

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, SEPTEMBER 1, 2021**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, September 1, 2021 at 6:30 p.m. due notice being given thereof. Present were Mayor Warren Stone, Council Members Diane Kelly, Shalon Wilber, Heidi Leach and Joe Fuechtmann. Also present were Engineer Keith Chuck Boser, Police Sergeant Joe Jensen, City Administrator Vicki Willer, Public Works Director Ben Clink and City Planner Sarah Morton. Mayor Stone presided thereat.

2. APPROVAL OF AGENDA

A motion was made by Council Member Kelly and was seconded by Council Member Fuechtmann to approve the agenda with changes. A vote being recorded as follows: For: Council Members Kelly, Fuechtmann, Leach, Wilber and Mayor Stone. Against: None. The motion passed.

3. APPROVAL OF MINUTES

A motion was made by Council Member Wilber and was seconded by Council Member Kelly to approve the August 18, 2021 Regular Meeting Minutes as presented. A vote being recorded as follows: For: Council Members Wilber, Kelly, Fuechtmann and Mayor Stone. Against: None. Abstain: Council Member Leach. The motion passed.

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

None.

5. PUBLIC HEARINGS

a. Public Hearing – TIF District 1-15

Mayor Stone opened the Public Hearing and read the Public Hearing Procedure.

Tammy Omdahl, Northland Securities, was present and addressed the City Council on the proposed Tax Increment Financing District 1-15 for Lot 2 at former Info Center. The type of district would be an economic development district. Stearns County and Sauk Centre Public Schools have been notified of the hearing and were provided with a copy of the proposal, with no comments received.

The proposal would allow the City of Sauk Centre to capture the increase in the local property tax, not including referendum taxes or state taxes, for a period of nine years to be reimbursed to the land owner for certain land and improvement costs.

The total reimbursement is limited to the actual increment received not to exceed the following budget.

Estimated Project/Financing Costs (to be paid or financed with tax increment)

Project costs	
Land/building acquisition	\$0
Site improvements/preparation costs	\$694,346
Utilities	\$0
Other qualifying improvements	\$0
Construction of affordable housing	\$0
Small city authorized costs, if not already included above	\$0
Administrative costs	\$36,545
Estimated Tax Increment Project Costs	\$730,891
Estimated financing costs	
Interest expense	\$162,006
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Total Estimated Project/Financing Costs to be Paid from Tax Increment	\$892,897

Mayor Stone called three times for persons to speak in favor or opposition to the proposal. None Spoke. See 7a.

6. REPORTS/PRESENTATIONS

a. City Engineer Chuck Boser updated the Council on the following projects:

2022 Capital Improvement Project

- Moving further into design
- Meeting will be held with City staff to discuss options for Second Street for striping, east side pond, etc.

2020 Capital Improvement Project

- Meet with Contractor in September to review turf establishment and any remaining concrete repairs needed, etc.

2021 Information Center Project

- Contractors continue to work on site grading with completion date of September 3
- Pipework to begin week of September 6 with concrete work to follow
- ALTA Survey will be obtained for Lot 3

2021 South Industrial Park

- Meeting scheduled week of September 6 with City staff and Sauk Centre Public Utilities to review the final plans and specifications
- Anticipating bid date to be early October
- Received notification that due to hurricane Ida, some PVC production has become limited – this will be monitored closely

- b. The EDA met on Wednesday, September 1 and discussed the following:
- Received Chamber of Commerce Report
 - Recommend adoption of TIF District 1-15 and development of contract – see 7a
 - Reviewed TIF District 1-14
 - Received progress report of lots 2 and 3 of Arrowsmith Plat 3
 - Reviewed preliminary and final plat proposal of South Sauk Centre Industrial Park
 - Discussed potential business interest in South Sauk Centre Industrial Park – will show preliminary plat to developer to see which lot may meet their needs
 - Discussion held regarding potential residential development

7. ACTION ITEMS

- a. See 5a.

