

TRUTH IN TAXATION HEARING LAKELAND CITY COUNCIL MINUTES

For December 17, 2019

Lakeland City Hall
690 Quinnell Avenue North

CITY COUNCIL MEMBERS PRESENT: Mayor Richard Glasgow, Council Member Mike Thron, Council Member Lisa LaRoque Williams. (Missing were Council Member Joe Paiement, Council Member Shayne Orning.)

STAFF PRESENT: City Attorney Dave Snyder, City Treasurer Georgeann Janisch, City Clerk Andy Erickson, City Administrator Ed Shukle, Zoning Administrators Jennifer Haskamp and Julia Paulsen Mullin, Roger Schanus.

1. **CALL TO ORDER** by Mayor Richard.
2. **PLEDGE OF ALLEGIANCE** was recited.

Truth in Taxation Hearing.

Roger Schanus, of the Accounting firm Carlson SV gave a brief summary of the City of Lakeland's 5-year tax history. During those years the City tax rates either increased or decreased mostly in response to the funding needs for major construction projects. He then pointed out that taking into account both the tax increases and decreases of those years the City's cumulative average increase in that five year period was 1.6% annually.

He then proposed on behalf of the Council a 12.6% increase in tax rate for the year 2020, which increase is driven mostly by the increased costs of the Quality Avenue Street project but also some added administration costs. The City Council and City Management feel confident that this amount will provide sufficient funds to complete current City projects on a timely basis.

Schanus also reassured several homeowners present at the City Council's TIT meeting that the preliminary property tax statements they recently received from Washington County, which reflect an earlier proposed tax rate of 22%, were not reflective of what the actual, final 2020 tax rate will be—which is 12.6%. Over the past few months the City Council has worked hard to hone the budget numbers down to a 12.6% rate. This 12.6% tax rate for 2020 will be reported to Washington County by December 30, 2019. City of Lakeland homeowners can expect to receive a final property tax statement from Washington County in March of 2020 which will use this actual 12.6% tax rate.

Discussion followed regarding the Quality Ave Street Project and Mr. Schanus noted due to delays in starting the construction resulted in the overall cost of the Project to increase roughly \$100,000.00 each year it was delayed due to insufficient funds to pay for it. Mayor Glasgow disagreed with this assessment stating that the City had allocated \$320,000.00 a year and that the project was delayed because City

Council chose to not go forward. City Treasurer Georgeann Janisch noted that the most recent Project bid was higher than the Mayor had noted at 1.4 million rather than 1.1 million dollars.

Councilwoman Lisa Williams stated that the original bid from Harddrives was proposed at just over a million dollars in 2016 and was put on hold between 2017-2018. During the first 6 months for 2019 the City Council did function and was never voted on until August when it was approved she continued. She recommended residents check the meeting minutes for further details of the delays on the City website.

She also noted that for the 2018 tax levy \$150,000.00 was taken from reserves for the Quality Ave. Street Project, a point that Mr. Schanus corroborated stating that was done to not increase taxes that year.

The Council and staff heard statements from residents and answered their questions. Concerns were brought up regarding contracts the City accepted for zoning, public works, water department, and snowplowing and whether they were put out for bids. Councilwoman Lisa Williams addressed these concerns stating that People Service was already contracted before as the City's water operators and that previous zoning staff were either under qualified or not qualified for the position.

***Motion to close the Truth in Taxation hearing: Lisa Williams, 2nd by Mike Thron
Motion passed with 3 Ayes and no Nays.***

**3. ADOPT AGENDA. *Motion to adopt CONSENT AGENDA by Lisa Williams, 2nd by Mike Thron.
Motion passed with 3 Ayes and no Nays.***

4. CONSENT AGENDA

- A. Approve November 19, 2019 and August 20, 2019 City Council Meeting Minutes
- B. Monthly list of Claims.
- C. 2020 City Council Meeting Schedule
- D. Resolution 2019-30 Certifying Special Assessment [Unpaid Water Bills]
- E. Resolution 2019-32 Re-establishing Reward for Information Leading to the Arrest and Conviction on the Arson of the Newly Constructed City Hall.
- F. Approve 2019 Tobacco Licenses
- G. Animal Humane Society Contract for 2020
- H. Approve Maroney's Sanitation Full Service Curbside Recycling Contract for 2020.
- I. Approve Eureka Recycle Processing Contract for 2020.

5. City Business. Discussion of 16610 8th Street North and 16777 7th Street North.

- A. Julia Mullin stated she had done a legal review and other research on these properties and also met with Chris Onken of Zumbro House, Inc in November. The result of this research was some new information—that the company Zumbro House had purchased a lot adjacent to 16610 8th St, and also that the City permitting for electric repair, new window replacement and new plumbing appeared to be in order.

City Attorney Dave Snyder gave a very brief background of the State of Minnesota laws and policy which are in place to protect all citizens, including people needing special services. The City of Lakeland is made up primarily of single and duplex housing. It is State policy to integrate people needing services into the greater community (such as the City of Lakeland) according to certain State laws. The use of 16610 8th St N. and 16777 7th St. N. for this type of housing appears to comply with State laws and thus must be allowed by the City.

