

**SAUK CENTRE CITY COUNCIL  
REGULAR MEETING  
WEDNESDAY, MARCH 20, 2013**

**1. CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE**

The Sauk Centre City Council met in a Regular Meeting on Wednesday, March 20, 2013 at 6:30 p.m. in the City Hall Council Chambers pursuant to due notice being given thereof. Present were Council Members Keith Johnson, Warren Stone, Mike Olson, Dave Thomas and Mayor Kirckof. Also present were City Administrator Vicki Willer, City Planner Sarah Morton, Police Chief Bryon Friedrichs and Administrative Assistant Nicki Vogt. Mayor Kirckof presided thereat.

**2. APPROVAL OF AGENDA**

A motion was made by Council Member Johnson and was seconded by Council Member Thomas to approve the agenda with the addition of 8b Strategic Planning Follow-Up Meeting and 9b Resolution Supporting Grant Application. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone, Olson and Mayor Kirckof. Against: None. The motion passed.

**3. APPROVAL OF MINUTES**

The March 5, 2013 Regular Meeting Minutes were approved as presented.

**4. PUBLIC OPEN FORUM (Comments Limited to 3 Minutes)**

Al Coenen – 427 Pendergast Street. Mr. Coenen was present to discuss the proposed Pendergast Street improvements (7d). Mr. Coenen reviewed the Assessment Policy with the Council and stated that at the prior public hearing, 7 out of the 12 parcels were opposed to the improvements and 2 additional were opposed if the project was assessed 100%. He then asked that when the Council goes to a vote on 7d, Council Member Stone abstain due to conflict of interest.

**5. PUBLIC HEARINGS**

None.

**6. REPORTS/PRESENTATIONS**

- a. Police Chief Friedrichs reported that in February 2013 there were 272 ICRs and 252 Verbal Warnings for a total of 524.
- b. The Park Board met for their regular meeting on Tuesday, March 12<sup>th</sup> and discussed the following:
  - Received a report from the Splash Pad Committee.
  - Heard proposal from Stantec to provide consulting services for the Splash Pad project.
  - Discussed renovation of softball field at Towerview Park to a baseball field.
  - Recommend to the City Council to purchase a parcel for a sledding hill.
  - Approved an application for ECM Publishers Grant for volleyball nets for the Jaycee Park.

- Discussed signage on the trail system to direct travelers downtown and to the Park.
- Discussed Master Park Plan updates.
- Heard that the application deadline for the Campground Attendant position is March 15.
- Reviewed unaudited financial statements for the Civic Arena.
- Reviewed the arena events calendar.

Olson stated that he feels the Master Park Plan should coincide with the City’s Strategic Plan.

c. The Airport Commission met on Wednesday, March 13 and discussed the following:

- Discussed ice buildup along fronts of hangar door which damages door seals.
- Reviewed and declined an option to purchase of property adjoining the airport.
- Tabled Pavement Rehabilitation Design Grant Application.
- Approved purchase of fueling ladder.
- Discussed future replacement of courtesy car.
- Discussing planning for a Fly-In/Drive-In for Sinclair Lewis Days for Sunday, July 14<sup>th</sup> from 9-1.

**7. ACTION ITEMS**

a. Nominations for the HRA are as follows:

- 1 position to be appointed for a 5 year term. The term of Don Leonard expires on March 31, 2013. Don Leonard has submitted a nomination.
- 1 position to be appointed for the remaining 2 year term left by Mary Lou Schaefer, which expires on March 31, 2015. Diane Schmiesing submitted a nomination.

A motion was made by Council Member Johnson and was seconded by Council Member Stone to appoint Don Leonard to the position on the HRA Board for a five year term, effective April 1, 2013 and ending March 31, 2018 and to appoint Diane Schmiesing to the HRA Board for the remaining term left by Mary Lou Schaefer effective April 1, 2013 and expiring march 31, 2015. A vote being recorded as follows: For: Council Members Johnson, Stone, Olson, Thomas and Mayor Kirckof. Against: None. The motion passed.

b. Sauk Centre Chamber of Commerce has submitted request for approval of the use of the Sauk Centre Civic Arena Parking Lot on April 27, 2013 from 9:00 a.m. to 1:00 p.m. for a “Big Rig Show”. The show would include various large trucks and equipment for families to learn about. Ie: Fire Truck, Semi, Garbage Truck etc.

