

MINUTES OF THE PUBLIC HEARING & REGULAR  
MEETING OF THE ADRIAN CITY COUNCIL  
HELD IN THE COUNCIL CHAMBERS OF CITY HALL  
MONDAY, APRIL 23, 2018

**CALL TO ORDER:** The Regular Meeting was called to order by Mayor Faber at 7:00 P.M.

**ROLL CALL:** Roll call indicated the following present:

Councilmember's: John W. Faber, Joe Hornstein, Ron Lonneman, Dean Von Holtum, and Tracy Kunkel  
Dept. Heads: Administrator/Clerk-Treasurer Bruce A. Heitkamp, Public Works Superintendent Adam Henning, and Police Chief Shawn Langseth  
Staff: Deputy Clerk Rita Boltjes  
Guests – City Auditor Jim Gilman; Conway, Deuth & Schmiesing

**PUBLIC HEARING; Tax Abatement Requests – Commercial and Nobles Home Initiative:**

**Call to Order:** Mayor Faber called the public hearing to order at 7:00 PM

**Hearing Purpose:** The public hearing was required as the following three (3) parties made commercial or residential (Nobles Home Initiative) tax-abatement requests:

- Drenth Enterprises, LLC; commercial health-care building with parking at 201 Maine Avenue, Adrian, MN 56110 (parcels: 21-0055-000 & 21-0056-000)
- SW Design Build, Incorporated; twin-home (Duplex) residential dwelling at 100 Ninth Street East & 102 Ninth Street East, Adrian, MN 56110 – Nobles Home Initiative (NHI) Request (all of parcel 21-0628-100)
- R&T Twin Homes, Partnership; twin-home (Duplex) residential dwelling at 309 Tennessee Avenue & 311 Tennessee Avenue, Adrian, MN 56110 – Nobles Home Initiative (NHI) Request (all of parcel 21-0352-000)

**Public Input:** After acknowledging no input from members of the public, motion by Lonneman, second by Von Holtum, motion carried to close the public input portion of the hearing. RCV 5-yes, 0-no

**Resolutions Approving the Various Tax Abatement Requests:** After brief discussion, motion by Lonneman, second by Von Holtum, motion carried to approve the tax-abatement requests; as described above, and illustrated in the following Resolutions: RCV 5-yes, 0-no

- Resolution #547-2018; Drenth Enterprises, LCC
- Resolution #548-2018; SW Design Build, Incorporated
- Resolution #549-2018; R&T Twin Homes (partnership)

**Adjournment:** Motion by Von Holtum, second by Kunkel, motion carried to adjourn the public hearing at 7:05 PM. RCV 5-yes, 0-no

**2017 AUDIT/FINANCIAL REPORTS:** Gilman presented the City of Adrian's 2017 Audit/Financial Report. The Council was informed that funds were adequately maintained and the financial condition of the City is in good condition. A considerable amount of cash was spent on the Suedkamp Addition in 2017. However, the City's total assets increased (\$15,013,349.00 compared to \$14,945,838.00 in 2016). Liabilities also decreased in 2017 (\$4,666,210.00 compared to \$5,380,201.00 in 2016). Gilman issued an unmodified opinion in regards to the 2017 City of Adrian Audit; which is the highest-allowed rating for a City. At the end of Gilman's presentation, motion by Lonneman, second by Von Holtum, motion carried to approve the 2017 Audit Report, as presented by Gilman. RCV 5-yes, 0-no

**CONSENT AGENDA:** Motion by Kunkel, second by Von Holtum, motion carried to approve the following consent agenda items. RCV 5-yes, 0-no

**FINANCES; Accounts Payable/Pledge Securities:** The above motion carried to approve any transfers as noted on the Monthly Financial Report along with claims paid; check #19535-#19591 and the ACH payables as listed on the City Council Accounts Payable Listing: Total Expenditures: \$60,735.27

**Fire Relief Assn Investments:** Wells Fargo 3/31/18 monthly report

**MINUTES:** The motion, above, also approves/acknowledges receipt of the following minutes/reports:

Approved:

Council	3/26/18
Park	4/9/18
Ambulance	4/2/18
Fire Relief	4/4/18
Fire	4/4/18
Police	3/18
PUC	4/17/18
HRA	4/17/18
Community Development	4/18

**Police; Sixth Street W Traffic-Control Requests:** Von Holtum introduced a letter from a resident regarding traffic concerns on the very west portion of Sixth Street West. The letter explained speed and

merging-traffic issues involving Sixth Street West. After discussion and by consensus, Langseth was directed to offer recommendations regarding additional signs during the next Regular Council Meeting. **Police; Published Report:** Von Holtum offered a compliment regarding the monthly police report published in the Nobles County Review. The report shared Adrian Police Department's monthly activity. **Community Development; Senior Center:** Faber explained that he visited the Senior Center on Friday, April 20, 2018. He requested a vote in regards to a possible Senior Center move from the Slade Apartment basement. The majority vote was to move. Council discussion commenced regarding the possible move (pros and cons) to the EMS Building. After discussion, Faber stated that he'd confer with members of the Legion to see if that building would be a suitable location. The topic will be discussed again during the May 21, 2018 Regular Meeting.