Mr. Onken gave a brief presentation on the nature of his business, which is to provide housing and services to people with disabilities to live within their communities. His company provides residential group housing services and private in-home services to clients with disabilities in Anoka, Hennepin and Ramsay Counties. In Washington County Zumbro House currently provides some private, in-home services and the properties in Lakeland are their only company-owned facilities in Washington County at this time.

The services and any needed staff to provide these services will vary over time according to the needs of the residents. Mr. Onken also stated that the special needs residents of 16610 and 16777 have a right to privacy and details about them and their disabilities will not be made public knowledge. He could say that no sex offenders of any Level were currently being housed in the City of Lakeland, and no future housing of sex offenders was planned.

Mayor Glasgow commented that under the new ownership of Mr. Onken the properties physical status had been very much improved and that these properties no longer stood out as run-down. He commented that Mr. Onken had spent \$70,000 repairing and paving the rutted and potholed gravel parking lot at 16777 7th St. N.

The question of possible sex offenders living in Lakeland would not be laid to rest. Several citizens spoke on this issue and expressed various levels of frustration at the information provided as well as distrust of the answers to their questions. Mr. Onken was adamant that no sex offenders were housed in Lakeland, none were planned to be housed in Lakeland. Further, his company was not going to “sneak people in under the cover of darkness.”

Council Member Lisa Williams challenged Mr. Onken on his company’s history of compliance and cooperation in other cities. Mr. Onken protested that Williams’s comments were personally defamatory of him and rejected her assertions vehemently.

Attorney Snyder commented that there appeared to have been an initial fall-off in communication between Mr. Onken and the City, but now both parties should be able to move forward, working with a greater understanding of the process by the City and citizens and an increased awareness of the legalities involved.

A question was raised by a citizen of whether the City Ordinances could be a factor in addressing the current property usage or any future expansion of usage in the City of Lakeland by Mr. Onken. City Administrator Ed Shukle said he would review the City ordinances and remain in communication with Mayor Glasgow and Mr. Onken.

There was a citizen question of whether the paving and vegetative removal in the parking lot was done with DNR and other regulatory agency permission. Mr. Onken stated that all work done had been properly permitted by the DNR and any other agencies with jurisdiction over the properties.

There was a citizen question of why children would no longer be permitted to fish from the dock as they had for years. Mr. Onken replied that this was an insurance liability issue. Allowing city children to fish Beanie’s Marina property was an added insurance cost Mr. Onken did not choose to accept.

A citizen expressed concern with possible “saturation” of special needs housing within the City of Lakeland. Mr. Onken replied that his company had no plans to expand beyond the properties it currently had interest in within the City of Lakeland. He further stated that he would recommend to Zumbro House that there be no further properties considered in Lakeland.

There was a citizen concern expressed that Beanies used to provide summer employment to local teens, and that option had now disappeared. Mr. Onken said that Beanie’s Marina had employed one teen this summer and might employ more in the future, but acknowledged this employment level may not be at the level the citizen was referring to.

6. AGENCY REPORTS.

A. Law Enforcement Report

In lieu of a report from a Washington County Deputy, Mayor Glasgow reported that there was one car theft in the City during the past month, and an on-going concern with the possibility of delivered, untended packages being stolen from residents’ doorways.

B. Fire Department Report.

Report in packet. City Administrator Ed Shukle said that beginning in January Fire Chief Jim Stanley will begin attending the City of Lakeland City Council meetings to give this report and be available for citizen questions.

C. Animal Control Report. City Clerk Andy Erickson reported that in the past month the City had one reported lost cat.

D. Building Permit Report City Clerk Andy Erickson reported that Interim Building Inspector Dwayne Stensland was made a random inspection in November and noted that the remodeling work being done on the property did not require a permit.

E. Engineering Report. City Clerk Andy Erickson reported that the firm of SEH was working to finish the Dewall subdivision.

F. Public Works / Water Department Report. Council Member Mike Thron reported that Public Works was okay. There were some questions about increased use of bleach in the City water system. This issue is currently being addressed.

G. Zoning Report. Julia Paulsen Mullin—Swanson Haskamp Consulting, LLC Report is in packet. There were no zoning questions from citizens at the meeting.

H. Treasurer’s Report / Claims to be Paid. Treasurer Georgeann of the CPA firm CarlsonSV City Treasurer Janisch reported a General Fund balance of \$405,158 and referred Council to the report in the packet for full details.

7. OPEN FORUM. Several issues were brought to attention of Council:

8. PUBLIC HEARING.

A. Public Hearing on Liquor License Renewals for 2020.

City Clerk Andy Erickson said there were two applications for Liquor License, one from Lucky’s and one from The Bungalow. Both of these applications were hand-delivered by Erickson to the businesses owner/manager in early December. An application was also delivered to Holiday Gas Station LLC but no completed application was made to the City as of the date of the CC meeting.