A motion was made by Council Member Leach and was seconded by Council Member Kelly to approve Resolution No. 2021-83, Resolution Approving Modification of Development District No. 1, Approving the Modification of Development Program Therefore, Establishing Tax Increment Financing District No. 1-15 Therein and Approving the Tax Increment Financing Plan Therefore. A vote being recorded as follows: For: Council Members Leach, Kelly, Fuechtmann, Wilber and Mayor Stone. Against: None. The motion passed.

- b. Resolution 2021-84 authorizes the advance of funds from the General Fund to the newly created TIF Fund to cover Administrative Costs until which time those costs are reimbursed with TIF dollars once the District is operational. The advance is expected to be about \$6,500.

A motion was made by Council Member Fuechtmann and was seconded by Council Member Wilber to approve Resolution No. 2021-84, Resolution Authorizing Interfund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District No. 1-15. A vote being recorded as follows: For: Council Members Fuechtmann, Wilber, Leach, Kelly and Mayor Stone. Against: None. The motion passed.

- c. The Development Agreement (provided earlier under separate cover) with Regal Development LLC defines the parameters of the terms and conditions relative to the TIF financing of Lot 2, Block 1, Arrowsmith Plat 3.

This Agreement obligates the Developer to perform the construction and operation of the facility and obligates the City to reimburse the Developer for certain costs through a Tax Increment Financing Pay As You Go Note.

A motion was made by Council Member Fuechtmann and was seconded by Council Member Kelly to approve contract for private development and authorize signatures. A vote being recorded as follows: For: Council Members Fuechtmann, Kelly, Wilber, Leach and Mayor Stone. Against: None. The motion passed.

- d. Removed from agenda.

- e. The City’s new Western Star Plow Truck will be ready for pick up in the coming weeks. This will allow the City to take the 1994 truck out of service and offer for sale.

Staff requested authorization to advertise the truck for sale through the online bidding process to be sold as soon as the new truck is delivered.

A motion was made by Council Member Wilber and was seconded by Council Member Leach to approve Resolution No. 2021-86, Resolution Authorizing Advertisement for Sale of 1994 Plow Truck. A vote being recorded as follows: For: Council Members Wilber, Leach, Fuechtmann, Kelly and Mayor Stone. Against: None. The motion passed.

- f. With the upcoming retirement of a full-time officer on October 31, 2021, Chief Friedrichs is looking to replace the position.

It was his recommendation that the position be offered to Branton Stowell. Stowell has been with the Department as a part-time officer since May 20, 2020; however, he has been working full time hours to fill shifts.

Due to the availability of multiple positions in the County and the competition among Departments to fill those positions, Friedrichs recommended that Stowell be advanced to full time effective immediately as a retention incentive.

Funds exist within the budget to cover the extra expenses which are primarily health insurance related since he is already working full time hours.

A motion was made by Council Member Kelly and was seconded by Council Member Wilber to approve the appointment of Branton Stowell as a full-time Officer, effective September 1, 2021. A vote being recorded as follows: For: Council Members Kelly, Wilber, Leach, Fuechtmann and Mayor Stone. Against: None. The motion passed.

- g. In an effort to maintain a Part-Time Police Officer roster, Chief Friedrichs requested authorization to advertise to fill the position. A hiring list will be developed and/or intermittent advertising will be done to maintain a roster.

A motion was made by Council Member Fuechtmann and was seconded by Council Member Kelly to approve advertisement of Part-Time Officer position. A vote being recorded as follows: For: Council Members Fuechtmann, Kelly, Leach, Wilber and Mayor Stone. Against: None. The motion passed.

- h. Pay Request #2 has been received from Mark Lee Excavating for the 2021 Arrowsmith construction project.

Contract Amount \$412,387.00

Change Orders Approved \$61,954.12

Total Contract	\$474,741.12
Value Completed to Date	\$347,458.95
Amount Earned	\$347,458.95
Less Retainage	\$17,372.94
Subtotal	\$330,086.01
Less Previously Paid	\$207,182.61
Amount Due this Request	\$122,903.40

A motion was made by Council Member Wilber and was seconded by Council Member Leach to approve Pay Request No. 2 to Mark Lee Excavating. A vote being recorded as follows: For: Council Members Wilber, Leach, Fuechtmann, Kelly and Mayor Stone. Against: None. The motion passed.

