

Detroit Lakes, Minnesota  
July 14, 2015

The regular meeting of the City Council was called to order in the Council Chambers of the City Administration Building at 5:00 P.M., July 14, 2015; all members of the City Council having been notified of the meeting and the business to be transacted.

Present: Mayor Matt Brenk; City Administrator Robert Louiseau; City Clerk Glori French; Police Chief Tim Eggebraaten; City Attorney Charles Ramstad; City Engineer Jon Pratt; Community Development Director Larry Remmen; Public Utilities General Manager Vernell Roberts; Public Works Director Brad Green; Finance Officer Pamela Slifka; Fire Chief Scott Flynn; Liquor Store Manager, Randy Buhr and Intern Dylan Ramstad Skoyles

Aldermen: Imholte, Marks Erickson, Schiller, Schurman  
Sukke, Waller, Wenner and Zeman

Absent: None

There being no correction to the minutes of the Regular City Council Meeting held June 9, 2015; Special City Council Meetings held on June 16, June 23 and June 30, 2015. Mayor Brenk declared the minutes would stand approved according to copies sent to each member of the Council.

Pursuant to the hearing notice having been published that the Council, at this meeting will conduct a public hearing to receive public comment on the suspension or revocation of the liquor license for Burnside's Char House and Pub, 1218 Washington Avenue. Mayor Brenk called the hearing to order at 5:02 P.M. Mayor Brenk informed the Council, the City had received an email on Friday July 10, 2015 from Mark Peloquin, Enforcement Coordinator with the Minnesota Department of Health. Minnesota Department of Health had conducted an inspection and found that the violations previously cited had been largely corrected. The Minnesota Department of Health has agreed to issue a sixty (60) day conditional license to Burnside' Char House and Pub valid through September 10, 2015. Provided the remaining violations are corrected in that time, the license would be extended through the end of the calendar year. Mayor Brenk noted this hearing will continue until the September 8, 2015 Regular City Council Meeting.

Pursuant to the hearing notice having been published that the Council, at this meeting will conduct a public hearing to receive public comment on approving a redevelopment project and redevelopment plan therefor and approving a tax increment financing district 34-1 and a tax increment financing plan. Mayor Brenk called the hearing to order at 5:03 P.M. Community Development Director Larry Remmen advised the Council this request is from Hotel Partners, LLC. for the Project at 90 West Lake

Drive, 1334 Washington Avenue and 1329-1355 Lake Avenue. By law the deration of this District is for twenty six years. Hotel Partners LLC is requesting \$1,600,000 in tax increment financing for an approximately \$11,000,000 project. There being no other comments, Mayor Brenk closed the hearing at 5:04 P.M. and reconvened the Regular City Council meeting.

Pursuant to the recommendations of the Planning Commission and the Community Development Committee a resolution was introduced by Alderman Imholte, who moved its adoption, adopting the finding of fact and reason for approval of the redevelopment project and redevelopment plan therfor and approving a tax increment financing district and a tax increment financing plan for the property located at 90 West Lake Drive, 1334 Washington Avenue and 1329-1355 Lake Avenue.

Troy Hoekstra with Hotel Partners LLC gave an update on the progress of the hotel/restaurant project. Project financing is expected to close later in July and break ground within days after closing. Hoekstra noted Plans have been submitted to the City for review and issuance of a building permit and they are prepared to move the Project forward. Hoekstra informed the Council, for this Project the Engineer is not going to be using pilings, but a newer technology that vibrates the ground and using a peer technology which is much less deep, eliminating some of the pounding motion and sound.

Alderman Imholte noted one of the reasons a request for TIF financing is usually approved is to help with some of the additional infrastructure costs associated with a project like this.

Alderman Marks Erickson appreciates all the time and effort put into this project, but is concerned with how the communication between the City, Developer and Department of Natural Resources has not been public not only for this project but with other projects located along the shoreline. Marks Erickson noted without this communication it is hard to vote for this Project.

The motion for the adoption of the resolution was seconded by Alderman Sukke and carried with two dissenting votes (Marks Erickson and Schiller). Mayor Brenk declared Resolution 0714A adopted.

