

**SAUK CENTRE CITY COUNCIL  
REGULAR MEETING  
WEDNESDAY, SEPTEMBER 9, 2009**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, September 9, 2009 at 6:30 p.m. in the City Hall Council Chambers pursuant to due notice being given thereof. Present were Council Members David Thomas, Keith Johnson, Warren Stone, Al Coenen and Mayor Kirckof. Also present were City Administrator Vicki Willer, Police Chief Bryon Friedrichs, Public Works Director Butch Wessel, City Planner Sarah Morton and Administrative Assistant Nicki Vogt. Mayor Kirckof presided thereat.

**2. APPROVAL OF AGENDA**

A motion was made by Council Member Thomas and was seconded by Council Member Johnson to approve the agenda with the addition of 7r – RFP Actuarial Study. A vote being recorded as follows: For: Council Members Thomas, Johnson, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

**3. APPROVAL OF MINUTES**

The Council's August 19, 2009 regular meeting minutes were approved as presented.

**4. PUBLIC OPEN FORUM**

None

**5. PUBLIC HEARINGS**

None.

**6. REPORTS/PRESENTATIONS**

a. Public Works Director Wessel reported on the September 1, 2009 Park Board meeting as follows:

- The arena roof was fixed and went better than anticipated.
- The Park Board approved the quote from Sign Design for new park signage at Highway 71 (Main Street) and Park Road. The cost was \$600 plus tax.
- The 5 year CIP was approved.
- 2010 budgets were approved for recommendation to the City Council.
- A refund of \$27.50 was approved for a couple who wasn't able to camp due to a medical related issue.
- The Park Board recommended Council approval to extend the campground by 6 seasonal sites to the west and 4 primitive sites at the east end of the campground. See Action Item 7p.
- Review of Summary of costs associated with the Little League Field at the Jaycee Park.

b. City Planner Morton reported on the September 8, 2009 Planning Commission meeting as follows:

- Jim Lawinger was sworn in as Planning Commission Member
- Hedin Point Preliminary Plat was recommended for Council approval
- In August 24 building permits were issued as follows: 16 residential, 5 accessory structures greater than 120 square feet and 3 commercial
- It was the general consent of the Planning Commission to have staff further research Certificate of Survey definitions/requirements and report back at a future meeting.
- The Commission voted to request a 6 month extension on the Wind Energy Conservation System Moratorium
- The Commission voted to change plan check fees to 40% of the cost of the permit.

## **7. ACTION ITEMS**

- a. The City Council met on September 3<sup>rd</sup> in a workshop session to review the 2010 proposed revenue and expense budgets for the City. The revised expense budget represents an overall expense budget decrease for the City of \$550,365.43 from the 2009 expense budget. Total expense budgets for all funds including capital expenditures and debt service is \$4,850,144.20.

The revenue budget totals \$4,852,441 and indicates a levy of \$1,504,142 which is a decrease of \$68. The levy is also within the levy limit requirement now in effect for all cities over a population of 2,500. The revenue budget also takes into consideration the proposed un-allocation of 2010 Local Government Aid which is a reduction of \$207,000 from originally certified.

Please note that the expense and revenue budgets represent a balanced budget for 2010 for Sauk Centre.

Council Member Thomas introduced Resolution No. 2009-52, Resolution Adopting Preliminary 2010 Expense and Revenue Budgets for the City of Sauk Centre. 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.

- b. City Administrator Willer presented Resolution 2009-53, Adopting Preliminary 2009 Property Tax Levy, Collectible in 2010. The 2009 levies total \$1,504,142. The levy cannot be increased once approved.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve Resolution 2009-53, Adopting Preliminary 2009 Property Tax Levy, Collectible in 2010. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

- c. In past years the City was required to hold a public Truth in Taxation meeting to allow opportunity for the public to ask questions and voice concerns about the City budget and levy.

New laws effective 2010 changed the requirements that the City must comply with.

The City no longer has to have a separate meeting to consider the budget and levy. It can be done at a regular meeting, as long as notice is given that they will be discussing the budget and that people will be given the opportunity to be heard. Advertising requirements have also changed.

Council Member Thomas introduced Resolution No. 2009-54, Resolution Setting Public Meeting for Wednesday, December 2, 2009. 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.

