

MINUTES, REGULAR MEETING  
CITY COUNCIL, CITY OF LA CRESCENT, MINNESOTA  
MARCH 9, 2020

Pursuant to due call and notice thereof, the first meeting of the City Council of the City of La Crescent for the month of March was called to order by Mayor Mike Poellinger at 5:30 PM in the La Crescent City Hall, La Crescent, Minnesota, on Monday, March 9, 2020, followed by the Pledge of Allegiance.

Upon a roll call taken and tallied by the City Administrator, the following members were present: Members Ryan Hutchinson, Cheryl Jostad, Teresa O'Donnell-Ebner, Dale Williams and Mayor Mike Poellinger. Members absent: None. Also present was City Administrator Bill Waller, City Attorney Skip Wieser, City Engineer Tim Hruska, City Building/Zoning Official Shawn Wetterlin, and City Administrative Assistant Angie Boettcher.

Mayor Poellinger asked if anyone wished to take action to change the agenda as presented. There were no changes requested.

**ITEM 1 – CONSENT AGENDA**

At this time, the Mayor read the following items to be considered as part of the Consent Agenda for this regular meeting:

- 1.1 MINUTES – FEBRUARY 24, 2020
- 1.2 BILLS PAYABLE THROUGH MARCH 5, 2020

At the conclusion of the reading of the Consent Agenda, Mayor Poellinger asked if the Council wished to have any of the items removed from the Consent Agenda for further discussion. Member O'Donnell-Ebner made a motion, seconded by Member Hutchinson, as follows:

**A MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cheryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.1 – HORSE TRACK MEADOWS FEASIBILITY REPORT**

City Engineer Hruska reviewed with City Council the feasibility report for the Horse Track Meadows Development. No action was required of the City Council at this meeting. At the March 23, 2020 City Council meeting, the City Council will hold a public hearing on the proposed improvement project. The report was presented at this meeting as an opportunity for the City Council to review the report in advance of the public hearing. Discussion ensued. This item was informational, and no action was taken.

### **ITEM 3.2 – HORSE TRACK MEADOWS DEVELOPMENT AGREEMENT**

City Attorney Wieser reviewed with City Council a draft Development Agreement relating to the Horse Track Meadows Development. It is anticipated that action will be requested at the March 23, 2020 City Council meeting. At this time the document is still evolving and not in final form; however the main items that were reviewed with City Council at the meeting were as follows:

1. Delineation of work to be completed by Developer and work to be completed by City at Developer's request. .
2. The cost for the improvements being completed by the City will be assessed back to the Development to be paid through a Chapter 429 special assessment process. A proposed allocation was reviewed.
3. Developer's request for a restrictive provision limiting the City's ability to resell the property purchased by the City to the immediate east of the entrance road of the Development. Developer is requesting that the Council agree not to resell any of those lots until the Horse Track Meadows Development is 75% sold out. It is recommended the Council agree to the 75% sellout or four (4) years after approval of the final plat, whichever occurs first.
4. Developer requests to burn brush on site. The City is working with a representative of the Fire Department to come up with perimeters/conditions of which brush can be burned on site.

Discussion ensued. This item was informational, and no action was taken.

### **ITEM 3.3 – PROPERTY LEASE AGREEMENT**

City Attorney Wieser reviewed with City Council the proposed Lease Agreement for the property acquired by the City generally located at 1787 County 6, La Crescent. The property is located to the immediate east of the entrance road to the Horse Track Meadows Development. The Developer is requesting to utilize the City property for a staging area and for storage of sand for the Horse Track Meadows Development. In exchange for use of the property, the Developer agrees to pay as follows:

1. Rent in the amount of Ten 00/100 Dollars (\$10.00);
2. Developer will remove, at his expense, all trees from the site;
3. In coordination with the La Crescent Police Department and La Crescent Fire Department, Developer will tear down the existing structure on the property. The City will be responsible for providing dumpsters and refuse removal of the site; and
4. The term of the lease would be through December 1, 2020.