The Chamber has also requested uses of various City parking lots, parks, and streets for Sinclair Lewis Days, as follows:

1. Fly In Breakfast – Sauk Centre Airport – Sunday, July 14 – 8:00 a.m. – 2:00 p.m.

2. Lunch at City Hall – Monday, July 15 – 10:00 a.m. – 1:30 p.m.
3. Turtle Races/Wacky Water Night– SL Park Parking Lot – Tuesday, July 16 – 5:00 p.m. to 8:00 p.m.
4. Kiddie/Pet Parade/Concert – Close Park Road & Use of SL Park – Wed., July 17 – 6:00 p.m. to 9:00 p.m.
5. Fireworks/Music – Close Park Road & Use of SL Park & Fireworks Permit - Fri., July 19 – 8:00 p.m. to dusk
6. Crazy Days – Use of Downtown Sidewalks for Crazy Days Sale, Sat. July 20
7. Craft Fair/Family Fun Festival – Close Park Rd & Use of SL Park – Sat., July 20, 7:30 a.m. to 4 p.m.
8. Approval of Parade Road – State – 9<sup>th</sup> - Ash – 6<sup>th</sup> – Main – 10<sup>th</sup> - Sat, July 20, 7:00 p.m.
9. Twin Cities River Rats Water Ski Show – SL Park – Sunday, July 21, Noon – 3:00 p.m.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve the uses as requested, including road closures and the parade route. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Olson and Mayor Kirckof. Against: None. The motion passed.

- c. The Splash Pad Committee, working as an ad hoc Committee of the Park Board, has requested that the City consider utilizing the services of the City Engineer to assist with furthering the planning for the proposed Sauk Centre Splash Pad. Following a presentation to the Park Board by representatives of Stantec and receiving a written proposal, the Park Board is requesting that the City Council allocate fund to secure Stantec’s services to develop the “Multi-Purpose Park Master Plan”.

The Splash Pad Committee has completed the legwork for the proposed project, including the following:

- Usage/need sampling
- Location analyses
- Cost modeling
- Layout review
- Funding Source review
- Community benefit
- Potential grant review

The Committee now feels that they are at the point where it should be reviewed by the Engineer for issues such as providing for the future layout of the entire Multi-Purpose Park area as well as issues directly relating to the pad, including water, wastewater, elevations, design, mechanical issues, parking, budgeting, etc.

Stantec has presented to the Park Board a proposal to assist with these services and to bring the proposal to a level where the public has had the opportunity for input as well as

have the plan finalized to the point where the City Council can make a decision on whether to proceed and where fundraising can begin in earnest for the project.

The cost of services is proposed to be \$8,200.

Stantec Representative Kate Lamers stated that they would look at the park as a whole and would be especially careful so that the improvements to the park would not affect homeowners in that area. She stated that she feels that a Master Plan for this park would be a good way to get community involvement.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve the Scope of Services Contract with Stantec at a cost of \$8,200. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Mayor Kirckof. Against: Council Member Olson. The motion passed.

- d. At the last City Council meeting, the Council asked that the determination on whether to proceed with the Improvement Project for Pendergast Street be brought before the entire Council rather than going back to Committee.

The City Council held a Public Hearing on the Proposed Improvement of Pendergast Street by paving, curb and gutter, and storm water, along with several new service hookups. The proposal was before the City Council as a result of a Petition for Improvement.

The Council did not make a decision following the Public Hearing which was held in November. The City has six months from the date of the Public Hearing to order the improvement. No action will result in the project not moving forward without a new public hearing.

Issues surrounding the project include:

- Most of the street is currently gravel which is the petitioned area.
- The first two residences on the street are paved as a result of a 1992 project where Sinclair Lewis Avenue was paved going up Hoboken Hill. At that time the assessment policy required an 80/20 split on the assessments. Current policy is 50/50 if a reconstruct. 100% if new.
- All the property on one side is owned by one property owner and was platted in 2007 with a Developer Agreement which states the Owner will pay for 100% of the costs attributable to the property when developed. This was agreed as an alternative to the Developer putting in the infrastructure at the time of development. This project as a result could have properties on opposite sides of the street paying different percentages of the improvement.
- The owners who petitioned the improvement have stated that if the project is 100% assessed that they would not want the project to move forward.
- Pendergast Street is listed as a gravel road slated to be improved along with other gravel roads in the future. Currently this is on the 2015 CIP.

