

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, MAY 2, 2007 – 6:30 P.M.**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, May 2, 2007 at 6:30 p.m. at the City Hall Council Chambers pursuant to due notice being given thereof. Present were Mayor Brad Kirckof, Council Members Al Coenen, David Thomas, Keith Johnson and Warren Stone. Also present were City Administrator/Clerk Vicki Willer, Public Works Director Wessel, Police Chief Metcalf, City Engineer Keith Yapp of Bonestroo and Office Assistant Nicki Vogt. Mayor Kirckof presided thereat.

2. APPROVAL OF AGENDA

The agenda was approved with changes.

3. APPROVAL OF MINUTES

The Council's April 18, 2007 regular meeting and April 23, 2007 special meeting minutes were approved with changes.

4. PUBLIC OPEN FORUM

None.

5. PUBLIC HEARINGS

- a. Mayor Kirckof opened the Public Hearing at 6:35 p.m. and stated that the hearing was to consider the lodging tax and creation of a Convention and Visitor's Bureau (CVB). He then read the public hearing procedure and opened the floor to City Administrator/Clerk Willer.

City Administrator/Clerk Willer stated that at the Council's April 4, 2007 meeting Cindy Uhlenkamp from the Sauk Centre Chamber of Commerce requested that the City consider implementing a 3% lodging tax and create a CVB. This tax would be in addition to the room charge and would not result in a decrease in income to lodging owners.

The mission of the CVB is to advance the promotion efforts in the area by working with others to attract long term visitors, conventions, meetings, events, bus tours and trade shows. The CVB would be governed by a Board of Directors which would be appointed. The Board of Directors would then create guidelines and rules of operation. Preliminary reports show that the tax would generate approximately \$35-40,000 annually. The City would receive 5% of the income generated and the remaining 95% would go to the CVB to advertise and promote the City. A CVB is common and the tax will be generated from people visiting the City and not from its residents. The two ways to operate the lodging tax would be where the hotel/motel owners send the money to the City; the City would then deduct their 5% and return the remaining amount to the CVB. The second option is for hotel owners to pay the tax directly to the State of Minnesota which would then come back to the City for submission to the CVB.

Cindy Uhlenkamp, Sauk Centre Chamber of Commerce Director. She stated that she is present to request that the Council pass the Ordinance allowing a 3% lodging tax and creation of a CVB. The monies generated can only be used for promotion of the City. Her preliminary reports show that the income generated from the tax would be \$35-40,000; however, that amount did not include the Sinclair Lewis Campground.

Coni McKay, Alexandria Chamber of Commerce. Ms. McKay stated that Alexandria passed the tax in 1998 at which time it was a difficult decision for the City. At that time, most citizens were not opposed to the tax as they felt it did not impact them. Since passing, the feelings of most people who were originally opposed have changed as they see the increase in revenue that this tax has generated for them. The tax has raised much needed monies used to promote the City of Alexandria. Through the nine years that they have had the tax, they have learned a lot about what works and what doesn't work for their City in regards to promotion/advertising. Their tax is administered through a board of eight members and last year (2006) this tax generated \$180,000. Their board consists of 5 lodging members, 2 at large and one Council member. Ms. McKay stated that most communities with one or more hotel/motel have the tax. She also stated that the campground can be included; however, only overnight campers can be taxed.

Mayor Kirckof reiterated the fact that this tax will not cost local citizens as it is not taxed to residents.

Dave Simpkins, Sauk Centre Herald. He is in favor of the CVB and is the publisher of the Minnesota Trails Magazine which is a tourism magazine that supports the State of Minnesota. He feels that the Minnesota Department of Tourism is the best run state agency and is successful and upbeat. There are approximately 80 communities in Minnesota with CVB's and some of those communities are smaller than Sauk Centre. Mr. Simpkins feels that this tax is helpful to travelers as informs them of where to go in the state and he also feels that a CVB pulls the community together as a group.

