

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, APRIL 4, 2018**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, April 4, 2018 at 6:30 p.m. in the City Hall Council Chambers pursuant to due notice being given thereof. Present were Council Members Diane Kelly, Heidi Leach, Keith Johnson and Mayor Warren Stone. Also present was City Administrator Vicki Willer, Police Chief Bryon Friedrichs, City Planner Sarah Morton and City Engineer Chuck Boser. Mayor Stone presided thereat.

2. APPROVAL OF AGENDA

A motion was made by Council Member Leach and was seconded by Council Member Kelly to approve the agenda, as presented. A vote being recorded as follows: For: Council Members Leach, Kelly, Johnson and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

3. APPROVAL OF MINUTES

A motion was made by Council Member Leach and was seconded by Council Member Kelly to approve the March 21, 2018 Regular Meeting Minutes. A vote being recorded as follows: For: Council Members Leach, Kelly, Johnson and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

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

Dave Marthaler, 538 Elm St. N., Sauk Centre. Mr. Marthaler questioned if/when a Public Information Meeting would be held. Mayor Stone stated that the Public will be informed the date/time of the meeting.

Mr. Marthaler asked the Council to reconsider this project as he is convinced that improvements are not needed in his residential area.

5. PUBLIC HEARINGS

a. Creation of TIF District 1-12.

Mayor Stone opened the Public Hearing and read the Public Hearing procedure. This Public Hearing is regarding the modification of Development District No. 1 and the creation of TIF District 1-12 (Felling District).

The purpose of the creation of the District is to allow for the utilization of TIF funds generated by the creation of new tax base in the new District for development costs. The purpose of this District is to create jobs and additional tax base.

Tammy Omdahl of Northland Securities is the Consultant for the project and reviewed the following:

- Tax Increment Financing Districts allows the City to capture the increase in local property taxes (City, County, School) for a period of up to 9 years.
- The City has used TIF districts in the past.
- The approximate total tax increment generated over 9 years is \$517,000. The actual amount will depend upon the final evaluation after the improvement are complete.
- The improvements are estimated to be a 20,000 square foot commercial office building to support manufacturing purposes, which fits the criteria of an economic development district.
- The estimated assistance to the property owner may not exceed \$361,000.
- Earliest date for reimbursements are estimated to be 2020.

A draft TIF plan was provided to the Council for their review. A full plan is available for review by the Public, upon request.

Mayor Stone called for persons to speak in favor/opposition.

Brenda Jennissen, President/CEO Felling Trailers. Brenda re-iterated the need for this expansion. She stated their plan is to build a new office complex as they have outgrown their current facility. This TIF District would allow them to build a commercial headquarters built for growth purposes.

Mayor Stone called for additional persons to speak in favor/opposition. None spoke. See 7 a & b.

b. Vacation of Utility Easement

An application was received from Paul Winters on behalf of Bruce Welle and Corey Nathe for the vacation of utility easements on the property lines common to their properties (Lots 4, 5, 6 of Block 4, East River Heights). A copy of the Certificate of Survey showing the easements to be vacated was presented to the Council for their review.

The purpose of this proposal is to allow for a subdivision of Lot 5 with half deeded for combination with Lot 4 and the other half with Lot 6 under a separate proposal. Removal of the easements will allow for construction on the lots.

The easements along the front and back property lines will remain.

Mayor Stone called for persons to speak in favor or opposition. Mayor Stone closed the Public Hearing.

See 7c.

6. REPORTS/PRESENTATIONS

a. The EDA met Wednesday, April 4th and discussed the following:

- Recommended Council approve creation of TIF District 1-12.

- Discussed terms for Business Subsidy Agreement.
 - A business came to the EDA requesting assistance to bridge the funding gap to come to Sauk Centre.
- b. The Operations Committee met on Tuesday, March 27th and discussed the following:
- 2018 Ambulance Purchase
 - Purchase of LifePak for Ambulance Department
 - Concrete floor in cold storage building – See 7g
 - TC 45 Tractor replacement – the Committee recommended solicitation of quotes
 - 2018 general fund maintenance projects was reviewed and the Committee recommended solicitation of quotes
 - Committee recommendation of paving the campground loop and extension road

7. ACTION ITEMS

- a. See 5a.

This action is to approve the creation of the new TIF District 1-12, Modifying Development District No. 1, Approving Modification of the Development Program and Establishing Tax Increment District 1-12.

Approval of this Resolution will create the framework that the new proposed Business Subsidy Agreement will work within.

A separate Agreement establishing the actual distribution of tax increment to the developer via a Development/Business Subsidy Agreement will come before the City Council at a subsequent meeting. That Agreement will allow for the distribution of a percentage of the captured increment to the Developer as reimbursement for development costs.

