

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, MAY 6, 2009 – 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 6, 2009 at 6:30 p.m. in the City Hall Council Chambers pursuant to due notice being given thereof. Present were Mayor Brad Kirckof, Council Members David Thomas, Keith Johnson, Warren Stone and Al Coenen. Also present were City Administrator Vicki Willer, Police Chief Bryon Friedrichs, City Planner Sarah Morton, Public Works Director Butch Wessel Administrative Assistant Nicki Vogt and City Engineer Yapp of Bonestroo. 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. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

3. APPROVAL OF MINUTES

The Council's April 15, 2009 Special Meeting Minutes, April 15, 2009 Regular Meeting Minutes and April 20, 2009 Special Meeting Minutes were approved as presented.

4. PUBLIC OPEN FORUM

None.

5. PUBLIC HEARINGS

- a. **Liquor License Revocation – Tara Miller (Bourbon Street Restaurant & Lounge).**

Mayor Kirckof opened the Public Hearing at 6:33 p.m. and read the public hearing procedure. He stated that this hearing is to consider the revocation of a liquor license to Tara Miller DBA Bourbon Street Restaurant & Lounge of an on-sale and Sunday liquor license for a business located at 322 12th Street, Suite 2, Sauk Centre, MN 56378.

The City received notice that Ms. Miller's insurance expired and has been for some time. City Code Section 113.13 states that cancellation or termination of insurance coverage shall be grounds for revocation.

City Administrator Willer stated that the lessor of the building is requesting that the license be revoked should another business be interested in utilizing this license.

Mayor Kirckof called 3 times for persons to speak in favor or against. No persons spoke in favor or against.

Mayor Kirckof closed the Public Hearing at 6:37 p.m.

6. REPORTS/PRESENTATIONS

- a. Brian Koehn of Larson Allen reported on the 2008 audit. Mr. Koehn thanked the City of Sauk Centre and the City Council for allowing them to perform the audit and stated that he reviewed the audit with the Finance Committee prior to the meeting. The City of Sauk Centre was issued a clean audit report. He then noted the following:

2008-1: MN Stat. 365.025 states a contract for deed purchase may be payable over a period of time not to exceed 5 years. A contract for deed agreement written during 2003 was for a period of 10 years.

2008-2: MN statutes require the City to obtain a signed declaration statement for all disbursements. Some of the City's disbursements lacked this declaration statement.

2008-3: The City has a limited number of office personnel and accordingly does not have adequate internal controls in certain areas because of the lack of segregation of duties.

2008-4: The City does not have an internal control process in place over financial reporting under GAAP; therefore, the potential exists that a material misstatement if the annual financial statements could occur and not be prevented or detected by the City's internal controls.

Mr. Koehn also discussed the Independent Auditor's Report, Cash and Investment Balances, Fund Balances, Comparative Governmental Revenues, Governmental Fund Revenues for Year Ending 12/31/08 and 12/31/07, Comparative Expenditures for Governmental Funds, Governmental Fund Expenditures For Year Ending 12/31/08 and 12/31/07.

The Finance Committee recommends Council approval of the audit as presented.

- b. Removed from agenda.
- c. The Park Board met on Tuesday, May 5, 2009 and discussed the following:
- Campground Managers Curt and Ceil Pangburn started their duties on April 27th and the campground opened May 1st.
 - Staff submitted a request to Stearns County Sentence to Serve for their assistance in our parks watering trees, trimming grass, etc.
 - A bean bag tournament was held on May 2nd at the arena. A total of 14 teams participated at a cost of \$20 per team.

- Mike Bick from the Little League Association stated that the Jaycee Park would need to be plowed under in order to even the field. Dusty Ilgen will volunteer his time to do so. It will take approximately one week to level and prepare for seeding. They would also like to install a sprinkler system or sandpoint. Prices will be provided to the Council at a future meeting. The Association will be applying for a MN Twins Matching Grant See 7n.
- Lee Terro from the newly formed Dog Park Committee was present stating that they are preparing to conduct a petition drive. They have finalized the rules for the dog park, prepared a logo and are hoping to hold a fundraiser during Sinclair Lewis Days. They feel the best location for this park would be near the outdoor rink.
- Porta-potties will be installed in Morning View and Brown's Park by June 1st.
- By general consent the Board recommended that staff seek quotes for electrical work in the campground.
- Sauk Centre was named Tree City USA for the 14th year.

