Brainerd, MN
September 17, 2018

Pursuant to due call and notice thereof, the regular meeting of the Brainerd City Council was called to order at 7:32 P.M. by Council President Pritschet.

Upon roll call, the following members were noted as present: Lambert, Stunek, Bevans, Badeaux, Johnson, Hilgart and Pritschet. Mayor Menk was also noted as present.

Council President Pritschet opened the meeting with the Pledge of Allegiance to the Flag.

MOVED AND SECONDED BY ALDERMEN BEVANS AND LAMBERT, DULY CARRIED, TO APPROVE THE AGENDA.

MOVED AND SECONDED BY ALDERMEN LAMBERT AND HILGART TO ADOPT THE CONSENT CALENDAR.

A. **Approval of the Minutes of the Budget Workshop held on August 27, 2018, the Regular Meeting held on September 4, 2018 and the Budget Workshop held on September 10, 2018 - Approved**

B. **Approval of Licenses - Approved**

Contractor Licenses – 2 – New; 3 – Renewals

C. **Department Activity Reports - Approved**

1. Police Chief
2. Finance Director

D. **Minnesota Lawful Gambling Application for Exempt Permit – Submitted by Brainerd Amateur Hockey for an Event to be Held on February 23, 2019 at Roundhouse Brewery, 1551 Northern Pacific Rd., Brainerd - Approved**

E. **Tobacco License Application – Submitted by Lakes Vape & Rec Supply LLC, 718 Laurel St., Brainerd – Contingent Upon Background Check, Fire Inspection and Property Lease Agreement - Approved**

Upon roll call, members Lambert, Stunek, Bevans, Badeaux, Johnson, Hilgart and Pritschet voted “aye.” No member voted “nay.” The Chair declared the motion carried.

Community Spotlight

Brainerd Industrial Center (BIC)

The Chair recognized Mr. Mike Higgins, owner of the Brainerd Industrial Center (BIC) who stated it was four years ago this month when he came before the Council to announce the purchase of the paper mill. He gave an update of the activity taking place and the businesses that are leasing space in the building. The Volkswagens are being stored at the facility and maintained by staff. There are some vehicles being circulated out with others coming in. There

have been rumors that they are sending cars to the scrapyard, which is a false statement. The facility is housing them for their customer, which will probably continue for a couple more years. Several businesses are operating at the facility such as GreenForest Recycling, Barrett Pet Foods and Mann Lake Ltd. Currently, the Wal-Mart store is leasing space as a lay down area for the fixtures while they remodel the Baxter store. Mr. Higgins is looking forward to future opportunities in the City of Brainerd. The Council thanked him for the presentation.

Presentations

Miss Brainerd 2018 – Ms. Serena Schreifels

Ms. Schreifels was unable to present this evening and will be rescheduled for a later meeting.

School District Blueprint 181 Presentation

The Chair recognized Mr. Chris Ziemer, project director with ICS Consulting, who is one of two directors on the project. Also attending tonight are Natalie Hoff from ICS Consulting; Laine Larson and Marcie Lord from ISD 181; and Kevin Donnay and Erica Marcussen, architects with WSN. Mr. Ziemer presented an overview on the first two projects of Blueprint 181, which are Harrison Elementary and the Brainerd High School. The requests for bids on the Harrison project will open late winter or early spring with a tentative completion in 2020. Brainerd High School will open for bids in late spring or early summer. Mr. Ziemer gave a summary of the future facility projects and answered questions from the Council. The Council requested a comprehensive vision from the school district of their plans for reshaping our neighborhoods and communities, due to the upcoming property acquisitions and road vacations from the projects. The Council thanked him for the presentation.

Council Committee Reports

Personnel and Finance Committee Report

Approval of Bills & Payments to Contractors – Approved

MOVED AND SECONDED BY ALDERMEN JOHNSON AND STUNEK TO APPROVE THE PAYMENT OF BILLS AND PAYMENTS TO CONTRACTORS AS RECOMMENDED BY PERSONNEL AND FINANCE COMMITTEE CONTINGENT UPON APPROVAL FROM SAFETY AND PUBLIC WORKS COMMITTEE.

