

August 20, 2018

CITY OF WASHBURN COMMON COUNCIL MEETING

5:30PM Washburn City Hall

Present: City Council Members:

Jeremy Oswald (5:35), John Gary, Jennifer Maziasz, Karen Spears Novachek, Linda Barnes, Mary McGrath, Aaron Austin

Municipal Personnel:

Mayor Richard Avol, City Administrator Scott J. Kluver, Assistant City Administrator Dan Stoltman, City Attorney Max Lindsey

Excused Absence:

Call to Order - Meeting called to order at 5:30PM by Mayor Avol. Roll call attendance depicted six (6) of seven (7) members of the Common Council in attendance. Quorum of the Council recognized.

Approval of Minutes – City Council Meeting of July 9, 2018– A motion was made by McGrath to approve the July 9, 2018– minutes, second by Novachek. Motion carried unanimously.

Approval of Expenditures- A motion was made by Novachek to approve the monthly expenditures, second by McGrath. Motion carried unanimously via roll call vote.

Public Comment - Thomas Neimes, 605 West 4th Street, spoke in favor of changes to the zoning code. He stated that the people in his district do not know who the Council members are and have never met them, and feels Council isn't doing enough to help people know who the Council members are. He spoke in favor of Pearl Beach. Joe Groshek 30650 Sky Rd. spoke against the Pearl Beach project stating he doesn't think it's a compatible use in that location. Heather Stauffer, 29 W. 3rd St., spoke in favor of the Pear Beach project. Donna Kramolis, 320 W. Omaha St, spoke on the value of lake shore property. She stated that she feels the land the city is selling near the lake is underpriced and should be sold for more. Jeff Pipgrass, 403 1st Ave., spoke in favor of Pearl Beach. Jan Stauffer, 526 E. 3rd St., spoke about the current housing stock not selling well in Washburn. She spoke in favor of Pearl Beach. Ruth Amraen 409 W. 7th St. spoke and stated that Washburn needs both industry and residential. Robert Arquette, 301 W. 4th St., spoke in favor of Pearl Beach. Carl Broburg, 915 County HWY C, spoke in favor of Pearl Beach.

Mayoral Announcements, Proclamations, Appointments

Lake Superior By-Way Committee Representatives – The Mayor stated that Dora Kling would like to be reappointed, and Mary Nowakowski would not, and therefore the committee has a vacancy. A motion was made by Novachek to appoint Dora King to the Lake Superior By-Way Committee, second by Barnes. Motion carried unanimously.

The mayor spoke on the upcoming Jackie's Field grand opening event. The Mayor discussed the passing of three prominent community members that had significant impact on the community, Nona DeMars, Ryan Wolfram, and Andy Anderson.

Public Hearing, Discussion, & Action on Resolution 18-009 to Vacate the Unopened Alley in Block 23 of the Original Hillside Addition to Washburn Along with the Portion Adjacent to the Vacated North Fourth Avenue East – James Bodin, Petitioner – Kluver gave an overview. He stated Plan Commission recommended its approval. He stated Mr. Bodin intends to obtain the entire ally, and the other property owner has agreed to sign a deed over to him for their half of the ally. A motion was made by Oswald to open the public meeting, second by Barnes. Motion carried unanimously. No discussion took place. A motion was made by Maziasz to approve Resolution 18-009, second by Novackek. Motion carried unanimously. A motion was made by Barnes to close the public hearing, second by McGrath. Motion carried unanimously.

Discussion & Action on Plan Commission Recommendation to Approve a Conditional Use Permit to Operate a Tourist Rooming House at 505 West 3rd Street – Timothy Hay, Petitioner – A motion

was made by McGrath to approve a conditional use permit to operate a tourist rooming house at 505 West 3rd Street, second by Novachek. A discussion took place on parking. Kluver stated that the Plan Commission determined that there was adequate parking for four spots. Kluver stated that if approved, a county health department permit would be needed, and a new agent would need to be named because the named agent has recently been deceased. Motion carried unanimously.

Discussion & Action on Resolution #18-007 Authorizing the Renewal of a \$50,000 Line of Credit for the Washburn Marina Operations – Kluver gave an overview stating this is routine and required per the management agreement. Maziasz asked if the line of credit has ever been used. Kluver stated it has not. A motion was made by Oswald to approve Resolution #18-007 authorizing the renewal of a \$50,000 line of credit for the Washburn Marina operations, second by Barnes. Motion carried unanimously.

Discussion & Action on Resolution #18-008 Authorizing the Borrowing up to \$750,000 for the Coal Dock Rehabilitation Project – A discussion took place. Kluver stated that due to the amount of similar work going on in the area and new tariffs placed on steel, the city expects the cost to increase, and therefore is asking to borrow more funds than was expected. He stated that the Harbor Commission had anticipated covering the city's portion of the project, but with the project expected to cost more, the city will need contribute as well. He stated that until the bids come in, the city won't know exactly what the costs will be. If the cost is less than is borrowed, the city would return the unused amount. Harbor Commission would be responsible for \$350,000 of the \$750,000 dollar loan. He stated this would result in a tax increase of around 5%. A motion was made by McGrath to approve Resolution #18-008 authorizing the borrowing up to \$750,000 for the coal dock rehabilitation project, second by Novachek. A discussion was had on seeking more grant funding. Kluver stated the city could seek more funds, but feels it is unlikely. A motion was made by Maziasz to open the floor, second by Novachek. Motion carried unanimously. Harbor Commission President Carl Broburg spoke on the grant that was received for the dock. He stated that the remainder of the grant source was for emergencies and a lot has already been used around the state. He stated that the Harbor Commission is looking into more grants for the project. A motion was made by Oswald to close the floor, second by Austin. Motion carried unanimously. Motion carried unanimously.