Council Member Johnson introduced Resolution No. 2018-20, Resolution Approving Modification of Development District No. 1, Approving the Modification of Development Program Therefore, Establishing Tax Increment Financing District No. 1-12 and approving the Tax Increment Financing Plan Therefore. The motion was seconded by Council Member Kelly. A vote being recorded as follows: For: Council Members Johnson, Kelly, Leach and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

- b. See 5a and 7a.

Administrative costs have been and will be incurred for the creation of TIF District 1-12. This will result in a deficit in the new TIF Fund that will be created. Resolution No. 2018-21 provides the EDA Operating Fund (226) advances funds to the new TIF Fund to cover these costs, which are then repaid to the EDA Operating Fund through the tax increment collected. The amount of the loan is up to \$7,500.

Council Member Kelly introduced Resolution No. 2018-21 Authorizing Interfund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District 1-12. The motion was seconded by Council Member Leach. A vote being recorded as follows: For: Council Members Kelly, Leach, Johnson and Mayor Stone. Against: None. Absent: Council Member Johnson. The motion passed.

- c. See 5b.

This action is subsequent to the Public Hearing to vacate the utility easements along the property lines common to Lots 4 & 5 and 5 & 6, Block 4, East River Heights.

Council Member Leach introduced Resolution No. 2018-22, Resolution Vacating Utility Easements. The motion was seconded by Council Member Kelly. A vote being recorded as follows: For: Council Members Leach, Kelly, Johnson and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

The vacation will be recorded upon the property and the easements will become a permanent part of the record.

- d. This request is related to the previous vacation of utility easement. See 5b and 7c.

Application has been received from Paul Winters, on behalf of Bruce Welle, for the minor subdivision (lot split) of Lot 5, Block 4, East River Heights. The property is a vacant lot located at 424 East River Blvd.

Each half of the subdivided lot will be then attached to the neighboring lot as shown on the Certificate of Survey, thus converting three lots into two.

A Certificate of Survey was provided and all property pins have been located or set.

The property is zoned R-1 and meets all zoning criteria.

The intent of the split is to allow the construction of a new home.

Council Member Johnson introduced Resolution No. 2018-23, Resolution Approving a Minor Subdivision (Lot Split) for Bruce M. Welle Trust. The motion was seconded by Council Member Leach. A vote being recorded as follows: For: Council Members Johnson, Leach, Kelly and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

- e. The Public Utilities Commission term of Michael Bick expired December 31, 2017. Jeff Bromenshenkel submitted a nomination.

A motion was made by Council Member Leach and was seconded by Council Member Johnson to appoint Jeff Bromenshenkel to the Public Utilities Commission for a three year term, effective April 4, 2018 and expiring December 31, 2020. A vote being recorded as

follows: For: Council Members Leach, Johnson, Kelly and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

f. The Easement Agreement presented to the Council is the agreed upon terms with Centre Graphics for the location of storm water ponds on the Centre Graphics property:

- Centre Graphics Authorizes Easement for the two pond locations
- Centre Graphics Shall Construct the Plans According to Minimum Size Requirements
- City has rights to construct ponds if not completed according to timeline
- Centre Graphics will Maintain the Ponds
- City has rights to Maintain Ponds if necessary
- Centre Graphics Agrees to Assessment and Deferred Assessment

The impact to the project as a result of this Agreement is as follows:

1. Overall cost of project to the City has been reduced.
2. Stormwater Outflow to the Lake has been reduced.
3. Overall reduction in phosphorus and sediment deposits into Sauk Lake.
4. City qualifies for “green” funding due to ponds/storm structures.

A motion was made by Council Member Kelly and was seconded by council Member Leach to authorize the execution of Easement Agreement. A vote being recorded as follows: For: Council Members Kelly, Leach, Johnson and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

g. At the Council meeting on March 21, 2018, the City Council referred the proposal to install concrete in the Cold Storage Garage at the Street Department to the Operations Committee to review the specifications for the project.

The Operations Committee reviewed the specifications, with details as follows:

- 72’ X 84’ (6,048 sf) slab with concrete formed floor drains (less 15’X15’ corner)
- 12’ X 90’ (1,080 sf) concrete apron
- Concrete will be #4,500 psi poured 6” thick.
- ½ rebar will be installed 2’ on center and chaired up for proper placing.
- Ground will be laser graded for accuracy.
- Fill will be packed to meet compaction standards.
- Concrete will be laser graded
- Concrete to be sprayed with cure and seal for correct curing process.
- Control cuts will be cut in the day following the pour.