Motion to approve the City Liquor Licenses was made by Mayor Glasgow with Mike Thron 2nd. Motion passed with 3 Ayes and no Nays.

B. FEMA Grant Application

A FEMA grant to elevate three homes which are located North of State Hwy 94 was initiated in February of 2019 by three property owners on the St. Croix river. These homes are prone to flooding in the spring. FEMA will pay 75% of the cost of elevation and the home owners will pay the remaining 25% of the cost. The City of Lakeland should have no expense related to this grant.

C. Home Occupation Ordinance

Zoning Administrator Mullin said that the current language in City Ordinances, which was written in the 1960s, makes having a home office for business purposes difficult. She recommended changes to the permitting process to establish clearer criterion for allowing a business home office.

Mayor Glasgow said this ordinance needs to be re-written for modern times, as do many other ordinances written in the 1960s. At this time the City will review the Home Office rules and permits with the goal of creating a better home office permitting function.

9. CITY BUSINESS

A. Discussion and Action on Adopting Final Budgets and Final Tax Levies – Year 2020

Council Member Lisa Williams pointed out that 9A also includes the Water Department budget.

Motion to accept the budgets was made by Lisa Williams, 2nd by Mike Thron.

Discussion of motion: At this point Mayor Glasgow called for a discussion prior to voting on approval of these budgets. Glasgow wanted to apply any “leftover” 2019 funds to reduce the 2020 levy by rolling any remaining money into the levy. Roger Schanus pointed out that the 2019 Police bill was still outstanding and would need to be paid with 2019 budgeted money. Lisa Williams did not want to roll all funds into the levy but preferred the City to begin the year 2020 with a small cash reserve. Treasurer Georgann Janisch offered the opinion that the City needed to build up some cash reserves. Again, the Mayor disagreed. There was some discussion of the City Council’s difficulties with functioning in the first half of 2019.

Council Member Williams called to end discussion and vote on the motion on the floor. Budgets were adopted on a split vote, with 2 Ayes and one Nay.

B. Discussion and Action on Approving Car Lot Ordinance Summary for Publication.

Zoning Administrator Haskamp pointed out publishing an Ordinance Summary required a 4/5 vote (four out of five Council Members) of Council, and since only 3 of the 5 City Council were present this would not be possible. This Ordinance has been written, but not summarized. The

Ordinance could be approved in its entirety and so published, but publishing just the summary required voting on the language of the summary itself. Publishing the entire Ordinance would be extremely expensive, however an Ordinance does not take effect until it has been legally published. After much discussion it was decided to delay publishing until January, by which time the Ordinance summary could be written and approved by Council. Until this January publication the current car lot ordinances shall remain in effect.

Motion to approve the Car lot ordinance, with the summary to be approved at a later date was made by Lisa Williams, 2nd by Mike Thron. Motion passed with 3 Ayes and no Nays.

C. Discussion and Possible Action on Allocating Gain on Sale of Land of \$80,000.

This topic was deferred to the January 2020 City Council Meeting.

D. Discussion and Possible Action regarding sale of City Vehicle (2018 Chevy Colorado,)

There was a quick consensus that that the City should call for bids on this truck as soon as possible.

Mayor Glasgow moved to put truck up for bids, Mike Thron 2nd, Motion passed with 3 Ayes and no Nays.

E. Discussion Regarding 2020 City Fee Schedule.

City Clerk Erickson stated a document was in the packet but he was still in the process of reviewing fees with Paul Christensen of People Service. A final document will be available for the January packet.

10. City Staff Reports:

City Clerk Erickson: Erickson stated that Bloomington Security had finalized their takeover of the alarm system after some delayed caused by previous vendor. Noted that the property of 16610 8th St N had been double fined due to working without a permit. Informed the Council that People Service would not have the conversion complete in time for the 4th Q billing and noted that he had already completed the meter reading process to begin processing the billing.

The IT transition has been scheduled for 1-2-20 with previous vendor Startech and current vendor CIT.

He also stated that he had hand delivered alcohol and tobacco license applications to businesses to help speed up the process for them. Regarding the Municipal Licenses he noted that only 4 out of 9 vendors had returned their applications.

Regarding the newsletter informed the Council the December and January newsletters would be digital distributions only while he got more information regarding pricing and delivery. Mayor Glasgow expressed concern that sponsors should be refunded for not getting the 12 newsletters they paid for in 2019 however Clerk Erickson had confirmed with the City Treasurer that no sponsorship fees had been collected in 2019 so no refunds were necessary.

Treasurer Janisch: Financials are in the packet. Also, the City has used up the transitional hours allocated for consultation with former City Treasurer Tom Niedzwiecki and he will no longer be consulted by Carlson SV.

City Administrator Ed Shukle: Shukle stated that he had taken many meetings with staff and residents on behalf of the City and with the goal of improving the City. He praised City Clerk Andy Erickson in particular for his understanding of the City and being able to explain the “who’s who and what’s what” of the City.

Mayor’s Report:

Motion to Adjourn December City Council Meeting by Lisa Williams, 2nd by Mike Thron, passed with 3 Ayes and no Nays.