Wayne Thorson, Gopher Prairie Motel. Mr. Thorson is opposed to the tax stating that it is money taken out of his pocket. He currently advertises throughout the United States and stated that several years ago a study was conducted showing that the lodging tax is a regressive tax.

Kelly Freese, Palmer House. Ms. Freese stated that she agrees with Mr. Simpkins and feels there is power in pooling resources to get knowledgeable persons to promote the community. She feels that Sauk Centre has many good facilities including the fairgrounds, Arena and Gerard's and thinks it is a good idea to target conventions. She also feels that it is a good idea to market Sauk Centre and make it a more successful community year round.

Pam Durbin, Americinn. Ms. Durbin also agrees with Mr. Simpkins. She feels that Sauk Centre is in a great location and that there is a need for the City to be promoted. She does feel that if the tax is implemented, the hotel/motel owners should be heavily involved with the decision making.

Joanne Thorson, Gopher Prairie Motel. Ms. Thorson stated that she spoke with the owners of the Hillcrest Motel and they are also opposed to the tax. The reason for their opposition is that it only affects the lodging sector of the community. She suggested getting involved with gambling to bring monies in for advertising/promoting the City.

Wayne Kostreba, Palms Motel. Mr. Kostreba stated that he is neither for nor against the tax. He has lived in the City of Sauk Centre for 50+ years and wonders if taxing users of 5-6 lodging facilities in town is the answer to promoting the City as he feels that is too small of an amount of money to properly advertise. He feels there must be a better way.

Mayor Kirckof wanted to remind people that the revenue generated from this tax will benefit the entire community and that the City can terminate the tax and CVB at any time if they feel it is unsuccessful.

Mayor Kirckof called three times for persons to speak in favor or opposition. None.

Mayor Kirckof closed the Public Hearing at 7:12 p.m.

Council Member Johnson questioned if the Sinclair Lewis Campground is also subject to the tax and Mayor Kirckof stated that if the Council chooses to tax the campground, they can; although only the overnight renters.

6. REPORTS/PRESENTATIONS

a. George Eilertson of Northland Securities gave a presentation on the issuance of the \$415,000 G.O. Improvement Bonds, Series 2007B. The bond is being issued to finance the East River Heights project and to close out the 2001-2004 Capital Improvement funds. The revenue bond sources for the bond issue are the following:

- Special Assessments. Approximately 85% of the bond issue will be paid back with special assessments related to the East River Heights project.
- Property Tax Levy. In addition to the special assessment revenue, an annual tax levy of approximately \$7,150 will be necessary to cash flow the bond issue.

Mr. Eilertson stated that the current interest rate is 3.99%, which is up from last month's rate of 3.93%. This increases the cost by \$1,600 on a ten year term.

Mayor Kirckof stated that at the Council's April 4, 2007 meeting the Finance Committee recommended postponing action on this issue. The Finance Committee now recommends issuance of the bond.

b. Public Works Director Wessel stated that the Park Board has held two meetings since the April 18, 2007 meeting. At those meetings they discussed the purchase of skate park and park equipment. At the April 11 meeting, staff was authorized to solicit quotes which was presented to the Board at the May 1 Special Meeting. The Park Board has made a recommendation for purchase of equipment which is Agenda Item

7r. At the May 1 meeting, Arena Manager Berg discussed Ladies Night Out, Jose Cole Circus and Build a Forest, which were all successes.

7. ACTION ITEMS

a. See 5a above.

Pursuant to Council action at the April 4, 2007 Council meeting, staff obtained Ordinances imposing a lodging tax from a variety of cities, including the League of Minnesota Cities. Using that information, a draft Ordinance was created which imposes the tax and creates a CVB Board. City Administrator/Clerk Willer stated that the Council can either adopt the Ordinance with recommended changes or can recommend changes and bring back to a later meeting for adoption.

Mayor Kirckof suggested the Council recommend creating the ordinance imposing a 3% lodging tax, include the Sinclair Lewis Campground and have a 7 member CVB.