d. The Airport Commission met on Monday, May 4th and discussed the following:

- The Commission recommended Council approval of the 2009 T-Hangar project. See 7d.
- The Commission recommended Council approval of transferring Federal entitlement funds for the airport project. See 7e.
- The Commission approved MN 99's to paint a compass rose on the airport runway.
- Staff and the Airport Engineer met to finalize the T-Hangar floor project.
- The Commission recommends Council approval to add crackfilling the runway as an alternate on the crackfill bids. See 7f.
- The Gerald Schurman Land Lease Agreement stated incorrect acreage. The Commission recommended revising the Agreement to show the proper acreage amounts.
- The City of Sauk Centre is #2 on the list for AWOS (Automated Weather Observation System).
- County Road 186 bridge will be closed as of Monday, May 11, 2009. A notice will be posted at the airport to notify airport users of this closing.

7. ACTION ITEMS

a. See 6a.

A motion was made by Council Member Johnson and was seconded by Council Member Stone to approve the 2008 audit. A vote being recorded as follows: For: Council Members Johnson, Stone, Thomas, Coenen and Mayor Kirckof. Against: None. The motion passed.

b. Removed from Agenda.

c. See 5a.

Council Member Johnson introduced Resolution No. 2009-21, Resolution Revoking the Liquor License of Tara Miller DBA Bourbon Street Restaurant & Lounge of a On-Sale and Sunday Liquor License Located at 322 12th Street. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone and Coenen. Against: None. Abstain: Mayor Kirckof (Reason: Personal). The motion passed.

d. See 6d.

Council Member Thomas introduced Resolution No. 2009-22, Resolution Approving Plans and Specifications and Ordering Advertisement For Bids For Airport T-Hangar Project. The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

The bid includes alternates with 16 foot high doors and remote controls for doors.

e. See 6d.

The City of Morris has contacted the City of Sauk Centre with a proposal to transfer FAA Entitlement funds to the City with the intent of Sauk Centre reciprocating in the future.

Morris is not ready to begin their entitlement project; however, they are in danger of losing their entitlement funds from 2006 if they are not expended in this fiscal year. They are proposing to transfer approximately \$100,000 that can be used by Sauk Centre. This will allow us to complete our T-Hangar project without carrying overages into next year.

We currently have \$43,517 available carryover from 2008 and \$150,000 allocation of 2010 funds in October of 2009. This allocation could be given to us one half in October and the balance in April 2010.

If the City chooses to request the allocation from Morris we will have the funds necessary to complete the project in 2009 with our residual 2010 funds allocated back to Morris which would give them the time needed to prepare for and complete their project.

The basic mechanics of this proposal is that we use the 2006 funds allocated to Morris and they use 2010 or 2011 funds allocated to Sauk Centre.

Council Member Johnson introduced Resolution No. 2009-23, Approving an Agreement for Transfer of Entitlement for Federal Airport Funding from the City of Morris, MN. The motion was seconded by Council Member Stone. A vote

being recorded as follows: For: Council Members Johnson, Stone, Thomas, Coenen and Mayor Kirckof. Against: None. The motion passed.

- f. See 6d.

Rubberized crackfill began as a pilot project in 1989. Even with a product guarantee of two years it was shown that after four years the project remained 80% effective. The City then embarked on an eight year crackfilling program using rubberized sealer. Unfortunately, due to a number of new construction projects, the City was unable to continue for a continuous 8 years.

With resuming the project this year and with incorporating new roads that have been added to the inventory, we will have gone full circle and completed crackfilling on all the designated roadways.

The most recent project in 2006 will require some minor reapplication issues. The total estimated cost based on recent projections is \$10,900. The City has budgeted for this expense.

Council Member Stone introduced Resolution No. 2009-24, Resolution Approving Plans Seeking Quotes for 2009 Crackfill Project with the addition of an alternate to include the approximate 3,930 feet of runway at the airport. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

- g. Joe Heinen representing the American Legion Post 67 has completed and returned a Temporary 3.2 On Sale Beer License Application for May 16, 2009 for a fundraiser at the future Valley Forge/Veterans Village in Sauk Centre. Mr. Heinen has completed the 3.2 On-Sale Beer License application, provided liquor liability and paid the appropriate fee.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve the temporary 3.2 On-Sale Beer License permit at the future Valley Forge Village/Veterans Village for May 16, 2009. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Coenen. Against: None. Abstain: Mayor Kirckof (Reason: Personal) The motion passed.