- i. The Council was presented with a Grant Agreement, which is the State portion of the Airfield Maintenance Grant. The City authorized execution of Grant Documents for the Federal Portion at a prior meeting.

<u>Item Description</u>	<u>Federal Share</u>	<u>State Share</u>	<u>Grantee Share</u>
Crack Seal and Seal Coat Pavements/ Reconstruction West T-Hangar Pavements	75.37%	17.23%	7.38%
Land Acquisition EA	100%	0%	0%

Federal Committed:	\$ 297,834.00
Federal Multiyear:	\$ 0.00
State:	\$ 51,865.00
Grantee:	\$ 22,230.00

A motion was made by Council Member Kelly and was seconded by Council Member Wilber to approve Resolution No. 2018-49, Resolution Entering Into Grant Agreement with MNDOT Aeronautics for Airport Improvement Project. A vote being recorded as follows: For: Council Members Kelly, Wilber, Leach, Fuechtmann and Mayor Stone. Against: None. The motion passed.

8. UNFINISHED BUSINESS

- a. The City Council tabled consideration of the Shelter/Restroom project at the campground at its August 18 meeting.

The Council approved the plans and specifications for the construction of a new shelter/restroom at Sinclair Lewis Campground by Res. 2021-34 on April 7, 2021.

Bids were advertised and accepted until August 2, 2021.

The bids were opened on that date and then reviewed by the Park Board. Due to receiving one bid, the Board delaying making a recommendation until staff had an opportunity to sit down with the bidder to review the bid.

Bidder	Amount
Arzen Construction	\$349,000.00

Staff reviewed the bid with Arzen to confirm that the items bid were as expected. Additional detail was also provided to the bidder at that time.

The bid is over what was anticipated/available by \$75,000. There is an estimated \$10,000 that will be able to be cut due to minor changes leaving an overage of \$65,000.

The City Council was presented with two options:

1. Cancel the project and re-bid in 2022 (bid could be lower or higher)
2. Award the project and cover overage with additional campground revenue from 2022.

A motion was made by Council Member Kelly to approve Resolution No. 2021-78, Resolution Accepting Bid for 2021 Campground Restroom Project (Option 2). The motion was seconded by Council Member Leach. A vote being recorded as follows: For: Council Members Kelly, Leach, Fuechtmann, Wilber and Mayor Stone. Against: None. The motion passed.

9. NEW BUSINESS

None.

10. CONSENT AGENDA

The Council considered the following Consent Agenda Items:

a.	Schedule of Claims - Unpaid Claims	\$54,896.28
	Paid Claims	\$0.00
	Total	\$54,896.28

- b. Resolution No. 2021-88 Resolution Accepting Contributions.

Men’s Card Playing Group	\$126.33	Senior Center
Waste Management - Garbage Svc. for SLD	\$140.00	Park Dept.

- c. Request from Missy Terres dba Mustang Bar III, Inc. for Temporary Extension of Premise Permits for anniversary & band on September 11, 2021 in the back parking lots (Mead's Building & Old Main Street Drug Building) from 9:00 p.m. – 12:30 a.m.
- d. Request from Scott Kowski representing the American Legion Post 67, for one Temporary Extension of Out-Door Liquor Permits for the term of one day on October 2, 2021 for a 5K Run & DJ Music in their North Parking lot from Noon – 10:00 p.m.

Also, permission to block off Park Road from the Boat Landing to Main Street.

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

The Council thanked the Men's Card Playing Group and Waste Management for their donations.

11. INFORMATIONAL ITEMS

None.

1. ADJOURNMENT

A motion was made by Council Member Leach and was seconded by Council Member Fuechtmann to adjourn the meeting. A vote being recorded as follows: For: Council Members Leach, Fuechtmann, Wilber, Kelly and Stone. Against: None. 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