Council Member Coenen questioned that, if passed, who would attend the trade shows and Chamber Director Cindy Uhlenkamp stated that that is an item that would need to be discussed by the CVB.

A motion was made by Council Member Thomas and seconded by Mayor Kirckof to make the following changes to the Ordinance and bring back to a future meeting for adoption: impose a 3% lodging tax, include the Sinclair Lewis Campground and have an 8 member CVB Board (5 lodging, 1 Chamber of Commerce Rep, 1 Council Rep and 1 Rep at Large). A vote being recorded as follows: For: Council Member Thomas, Mayor Kirckof, Council Members Johnson, Stone and Coenen. Against: None. The motion passed.

b. See 6a above.

A motion was made by Council Member Thomas and seconded by Council Member Johnson to adopt Resolution No. 2007-22, Resolution Providing for the Issuance and Sale of \$415,000 General Obligation Improvement Bonds, Series 2007B, Pledging Special Assessments for the Security Thereof and Levying a Tax for the Payment Thereof. A vote being recorded as follows: For: Council Members Thomas, Johnson, Coenen and Mayor Kirckof. Against: Council Member Stone. The motion passed.

c. A contribution totaling \$2,400 was received from the following to be used towards the Arbor Day Build a Forest Program:

- Community Connections of Sauk Centre (\$2,000)
- Sauk Centre Rotary Club (\$300)
- Sauk Centre Lions Club (\$100)

A motion was made by Council Member Thomas and seconded by Council Member Stone to adopt Resolution No. 2007-23, Resolution Accepting Contribution for "Build a Forest" Project. A vote being recorded as follows: For: Council Members

Thomas, Stone, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

d. A contribution totaling \$1,500 was received from Wal-Mart Foundation to be allocated to the following:

- Fire Department Equipment Fund (\$500)
- Ambulance Department Fund (\$500)
- Police Department Fund (\$500)

A motion was made by Council Member Thomas and seconded by Council Member Stone to adopt Resolution No. 2007-24, Resolution Accepting Contribution from Wal-Mart Foundation. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

e. A contribution totaling \$4,100 was received from Dairyland Peach/ECM Publishers to be allocated to the following:

- Fire Department Fund (\$1,500)
- Ambulance Department Fund (\$1,000)
- Senior Center Fund (\$850)
- Park Board Fund (\$500)
- Friends of Bryant Library (\$250)

A motion was made by Council Member Stone and seconded by Council Member Johnson to adopt Resolution No. 2007-25, Resolution Accepting Contribution from ECM Publishers, Inc. A vote being recorded as follows: For: Council Members Stone, Johnson, Thomas, Coenen and Mayor Kirckof. Against: none. The motion passed.

f. Correspondence was received from Chamber Director Cindy Uhlenkamp requesting the use of the City Park for the 2007 Sinclair Lewis Days festivities that will be held the week of July 15-21, 2007. Ms. Uhlenkamp requested approval of the following:

- Annual Crazy Days Sidewalk Sale – July 21, 2007
- Temporary road closure of Park Road during the craft sale on July 21, 2007 and for the fireworks on July 20, 2007. The Park Board, at their May 1, 2007 meeting approved the road closure.
- Parade permit application for the Sinclair Lewis Days parade on July 21, 2007 from 7:30-8:30 p.m. The parade and detour route are the same as the 2006 route.

The City has approved an application for display of fireworks/pyrotechnics special effects, check, proof of insurance and site map for the fireworks display on July 20 in the Sinclair Lewis Park.

A motion was made by Council Member Thomas and seconded by Council Member Johnson to approve the sidewalk sale on July 21, the temporary road closure of Park Road for the July 21 craft sale and the July 20 fireworks, parade permit for July 21 and the fireworks display in the Sinclair Lewis Park on July 20. A vote being recorded as follows: Council Members Thomas, Johnson, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

- g. In the past, the Ambulance Department has provided standby services to the I-94 raceway during the racing season and each year a contract is entered into between the City and I-94 raceway. The Raceway will be billed \$60.00/hour for services provided. City Administrator/Clerk Willer stated that the Raceway is paid in full and that the 2007 racing season begins Saturday, May 5, 2007.