- h. The City has been offered the option of purchasing an extended warranty on the purchase of the 2009 International plow truck. The warranty would cover the engine and engine injectors. These are the items that can no longer be serviced in house due to the need for expensive computer diagnostic equipment that would be required.

The proposal is for the warranty to run for 96 months OR 100,000 miles OR 3,600 hours, whichever occurs first.

The cost would be \$3,020 and averaged over the term the cost would be \$377.50/year but would be due this year. There are funds in the heavy equipment budget that can be allocated to this.

This is an International Warranty so the service could be performed by an authorized International dealer. The two closest International dealers are in Melrose and Alexandria.

A motion was made by Council Member Stone and was seconded by Council Member Thomas not to enter into a contract to purchase an Extended Service Warranty at a cost of \$3,020. A vote being recorded as follows: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

- i. At the conclusion of the Board of Review meeting County Assessor Ramler reviewed the rental survey from Mitch Fiskness and has made the following recommendations on the valuation of the property:

- 1. Parcel 94.57865.0005 from \$205,100 to \$174,100
- 2. Parcel 94.58795.0008 from \$232,600 to \$198,300

In addition, Diane Wolbeck has requested and Mr. Ramler has recommended a reduction in proposed market value back to the same as her current value.

- 3. Parcel 94.58435.000 \$57,200 to \$36,200

A motion was made by Council Member Stone and was seconded by Council Member Coenen to approve the recommendations made by Assessor Ramler on the above mentioned 3 parcels. A vote being recorded as follows: For: Council Members Stone, Coenen, Thomas, Johnson and Mayor Kirckof. Against: None. The motion passed.

- j. Marty Sunderman has submitted his resignation from the Fire Department effective May 5th after 30 years of service.

A motion was made by Council Member Johnson and was seconded by Council Member Thomas to accept the resignation of Marty Sunderman from the Sauk Centre Fire Department. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

- k. Mark Tomsche has submitted his official resignation from the Sauk Centre Ambulance Department.

A motion was made by Council Member Thomas and was seconded by Council Member Stone to accept the resignation of Mark Tomsche from the Sauk Centre Ambulance Department. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

The Council thanked Mr. Sunderman and Mr. Tomsche for their service.

- l. Abdo Eick and Meyers completed their three year commitment for the completion of the Sauk Centre Tax Increment Financing Annual Reports. The report preparation was \$3,000 each year.

Staff asked for authorization to solicit quotes for the completion of the report for an additional three years OR request Abdo Eick and Meyers to continue to file reports on behalf of the City.

It was the general consent of the Council to solicit quotes for the completion of the report for an additional 3 years.

- m. Gerard's is proposing to sponsor an outdoor volleyball league that would play one night per week (Wednesday) from approximately 7:00 p.m. to 10:00 p.m. The court would be outdoors behind Gerard's in the area recessed into the building between Fastenal/Gerard's and Westside Liquor.

As part of the proposal Gerard's is requesting a permit to serve beer along with pop and water from a mobile cart in the enclosed area (the court would be surrounded on 3 sides by building walls and the 4th side would be fenced). Approval would require the extension of his liquor license to include this area.

The applicant is proposing to amend his liquor liability to include the described area.

Chief Friedrichs stated that his only request is that a bartender be there at all times to monitor and be sure that alcohol does not leave the building.

A motion was made by Council Member Thomas and was seconded by Council Member Stone to approve extending the premise described on the On Sale Liquor License to include the volleyball court area for the sale of beer only from 6:00 p.m. to 11:00 p.m. not to be extended past October 31, 2009. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson and Coenen. Against: None. Abstain: Mayor Kirckof (Reason: Personal). The motion passed.

- n. See 6c.

The Little League Association will be applying for a \$10,000 matching grant; however, the City would need to be the applicant as they are the owners of the property. The City's portion of the grant would be \$10,000 which has already been completed (Jaycee Park Fence).