Pursuant to the hearing notice having been published that the Council, at this meeting will conduct a public hearing to receive public comment on extending the corporate limits of the City of Detroit Lakes to include certain unincorporated unplatted land abutting upon the city limits part of the Northwest Quarter of the Southwest Quarter in Section 36, Township 139 North, Range 41 West of the Fifth Principal Meridian in Becker County approximately 4.64 acres on the East side of Highland Drive. Mayor Brenk called the hearing to order at 5:08 P.M. Community Development Director Larry Remmen reported to the Council, the request to extend the corporate limits was made by the property owners Robert and Joyce Spilman. Remmen noted the Spilman's are also requesting to have this property rezoned to "R-3" Multi-Family Residential.

Jeff Swanson 28234 Lemon Road, Swanson noted he is not opposed to the annexation of the property but is opposed to having the property re-zoned to an “R-3” Multi-Family Residential. Swanson noted he had not received any notification about the property be re-zoned, only about the annexation of the property.

Community Development Director Larry Remmen clarified the original “notice” that had been sent to the required property owners did not have any information about the request for the re-zoning of the property to “R-3”.

City Administrator Bob Louiseau clarified the normal process of approving an annexation request is the property would be zoned as “R-A” Residential Agriculture, until the Planning Commission can determine the appropriate zoning of the property.

Robert Spilman, property owner of the request, noted he is not going to build an apartment building, but is requesting to have the property rezoned to an “R-3” Multi-Family Residential, so he could build twin-homes or condos.

Community Development Director Larry Remmen clarified the definition of “R-3” Multi-Family Residential; allows a multifamily development up to any number of units depending on the size of the lot. Remmen also clarified the definition of “R-2” Multi-Family Residential; allows a multifamily development either one or two units on the lot.

Mayor Brenk asked Robert Spilman if he would like to continue with the request for the annexation and rezoning to an “R-2” Multi-Family Residential instead of the “R-3” zoning. Mr. Spilman noted he wants an “R-3” rezoning.

City Administrator Bob Louiseau informed the Council of the options they have regarding the request. Council could approve the annexation request with zoning of “R-A” and then go through the process of a hearing on the request to rezone from “R-A” to an “R-2” or “R-3”. Other option would be send out a new notification to the required property owners of the annexation and “R-3” re-zoning request and hold a hearing.

There being no other comments, Mayor Brenk closed the hearing at 5:34 P.M. and reconvened the Regular Council Meeting.

A motion was made by Alderman Waller, seconded by Alderman Zeman and carried without a dissenting vote to defer action on the first reading of an ordinance 392 extending the corporate limits and rezoning request made by Robert and Joyce Spilman until all affected property owners can be notified.

Alderman Zeman introduced Operations Manager Mike Clemens with Greater Minnesota Gas. Clemens gave an outline of the proposed natural gas line route and estimated timeline for natural gas services offered by Greater Minnesota Gas.

Pursuant to the recommendations of the Public Works Committee, a motion was made by Alderman Zeman introducing for its first reading, Ordinance 393 granting to Greater Minnesota Gas permission to operate, a gas public utility and a nonexclusive franchise to construct, operate and maintain facilities and equipment for the transportation, distribution, manufacture and sale of gas energy for public and private use and to use the public ways of the City of Detroit Lakes, the motion was seconded by Alderman Schurman and carried, without a dissenting vote.

A motion was made by Alderman Zeman, seconded by Alderman Schurman and carried without a dissenting vote requiring Greater Minnesota Gas to obtain a Gas Franchise Insurance Agreement with the City of Detroit Lakes.

Mark Knudson with the Dick Beardsley Race appeared before the Council and gave an update on the race which will take place on September 12, 2015 starting at the Pavilion. Knudson was excited to share the race this year will be a full marathon, bringing runners from around the country.