It was recommended to modify the Lease Agreement to include silt fencing and other run off measures as approved by WHKS. Following discussion, Member Williams made a motion, seconded by Member O'Donnell-Ebner, as follows:

**MOTION TO APPROVE THE LEASE AGREEMENT WITH ABOVE MODIFICATION BETWEEN THE CITY OF LA CRESCENT AND MSM DEVELOPMENT, LLC REGARDING THE CITY OWNED PROPERTY AT 1787 COUNTY 6 FOR THE HORSE TRACK MEADOWS DEVELOPMENT.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.4 – CALL FOR PUBLIC HEARING – TAX ABATEMENT**

City Administrator Waller reviewed with City Council that the La Crescent Community Ice Arena was constructed in 1997. The building is now in need of maintenance items including a new roof, caulking, and sealing. This is similar to the project that was completed approximately 5 years ago on the Community Building/Fire Station. The total cost of the proposed improvements is estimated at \$250,000. Lancer Youth Hockey has agreed to pay 50% of the costs associated with this improvement. It was proposed to City Council that the City's share of the costs associated with the improvement would come from the issuance of tax abatement bonds. City Council reviewed a memo from Tammy Omdal of Northland Securities regarding abatement bonds, and a resolution to call for a public hearing at the March 23, 2020 City Council meeting on the proposed property tax abatements. The issuance of general obligation tax abatement bonds is proposed because it will provide the most cost effective and low interest cost financing option for the City. The following properties are included in the proposed abatement:

Kwik Trip North; Schmitt's Time Out Tavern; Sports Hub; and Southside Convenience Store/Subway. In order to proceed with the project, it was recommended that the City Council adopt the resolution to call for the required public hearing. Following review and discussion, Member Hutchinson introduced the following resolution and moved its passage and adoption:

**RESOLUTION NO. 03-20-09  
RESOLUTION CALLING FOR A PUBLIC HEARING  
ON PROPOSED PROPERTY TAX ABATEMENTS**

BE IT RESOLVED by the City Council (the "Council") of the City of La Crescent, Minnesota (the "City"), as follows:

1. Recitals.

(a) Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, both inclusive, authorize the City, upon satisfaction of certain conditions, to grant an abatement of all or a part of the taxes levied by the City on real property within its boundaries.

(b) It is a legal requirement that the City hold a public hearing prior to adoption of a resolution granting any property tax abatements.

2. Hearing. A public hearing on the consideration of the property tax abatement will be held at the time and place set forth in the Notice of Hearing attached hereto as Exhibit A and hereby made a part hereof.

3. Notice. The City Administrator is hereby authorized and directed to cause notice of said hearing in substantially the form attached hereto as Exhibit A to be given one publication in a newspaper of

general circulation in the City at least 10 days but not more than 30 days before the hearing. The newspaper must be one of general interest and readership in the City, and the notice must be published at least once.

PASSED AND ADOPTED this 9<sup>th</sup> day of March, 2020, by the La Crescent City Council.

SIGNED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator

The motion for the adoption of the foregoing resolution was duly seconded by Member O'Donnell-Ebner and upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried and the resolution duly passed and adopted.

## EXHIBIT A

### CITY OF LA CRESCENT

#### NOTICE OF PUBLIC HEARING

#### REGARDING PROPOSED PROPERTY TAX ABATEMENTS

NOTICE IS HEREBY GIVEN that the City Council of the City of La Crescent, Minnesota, will hold a public hearing at a meeting of the Council beginning at 5:45 P.M., on Monday, March 23, 2020, to be held at the La Crescent City Hall, 315 Main Street, La Crescent, Minnesota, on the proposal that the City abate property taxes levied by the City on the following property identified as tax parcel identification numbers (the "Property"):

251257004  
250242000  
251154000  
250095000

The total amount of the taxes proposed to be abated by the City on the Property for up to a 10 year period is estimated to be not more than \$150,000. The City Council will consider the property tax abatement to finance the construction and repair of the Ice Arena roof (the "Project") located in the City.

The City proposes to issue General Obligation Bonds (the "Bonds") in the aggregate principal amount of \$4,335,000, a portion of which in an amount not to exceed \$150,000 will be used to finance the Project. The City will use the property tax abatements to pay this portion of the Bonds.

All interested persons may appear at the Monday, March 23, 2020 public hearing and present their views orally or in writing.