The two quotes received are:

A.H. Concrete	\$28,500
Schmeeze Concrete	\$39,500

The Operations Committee recommends that the quote from A.H. Concrete be accepted.

Council Member Johnson introduced Resolution No. 2018-24, Resolution Accepting Quote for Concrete for Storage Garage Floor. The motion was seconded by Council Member Kelly. A vote being recorded as follows: For: Council Members Johnson, Kelly, Leach and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

- h. The proposed parade for the Cinco De Mayo festival is as follows:

- Fairgrounds State Rd. entrance north on State and 9th to Ash.
 - North on Ash to 6th.
 - West on 6th to Birch.
 - South on Birch to 9th.
 - East on 9th to Ash
 - South on Ash to Ash St. Fairground's entrance.

The parade will be held at 12:00 p.m. on Saturday, May 5, 2018.

The route was reviewed by the Chief of Police and he is recommending approval.

A motion was made by Council Member Johnson and was seconded by Council Member Leach to approve the parade route and road closures for Cinco De Mayo Parade on May 5, 2018. A vote being recorded as follows: For: Council Members Johnson, Leach, Kelly and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

- i. The Police Department has offered for sale a forfeited vehicle (2001 BMW Sedan) through the State of Minnesota online bidding process. The high bidder is as follows:

Jason Auto Sales	BMW Sedan	\$2,075
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Council Member Kelly introduced Resolution No. 2018-25, Resolution Authorizing Sale of Excess Vehicle. The motion was seconded by Council Member Leach. A vote being recorded as follows: For: Council Members Kelly, Leach, Johnson and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

- j. The Park Board met with representatives from the Sauk Centre Youth Baseball Association regarding their utilization of the Jaycee Park Shelter and Concession Stands.

The Association, though increased usage, is requesting that the City allow them exclusive use of the concession area so they may keep their product and a cooler secured.

The Park Board felt that as long as they provide outlets along the side wall of the concession stand for use by others, and the lease covers the costs of increased electric usage as a result of having the cooler plugged in, that it would be acceptable at an annual rate of \$250.00.

A motion was made by Council Member Kelly and was seconded by Council Member Leach to authorize execution of the Jaycee Park Lease Agreement with the Sauk Centre

Youth Baseball Association. A vote being recorded as follows: For: Council Members Kelly, Leach, Johnson and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

- k. As part of the ongoing CIP program, the City's New Holland TC45 tractor is up for replacement. The tractor has been needing repairs and is undersized for some of the tasks required of it, including utilizing the City's LandPride mower. The City purchased the tractor in 2002.

The Operations Committee reviewed proposed specifications for replacement of the tractor and recommend that the City continue utilizing a compact utility tractor to keep the size small enough for tight areas, yet upgrade the PTO horsepower to use the LandPride mower. The Committee made the following recommendations:

Compact Utility Tractor/w cab
Minimum 50 hp pto
Block Heater
3rd Rear SCV (for attaching hydraulics)

Staff will reach out to vendors locally and through the State bidding process.

Council Member Johnson introduced Resolution No. 2018-26, Resolution Seeking Quotes for Compact Utility Tractor. The motion was seconded by Council Member Kelly. A vote being recorded as follows: For: Council Members Johnson, Kelly, Leach and Mayor Stone. Against: None. Absent: Council Member Johnson. The motion passed.

- l. As part of the City's annual budget, funds are allocated for street department related expenses, including mill and overlays, sealcoating, crack filling and parking lot maintenance.

In 2017, the City completed the State Road/9th Street project and crack filled streets from prior projects.

The Operations Committee reviewed various projects on the City's five-year Capital Improvement Plan and recommend the following projects:

1. Sealcoating (Granite Chip w/fog coat) (With County or bid independently)
 - City Hall Parking Lot
 - SLA/Oak Street Parking Lot
 - Oak Street Parking Lot (across from City Hall)
 - 2012/2013 (Getty/4th Project)
 - 2009 M&O Project (N Lakeshore Dr)
 - 2010/2011 M&O Project (1st St. S/Pine/Birch) behind PUC
 - 2013 M&O Project (High/Prospect/Center)

2. Yard Area at Street Dept.

- Correct drainage/pave around fronts of old shop and tie into the new shop area (approx. 30,000 sf)

Other areas for consideration for mill and overlay:

- 4th St. N. from T.H. 71 to Heritage Lane
- Lake Street/Elm
- 2nd St. S. from T.H. 71 to Birch and Birch from 2nd to SLA

Council Member Johnson introduced Resolution No. 2018-27, Resolution Seeking Quotes for 2018 Sealcoating and Paving Projects. The motion was seconded by Council Member Leach. A vote being recorded as follows: For: Council Members Johnson, Leach, Kelly and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

- m. The City has a lease agreement with Charter Communications for the use of a plot of land on 1st Street N. for a communications building (located across from Outdoor rink). The lease renews every five years.

