

**Lauderdale City Council
Meeting Minutes
November 25, 2003**

1. Meeting called to order at 7:05 P.M.
2. ROLL
 - Council present: Christensen, Gill-Gerbig, Giannetti and Mayor Dains
 - Council absent: McCloskey
 - Staff present: Administrator Getschow and Assistant to the Administrator Bownik
3. APPROVAL OF THE AGENDA
 - A. *Approval of Agenda.* Motion by Gill-Gerbig, second by Giannetti to approve the agenda. Motion carried unanimously.
4. APPROVAL
 - A. *Approval of Minutes.* Motion by Christensen, second by Giannetti to approve the minutes of the November 12, 2003 City Council meeting. Motion carried unanimously.
 - B. *Approval of Claims totaling \$50,517.83.* Motion by Giannetti, second by Gill-Gerbig to approve the claims totaling \$50,517.83. Motion carried unanimously.
5. OPPORTUNITY FOR THE PUBLIC TO ADDRESS ITEMS NOT ON THE AGENDA
6. CONSENT
7. SPECIAL ORDER OF BUSINESS/RECOGNITIONS/PROCLAMATIONS/
CITIZENS ADDRESSING STREET AND UTILITY IMPROVEMENTS

- 8. INFORMATIONAL PRESENTATIONS
- 9. REPORTS
- 10. PUBLIC HEARINGS

A. *Amendment to the Zoning Ordinance establishing an ordinary high water level setback of 50 feet for general development near DNR protected water*

meeting the City Council discussed the need to amend the zoning ordinance to reflect a 50-foot setback from the ordinary high water level for general development near DNR protected water bodies. The storm water management ordinance makes reference to a 50-foot building setback from the ordinary high water level of Walsh Lake, which is DNR protected water body #214W. While the 50-foot setback distance is consistent with statewide standards for the management of shorelands, the City Attorney felt that the location of the regulation in our storm water management ordinance is not the optimal way to regulate shorelands. It was felt that the 50-foot setback regulation should be explicitly stated in the zoning ordinance.

Bownik stated that this zoning amendment would be an ordinance of general application, and would apply to any property in Lauderdale along Walsh Lake. He also provided an updated "Land and Yard Requirements Table" to reflect this addition.

He also stated that the Planning Commission did not meet to discuss the variance request due to the lack of a quorum. The Planning Commission received the information packet and were invited and encouraged to attend the council meeting in order to provide input to the Council. Property owners within 350 feet from the perimeter of the subject property were sent notice of tonight's public hearing. A Public Notice was also published in the November 11, 2003 edition of the Roseville Review.

The Mayor opened the public hearing at 7:18 p.m.

Nancy Seeger, 1974 Carl Street, asked about the definition ordinary high water level. She also asked how this setback specifically affects her property.

Peter Karkoc, owner of the parcel north of 1951 Pleasant Street, stated that he received a variance from the 50-foot setback from the Rice Creek Watershed to build a home on the parcel that he owns. He stated that hopes that he can obtain the same variance from the City.

Bownik answered the questions brought forward by Nancy Seeger. He also stated to Karkoc that the watershed permit is for a separate and distinct variance from one that he would apply to the City for.

The Mayor closed the public hearing at 7:21 p.m.

11. ACTION

A. *Amendment to the Zoning Ordinance establishing an ordinary high water level setback of 50 feet for general development near DNR protected water bodies.* Motion by Christensen, second by Gill-Gerbig to approve the amendment to the Zoning Ordinance establishing an ordinary high water level setback of 50 feet for general development near DNR protected water bodies. Roll: Yes: all. Motion carried.

B. *Approval of the 2004 Recycling Contract Extension.* Assistant to the City Administrator Bownik stated that the current contract with BFI allows for one more one-year extension with the approval of the City Council and BFI. The current contract calls for a cost of \$2.10 per resident per month. The proposed increase would be \$0.05 per resident per month for a total cost of \$2.15 per resident per month.

Motion by Gill-Gerbig, second by Gianetti to approve the recycling contract renewal rate of \$2.15 per month per resident with BFI Waste Systems for 2004. Roll: Yes: all. Motion carried.

C. *Approval of the 2004 Recycling Rates.* The City Administrator stated that the current budgeting philosophy regarding the recycling fund has been to base the recycling fees solely on funding the contract collection costs and not the overall recycling program costs. SCORE grant funds and interest income have traditionally covered all of the other costs in the Recycling Fund, such as staff salary and the purchase of recycling bins. Unfortunately, this philosophy of basing the recycling fees solely on contract collection costs over the past few years has meant that this fund has required the use of reserves to be balanced on an annual basis. This is because SCORE grant funds and interest income have significantly decreased while labor and supply costs have slightly increased.

