

**CITY OF LEXINGTON
WORKSHOP SYNOPSIS
Thursday, November 21, 2019
Immediately following Council meeting
City Hall**

1. Call to Order: Mayor Murphy

Mayor Murphy called to order the workshop for November 21, 2019 at 7:12 p.m. Councilmember's present: Devries, Harris, and Hughes. Also Present: Bill Petracek, City Administrator; Kurt Glaser, City Attorney; Chris Galiov, Finance Director; Cindy Hanson, County Commissioner Candidate; Quad Press Reporter.

2. Roll Call: DeVries – Harris - Hughes

3. Discussion Items:

A. Discuss Revised 2020 Proposed Budget

Petracek explained that since the Lexington Lofts project isn't moving forward, the anticipated revenues from the project would not be incorporated into the 2020 Budget. He stated that as he mentioned in the last budget workshop, if the project was not approved, we would need to increase the General Levy 3%. He added that since we will not have the park dedication fees coming in from the project, he is also recommending cutting out the concept of hiring an architect to design a remodel for the Memorial Park concession stand - \$25,000. Discussion ensued.

Harris asked if we could put funds in the budget to fix the roof and fascia on the concession stand. Petracek stated we should be able to work that into the budget. Hughes agreed with Harris that we should at least paint the building, fix the roof and fascia. Petracek stated that the original recommendation coming from the Park Board was to repair the roof and fascia on the concession stand. Discussion ensued.

Hughes asked if we should increase the General Levy 3%, 4%, or 5%. Following discussion, the consensus of the Council was to increase the General Levy 3% for the 2020 Budget.

Petracek stated that the revised budget will reflect the 3% increase, and the recommended budget transfers and levies when they adopt the budget.

B. Discuss Utility Rates – Water – Sewer – Stormwater

Petracek explained the need to increase our water, sewer, and stormwater utility rates. He added that the utility rate study enclosed in the packet provides information that the City of Lexington charges the lowest amount of combined utility charges in the State of Minnesota for communities under 5,000 population. He added that this not a good designation to have. We need to be charging more to maintain our water and sewer systems. Discussion ensued.

Petracek stated that the recommended utility rates increase of 5% for water and 5% for sewer charges for both years of 2020 and 2021 will be reflected in the revised fee schedule the Council will adopt in January.

C. Discuss Notice of Violation Gross Alpha Maximum Contaminant Level

Petracek explained the Notice of Violation we received from the Department of Health on our water test. He stated that this violation is not an emergency; however, we were required to place the public notice that was enclosed in the workshop packet on our website. He added that City staff will be meeting with the Minnesota Department of Health to come up with a plan to alleviate the increased levels of Gross Alpha in our system in the future.

Petracek continued by saying that it was explained to Petracek that public works believes that the reason for the higher levels of Gross alpha in our system was due to where the water sample was taken – at the well house – and the fact that the water had been stagnant for 7 months when they took the sample. This increased level of Gross Alpha has never happened. Discussion ensued.

D. Discuss Proposed Lexington Lofts Development

Councilmember Hughes stated that his objections to the Lexington Lofts development are that he believes the 5th story on the project is too high, and the setbacks of 13’ are too close to the road. Discussion ensued.

Petracek stated that the developer has explained that if they are not allowed the 5th story, they would be asking for some relief on the fees that the City is charging them for the project. Petracek stated he has an idea they will want further adjustment to their water and sewer connection fees, but it is uncertain at this time. Discussion ensued.

Councilmember Harris explained her thoughts on the importance of constructing Lexington Lofts development for the future of Lexington. Harris added that the 5th story “sky lounge” is a unique feature that we need to keep as part of this development. Discussion ensued on Lexington lofts as a 4-story building versus a 5-story building.

Attorney Glaser discussed the ordinance requiring the 4/5ths vote needed to enact a zoning change in Lexington. He added that this is an old, outdated ordinance that is more restrictive than State Statute. He said that the State of Minnesota changed the requirement of having a 4/5th's majority to approve a zoning request back in the early 2000's. He continued by saying

that at the time the Council wasn't interested in changing this rule in the ordinance to comply with State law, and it hasn't been revisited since. Discussion ensued.

The consensus was to have action items on the December 4th Council agenda to approve sending the Lexington Lofts development plans and the ordinance requiring the 4/5's majority vote to approve a zoning request back to the Planning Commission for further discussion with Norhart.

4. Staff Input

No staff input

5. Council Input

No Council Input

6. Adjourn

Councilmember Hughes made motion to adjourn the workshop at 8:13 p.m. Councilmember Devries seconded the motion. Motion carried 4-0.