Charter has presented a lease renewal for the Council's consideration.

A motion was made by Council Member Kelly and was seconded by Council Member Leach to approve the amended Lease Agreement with Charter Communications. A vote being recorded as follows: For: Council Members Kelly, Leach, Johnson and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

- n. In 2017 and 2018 the Minnesota State Legislature introduced multiple bills that will limit local government decision making authority.

The League of MN Cities is requesting that Cities pass a Resolution that the Council supports local decision-making authority and opposes legislation that removes the ability for local elected officials to respond to the needs of their businesses and constituents

A listing of the bills that would have a limiting effect on local control was presented to the Council for their review.

Council Member Leach introduced Resolution No. 2018-28, Resolution Supporting Local Decision Making Authority. The motion was seconded by Mayor Stone. A vote being recorded as follows: For: Council Member Leach, Mayor Stone, Council Members Kelly and Johnson. Against: None. Absent: Council Member Thomas. The motion passed.

- o. At the Airport Board meeting on March 14, 2018, the Board reviewed the Plans for the Entrance Road Paving Project. The Plans have been finalized and were presented for review and approval.

The estimated total cost of the project is \$180,000 with a local share of 5% or \$9,000.

Council Member Leach introduced Resolution No. 2018-29, Resolution Approving Plans and Specifications for the Airport Entrance Road Paving Project and Authorizing Bids. The motion was seconded by Council Member Johnson. A vote being recorded as follows: For: Council Members Leach, Johnson, Kelly and Mayor Stone. Against: None. Absent: Council Member Thomas. The motion passed.

8. UNFINISHED BUSINESS

None.

9. NEW BUSINESS

- a. In 2016, the City Council placed on the ballot at the General Election a question to the public that, if approved, would authorize the City to implement a local option sales tax of ½% on sales of taxable goods within the City limits.

Those funds would be used by the City to support infrastructure needs. The primary focus would be to generate funds to pay the City’s portion or the cost for the reconstruction of T.H. 71 currently expected to occur in 2024. The City’s portion to include municipal water/municipal sewer/storm sewer/street outside the center 24’/parking areas/sidewalks/street lights etc.

The question failed by 150 votes.

Staff recommended that the City Council consider the placement of the question on the General Election Ballot for 2018 in November.

It was the general consent of the Council to move forward. A formal Resolution will come before the Council at a later date.

10. CONSENT AGENDA

The Council considered the following Consent Agenda Items:

a.	Schedule of Claims	Unpaid Claims	\$64,063.40
		Paid Claims	<u>\$10.00</u>
		Total	<u>\$46,073.40</u>

- b. Resolution No. 2018-30, Resolution Accepting Contributions. The contributions were as follows:

Men’s Card Playing Group	\$212.00	Senior Center
American Legion Post No. 67	\$150.00	Police
Jerome & Janice Rapp	\$20.00	Senior Center

- c. Sauk Centre American Legion Post. No. 67 submitted an application and permit for a one day Temporary On-Sale Liquor License for a Cinco De Mayo event at the Stearns County Fairgrounds on May 5, 2018. The Fee and Certificate of Insurance will be provided.

- d. Jose A. Vargas Garibay, DBA El Fogon, is requesting a Temporary Off Premise Liquor Permit to utilize their on-sale liquor license at the Cinco De Mayo festival at the Stearns County Fairgrounds on May 5, 2018.

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

The Council thanked the Men’s Card Playing Group, American Legion Post #67 and Jerome and Janice Rapp for their donations.

11. INFORMATIONAL ITEMS

- a. Tree City USA/Arbor Day Proclamation
- b. Arena Events:
 - April 7-8, 2018 Gun Show
 - April 24, 2018 Circus
 - April 26, 2018 Ladies Night Out
- c. Local Board of Review and Equalization – Monday, April 16, 2017 at 1:00 p.m. in the City Hall Council Chambers.
- d. Spring Cleanup and Recycling Day – May 25, 2018 from 8:00-12:00 p.m. in the arena parking lot.
- e. City Engineer Chuck Boser updated the Council updated the Council on the 2018 project, stating that bids are being opened on Thursday, April 5th. He is currently working on permit approvals for the project.

He is working with MNDOT for permits on the Getty Street project. Bids for the Getty Street project will be opened April 19th.

12. ADJOURNMENT

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

With no further business to come before the Council, Mayor Stone adjourned the meeting.

Respectfully submitted,

Mayor Warren Stone

City Administrator Vicki Willer