minimum requirements for conducting the checks. Attorney Tom Lehmann drafted Ordinance No. 13-01 for the Council to review. Discussion of the draft took place. **Motion by Councilmember Diehl, seconded by Councilmember Peterson to amend section 2.07 of the ordinance by adding the words “as required by statute, ordinance or the Bureau of Criminal Apprehension” to the end of the first sentence beginning with “City licenses. . .” Passed 5 – 0.** A second motion by Councilmember Lundberg, seconded by Councilmember Diehl to omit the commentary in section 2.04, second paragraph ending with the semicolon and beginning with “do not need to include . . .” continuing to omit through the end of the paragraph. **Passed 5 – 0.** A third Motion was made by Councilmember Peterson, seconded by Councilmember Bullard to approve Ordinance No. 13-01 with the changes to sections 2.04 and 2.07 as amended. **Passed 5 – 0.**

Clerk's Report – Clerk Schultz presented the February Financial Report. **Motion by Councilmember Diehl, seconded by Councilmember Peterson to approve the February Financial Reports. Passed 5 – 0.** Clerk Schultz outlined three financial items for action as listed in her memo to the Council dated March 11, 2013. Schultz requested approval from the Council to reallocate 2012 interest earned to the various funds, reallocate interest earned for the month of January 2013, and remove Sale of Investments of \$30,000 from the 2013 Budget. **Motion by Councilmember Peterson, seconded by Councilmember Diehl to go ahead with the reallocation of funds and amend the budget to meet the requirement of the audit. Passed 5 – 0.**

Purchase of new Chamber Chairs – Councilmember Bullard asked for permission from the Council to look into the purchase of about 30 new chamber chairs to replace the current ones, at an approximate cost of \$4,000. **Motion by Councilmember Lundberg, seconded by Councilmember Peterson to give permission to Councilmember Bullard to negotiate the purchase of new chamber chairs. Passed 5 – 0.**

Mayor's Report – Resolution 13-03 – **Motion by Mayor Pampusch, seconded by Councilmember Diehl to approve Resolution 13-03 thanking Administrative Assistants Jennifer Bruestle and Lois Owen for their years of service to the city. Passed 5 – 0.** **Motion by Councilmember Diehl, seconded by Councilmember Lundberg for the city to determine the level of help needed going forward and discuss ways of proceeding and to take that task on immediately. Passed 5 – 0.**

Cable Commission Report of February 6, 2013 by Ginger Simek - Mayor Pampusch explained that the purpose of the NDC4 is to look out for the welfare of citizens in terms of the public service function related to cable TV and to be there to represent us when we need a voice. Pampusch said that Ginger's summary of the kind of questions asked and the issues that might be coming up would be of interest to the whole Council.

Sign Committee – Mayor Pampusch said the Sign Committee, consisting of Bob Bullard, Roxanne Sands and Jim Maher, has met. She thanked them for taking on the task of revising our current sign ordinance which will be presented at a future Council meeting.

There being no further business, the meeting was adjourned at 5:53 PM.

Respectfully submitted:

Mary Schultz, City Clerk

Final copy reviewed by:

Anita Pampusch, Mayor