The Association plans to re-do the Jaycee Park field, add dugouts, bleachers, fence bumpers, etc.

There are currently 240 kids signed up for this program.

A motion was made by Council Member Stone and was seconded by Council Member Coenen to authorize the Little League Association to apply for the MN Twins Matching Grant. A vote being recorded as follows: For: Council Members Stone, Coenen, Johnson, Thomas and Mayor Kirckof. Against: None. The motion passed.

8. UNFINISHED BUSINESS

- a. A construction lien has been placed on the airport property by a subcontractor of the general contractor on the 2008 airport project.

The City has the option of withholding the final retainage for the project which leaves the payment to settle the lien approximately \$4,500 short. The City has invoked privileges under the payment bond which secures the payment.

Staff, City Attorney Mayer and City Engineer Yapp have been working to settle this issue.

An action in the near future may request that the City pursue its options under the payment bond.

9. NEW BUSINESS

- a. With recent changes to law and also due to personnel activities, it is recommended that the Personnel Policy be reviewed for potential amendments to adhere to new laws and to clarify the City's employment practices and employee responsibilities.
- b. With recent changes to law and also due to continued requests, it is recommended that the Liquor Ordinance be reviewed for potential amendments to adhere to new laws and to clarify the procedures related to obtaining permits and licenses.
- c. The City certified a delinquent utility bill to taxes in November of 2008 to the property owned by Diane Wolbeck in the amount of \$619.68 plus a \$100.00 administrative fee.

Ms. Wolbeck applied for a deferral but did not provide the necessary documentation so the deferral was denied.

Ms. Wolbeck received energy assistance in the amount of \$500.00 which was applied to the PUC bill; however, the assessment was not removed from the taxes and the assistance has since been used by energy bills since that date.

Ms. Wolbeck is requesting that the City remove the delinquent bill from the taxes as she feels the \$500.00 was to pay that and not future bills.

10. CONSENT AGENDA

The Council then considered the following consent agenda:

- a. Schedule of Claims – Total of unpaid claims \$46,977.16 and paid claims \$16,071.17 for a total of \$62,715.33.
- b. Resolution No. 2009-25, Resolution Accepting Contributions. The contributions are as follows:
 - \$350 – Men’s Card Playing Group to be used towards the Senior Center
 - \$750 – MN House & Angling Association to be used for the Sauk Centre Fire Department
- c. Gambling application for exempt permit request from St. Paul’s Christian Mothers/Catholic Women for bingo on July 18, 2009 at Sinclair Lewis Park.
- d. Gambling application for exempt permit request from Sauk Centre Lions Club for pull-tabs and a raffle on July 29th through August 1st at the Stearns County Fairgrounds.

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

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve Consent Agenda item D. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Coenen. Against: None. Abstain: Mayor Kirckof (Reason: Personal). The motion passed.

Mayor Kirckof thanked the Men’s Card Playing Group and MN House & Angling Association for their donation.

11. INFORMATIONAL ITEMS

- a. The 6th annual Middle Sauk Water Festival will be held in Sinclair Lewis Park on May 13, 2009. If it would rain it will be postponed until May 14th. The festival is co-sponsored by the cities of Melrose and 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.

Volunteers are needed to serve food, pop, cleanup, etc. The Melrose Public Works will assist the Sauk Centre Public Works in setting up as well as other City employees. The Council may attend and show their support.

- b. The Sauk River Watershed District will be holding the following meetings:

Monday May 11: 2:00 – 4:00 p.m. at the Osakis Community Center
Wednesday May 13: 2:00 – 4:00 p.m. at the Cold Spring City Hall
Thursday May 14: 2:00 – 4:00 p.m. at the St. Cloud Public Library.

At these meetings they will be collecting feedback in a round table discussion on the revised draft rules.

- c. Safety Committee minutes from the April 15, 2009 meeting.
- d. A fundraiser for the future Valley Forge Village will be held on May 16, 2009.

12. ADJOURNMENT

A motion was made by Council Member Thomas and was seconded by Council Member Stone to adjourn the meeting along with the Board of Appeal meeting. A vote being recorded as follows: For: Council Members Thomas, Stone, 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 8:35 p.m.

Respectfully Submitted,

Mayor Brad A. Kirckof

City Administrator Vicki M. Willer