Discussion & Action on Offer by Pearl Beach Construction, Inc. to Purchase City Lot #48 for the Construction of an Office and Residential Mixed-Use Structure at that Location – Karl Dornburg, Petitioner – Karl Dornburg spoke. He stated that all equipment and material would be kept off site. He stated he estimates five to ten thousand will be paid to the city per year for use of the coal dock. He stated that all work on lot 48 would occur inside the garage. He stated that his building at the tallest point will be 20 – 24 feet. He stated that construction wouldn't begin until 2019. A discussion took place on location. The Mayor stated that the city has looked at all other options, and lot 48 is the only location that works.

Discussion & Action on Offer by American Hotel Association, LLC to Purchase City Lots #47 and #48 for the Construction of Residential Duplexes at that Location – John Carlson, Representing Petitioner – John Carlson spoke. He stated that the condo association is not in favor of Pearl Beach. He stated that indoor boat storage is not permitted on lot 48. He stated the plans of American Hotel Association, LLC, is to first build seasonal cabins on the property they own next to lot 48, then condos on lot 48. He stated that construction wouldn't begin until 2019.

Discussion continued. Kluver stated that alternate locations had been explored for Pearl Beach, however none were found. He stated that he feels the concerns of American Hotel Association, LLC regarding the Pearl Beach project have been resolved. Kluver stated that his recommendation is to accept the offer by Pearl Beach Construction. A discussion took place on the two proposals. More discussion took place on alternate locations for Pearl Beach. Each Council member gave their thoughts on the two proposals. A motion was made by Oswald to accept the Pearl Beach offer to purchase of lot 48 for \$25,000 and contingent on site plan approval, construction timeframe, proof of agreement between Pearl Beach and Mr. Pipgras, second by Novackek. More discussion took place on location for Pearl Beach.

A motion was made by Barnes to open the floor, second by Maziasz. Motion carried unanimously. Robert Arquette spoke in favor of Pearl Beach. Ruth Amraen spoke on city planning. Nick Suminski

spoke in favor of Peal Beach. Oswalds motion carried 5-2 Barnes and McGrath no. A motion was made by Oswald to close the floor, second by Maziasz. Motion carried unanimously

Discussion & Action on Concept to Rename Bayfield Street – Washburn Heritage Association, Petitioner –
This item was withdrawn.

Discussion & Action on Concept for Ordinance Change to Clarify Locations where Residential Chickens are Allowed – A discussion took place on locations. A motion was made McGrath to allow chickens in residential zones only, second by Barnes. Discussion took place on the cottage commercial zone. Motion failed via roll call vote 4-3 Austin, Maziasz, Novachek, Oswald against. Discussion took place. A motion was made by Oswald to allow chickens in the residential and cottage commercial zones, second by Austin. Discussion took place. Motion was not voted on. It was stated to have staff to research the locations and ways to regulate chickens in the zones. A motion was made by Maziasz to table the item, second by McGrath. Motion carried unanimously.

Discussion & Action on Adding A No Fault Water/Sewer Enhancement Endorsement to the City’s Insurance Coverage – An overview was given. A discussion took place. It was stated by staff that this is a goodwill coverage for the community. A motion was made by Oswald to add the no fault water/sewer enhancement endorsement to the city’s insurance coverage, second by Barnes. Motion carried unanimously. It was also stated to inform the public of the coverage in next quarter’s utility bill statement.

Discussion & Action on Concept for Ordinance Change to Provide for an Extension of Premises for Alcohol Licensees During Special Events – An overview was given. It was stated by staff all current laws and ordinances regarding alcohol within a licensed premise would extend to the special event license outside. Staff stated that if Council is open to the concept, a draft ordinance will be presented at the September meeting. Staff recommended that the ordinance include the areas for each special event be defined, the Police Chief signs off on the event, and no cost to the applicant for the license. Council stated that city staff be responsible for the approval of each event. Council directed staff to draft the ordinance to be presented at the September meeting. No motion was had.

Alcohol Licensing Matters

- Bartender License Renewals - #20 -35 through 41- A motion was made by Barnes to approve Bartender License Renewals - #20 -35 through 4, second by Novachek. Motion carried unanimously.

Closed Session Items –Council did not go into closed session.

Adjourn – A motion was made by Barnes to adjourn at 8:44 pm, second by Oswald. Motion carried unanimously.

Dan Stoltman
Assistant City Administrator

FINANCE COMMITTEE MEETING 4:30PM

Committee Member Karen Novackek, Aaron Austin, and Mary McGrath reviewed monthly expenditure vouchers.