A motion was made by Council Member Stone and seconded by Council Member Johnson to authorize entering into an Agreement with I-94 Raceway. A vote being recorded as follows: For: Council Members Stone, Johnson, Thomas, Coenen and Mayor Kirckof. Against: None. The motion passed.

- h. It was the general consensus of the Council to table action on appointing an Airport Consultant until the May 16, 2007 Council Meeting.
- i. Public Works Director Wessel has been with the City for 34 years as of April 1, 2007. He was placed on Step 4 of the newly adopted wage scale as of January 1, 2007. His performance review was satisfactory and the Personnel Committee recommends that he advance to step 5 on the wage scale.

A motion was made by Council Member Thomas and seconded by Council Member Stone to approve Public Works Director Wessel Step Increase to Step 5 (\$30.12) on the wage scale. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson and Mayor Kirckof. Against: Council Member Coenen. The motion passed.

Council Member Coenen stated that he feels the salary is too high and is out of line with the responsibilities involved with the job.

- j. City Administrator/Clerk Willer, Superintendent Marty Sunderman and Personnel Committee Member Dave Thomas conducted interviews of the five City Planner candidates on Friday, April 20, 2007. They then narrowed the candidates down to two and the City Council held a special meeting on April 25 in which they conducted the final interview on the top two candidates.

The two finalists were Phillip Votruba and John Tofte.

The Personnel Committee was given the latitude to negotiate a starting wage with Phillip Votruba to Step 3. Mr. Votruba has countered with Step 4. The Personnel Committee has since recommended hiring Mr. Votruba at Step 4 contingent upon favorable completion of a background check.

A motion was made by Council Member Johnson and seconded by Council Member Thomas to appoint Phillip Votruba to City Planner at Step 4 contingent upon favorable background and reference checks. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone and Mayor Kirckof. Against: Council Member Coenen. The motion passed.

Council Member Coenen stated that he feels Mr. Votruba is well qualified; however, he does not have enough experience with planning.

Mayor Kirckof stated that Mr. Votruba is very knowledgeable and he looks forward to his work with the City.

City Administrator/Clerk Willer stated that Mr. Votruba is able to start immediately.

- k. The Public Works Department historically employs a Yard Composting Attendant at the compost and brush site for five weeks during the spring and fall. Kenneth I. Mayer has filled this position in the past. Applying the 3% increase which is applied to other part time employees, his returning wage would be \$9.02.

Public Works Director Wessel recommends the appointment of Kenneth I. Mayer.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to appoint Kenneth I Mayer as the Yard Composting Attendant at a wage of \$9.02/hour. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

- l. Andrew Rousslange has worked the last two summer and two winters for the Public Works Department and outdoor rink. Mr. Rousslange is a sophomore in college and would again be available mid May through late August to work. Andrew has been an asset to the Public Works Department. His rate of pay would be \$8.00/hour for up to 40 hours per week for up to 100 days.

Public Works Director Wessel along with the Personnel Committee recommend the appointment of Andrew Rousslange.

A motion was made by Council Member Thomas and seconded by Council Member Stone to appoint Andrew Rousslange as a seasonal employee at a rate of \$8.00/hour. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

- m. City Administrator/Clerk stated that Office Assistant Nicole Vogt will soon be on FMLA leave for six to eight weeks. A temporary person is needed to help answer phones, assist walk-ins and do general front desk clerical duties. This position is expected to begin in late May.

Originally, it was thought that another option would be for the City to enter into an agreement with Experience Works; however, it was discovered that they are not able to cover this position. The rate of pay is set at \$10.00/hour.

A motion was made by Council Member Stone and seconded by Council Member Thomas to approve advertising for the Temporary Office Assistant Position. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Mayor Kirckof. Against: None. The motion passed.