Upon the recommendations from the Liquor and Gambling Control Committee a motion was made by Alderman Wenner, seconded by Alderman Marks Erickson and carried without a dissenting vote authorizing the issuance of a Temporary Expansion Permit for a Sidewalk Café for La Barista, LLC to sell and serve beer and wine from July 15, 2015 through October 15, 2015 during regular business hours in the designated outdoor area on Washington Avenue, pursuant to their application and fee. Alderman Zeman clarified the City will be purchasing the table and chairs that will be placed in the designated area and will be available for public use.

Upon the recommendations of the Planning Commission that were submitted to the City Council and the recommendations of the Community Development Committee a resolution was introduced by Alderman Imholte, who moved its adoption, adopting the finding of fact and reasons for approval of the variance application to allow an existing 14 x23 foot cabin adjacent to the restaurant at 2000 Long Bridge Road to be converted to a commercial pizza kitchen without providing two additional parking spaces required by the Zoning Ordinance . The motion for the adoption of the resolution was seconded by Alderman Sukke and carried without a dissenting vote. Mayor Brenk declared Resolution 0714D adopted.

Pursuant to the hearing notice having been published that the Council, at this meeting will conduct a public hearing to receive public comment on the proposed improvement of curb, gutter, concrete approaches and sidewalks for 2015. Mayor Brenk called the hearing to order at 5:35 P.M.

Mina Reller, 502 Holmes Street West, expressed concern with the cost of the proposed improvements for her property. Public Works Director Brad Green will meet with the Reller's and review the plans and cost of the project. There being no further comments, Mayor Brenk closed the hearing at 5:40 P.M. and reconvened the regular Council Meeting.

Upon recommendations of the Public Works Committee a resolution was introduced by Alderman Waller, who moved for its adoption, ordering the improvement of curb, gutter, concrete approaches and sidewalks for 2015, except for the property at 502 Holmes Street West. The motion for the adoption of the resolution was seconded by Alderman Schiller and carried without a dissenting vote. Mayor Brenk declared Resolution 0714B adopted.

Upon the recommendations of the Planning Commission that were submitted to the City Council and the recommendations of the Community Development Committee a resolution was introduced by Alderman Imholte, who moved its adoption, adopting the finding of fact and reasons for approval of a conditional use permit to allow a Rule 31 Chemical Dependency Treatment Facility at 811 8<sup>th</sup> Street South East subject to the following conditions:

1. Rule 31 Chemical Dependency Facility House no more than 15 clients and their dependents plus live in support staff;
2. Owner obtain the appropriate State license to operate a Rule 31 Chemical Dependency Facility;
3. Owner all of the on-site parking requirements for each use of the facility;
4. That all of the design, operating and licensing requirements of appropriate Federal, State and local agencies are met;
5. Facility can serve either men or women but is not allowed to be a co-ed facility.

The motion for the adoption of the resolution was seconded by Alderman Sukke and carried with no dissenting votes. Mayor Brenk declared Resolution 0714C adopted.

Upon the recommendations of the Planning Commission and Community Development Committee a motion was made by Alderman Imholte, seconded by Alderman Waller and carried, without a dissenting vote introducing for its first reading Ordinance 391 amending Section 4 of Ordinance Number 500.51 rezoning Lake Forest 6<sup>th</sup> Addition from "R-A" Residential Agriculture to "R-2" One and Two Family Residential District.

Upon the recommendations of the Planning Commission and Community Development Committee a motion was made by Alderman Imholte, seconded by Alderman Waller and carried, without a dissenting vote introducing for its second reading and adoption of Ordinance 390 amending the Zoning Ordinance relative to building height in the "R-3" Multi-Family Residential District, the "B-1" Central Business District, and the "B-2" General Business District.

Upon the recommendations of the Planning Commission, Council deferred action on the variance application for the property at 1153 West Lake Drive.

Pursuant to the recommendation of the Community Development Committee, a motion was made by Alderman Waller, seconded by Alderman Sukke and carried,

without a dissenting vote, that the building permits for the month of June, 2015, in the estimated construction value of \$1,868,589.00 to be issued pursuant to their applications accompanied by the required City fees and State surcharges, the issuance of such permits having been recommend by the Building Official and approved by the Community Development Committee.