- The City would need to acquire property for storm water where the rights of way of Beltline Road and Pendergast meet. The County is looking to repave Beltline in 2014. It might be possible to resolve storm water issues with the County at that time.
- The Engineer's Estimate for the improvement is \$176,761.63
- At 100% Assessment the costs are:

Assessed Cost	158,838.94
City Cost	0.00
PUC Cost	<u>17,922.67</u>
Total Cost	<u><u>176,761.61</u></u>

- At 50% Assessment for the Street/Curb & Gutter

Assessed Cost	120,777.33
City Cost	38,061.61
PUC Cost	<u>17,922.67</u>
Total Cost	<u><u>176,761.61</u></u>

A motion was made by Council Member Stone to approve Resolution No. 2013-15 Ordering Improvement. The motion failed due to lack of a second.

A motion was made by Council Member Thomas and was seconded by Council Member Stone to place this project on the 2014 CIP. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson, Olson and Mayor Kirckof. Against: None. The motion passed.

- e. The current Capital Assets Policy for the City outlines how capital assets are received and depreciated.

According to the Policy Capital Assets are depreciated on the straight line method meaning in equal installments. One issue with our current policy is that it does not give the flexibility to depreciate partial years in the year of acquisition or disposal. The Policy also does not anticipate transferring assets in such as is being done with the Hospital Fund where the assets were acquired at varying times during the year. With the change to the policy below all assets will be transferred in as of January 1 and will have full years of depreciation allocated to it.

It is recommended that the Policy be amended to add the underlined statement:

*For financial statement purposes, the straight-line method will be used to calculate depreciation for each capital asset recorded. Under the straight-line depreciation method, the basis of the asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year except in the year of acquisition or disposal. In general, the amount of annual depreciation is determined by dividing an asset's depreciable cost by its estimated life. The total amount depreciated can never exceed the asset's historic cost less salvage value. At the end of the asset's estimated life, the salvage value will remain.*

For assets that are transferred in the remaining useful life of the asset will be rounded up to the nearest whole year for depreciation purposes.

By adding the underlined statement depreciation can be taken for a partial year according to the number of months the asset was owned.

A motion was made by Council Member Olson and was seconded by Council Member Thomas to amend the Capital Assets Policy to allow for partial year depreciation in the year of acquisition or disposal. A vote being recorded as follows: For: Council Members Olson, Thomas, Johnson, Stone and Mayor Kirckof. Against: None. The motion passed.

- f. Staff has been researching options of the reinvestment of several CDs that the City currently has that are renewing at this time.

One option for laddering the investments and for gaining additional interest is to place the CDs directly with Multi Bank Securities who is a “wholesaler” of CDs. This would be where a bank might go to get a CD for resale to a customer.

Staff requested that Multi Bank Securities be listed as a designated depository, which would give the Finance Committee additional flexibility in making investment options.

Council Member Johnson introduced Resolution No. 2013-16, Resolution Designating Depository. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone, Olson and Mayor Kirckof. Against: None. The motion passed.

- g. Due to new Accounting rules imposed by GASB 54 in 2011, the City adopted a Fund Balance Policy outlining how funds within the City are designated.

One of the types of Funds are Committed Funds which is the portion of the Fund Balance that has restraints on its spending the City imposed on itself such as in a Special Revenue Fund.

The City Auditor recommended that an amendment to the existing Fund Balance Policy be adopted to add language as underlined bellow.

*Committed Fund Balance is the portion of the spendable fund balance that reflects constraints the City has imposed upon itself by a formal action of the City Council. This constraint must be imposed prior to year end but the amount can be determined at a later date. The fund balance of all Special Revenue Funds is deemed committed at year end.*

In addition to the above amendment two prior designations of Assigned Fund Balance are recommended to be changed to Committed Fund Balance.

- d. *At the end of each fiscal year, the City will report “~~Assigned~~ Committed Fund Balance” for Capital Goods Replacement according to the Capital Improvement Plan.*
- e. *At the end of each fiscal year, the City will maintain an “~~Assigned~~ Committed Fund Balance” for cash flow for the Special Revenue Funds in a range equal to 20 – 40% of the subsequent year’s budgeted revenues.*

A motion was made by Council Member Stone and was seconded by Council Member Johnson to amend the Fund Balance Policy designating the fund balance of Special Revenue Funds as committed at year end and designating CIP Plan Funds as committed and changing prior language referring to cash flow from assigned to committed. A vote being recorded as follows: For: Council Members Stone, Johnson, Thomas, Olson and Mayor Kirckof. Against: None. The motion passed.