BY ORDER OF THE CITY COUNCIL

/s/ Bill Waller, City Administrator

**ITEM 3.5 – ANNEXATION PETITION**

City Attorney Wieser reviewed with City Council a Petition requesting annexation by the property owners at 580 Hickory Lane. Before the adoption of an Ordinance, the City will need to hold a public hearing and provide 30 days written notice to La Crescent Township and contiguous property owners. It was recommended that the Petition be accepted and that a Public Hearing be scheduled for April 13, 2020 at 5:30 p.m. Following discussion, Member Williams made a motion, seconded by Member Jostad, as follows:

**MOTION TO ACCEPT THE PETITION FOR ANNEXATION FROM THE PROPERTY OWNERS AT 580 HICKORY LANE AND TO CALL FOR A PUBLIC HEARING ON APRIL 13, 2020 AT 5:30 PM AT CITY HALL.**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.6 – 2020 WATER DEPARTMENT BUDGET**

City Administrator Waller reviewed with City Council a memo from City Finance Director, Debbie Shimshak. The Water Fund, which derives its revenues for operations and debt service payments from fees collected, was last increased in August 2018. It has come time to adjust rates to reflect the increase in the cost of operations and the continual repair and maintenance to the Radium Removal Plant (placed in service in August 2008) and the Well #4 rebuild due to turbine failure that cost \$93,352. These were not expenses that were anticipated or budgeted for. The wells also need to be inspected and pulled on a regular schedule and the cost of this has increased dramatically over the years. The City's current rates are not

sufficient to cover those increases along with the decrease in water sales due to a more conservative approach to water consumption by the residential population of La Crescent. Other considerations are the debt service payments on the bond issues for the construction of the Radium Removal Plant, Utility Extension Projects and the connection of Well #2 to the Radium Removal Plant. The goal would be to increase revenues by approximately \$100,000 in the next fiscal year. To accomplish this, it was recommended that the City propose a \$1.00 increase per 1,000 gallons of water sold. The increase of \$1.00/1,000 gallons sold would generate about \$93,000 based on 2019 gallons sold. It was also recommended that the City propose that the fixed water fees related to the 5/8" water meters be increased by \$.90/quarter. This would mean an increase from \$2.10 to \$3.00 per quarter (\$3.60 increase per year). The increase brings the fixed fee more in line with what they should be charged as compared to the larger meters. The City anticipates this to generate about \$7,000 which would bring the City to the \$100,000 goal. These rates would be reviewed on an annual basis and propose changes as necessary. City Council also reviewed the proposed 2020 Water Fund budget which reflects the proposed water rate increases. It was recommended the City Council approve the budget as presented along with the rate increase that would begin with the next utility billing cycle. Following discussion, Member Jostad made a motion, seconded by Member Williams, as follows:

**MOTION TO CONTINUE/TABLE DISCUSSION REGARDING ADOPTING THE 2020 WATER DEPARTMENT BUDGET FOR A FUTURE CITY COUNCIL MEETING TO BE REVIEWED AT THE SAME TIME AS SEWER BUDGET.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.7 – FARMERS MARKET REQUEST**

Ben Horn, President of the La Crescent Farmer's Market, addressed City Council requesting permission to move the Farmer's Market from the Crucifixion lot to the parking lot adjacent to the Event Center. It was recommended that a committee be established with Members Jostad and Williams to meet with the Farmer's Market and the Event Center and to make recommendations to the City Council at a future meeting. Following discussion, Member O'Donnell-Ebner made a motion, seconded by Member Hutchinson, as follows:

**MOTION TO APPROVE A COMMITTEE BE ESTABLISHED WITH MEMBERS JOSTAD AND WILLIAMS TO MEET WITH THE FARMER'S MARKET AND THE EVENT CENTER AND TO MAKE RECOMMENDATIONS TO THE CITY COUNCIL AT A FUTURE MEETING REGARDING MOVING THE LA CRESCENT FARMER'S MARKET TO THE PARKING LOT ADJACENT TO THE EVENT CENTER.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.8 – TEMPORARY LIQUOR LICENSE APPLICATION**

City Council reviewed a temporary liquor license application from Lancer Youth Hockey Association for April 18, 2020 at the La Crescent Community Ice Arena. The application appears to be order and it was recommended to City Council to approve the application and authorize that it be forwarded to the Minnesota Department of Public Safety. Following discussion, Member Williams made a motion, seconded by Member Hutchinson, as follows:

**MOTION TO APPROVE A TEMPORARY LIQUOR LICENSE APPLICATION FOR LANCER YOUTH HOCKEY ASSOCIATION FOR AN EVENT TO BE HELD AT THE LA CRESCENT COMMUNITY ARENA ON APRIL 18, 2020 AND THAT IT BE FORWARDED TO THE MINNESOTA DEPARTMENT OF PUBLIC SAFETY.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.9 – DNR GRANT RESOLUTION**