The Administrator stated that even though reserves of between \$15,000-\$20,000 exist in this fund; their use on an annual basis is not recommended. He referred to a spreadsheet of rate possibilities and their impacts on the recycling fund. It would take a monthly rate of approximately \$2.45 to break even on the fund based on the proposed 2004 Budget. This would increase the annual household recycling cost between \$2.40-\$3.00 for the year 2004, if adopted.

Council member Gill-Gerbig stated that the rates should cover the true costs of the program. While the use of fund reserves is not inappropriate, it may eventually catch up with the City.

Motion by Christensen, second by Giannetti to approve the 2004 residential recycling rate at \$2.45 per household per month or \$29.40 per year.
Roll: Yes: all. Motion carried.

D. Approval of the 2004 Sanitary Sewer Rates. The City Administrator stated that 2003 and 2004 Budgets represent a stable financial picture. This is a result of two positive developments that have occurred related to the Sanitary Sewer Fund:

1. The elimination of the remaining sanitary sewer lift stations in 2003 means that there are no costs associated with these lift stations for the first time in 2004.
2. The 1997 MCES error regarding the double counting of apartment buildings for sewer treatment purposes reduces the treatment costs for the second half of 2003 and beyond.

In addition to this information, and the current rate scenario, the fund is projecting a surplus for 2003. The 2004 Budget is budgeted to also provide a surplus at the current 2003 sewer rate. Therefore, the proposal for the sanitary sewer rate is that it not be adjusted or increased for 2004.

Motion by Giannetti, second by Gill-Gerbig to approve the 2004 sanitary sewer rates as \$42.00 for residential service per quarter and \$2.07 per unit for commercial accounts, the same rates as 2003. Roll: Yes: all. Motion carried.

E. Approval of the 2004 Storm Sewer Rates. The City Administrator stated that the City Council adopted a Storm Water Utility Ordinance in 1994 that created a funding mechanism to help finance future improvements to the storm water system. At that time, the Council approved a \$2.50 per quarter per residential unit fee rate. Acreage and hard surface area for each property type play a part in determining the fee, which attempts to estimate the storm water contribution to the system.

As part of establishing the Utility, the City Council also approved a rate increase each year for four years of at least \$1.00 to the base residential rate. From 1998-2002, the fee was \$6.50 per quarter per residential unit and was then increased to \$7.50 per quarter per residential unit as a result of new federal and state regulations regarding storm water (NPDES Phase 2 Permit). The Administrator stated that this rate should remain the same for 2004 and the fund's revenues should continue to cover storm sewer maintenance throughout the City.

Motion by Christensen, second by Gill-Gerbig to approve the 2004 storm sewer rate at \$7.50 per household per quarter for residential units and the equivalent RBF for other property types, the same rate as 2003. Roll: Yes: all. Motion carried.

F. 2004 Financial Services and Audit Agreement with Abdo, Eick and Myers. The Administrator stated that the agreement is the same as the agreement that the City was operating under in 2003 with the exception of a proposed approximate \$2,000 fee increase.

The fee increase is a result of special attention that will be given to GASB 34 regulations and another new federal rule called SAS 99 (Statement of Audit Standards). This new rule will increase the amount of hours spent on the audit for fraud prevention and detection purposes. Most financial consultants and auditors feel that this rule came about as a result of the recent corporate frauds.

Motion by Gill-Gerbig, second by Giannetti to authorize the City Administrator to enter into the 2004 Financial Services and Audit Agreement with Abdo, Eick and Myers. Roll: Yes: all. Motion carried.

12. DISCUSSION

A. *2004 Budget Discussion.* The Administrator stated that at the December 9, 2003 Council meeting, the City Council would approve the 2004 property tax levy and the 2004 Budget. One brief topic of discussion that took place involved the \$248,000 recently brought into in the Sanitary Sewer Fund (601) as a result of the MCES waste water treatment error. Even though most of these enterprise fund profits should be transferred to our debt funds, there is the ability to transfer some of the funds to other areas of the budget for such items as:

- The replacement of trees lost during the 2000-2003 Street/Utility Improvements;
- A match for the LCDA Grant;
- Participation in the Housing Resource Center (HRC); and to
- Appropriate funds to the General Capital Improvement Fund for the future replacement of the smaller city truck and the replacement of Social Room/Kitchen furnace

13. ITEMS REMOVED FROM THE CONSENT AGENDA

14. ADDITIONAL ITEMS

15. SET AGENDA FOR NEXT MEETING

1. Approval of the 2004 Budget and 2004 Tax Levy
2. 2003 Budget Transfers
3. Set a Date for the 2004 Goal Session
4. Alcohol ordinance revision
5. Work Session- 2003 Goal review

16. ADJOURNMENT

Motion by Gill-Gerbig, second by Christensen to adjourn at 8:17 P.M. Ayes: All.