**8. UNFINISHED BUSINESS**

- a. The Fire Department has been researching different pumps and tanks that can be installed in the ATV recently purchased for use at grass fires, etc.

The unit anticipated to be purchased is a poly tank on a skid with a pump and hose reel that will slide into the Polaris Ranger for use fighting grass fires in the summer.

Three quotes were received with one quote not meeting the specifications (Metro Fire did not include the reel). Of the remaining two quotes, Polycraft of Alexandria was the low quote at \$6,000.00. The funds were previously donated to the City by the Sauk Centre Fire Relief Association.

Metro Fire, Mpls., MN	\$6,100.00
Fire Safety USA, Rochester, MN	\$6,900.00
<b>Polycraft, Alexandria, MN</b>	<b>\$6,000.00</b>

A motion was made by Council Member Johnson and was seconded by Council Member Thomas to approve the purchase of the pump from Polycraft of Alexandria at a cost of \$6,000. A vote being recorded as follows: For; Council Members Johnson, Thomas, Stone, Olson and Mayor Kirckof. Against: None. The motion passed.

- b. It was the general consent of the Council to schedule the Strategic Planning Follow-Up Meeting for May 29<sup>th</sup> at 5:00 p.m.

**9. NEW BUSINESS**

- a. Pam Borgmann was present and requested financial support from the Council to purchase flowers for the flower baskets. She also requested that City Staff water the flower baskets Monday through Friday.

By general consent, action on this item was table until further clarification was received regarding funding sources, staff availability, etc.

- b. The Splash Pad Committee has identified several Grant Application Opportunities for the City for the potential Splash Pad.

One grant, the DNR Trails Grant, provides funding for providing access to amenities from a Regional Trail System. The Committee is recommending that the City apply for the grant to cover costs for a paved trail from the existing trail and restrooms at the proposed facility.

The grant would cover 75% of the cost. Maximum grant award could be up to \$150,000.

The grant application does request a resolution of support from the City. Although it may seem premature, grant funding is cyclical and oftentimes the timing doesn't mesh perfectly. The deadline for this application is March 29; therefore the Committee requests the City Council pass a Resolution Supporting the Application.

Council Member Johnson introduced Resolution No. 2013-17, Supporting Grant Application. The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council Members Johnson, Stone, Olson, Thomas and Mayor Kirckof. Against: None. The motion passed.

**10. CONSENT AGENDA**

The Council considered the following Consent Agenda Items:

- a. Schedule of Claims - Unpaid Claims \$86,977.91  
     Paid Claims \$2,960.82  
     Total \$89,938.73
- b. February Checks #1786E-1810E \$568,802.09  
     #033616-#033719  
     3 Payroll ACH
- c. Gambling Application for Exempt Permit Request from Sauk Centre Chamber of Commerce for a raffle on July 21, 2013 at Sinclair Lewis Park.



- d. Gambling Application for Exempt Permit Request from St. Paul Catholic United Financial #108 for a raffle on September 15, 2013 at Holy Family School Cafeteria.
- e. The Palmer House is requesting a Temporary Off Premise Liquor Permit to utilize their On-Sale Liquor Licenses at Ladies Night Out at the Civic Arena on April 25, 2013.

A motion was made by Council Member Thomas and was seconded by Council Member Johnson to approve the Consent Agenda as presented. A vote being recorded as follows: For: Council Members Thomas, Johnson, Olson, Stone and Mayor Kirckof. Against: None. The motion passed.

### **11. INFORMATIONAL ITEMS**

- a. The City received a “Notice of Compliance” regarding the State Pay Equity Act.

Due to turnover at the State, this report was delayed and is for 2012, which reported wages as of December 31, 2011. (Hospital Employees and City Employees combined).

The City reports every five years so would not have to report until 2017, but due to the removal of the Hospital employees from the formula, the City will have to re-submit sooner.

Notice has been sent to the State, but a request for the report has not yet been received.

### **12. ADJOURNMENT**

A motion was made by Council Member Thomas and was seconded by Council Member Johnson to adjourn the meeting. A vote being recorded as follows: For: Council Members Thomas, Johnson, Stone, Olson and Mayor Kirckof. Against: None. The motion passed.

With no further business to come before the Council, Mayor Kirckof adjourned the meeting at 8:10 p.m.

Respectfully submitted,

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Mayor Brad Kirckof

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City Administrator Vicki Willer