**PERMITS/LICENSES:** The previous motion, which carried to approve finances and minutes, also approves the permit/licenses, as submitted, contingent upon the Public Works Superintendent, Police Chief, and ADA Inspector Boltjes' approval, as necessary, and submission of all pertinent information and documents, as required: Zoning, Moving, Renewal for Optional Liquor; 2:00 a.m., and Request for Use of City Street/Property.

**RELEASE & RELOCATION OF PERPETUAL UTILITY EASEMENTS:** Heitkamp explained a need to release and relocate perpetual utility easements within Suedkamp Addition's Block 2, lots 7-10 (Sales lots #10, #12, #14, & #16). The easements require these adjustments, County recording, and to be illustrated in the abstracts; all prior to sale closings. After discussion and pending City Attorney review, motion by Von Holtum, second by Kunkel, motion carried to release and relocate these easements on the afore-mentioned Suedkamp Addition lots; as illustrated in the Release & Relocation of Perpetual Easements document and the corresponding Exhibit A. RCV 5-yes, 0-no

**400 BLOCK OF INDIANA AVENUE; Church & Resident Only Parking:** At the request of the Zion Lutheran Church, Councilmembers discussed parking on the 400 block of Indiana Avenue (specifically the west-side). After discussion, motion by Von Holtum, second by Lonneman, motion carried to use signs to designate parking on the west side of the 400 block of Indiana Avenue as resident or church-only parking (from the school's parking-lot drive way then south). RCV 4-yes, 1-no (Hornstein the no-vote)

**STAFF HIRING; Collin Nestande, Apprentice Lineman:** By consensus, the Council acknowledged the hiring of Apprentice Lineman Collin Nestande as an Apprentice Lineman.

**WELLHEAD PROTECTION AND COMMERCIAL DEVELOPMENT; Possible State Assistance (Board of Water & Soil Resources "BWSR"):** Heitkamp and Henning explained an opportunity introduced by the Minnesota Rural Water Association's Aaron Meyer. Meyer held recent meetings with BWSR representatives in regards to water protection and municipalities. As a result of those meetings, it's possible the State would offer cost-share for the purchase of "Emergency Response-Area" land within the City's Wellhead Protection Area. Heitkamp is now communicating with land owner Christine Morgenthaler and Meyer to identify the key components of this possible project (cost and acres). The PUC has directed Heitkamp and Henning to investigate possibilities of working with BWSR. By consensus, the Council also directed Heitkamp and Henning to investigate this cost-share opportunity.

**SMALL CITIES DEVELOPMENT PROGRAM (SCDP); Update:** Heitkamp reported that another owner-occupied resident (project #2) is participating in the SCDP. It has also been identified that multi-family dwelling improvements will not be allowed SCDP funding. It was reported earlier that commercial properties also couldn't be improved. Adrian's SCDP funding will close out at the end of 2018. It's possible that more owner-occupied residents will be interested in this program after Langseth distributes nuisance notices.

**201 MAINE AVENUE PROPERTY; Purchase Agreement:** Heitkamp distributed a copy of Drenth Enterprises Purchase Agreement to the Councilmembers. This purchase agreement will now be presented to Drenth Enterprises Lyndon Drenth for approval and pending signatures. A goal of closing this sale during mid-May has been established so construction can commence.

**Assessment Settlement:** Faber explained that outstanding assessments still remained on the 201 Maine Avenue (and 205 Maine Avenue) properties. The agreement with Drenth Enterprises didn't include the transfer of those assessments. Faber suggested the street-paving (Second Street West) and alley-paving assessments be paid by the City's Rental Fund; prior to selling the parcels to Drenth Enterprises, Incorporated. After discussion, motion by Lonneman, second by Von Holtum, motion carried to pay the outstanding assessments on parcel from the City's Rental Fund prior to selling those parcels to Drenth Enterprises, Incorporated. RCV 5-yes, 0-no

**BOARD OF REVIEW (EQUALIZATION); Thursday, May 3, 2018 at 10:30 A.M.:** Faber reminded the Councilmembers of Adrian's Board of Review (Equalization) Meeting on Thursday, May 3, 2018 at 10:30 AM. Faber requested that Councilmembers attend that meeting. Lonneman and Faber are the City's Board-Certified Members. At least one Board-Certified Member and a Council quorum must attend to avoid an "Open Book" proceeding.

**NEXT REGULAR COUNCIL MEETING; Monday, May 21, 2018:** The normal May meeting day (fourth Monday) is Memorial Day this year; a national holiday. Therefore, Faber proclaimed the third Monday of May as the next Regular Meeting date. The Councilmembers acknowledged Monday, May 21, 2018 at 7:00 P.M. as the next Regular Council Meeting date and time.

**ADJOURNMENT:** With no further business appearing, motion by Von Holtum, second by Kunkel, motion carried to adjourn the Regular Meeting at 8:28 P.M. RCV 5-yes, 0-no

/s/ Administrator/Clerk-Treasurer Bruce A. Heitkamp

/s/ Mayor John W. Faber