- n. The Public Works Department is requesting to advertise for part time seasonal help for an addition person in the department. In the past, two to three people have been employed to help in the Parks and Street Departments. The extra man power is needed with vacation time for the full time employees, OSHA Laws (traffic safety) and overall maintenance of the streets, park and storm water.

The rate of pay for this position would be \$6.75-\$7.75/hour for up to 40 hours per week for 10-13 weeks. The rate of pay will be based on the individual's experience.

A motion was made by Council Member Stone and seconded by Council Member Thomas to approve advertising for part time season help in the Public Works Department. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

- o. David Deters has submitted his letter of resignation as a First Responder Driver for the Ambulance Department.

A motion was made by Council Member Stone and seconded by Mayor Kirckof to accept the resignation of David Deters as First Responder Driver for the Ambulance Department. A vote being recorded as follows: For: Council Member Stone, Mayor Kirckof, Council Members Johnson and Coenen. Against: None. Abstain: Council Member Thomas. The motion passed.

- p. The City Council held its annual meeting of the Board of Appeal and Equalization on April 23, 2007 at 1:00 p.m.

Mayor Kirckof recessed the regular meeting at 7:47 p.m. and reconvened the April 23, 2007 meeting.

Stearns County Assessor Don Ramler stated that he met with the appellants to discuss the issues raised at the April 23, 2007 meeting. He noted the following changes, if any, were recommended:

Parcel 94.57895.000 – No Change

Parcel 94.57913.002 – This was regarding a vacancy issue. Ramler recommends decreasing the property value from \$189,200 to \$149,400, which is a difference of \$39,800.

Parcel 94.58042.000 – This was regarding adjusted rents and non report of renal information. The property owner was encouraged to contribute to rental survey. Ramler recommends decreasing the property value from \$126,300 to 116,300, which is a difference of \$10,000.

A motion was made by Council Member Stone and seconded by Council Member Thomas to approve the recommendations made by Assessor Ramler. A vote being recorded as follows: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

A motion was made by Council Member Stone and seconded by Council Member Thomas to adjourn the April 23, 2007 Board of Appeal and Equalization meeting at 7:52 meeting. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

Mayor Kirckof reconvened the May 2, 2007 regular meeting at 7:52 p.m.

- q. The Public Works Department paint striper machine was taken out of service in 2006 due to needed repairs. The cost to repair the machine far exceeds the value which was purchased in the late 1990's.

Quotes were received from various vendors with a submittal deadline of Monday, April 30, 2007. The results of the quotes are as follows:

<u>FIRM NAME</u>	<u>PRODUCT</u>	<u>BID AMOUNT</u>
Diamond Vogel	Graco 3900 Airless – 2 gun (if purchased on May 9, 2007)	\$4,632.76 - 50.00
	TOTAL	\$4,582.76
EZ Liner Industries	EZ Liner – 1 Gun	\$4,992.72
EZ Liner Industries	EZ Liner – 2 Gun	\$5,610.95

It was noted that there is currently \$5,000 in the budget for purchase of a paint striper.

A motion was made by Council Member Thomas and seconded by Council Member Johnson to adopt Resolution No. 2007-26, Resolution Accepting Quote for Paint Striping Machine. A vote being recorded as follows: For: Council Members Thomas, Johnson, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

- r. City staff and the Park Board spent numerous hours putting together equipment needs in the City's parks. Quotes were obtained from 2 vendors (Midwest Playscapes and Northwoods Landscape & Recreation) which were then discussed by the Board at their meeting; changes were made including reduction of equipment, freight, tax and installation.

The Board made Council recommendation to purchase the skate park equipment from Midwest Playscapes for \$5,639.48 and the park equipment from Midwest Playscapes for a cost of \$9,630.09.

The Board also made a recommendation to purchase a demonstration quarter pipe from Dura Fun, Inc. for a price of \$1,917.00.