Public Works Director Brad Green gave a brief update on the 4<sup>th</sup> of July activities around the City of Detroit Lakes. Green noted it was a very successful weekend with great weather and lots of visitors. Mayor Brenk and Council thanked all City employees for the hard work and attention to details during the weekend.

Upon the recommendations of the Public Works Committee, a resolution was introduced by Alderman Zeman, who moved its adoption, ordering improvements and preparation of plans and specifications for Tower Road between County Road 21 and Country Road 131. Alderman Marks Erickson asked if the City would be able to pursue the possibility of recovering the cost of the improvements from the original contractors. City Attorney Charlie Ramstad advised the Council he has looked into the possibility of recovering the costs of the reconstruction and there is no evidence to show anything inappropriate was done.

The motion for the adoption of the resolution was seconded by Alderman Imholte and carried without a dissenting vote. The Mayor declared Resolution 0714E adopted.

Pursuant to the recommendation of the Public Works Committee, a resolution was introduced by Alderman Zeman, who moved its adoption, approving the plans and specifications and ordering advertisements for bids for the 2015 Tower Road, Peter Street and Dan Street improvements. The motion for the adoption of the resolution was seconded by Alderman Imholte and carried without a dissenting vote. The Mayor declared Resolution 0714F adopted.

Alderman Zeman informed the Council, a meeting is being planned with City Public Works and the Becker County Highway Committees to discuss street and multi-use trail improvements for West Lake Drive from Legion Road to County Highway 6.

City Engineer Jon Pratt updated the Council on several City Projects throughout the City. Section A (downtown) of Washington Avenue Reconstruction Project is substantially complete. Underground utilities are complete on the entire Washington Avenue Project. Contractor for the Washington Avenue Project met the requirements to receive the \$50,000 incentive payment. The west half of the Highway 59 bridge is about 90% complete, crews are focused on the completion of the frontage road and trail preparation work for the Highway 10 eastbound concrete overlay. Highway 10 traffic will switch to eastbound lanes by the later part of July. Final work on Section C (Grant Street Lift Station) and Section B (Highway 10 and Kmart Lift Station) has been completed on the Airport Waterman Loop Project.

Upon the recommendations of the Public Works Committee a motion was made by Alderman Zeman, seconded by Alderman Schurman and carried, without a dissenting vote issuing a Tractor Parade Permit, in conjunction with the Becker County Fair to be held on August 1, 2015 beginning at Adkins Equipment on Country Road 21, to Roosevelt Avenue to Willow Street to Rossman Avenue then proceeding to the Becker County Fairgrounds.

Upon the recommendations of the Public Works Committee a motion was made by Alderman Zeman, seconded by Alderman Sukke and carried, without a dissenting vote approving the request submitted by the Detroit Lakes Jaycees to use the City Park for the First Annual Rib Fest on August 29, 2015.

Upon the recommendations of the Public Works Committee a motion was made by Alderman Waller, seconded by Alderman Sukke and carried, without a dissenting vote approving the request submitted by Jill Clarey to use the Public Beach by the Pavilion for her wedding ceremony on Saturday August 22, 2015.

Upon the recommendations of the Public Works Committee a motion was made by Alderman Waller, seconded by Alderman Sukke and carried, without a dissenting vote approving the request submitted by Caden Summers and Megan Gilbertson to use the Public Beach by the Pavilion for their wedding ceremony on Friday July 31, 2015.

Upon the recommendations of the Public Works Committee a motion was made by Alderman Waller, seconded by Alderman Sukke and carried, without a dissenting vote approving the issuance of a transient merchant's license to Gary Cox to sell WE Fest tickets at 1575 West Lake Drive and issuance of a transient merchant's license to Mike Chandler to sell WE Fest tickets at 1377 West Lake Drive and 1042 Highway 59 South August 5-8, 2015.

Upon the recommendations of the Public Works Committee a motion was made by Alderman Waller, seconded by Alderman Sukke and carried, without a dissenting vote approving the issuance of a boat lift permit to Bonnie Helm at 716 West Lake for the 2015 season.