Upon roll call, members Lambert, Stunek, Bevans, Badeaux, Johnson, Hilgart and Pritschet voted “aye.” No member voted “nay.” The Chair declared the motion carried.

League of MN Cities Insurance Trust (LMCIT) Premium Renewal ’18-’19 - Approved

MOVED AND SECONDED BY ALDERMEN JOHNSON AND HILGART, DULY CARRIED, TO APPROVE THE INSURANCE RENEWAL FROM THE LMCIT FOR JUNE 1, 2018 – FEBRUARY 28, 2019.

Committee Chair Johnson explained the options for renewal were a short term or long term renewal. It was decided to opt for the short term and renew again on March 1, 2019, which will then be an annual renewal term going forward. The premiums increased approximately 1%

this year. Additionally, there was the option to purchase excess liability coverage, which was declined.

2019 Health Insurance Renewal Rates - Approved

MOVED AND SECONDED BY ALDERMEN JOHNSON AND STUNEK, DULY CARRIED, TO APPROVE THE 2019 HEALTH INSURANCE RATE RENEWAL AS SUBMITTED BY SOURCEWELL; FURTHER TO APPROVE OUR CURRENT HEALTHPARTNERS HEALTH PLAN OPTIONS FOR 2019 AS PRESENTED.

2018-2019 Wellness Program – Request Wellness Grant Funding From Sourcewell - Approved

MOVED AND SECONDED BY ALDERMEN JOHNSON AND HILGART, DULY CARRIED, TO APPROVE THE 2018-2019 WELLNESS PROGRAM AS PRESENTED AND RECOMMENDED BY THE WELLNESS COMMITTEE AND AUTHORIZE STAFF TO SUBMIT A $6,000 WELLNESS PROGRAM FUNDS GRANT APPLICATION TO SOURCEWELL FOR OUR 2018-2019 WELLNESS PROGRAM AS REQUIRED BY THE COUNCIL NOTIFICATION OF INTENT TO SUBMIT GRANT APPLICATION POLICY.

Committee Chair Johnson stated this year's champion of the employee Wellness Program is Jason Stockinger and the winner of the additional vacation day is Jason Easton.

Department of Building Safety Delegation Agreement and New Position Discussion - Informational

Committee Chair Johnson indicated the safety delegation agreement was discussed at the recent budget workshops. The question was asked of how much money does the City receive due to the delegation agreement with the state. The City received $29,000 in 2018; $6,000 in 2017; and $9,000 in 2016. Looking forward to the major investment of the school district projects, there is the potential of receiving hundreds of thousands of dollars in revenue over the next several years.

Transit Out of State Travel Request - Approved

MOVED AND SECONDED BY ALDERMEN JOHNSON AND HILGART, DULY CARRIED, TO ACCEPT STAFF'S RECOMMENDATION AND APPROVE THE OUT-OF-STATE TRAVEL REQUEST FOR TRANSIT DIRECTOR STONE TO ATTEND THE MINNESOTA AND WISCONSIN PUBLIC TRANSIT ASSOCIATION ANNUAL CONFERENCE IN LACROSSE WI OCTOBER 14 - 18, 2018.

Discussion of Audit Services for 2018 - Approved

MOVED AND SECONDED BY ALDERMEN JOHNSON AND STUNEK, DULY CARRIED, TO ACCEPT STAFF'S RECOMMENDATION AND RETAIN CLIFTONLARSONALLEN (CLA) FOR 2018 AUDIT SERVICES TO NEGOTIATE A 1% INCREASE AND REVIEW THE COST SHARING AGREEMENT WITH THE AIRPORT.

Committee Chair Johnson stated it was discussed at committee level if this should go out for bids next year. It was determined the topic will be discussed at the next meeting and will return to Council with a recommendation.

Safety and Public Works Committee Report

Event/Street Closure Application – Brainerd Fire Department Open House - Approved

MOVED AND SECONDED BY ALDERMEN BEVANS AND BADEAUX, DULY CARRIED, TO ACCEPT STAFF'S RECOMMENDATION TO APPROVE THE EVENT APPLICATION WITH THE CONDITION THE APPLICANT ORGANIZE THE NEED FOR TRAFFIC CONTROL WITH THE STREET DEPARTMENT.

Event/Street Closure Application – Homeless Heroes 5K - Approved

MOVED AND SECONDED BY ALDERMEN BEVANS AND BADEAUX, DULY CARRIED, TO ACCEPT STAFF'S RECOMMENDATION TO APPROVE THE EVENT APPLICATION WITH THE CONDITIONS THAT THE APPLICANT ORGANIZE TRAFFIC CONTROL NEEDS WITH THE ENGINEERING DEPARTMENT, THE NEED FOR POLICE PRESENCE AT BUSY ROAD CROSSING WITH POLICE STAFF AND APPROVAL FROM THE PARKS DEPARTMENT TO USE THE KIWANIS PARK FOR THE EVENT.

Improvement 17-13 – Brook Street and SE 10th Street Resurfacing and Storm Sewer Rehabilitation Project Pay Estimate #3 – Final - Approved

MOVED AND SECONDED BY ALDERMEN BEVANS AND BADEAUX, DULY CARRIED, TO APPROVE THE FINAL PAY ESTIMATE FOR IMPROVEMENT 17-13 IN THE TOTAL CONTRACT AMOUNT OF $631,902.

Improvement 18-01 – Street Department Salt/Sand Storage Facility – Pay Estimate #3 – Final - Approved

MOVED AND SECONDED BY ALDERMEN BEVANS AND BADEAUX, DULY CARRIED, TO APPROVE THE FINAL PAYMENTS FOR THE SALT/SAND BUILDING TO GREYSTONE CONSTRUCTION IN THE AMOUNT OF $216,696 AND ANDERSON BROTHERS CONSTRUCTION IN THE AMOUNT OF $23,232.

Improvement 18-11 – SE 10th Street Storm Manhole Rehabilitation Joint Project with Crow Wing County – Bid Approved

MOVED AND SECONDED BY ALDERMEN BEVANS AND LAMBERT, DULY CARRIED, TO APPROVE THE QUOTE FROM VISU-SEWER AT A TOTAL CONTRACT COST OF $23,326 WITH AN ESTIMATED CITY COST OF $13,312 AND AN ESTIMATED COUNTY COST OF $10,014 AND UPON CONCURRENCE OF APPROVAL FROM THE COUNTY.

Discussion on 812 Juniper Street Concerns – Approved

Committee Chair Bevans gave a summary based on the testimony received from the Police Chief, City Engineer, City Attorney and many citizens regarding the conduct taking place at the property. There was discussion about the City Code and the frequency of rental housing inspections. Although this property has been inspected more often, the code states rental housing inspections take place every three years. There have been several nuisance complaints and police calls occurring at the property. According to the current ordinance,

several of these calls were not serious enough to recommend action. However, if two incidents are reported within a year, a written management plan is initiated by the police department. The owner has cooperated and complied with the police department. The current rental housing ordinance is over ten years old and should be reviewed.

MOVED AND SECONDED BY ALDERMEN BEVANS AND LAMBERT, DULY CARRIED, TO REVIEW THE RENTAL HOUSING ORDINANCE STARTING AT THE SAFETY AND PUBLIC WORKS COMMITTEE MEETING IN TWO WEEKS.

Unfinished Business

Committee Recommendations – Recommended by Mayor Menk

MOVED AND SECONDED BY ALDERMEN LAMBERT AND HILGART, DULY CARRIED, TO APPOINT MR. MICHAEL LOWE TO THE CITIZEN'S WATER TOWER COMMITTEE.

Call for Applicants – Informational:
(Application Information at www.ci.brainerd.mn.us/boards/)

Mayor Recommended: (all terms expire on 12/31 of said year)
Charter Commission –1 term (Expire 2021)
Library Board – 1 term (Expire 2021)

City Code Section 1200 – Liquor Ordinance Discussion

City Administrator Torstenson indicated the City Attorney reviewed the draft verbiage with the changes that are being brought forth from the June 11, 2018 Special Council meeting. The draft states an establishment that obtains a Category 3 food license will be classified as a Division 2 license with the City. A Division 2 license does not count toward the state statutory limit of 12 on-sale liquor licenses, and subdivision 2A was drafted in this manner to encourage and foster economic development. The Council needs to determine the number of Division 1 on-sale licenses that may be issued by the City.

Member Johnson stated staff did a good job in drafting the ordinance revisions but disagrees with requiring all businesses with a Category 3 food license to be defined as a restaurant. He would also like to eliminate the requirement that the business must provide five off-street parking spaces.

Member Badeaux indicated if a current Division 1 establishment decides to try adding a restaurant and transitions to a Division 2 license and it does not prosper, they would not have the ability to return to a Division 1 license if the limit was met. This could hinder future economic development downtown.

City Administrator Torstenson summarized if the City allows current bars that hold an on-sale liquor license that are also restaurants to choose the division they want to be and they all choose Division 1, then the City is at the limit for on-sale licenses. This would leave no room for economic development and could create a challenge with some potential businesses that would like the ability to obtain a liquor license.

Council discussion took place.

MOVED AND SECONDED BY ALDERMEN JOHNSON AND BEVANS TO SET THE LIMIT OF DIVISION 1 ON-SALE LICENSES ISSUED BY THE CITY TO TWELVE (12); TO REMOVE *"ANY ON-SALE LICENSE ISSUED TO SAID RESTAURANT SHALL BE DESIGNATED A DIVISION 2 LICENSE AS DEFINED BELOW"* FROM SECTION 1200.03 SUBDIVISION 2A AND SUBDIVISION 2 FROM SECTION 1200.23 THAT READS *"OFF-STREET PARKING SHALL BE PROVIDED TO ACCOMMODATE NOT LESS THAN FIVE MOTOR VEHICLES CONTIGUOUS TO SAID PLACE OF BUSINESS OR, IF THIS IS NOT FEASIBLE, IN A NEARBY AREA, WHICH SHALL BE SUBJECT TO COUNCIL APPROVAL"*.

Members Stunek, Bevans, Johnson and Pritschet voted "aye". Members Lambert, Badeaux and Hilgart voted "nay". The Chair declared the motion carried.

New Business

Resolution Declaring Costs to be Assessed, Ordering Preparation of Proposed Assessment, and Ordering a Public Hearing on Proposed Assessment – Downtown Snow Removal, Downtown Special Services District and Nuisance Abatement – Adopted by Resolution No. 46:18

MOVED AND SECONDED BY ALDERMEN LAMBERT AND BEVANS TO ADOPT A RESOLUTION WHICH DECLARES COSTS TO BE ASSESSED, ORDER PREPARATION OF THE PROPOSED ASSESSMENT AND ORDER A PUBLIC HEARING TO BE HELD ON OCTOBER 15, 2018 AT 7:30 P.M. TO CONSIDER TESTIMONY FOR OR AGAINST THE PROPOSED ASSESSMENTS.

RESOLUTION NO. 46:18

Upon roll call, members Lambert, Stunek, Bevans, Badeaux, Johnson, Hilgart and Pritschet voted "aye." No member voted "nay." The Chair declared the motion carried.

Resolution Declaring Costs to be Assessed, Ordering Preparation of Proposed Assessment, and Ordering a Public Hearing on Proposed Assessment – Improvement 17-13 – Adopted by Resolution No. 47:18

MOVED AND SECONDED BY ALDERMEN JOHNSON AND LAMBERT TO ADOPT A RESOLUTION WHICH DECLARES COSTS TO BE ASSESSED, ORDER PREPARATION OF THE PROPOSED ASSESSMENT AND ORDER A PUBLIC HEARING TO BE HELD ON OCTOBER 15, 2018 AT 7:30 P.M. TO CONSIDER TESTIMONY FOR OR AGAINST THE PROPOSED ASSESSMENTS.

RESOLUTION NO. 47:18

Upon roll call, members Lambert, Stunek, Bevans, Badeaux, Johnson, Hilgart and Pritschet voted "aye." No member voted "nay." The Chair declared the motion carried.

2019 Preliminary Levy – Adopted by Resolution 48:18

City Administrator Torstenson and Finance Director Hillman explained some of the options discussed at the budget workshops, the overall expenditures and the debt service of the City. The preliminary tax capacity information will be available in early November.

Council discussion took place.

MOVED AND SECONDED BY ALDERMEN JOHNSON AND HILGART TO ADOPT A RESOLUTION SETTING THE PRELIMINARY LEVY FOR TAXES PAYABLE IN 2019 TO $5,717,592 FOR THE CITY PLUS $126,888 FOR THE HRA.

Upon roll call, members Johnson and Hilgart voted “aye”. Members Lambert, Stunek, Bevans, Badeaux, and Pritschet voted “nay.” The Chair declared the motion failed.

MOVED AND SECONDED BY ALDERMEN BEVANS AND STUNEK TO ADOPT A RESOLUTION SETTING THE PRELIMINARY LEVY FOR TAXES PAYABLE IN 2019 TO $5,895,572 FOR THE CITY PLUS $126,888 FOR THE HRA.

RESOLUTION NO. 48:18

Upon roll call, members Lambert, Stunek, Bevans, Badeaux, and Pritschet voted “aye.” Members Johnson and Hilgart voted “nay.” The Chair declared the motion carried.

MOVED AND SECONDED BY ALDERMEN BEVANS AND BADEAUX, DULY CARRIED, TO SET THE DATE AND TIME FOR THE PUBLIC HEARING AS DECEMBER 10, 2018 AT 6:00 PM.

Public Forum

The Chair opened the Public Forum at 9:37 p.m.

No one came forward.

The Chair closed the Public Forum at 9:37 p.m.

Staff Reports

City Engineer Sandy announced the utilities are nearly completed on S. 6th Street with curb and gutter being installed at the end of the week. Anderson Brothers Construction will be paving the next section between Quince Street and Norwood Street. The tentative completion date is October 15, 2018 with a ribbon cutting event being scheduled by MnDOT. He stated the crews have started to fill the salt and sand shed with material for the upcoming winter season.

City Attorney Langel stated staff is in the process of obtaining quotes for the demolition of the motel on 6th Street.

City Administrator Torstenson indicated the past six weeks she has been busy with the budget as well as the liquor license ordinance. She has also been working towards economic development in the community. She also announced the Farmers Market will be ending on Tuesday, September 25th and the hours have changed slightly with a closing time of 6:00 pm.

Mayor Menk stated he wants to remind people not to drive down streets that are marked with road closed signs. It is for the safety of the workers and tickets will be issued. He announced the downtown mall building is near competition.

Council Member Reports

Council member Johnson complimented Police Chief McQuiston for the work him and his staff has done regarding 812 Juniper Street. He stated he attended a meeting with City Administrator Torstenson, City Engineer Sandy and Crow Wing County personnel to discuss the possibility of joining maintenance services which are continuing.

Council member Bevans announced the marriage of his daughter.

Break

9:42 P.M. – The Council took a short break prior to adjourning into closed session.

Adjourn – To Closed Session Pursuant to MN Statutes, 13D.05, Subd. 3(D) for Security at City Hall and Emergency Response Procedures – 9:49 p.m.

The Chair reconvened into open session at 10:17 p.m.

Adjourn

The Chair adjourned the meeting at 10:17 p.m.

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Cassandra Torstenson
City Administrator