A motion was made by Council Member Thomas and seconded by Council Member Stone to adopt Resolution No. 2007-27, Resolution Accepting Quote for Playground and Skateboard Equipment. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

8. UNFINISHED BUSINESS

- a. The deadline for the submittal of the Training Coordinator position was Friday, April 27, 2007. Staff sent out 6 applications and received two back. The applications were forwarded to Ambulance Director Struffert and a recommendation will come at the next meeting.
- b. On April 19, 2007 the City of Sauk Centre received the Decision and Award of Arbitrator regarding Officer Darren Danielson. The award states that the City shall reinstate Officer to his position without back pay. The Arbitrator found that discipline was warranted; however, it did not support termination.

Officer Danielson has met with Chief Metcalf and City Administrator/Clerk Willer and he is working with the department on training updates. He will be back on schedule in the upcoming weeks.

Chief Metcalf stated that if complaints are received about any officer, including himself, make complaints to staff and an investigation on the complaint will be completed.

Mayor Kirckof read a letter from the MN State Patrol regarding the Sauk Centre Police Departments assistance in the April 26 funeral of Zack Salto. This letter is commending Chief Metcalf and his officers for their assistance. Chief Metcalf stated that the officers involved were Sergeant Friedrichs, Officers Gary Nelson, Dan Moldenhauer and Joe Jensen.

- c. The City has been notified that the Patel v. City lawsuit regarding a liquor license has been concluded in Federal Court. The Court found in favor of the City.

9. NEW BUSINESS

None.

10. CONSENT AGENDA

The Council then considered the following consent agenda:

- a. Total of unpaid claims \$24,314.37 and paid claims of \$500.00 for a total of \$24,814.37.
- b. List of April Checks.
- c. Gambling Application for Exempt Permit request from Sauk Centre Lions Club for pull-tabs on July 25-28, 2007 at the Stearns County Fairgrounds.

A motion was made by Council Member Stone and seconded by Council Member Thomas to approve the Consent Agenda. A vote being recorded as follows: For:

Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

11. INFORMATIONAL ITEMS

- a. The fourth annual Middle Sauk Water Festival will be held in Sinclair Lewis Park on Wednesday, May 16, 2007. In case of rain, it will be postponed to Thursday, May 17, 2007. The festival is co-sponsored by the Cities of Melrose, Sauk Centre and the Sauk River Watershed District. The kick-off will start at 9:25 a.m. and should end at approximately 1:45 p.m.

The Public Works Department will set up for the event on Tuesday, May 15, 2007 and the Police Department along with an Alexandria Technical College Officer will aid in traffic control and patrolling the park the night before the event so that there is no damage to the tents.

Volunteers are needed to serve food, pop, cleanup, etc. The Public Works Department as well as other City employees will assist. The Council may attend and show support.

- b. City Engineer Yapp of Bonestroo reported on the Wal-Mart issue that was discussed at the last Council meeting. He reported the following:

- The eastbound CR 186 stop bars should be moved back 6-8 feet.
- Install delineation striping for left turn
- Install an arrow
- Striping needs to be cleaned up
- Vendors should be informed of proper truck route

Engineer Yapp will look at all of the intersection lengths and report back to the Council.

12. COUNCIL COMMENTS

Mayor Kirckof stated that the Capital Improvement Plan shows that in 2008 work is to be done on Ash Street and Pine Street. He feels that it is the Operations Committee's duty to take a serious look at Ash and Pine Streets at their next meeting.

Council Member Coenen voiced his concern with the Arbitrator's decision regarding the reinstatement of Officer Danielson.

Mayor Kirckof stated that at the next Council meeting he will report back as to what other cities do regarding the suggestion of having the PUC and hospital pay some sort of endowment to the City.

13. ADJOURNMENT

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

With no further business to come before the Council, Mayor Kirckof adjourned the meeting at 8:55 p.m.

Respectfully Submitted,

Mayor Brad A Kirckof

City Administrator/Clerk Vicki M. Willer