Upon the recommendations of the Public Works Committee a motion was made by Alderman Waller, seconded by Alderman Sukke and carried, without a dissenting vote approving the request from Holy Rosary Church to block off Lake Avenue from Frazee Street to the Holy Rosary parking lot on August 16, 2015 for the 2015 Holy Rosary Festival.

Pursuant to the recommendations of the Finance Committee a motion was made by Alderman Marks Erickson, seconded by Alderman Wenner and carried, without a dissenting vote authorizing the City to seek proposals to evaluate options to address the facility needs of the Police and Administration Departments. City Administrator Bob Louiseau shared the request for proposal (RFP) is a budgeted item and the City

Administration Building and Police Department Building have used up their life expectancy.

Pursuant to the recommendations of the Finance Committee a motion was made by Alderman Marks Erickson, seconded by Alderman Wenner and carried, without a dissenting vote authorizing the City to purchase the property at 421 State Street in the amount of \$58,500. City Administrator Bob Louiseau shared the purchase agreement price is the assessed value of the property and there are sufficient funds in the General Fund for the purchase.

A motion was made by Alderman Sukke, seconded by Alderman Waller and carried without a dissenting vote that the trial balance, submitted by Finance Officer Pamela Slifka, showing a balance in the City treasury to be in the amount of \$9,746,773.71 as of June 30, 2015, be accepted, approved and placed on file.

Police Chief Tim Eggebraaten reported no major incidents occurred over the 4<sup>th</sup> of July weekend. The number of visitors were down from previous years and the officers received a number of compliments throughout the weekend. Eggebraaten noted the “no parking” restrictions on West Lake Drive really is a safety precaution and does what it is meant to do.

Alderman Wenner mentioned the Liquor Store sales for June have increased from the prior years. Liquor Store Manager and staff are doing a great job and are innovative in their sales approach.

Pursuant to the recommendations of the Finance Committee, a resolution was introduced by Alderman Sukke, who moved its adoption, approving the payment of claims paid by proper authorization covering the period June 10, 2015 through July 14, 2015 in the amount of \$9,181,750.99 the motion for the adoption of the resolution was seconded by Alderman Waller and carried without a dissenting vote. The Mayor declared Resolution 0714G adopted.

Upon the recommendations of the Liquor/Gambling Control Committee, a motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote, approving the gambling application submitted by the Detroit Lakes Jaycees to conduct bingo at the Pavilion on July 16, 2015.

Upon the recommendations of the Liquor/Gambling Control Committee a motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote, approving the issuance of Temporary On-Sale Intoxicating Liquor License to the Detroit Lakes Jaycees to sell and serve intoxicating liquor at the Pavilion for the Fireman’s Dance on August 21, 2015.

Upon the recommendations of the Liquor/Gambling Control Committee a motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote, approving the issuance of a Special On-Sale Intoxicating Liquor License



to the Sandbar to sell and serve intoxicating liquor July 30- August 1, 2015 at the Becker County Fairgrounds.

Upon the recommendations of the Liquor/Gambling Control Committee a motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote, approving the issuance of a Permit to consume alcohol at the Fischbach wedding at the Pavilion on Saturday October 17, 2015, must be 21 years of age to consume alcohol.

Upon the recommendations of the Liquor/Gambling Control Committee a motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote, approving the issuance of a Permit to consume alcohol at the Coronado wedding at the Pavilion on Sunday August 9, 2015, must be 21 years of age to consume alcohol.

Upon the recommendations of the Liquor/Gambling Control Committee a motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote, approving the issuance of a Permit to consume alcohol at the Kenner wedding at the Pavilion on Saturday September 19, 2015, must be 21 years of age to consume alcohol.

Upon the recommendations of the Public Utilities Commission, a resolution was introduced by Alderman Imholte, who moved its adoption, authorizing the City of Detroit Lakes Public Utilities Commission to file an application with the Minnesota Management and Budget Office for funding for a Wastewater Treatment Plant Improvement Project. The motion for the adoption of the resolution was seconded by Alderman Waller and carried without a dissenting vote. The Mayor declared Resolution 0714 adopted.

A motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote, approving the following licenses for 2015:

**Tobacco Licenses:**

Book World, 815 Washington Avenue

**Plumbing Licenses:**

Vanwatermulen Plumbing Inc., New York Mills

A motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote, that the June Becker County Court Report of \$7,100.36, Chief of Police Monthly Report, Animal Control Monthly Report, Fire Monthly Report, Liquor Store Manager's Monthly Report, Nuisance Monthly Report, June Parking Violations Monthly Report (\$160.00) and City Engineer Report be approved and placed on file.

Mayor Brenk called for a Special City Council Meeting to be held on Tuesday August 25, 2015 at 5:00 P.M. to hold a Tax Increment Financing Hearing.

Upon the recommendation of Mayor Brenk, a motion was made by Alderman Zeman, seconded by Alderman Wenner and carried, without a dissenting vote re-appointing Bruce Imholte to the Development Authority for a third term.

Upon the recommendation of Mayor Brenk, a motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote re-appointing Tom Klyve to the Development Authority for a second term.

Upon the recommendation of Mayor Brenk, a motion was made by Alderman Sukke, seconded by Alderman Waller and carried, without a dissenting vote re-appointing Steve Daggett to the DLCCC Board for a third term.

Upon the recommendation of Mayor Brenk, a motion was made by Alderman Zeman, seconded by Alderman Schurman and carried, without a dissenting vote re-appointing Josh Hochgraber to the DLCCC Board for a second term.

Upon the recommendation of Mayor Brenk, a motion was made by Alderman Sukke, seconded by Alderman Imholte and carried, without a dissenting vote re-appointing Cindy Fritz to the Library Board for a third term.

Upon the recommendation of Mayor Brenk, a motion was made by Alderman Sukke, seconded by Alderman Wenner and carried, without a dissenting vote re-appointing Holly Heisserer to the Library Board for a second term.

Upon the recommendation of Mayor Brenk, a motion was made by Alderman Waller, seconded by Alderman Zeman and carried, without a dissenting vote appointing Mark Fritz and Bob Louiseau to the DMRA Capital Facilities and Equipment Committee.

Upon the recommendation of Mayor Brenk, a motion was made by Alderman Sukke, seconded by Alderman Zeman and carried, without a dissenting vote appointing Steve Daggett and Pamela Slifka to the DMRA Audit and Finance Committee.

A motion was made by Alderman Zeman, to close the City Council Meeting and move to the conference room on the basis of the attorney-client privilege as set forth in Minn. Stat 13D.05 Subd. 3 (b) and Minn. Stat. 595.02 (b) in order for the Council to meet with Jason Kuboushek, the attorney representing the City and with City Attorney Charles Ramstad for a status update and to discuss the strategy regarding the position in the pending litigation by Gregory and Janet Holmes against the City.

Mayor Brenk stated on the record the case is scheduled for mediation on July 21, 2015 and the Council must be advised of the strengths and weaknesses of the choices available to the City in that mediation and the litigation general as well as the strategies available to the City in that mediation. The City Council and its attorney need absolute confidentiality with regard to those choices, making it necessary to close the meeting.

The motion was seconded by Alderman Sukke and carried, without a dissenting vote.

Mayor Brenk clarified the Regular City Council Meeting is not adjourned and will return to open session on the conclusion of the closed meeting. The Mayor, Council, City Attorney, City Administrator and City Clerk moved to the conference room.

The Mayor, Council, City Attorney, City Administrator and City Clerk returned to the Council Chambers Mayor Brenk re-opened the Regular City Council Meeting.

Mayor Brenk announced the 2016 Budget Committee Meetings are scheduled for August 12, 17, 18, 25, 27 and September 1 (if required) at 7:00 A.M. in the conference room at 1025 Roosevelt Avenue.

Mayor Brenk announced TEAM Industries in Detroit Lakes will have an "Open House" on July 29, 2015 at 11:00 A.M., everyone is welcome to attend.

There being no further business to conduct, by general consent, the Mayor adjourned the meeting at 7:00 P.M.

Respectfully submitted,

A handwritten signature in cursive script that reads "Glori French".

Glori French,  
City Clerk