City Administrator Waller reviewed with City Council a resolution regarding a Minnesota Department of Natural Resources grant application for the Local Trail Connections Program. The grant would pay for 75% of the cost to pave the portion of the first phase of the Wagon Wheel improvement project that is not currently paved. City Council also reviewed a map of the project. The total estimated construction cost is \$116,500.00. The 25% local match is \$29,125.00. It was recommended to City Council to increase the local match from 25% to 26% in order to gain 2 additional points in the project ranking. The 26% local match would be \$30,290.00. In order to proceed with the project, it was recommended that the City Council adopt the resolution with a local match of 26%. Following review and discussion, Member O'Donnell-Ebner introduced the following resolution and moved its passage and adoption:

**RESOLUTION NO. 03-20-10**

**A RESOLUTION ACCEPTING GRANT FROM THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES FOR THE LOCAL TRAIL CONNECTIONS PROGRAM**

**AND APPROVAL TO ENTER INTO AGREEMENT WITH THE  
STATE OF MINNESOTA FOR THE PROJECT**

WHEREAS, the City of La Crescent supports the grant application made to the Minnesota Department of Natural Resources for the Local Trail Connections Program. The application is to construct 2625 feet of paved trail for the Wagon Wheel Trail project.

WHEREAS, the City of La Crescent recognizes that it has secured \$30,290.00 in non-state cash matching funds for this project.

NOW, THEREFORE, BE IT RESOLVED, if the City of La Crescent is awarded a grant by the Minnesota Department of Natural Resources, the City of La Crescent agrees to accept the grant award and may enter into an agreement with the State of Minnesota for the above referenced project. The City of La Crescent will comply with all applicable laws, environmental requirements and regulations as stated in the grant agreement, and

BE IT FURTHER RESOLVED that the applicant has read the Conflict of Interest Policy contained in the Local Trail Connections Grant Manual and certifies it will report any actual, potential, perceived, or organizational conflicts of interest upon discovery to the state related to the application or grant award.

BE IT FURTHER RESOLVED, the City Council of the City of La Crescent names the fiscal agent for the Wagon Wheel Trail.

Bill Waller  
City Administrator  
City of La Crescent  
315 Main St  
La Crescent, MN 55947

BE IT FURTHER RESOLVED, the City of La Crescent hereby assures the Wagon Wheel Trail Project will be maintained for a period of no less than 20 years.

PASSED AND ADOPTED this 9<sup>th</sup> day of March, 2020, by the La Crescent City Council.

SIGNED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator



The motion for the adoption of the foregoing resolution was duly seconded by Member Jostad and upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried and the resolution duly passed and adopted.

### **ITEM 3.10 – ARBOR DAY PROCLAMATION**

City Administrative Assistant Boettcher reviewed with City Council the 2020 Arbor Day Proclamation for April 24, 2020. The City's 2020 Arbor Day event will include the planting of approximately 60 trees at Veteran's Park. Ms. Boettcher also updated City Council that the City's 2019 Tree City USA application is still being processed and the City should be hearing from the Arbor Day Foundation within the next week. It was recommended to City Council to adopt the Arbor Day Proclamation. Following discussion, Member Williams made a motion, seconded by Member Hutchinson, as follows:

### **MOTION TO ADOPT THE ARBOR DAY PROCLAMATION PROCLAIMING APRIL 24, 2020 AS ARBOR DAY IN THE CITY OF LA CRESCENT.**

Upon a roll call vote taken and tallied by the City Administrator, the following Members voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

### **ITEM 8 – CHAMBER OF COMMERCE**

Eric Minor from the La Crescent Chamber of Commerce gave an update on the Chamber events.

There being no further business to come before the Council at this time, Member Hutchinson made a motion, seconded by Member O'Donnell-Ebner, to adjourn the meeting. Upon a roll call vote taken and tallied by the City Administrator, the following Members present voted in favor thereof, viz;

Ryan Hutchinson	Yes
Cherryl Jostad	Yes
Teresa O'Donnell-Ebner	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried and the meeting duly adjourned at 6:27 PM.

APPROVAL DATE: \_\_\_\_\_

SIGNED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator