

Minutes of the regular Proctor City Council meeting held Monday November 19, 2018 in the Community Center Council Chambers.

Mayor Larson called the meeting to order at 6:00 p.m.

**MEMBERS PRESENT:** Councilors Troy DeWall, Gary Nowak, Jim Schwarzbauer, Gary Nowak, Jake Benson and Mayor Phil Larson.

**OTHERS PRESENT:** City Attorney John Bray, Administrator Casey, Finance Director Noelle Lent, Liquor Store Manager Bill Blackwood, Chad Ward, Mick Ward, Jim Aird, Chief Gaidis, Rory Johnson, Steven Elder, Matt Bolf, Tyler Yngsdal, Tammy Lofdahl, Jason Lofdahl, Jim Rohweder, Peggy Vanderscheuren, Dick Kari, Laura Vu, Kathy Hannan.

### **PUBLIC HEARING ON MUNICIPAL LIQUOR STORE**

Called to order by Mayor Larson at 6:02. Casey stated per MN Statutes a municipality that owns and operates a municipal liquor store and has losses in excess of revenues for two out of three consecutive years must hold a public hearing in determining whether the council shall put on the next General Election Ballot the question, "Shall the city continue to operate and own a municipal liquor store." Finance Director Noelle Lent gave a short synopsis of the financial status of the liquor store and stated for the years 2016 excluding PERA and GASB requirements, the liquor store would have shown a profit and in 2017 the loss of only \$409. For 2018, the liquor store currently is showing a profit of approximately \$24,000. Liquor store manager Bill Blackwood spoke on behalf of the store and stated things are going well this year and they are running specials. He asked council if they had any questions of him. Benson asked if the GASB requirements are going to be removed anytime soon. Casey and Lent were uncertain to this outcome. Mayor Larson asked those in attendance if they had any questions on the liquor store.

Motion by Dewall, seconded by Schwarzbauer and carried (5-0) to adjourn the public hearing at 6:08 p.m.

### **APPROVAL OF THE MINUTES:**

Motion by Schwarzbauer, seconded by Dewall, and carried (5-0): To approve the November 5, 2018 City Council Regular Meeting Minutes.

### **APPROVAL OF THE AGENDA:**

Motion by Dewall, seconded by Nowak: To approve the agenda for November 19, 2018, Benson motioned to amend the agenda and pull items 6: I, J, L, and M to Members Concerns as he stated there was no documentation prior to the meeting. Amended motion failed due to lack of support.

Original motion to approve the agenda was carried (4-1 Benson Nay).

### **COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT:**

Matt Bolf of SEH gave a summary of what had been done with the 6<sup>th</sup> Street and Almac Drive project, and stated the final completion will be done by June 15, 2019. He stated the residents were amazing, and Ulland accommodating.

Schwarzbauer had concerns of mailboxes, trees and sump pumps. Bolf stated the mailbox areas are staked, ready to go and they could arrive any day. He stated there was no money included in the project for trees, but trees will be replaced in one area of Almac. Bolf also explained that the City is not paying for sump pumps, but there will be an exhibit put together to show how they will work. He suggested the neighbors should get together and hire one contractor.

Lakehead Racing Association Secretary Tammy Lofdahl spoke about the break-ins and stolen items at the Proctor Speedway, and how these are not being caught on the security cameras. She asked the Council if the gate between the horse barn and arena could be locked again. Discussion ensued as to the type of security system is being used, increasing the lighting and patrolling.

Laura Vu stated when she was door knocking during her campaign residents were asking why their homes can't be listed on Air B&B. Attorney Bray stated Planning & Zoning is in discussion about it. Casey explained that the City does not have an ordinance against or for it, and that Planning & Zoning is considering a Home Occupation Permit with regard to this matter.

Vu also inquired as to why the City was giving out loans to citizens and not offered to all. It was then explained that these loans were developed by Community Block Grants had been given out decades ago, with the City needing to write some off. Vu asked Councilor Benson if he had paid his off, and Benson stated he is in the process of it. Vu then stated that citizens are still concerned about the Hidden Ridge development.

**\*APPROVAL OF THE CONSENT AGENDA** (one Council motion can accept all items listed under this agenda, plus Council can pull any individual items out of this consent agenda and discuss/act on item separately – thus leaving others to be approved via consent agenda action) – bold print denotes need for Council action.

Motion by Schwarzbauer, seconded by Dewall, and carried (5-0): To approve the Consent Agenda with item 4A: Proctor Economic Development Authority Meeting Minutes of November 13, 2018 pulled and combine it with item 6I.

**\*1. COMMUNICATIONS**

- A. Bolten Menk Introduction Letter
- B. MN Energy Community Partner and Natural Gas Provider

**2. PLANNING AND ZONING DEPARTMENT MATTER**

**\*3. CLERK ADVISES COUNCIL**

- A. Government and Liquor Fund Payroll Period Ended 10/28/18

**\*4. COMMITTEE REPORTS**

A. Proctor Economic Development Authority Meeting Minutes of November 13, 2018

*(Pulled and combined with item 6I)*

B. Proctor Economic Development Authority Balance Sheet

**\*5. UNFINISHED BUSINESS**

A. SRO

**6. NEW BUSINESS**

**A. Liquor License Renewal – Island Investment, Best Western Plus Spirit Mountain**

Motion by Nowak, seconded by DeWall and carried (5-0): To approve the liquor license for Island Investment, Best Western Plus Spirit Mountain.

**B. Liquor License Renewal – Blackwood’s of Proctor**

Motion by Nowak, seconded by Larson and carried (5-0): To approve the liquor license for Blackwood’s of Proctor contingent on receipt of a copy of their Buyers Club Card.

**C. Liquor License Renewal – CMK, Powerhouse Bar**

Motion by Nowak, seconded by Schwarzbauer and carried (5-0): To approve the liquor license for CMK, Powerhouse Bar.

**D. Liquor License Renewal – LOOM Lodge 1302, Proctor Moose**

Motion by Nowak, seconded by Schwarzbauer and carried (5-0): To approve the liquor license for LOOM Lodge 1302, Proctor Moose contingent on their second half of their 2018 taxes are paid in full to St. Louis County by December 31, 2018.

Mayor Larson asked Casey to send the LOOM Lodge 1302, Proctor Moose a notice with regard to this matter.

**E. Liquor License Renewal – Roger Raymond Sr., Keyboard Lounge**

Motion by Nowak, seconded by Schwarzbauer and carried (5-0): To approve the liquor license for Roger Raymond Sr., Keyboard Lounge.

Nowak stated they did not include a map in their liquor license packet to indicate an area of consumption behind the business. This has nothing to do with the liquor license, but they cannot drink back there without it.

**E1. Liquor License Renewal – Proctor Pit Stop Bar & Lounge Inc.**

Motion by Nowak, seconded by DeWall and carried (5-0): To approve the liquor license for Proctor Pit Stop Bar & Lounge Inc. contingent on a copy of their Buyers Card.

Mayor Larson asked Casey to write a courtesy letter to the Proctor Pit Stop Bar & Lounge.

**F. Landmark Dividend Lease Acquisition Company (*informational*)**

Casey stated Landmark Dividend is a company that purchases leases for a fee. They offer 15, 20 or 25 year terms, and only owns the lease – not the land.

**G. CDBG Applications**

Casey stated the pre-applications have been submitted and the deadline for the final applications is December 1, 2018; he writes the grant. Further discussion took place and the Council agreed to apply for: a. A Playground for EveryBODY, 100 Pionk Drive and c. Commercial Redevelopment, City of Proctor, City Wide.

Motion by Nowak, seconded by Dewall and carried (5-0): To apply for A Playground for EveryBODY, 100 Pionk Drive, and Commercial Redevelopment, City of Proctor, City Wide.

**H. Civil Service Commission**

Discussion took place as to what ordinance created the Civil Service Commission, when did it take place, and the term limits specified. Mayor Larson stated the commission should have Council ad hoc member. Research will be done to see if the City has an ordinance with regard to this matter. No action taken.

**I. Make up of PEDA Board**

Motion by Schwarzbauer, seconded by Benson and carried (5-0): To accept the Proctor Economic Development Authority Meeting Minutes of November 13, 2018.

Mayor Larson discussed the make-up of boards and commissions.

No action taken.

**J. St. Louis County Fair Board, City Councilor Commission**

Benson explained County Fair Boards are similar to agricultural societies, Statute 38.01.

**K. Resolution 51-18 Authorizing and Directing the Mayor and City Administrator to Execute and Deliver a Real Estate Purchase Agreement**

Casey stated this is a clean-up item in reference to the city land sale of property to Troy Dewall and the Closing Agent requires either a resolution or minutes to be presented. Benson suggested the parcel number be included.

**CITY ADMINISTRATOR TO EXECUTE AND DELIVER A  
REAL ESTATE PURCHASE AGREEMENT  
AND CONVEYANCE OF  
REAL PROPERTY  
BY THE CITY OF PROCTOR**

WHEREAS, the City of Proctor (“City”) owns real property within Proctor Knott Macgoffins Division of the City; and

WHEREAS, the City received an offer with the consideration totaling \$25,000 to purchase and improve (the “Parcel”); and

WHEREAS, the City has authority to sell real property as its interests require; and

WHEREAS, the purchaser of the Parcel will be required to enter into a Real Estate Purchase Agreement, and has done so; and

WHEREAS, the Proctor City Council has duly considered this matter and finds, determines and declares that the sale of the Parcel pursuant to the terms of the Purchase Agreement is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Proctor, Minnesota, as follows:

The Mayor and City Clerk are hereby authorized and directed to:

1. To execute the Real Estate Purchase Agreement, subject to approval on any non-substantive changes as are approved by the City Administrator and the City Attorney; and
2. To sell and convey the Parcel, pursuant to the terms of such Real Estate Purchase Agreement, to the purchaser upon completion by the purchaser of all of its duties under said Real Estate Purchase Agreement and;
3. To take any and all actions necessary to effectuate such sale and conveyance, including the execution and delivery to such purchaser of a quit claim deed.

Councilor \_\_\_\_\_ introduced the foregoing resolution and moved its adoption.

The motion for the adoption of such resolution was seconded by Councilor \_\_\_\_\_ and, upon a vote being taken thereon, the following voted in favor thereof:

and the following voted in opposition thereto:

WHEREUPON, such resolution was declared duly passed and adopted on the \_\_\_\_\_ day of 2018.

Motion by Schwarzbauer, seconded by Larson and carried (4-0 Dewall Abstained) approving the resolution of Real Estate Purchase Agreement 51-18.

Motion by Nowak, seconded by Dewall and carried (5-0) to recess the regular

meeting to a Closed Meeting per MN Statutes 13D to discuss attorney client privilege and Labor Negotiations. 8:17 p.m.

## **7. LABOR AND NEGOTIATIONS – Per MN Statutes 13D; Closed Meeting**

- A. Attorney Client Privilege
- B. Labor Negotiations

Motion by Benson, seconded by Dewall and carried (5-0) to adjourn the closed meeting and reconvene the regular city council meeting. Time 8:52 p.m.

### **L. Network Administrator Position**

Motion by Schwarzbauer, seconded by Dewall and carried (5-0) to eliminate the position of Network Administrator.

Chad Ward of the Teamsters 346 stated the position is part of the bargaining agreement. No response.

### **M. RFP for Legal Services**

Motion by Larson to go out for Request for Proposals for prosecuting and general city legal services. Motion failed due to lack of a second.

### **N. Legal Services**

Motion by Larson, seconded by Nowak and carried (4-1 Benson Nay) to direct the the City Attorney to continue to contact a governmental prosecutor to prosecute two former employees.

## **MEMBERS CONCERNS:**

**Schwarzbauer:** gave synopsis of a large basketball tournament held over the weekend and the need for the city to continue to try and build a facility. It is big business and a number of teams were turned away. Talked about the Comprehensive Plan and for Lake Superior College to partner with the city on these types of things. Spoke of businesses he and Casey talked to about Proctor; Scheels, a Texas group, and Dick's Sporting goods. Also, discussed the need for a group such as the "huddle up" push in 2016/2017 and as he steps away the council still must push for these types of venues.

**Benson:**

**Nowak:**

**DeWall:**

**Mayor Larson:** Concurred on the many points Councilman Schwarzbauer discussed.

**Casey:** reminded the city council of the budget meeting on 11/26/18 at 5:00 p.m. in the conference room.

**BILLS FOR APPROVAL**

General Bills: \$83,823.55

Liquor Bills: \$24,656.82

Total: \$108,480.37

Motion by Schwarzbauer, seconded by Nowak and carried (5-0): To approve the bills for payment as listed.

**ADJOURNMENT**

Motion by Nowak, seconded by Dewall and carried (5-0): To adjourn the City Council meeting at 9:14 p.m.

Respectfully submitted,

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Philip Larson, Mayor

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Mark Casey, City Administrator