

Special Meeting

July 22, 2015

7:00 p.m.

With due call and notice thereof, the July 22, 2015 special meeting of the Eden Valley City Council was called to order at 7:00 p.m. in the Civic Center meeting room. Present were Mayor Bengtson, Councilors Sheets, Bradshaw, Thielen and Kern, and Clerk Haag. Also present Police Officer Derrick Bjork, Arnie & Kris Gruenes, Tom Christianson, Jay & Cindy Kuechle, Dennis Marquedant, Glen & Lisa Simons, Doug Ruhland, Helen & Richard Schmitt, Chuck Hesse, and *Voice* reporter Laurie Schultz. Mayor Bengtson presided.

Mayor Bengtson announced the purpose of the special meeting was to provide information on the proposed rental ordinance the City Council is considering adopting and to address any questions those present may have regarding the ordinance. He asked that those speaking come to the podium and identify themselves before stating their questions or concerns. Copies of the proposed ordinance were available.

Helen Schmitt questioned what the fee for the licenses and/or violations would be and how long the property owner would have to correct any violations if they were not in compliance. Arnie Gruenes questioned if surrounding communities have rental ordinances and who would be enforcing the ordinance, including inspections. Chuck Hesse questioned who would be charged for the license in the mobile home court, the lot owner or the mobile home owner, or both. Mayor Bengtson reported the fee structure hadn't been determined yet, and issues of non-compliance were stated in the ordinance, with reasonable time given to correct violations as well as an appeal process for the property owner if they did not agree with a correction order. He explained the Council was considering adoption of the ordinance to protect the health and safety of the public and ensure there are working utilities and that maintenance is up-to-date on properties being offered for rent. Several area cities ordinances were reviewed along with others throughout the State as the Council drafted the proposed ordinance and fees from some of those were reviewed as well. A compliance officer will be contracted for services by the City to enforce the ordinance and fees will be based on the cost of enforcement. One license fee structure that had been discussed was \$100 for one unit, with \$50 per unit additional on multi-unit rental properties, but no decision has been made at this time. The Council will further review the fee structure in the coming months and determine a fee schedule. It was explained licenses for mobile homes rented in the court would be the responsibility of the mobile home owner, not the owner of the mobile home court, unless he is also the owner of the mobile home that is being rented out.

Discussion followed on issues with tenants that do not take care of the property they rent and issues regarding eviction and the Council clarified the City would not get involved in landlord/tenant issues. There were also concerns about conditions of home ownership properties in the City and Mayor Bengtson explained the City would continue to address those through the existing nuisance ordinance, and that they would strive to enforce those in a more aggressive manner than has been done in the past.

Arnie Gruenes expressed concern the license fees would be too high and the City would be taking money out of the pockets of landlords. It was explained fees would be based on cost of enforcement, and would not be used as an additional revenue source for the City. Jay Kuechle

questioned what credentials the Compliance Officer would have, and Mayor Bengtson explained the City would be looking for someone with knowledge and/or experience in the construction industry and plumbing, plus someone able to get along with people and deal with them in a fair manner. Concern an ordinance was being adopted just because of a few problem properties in the City, and yet all landlords were being penalized was expressed by some present. Dennis Marquedant commented he believed it was just another tax for people and questioned why just rental property was being targeted. Councilor Bradshaw explained what the Council was trying to accomplish was pretty clear in the stated purpose of the proposed ordinance. Mayor Bengtson reported the Council was in the process of reviewing all of the ordinances, and if additional regulation of other properties was needed they would be addressing that in the future.

Discussion on the fee structure for licenses and penalties continued, with suggestions the Council consider a tiered structure or sliding scale for penalties and inspections, based on the number of violations or return inspection visits by the Compliance officer when the property is not in compliance. The Council explained as with any fees, there will probably need to be annual review to ensure the fees are covering cost of enforcement. Jay Kuechle requested the landlords be advised of law enforcement calls to the property so they are aware of the possibility of being cited for excessive law enforcement calls before it gets to the point of being cited, and Council agreed.

Doug Ruhland suggested the proposed ordinance was not clear in stating the mobile home court owner would not be required to obtain a license for the lots rented, and Mayor Bengtson reviewed the Definitions section of the proposed ordinance to address those concerns. Doug Ruhland also presented other concerns with the ordinance which included the absence of Subd. 2 in Section 1204.000. Purpose, when Subd. 1 and Subd. 3 were listed. It was explained this was a typographical error that probably occurred during the numerous revisions during drafting of the ordinance from sample ordinances from other cities, and Subd. 3 will be corrected to be numbered as Subd. 2. Doug also questioned Section 1204.150. Penalty, Subd. 1. Suspension or Revocation, and how Item #5 referencing delinquent property taxes, special assessments and/or city utility charges fit in. He did not think it fit under any of the explanations of Purpose of the rental code and he believed leaving it in the ordinance and denying a license based on it would be a taking of property rights by the City. Mayor Bengtson explained the delinquency of utility bills and subsequent certification for tax collection, along with delinquency of payment of taxes and assessments could result in the City unable to collect those charges for up to seven years, and eventually lead to tax forfeiture, all of which affects the general welfare of the people of the City. Clerk Haag also noted the City bases its utility rates on cost of maintenance and operation of the city utilities, and if expected revenues do not come in because of delinquencies, the City is then forced to increase rates throughout the City to subsidize those shortfalls, which would affect the general welfare of the people as well. Ruhland also suggested the Council delay license requirement until 2017.

Questions on when the Council proposes to adopt the ordinance and the fee schedule were raised, and Mayor Bengtson reported it would be on the agenda for the August 5th Council meeting to discuss it further and possibly adopt, with a potential effective date of January 2016. It was suggested when the proposed fee schedule is prepared it be mailed out to all property owners, as was the notice of the informational meeting, and that will be done. Doug Ruhland noted as a landlord he is not worried about his building, but cautioned the Council they will have problems with enforcement, are getting into regulating business and will be spending

money to enforce it. He also requested his comments become part of the official record of the meeting and provided a written letter as documentation of his comments.

As there was no further business, the meeting was adjourned on a motion by Thielen, seconded by Bengtson.

Attest:

Mona Haag, Clerk/Treasurer

Brent Bengtson, Mayor