- d. At the August 5, 2009 City Council meeting they approved advertising the following vehicles for sale through the Department of Administration's website to be sold by online bidding. The vehicles were offered for sale with bids closing on August 21, 2009. The high bids for the vehicles are as follows:

1. 1979 Polaris Apollo Snowmobile	\$400.00
2. 1991 Buick Lesabre Limited	\$510.00
3. 1991 Buick Regal Gran Sport Limited	\$2,500.00
4. 1993 Buick Lesabre Custom	\$360.00
5. 1996 Kia Sephia	\$485.00
6. 1998 Chevrolet Malibu	\$740.00
7. 2000 Ford Focus ZX3	\$1,358.00
8. 2003 Chevrolet Cavalier	<u>\$4,045.00</u>
	<b>\$10,398.00</b>

Council Member Johnson introduced Resolution No. 2009-55, Resolution Accepting Bids and Authorizing sale of Various Excess City Vehicles. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

- e. The City of Sauk Centre is the owner of the Sauk Lake Dam which is operated by the Public Utility on behalf of the City.

Concerns of the Conservation Club and sportsmen regarding the impact to the fisheries and vegetation due to the winter drawdown of the lake were raised. On the other side, the lakeshore owners in the Lake Association advocated for the drawdown when it was originally initiated. Because of the opposing views, a committee of interested persons met to discuss and obtain a consensus to request a change by the City Council.

The proposed plan from Eric Altena of DNR Fisheries in Little Falls outlines a proposed change in the drawdown of the lake. The plan proposed a compromise of a one foot drawdown for a period of three years with the drawdown ending approximately one month earlier.

Changes to the plan, if approved by the City Council, would also require approval of the DNR Hydrologist.

A motion as made by Council Member Coenen and was seconded by Council Member Thomas to approve an amendment to the Sauk Lake Dam Operational Plan to draw down the lake one foot rather than two feet in the fall and begin raising the gate in the spring approximately one month earlier. A vote being recorded as follows: For: Council Member Coenen, Thomas, Johnson, Stone and Mayor Kirckof. Against: None. The motion passed.

- f. Every year the Sauk Centre Public Utility enters into an agreement with the MMUA for the Safety Management Program. The City of Sauk Centre shares the cost of the program for the training of City employees.

A motion was made by Council Member Johnson and was seconded by Council Member Stone to approve entering into the Safety Management Program Agreement with the MMUA along with the Sauk Centre Public Utility for contract year October 1, 2009 to September 30, 2010. A vote being recorded as follows: For: Council Members Johnson, Stone, Thomas, Coenen and Mayor Kirckof. Against: None. The motion passed.

The City share for 2010 Safety Management program will be \$4,200.

- g. Joe Heinen has submitted a letter resigning as Project Coordinator for the Adopt-A-Pole project.

A motion was made by Council Member Coenen and was seconded by Council Member Thomas to accept the resignation of Adopt-A-Pole Project Coordinator Joe Heinen. A vote being recorded as follows: For: Council Members Coenen, Thomas, Johnson, Stone and Mayor Kirckof. Against: None. The motion passed.

The Council thanked Mr. Heinen for his work on the Adopt-A-Pole project.

- h. PERA (Public Employees Retirement Association) has rolled out a new program that allows potential retirees to retire with full PERA benefits and then be retained by the employer on a part time basis not to exceed twenty hours per week. The employee will not be subject to earning limits or the thirty day wait period.

The City has the discretion whether to offer the program to eligible employees. Sauk Centre has 3 employees that would be eligible to participate.

If the City decided to offer the program, the option should remain open for a set period of time. In addition, retirees can stay on the employer's health plan after retirement. The City should consider whether part of the plan would be for the City to continue to pay the premiums on retiree's health insurance while they continue to be employed part time by the City.

The Finance Committee reviewed the proposal and recommends it be offered to the three eligible employees with the City continuing to pay the health insurance premiums while the employee continues to work part time.

A motion was made by Council Member Thomas and was seconded by Council Member Stone to approve offering the Phased Retirement Option to the three eligible employees with the offer expiring October 15, 2009, with the offer to include payment of health premiums while the employee continues to work part time. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

- i. On July 5, 2006 the City approved the employee's participation in the MN State Retirements System Health Care Savings Plan (HCSP). The plan allows employees to contribute a percentage of their salary and severance payments into the plan pre-tax to be used post employment for medical related expenses.

The City sets the contribution amounts based on group length of employment. The rate of administrative/non-union/non-exempt employees with ten years of service or greater is currently one percent (1%) of their salary. It has been requested that this amount be amended to two percent (2%) to allow for greater contribution. The City has one employee in this group.

Council Member Stone introduced Resolution No. 2009-56, Resolution Amending Health Care Savings Plan Contributions (HCSP). 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.

- j. The Sauk Centre Fire Relief Association is requesting a premise permit for lawful gambling purposes at J.T.'s Pub & Grill, 322 12<sup>th</sup> St., Suite 2, Sauk Centre.

Council Member Johnson introduced Resolution No. 2009-57, Resolution Approving Gambling Premise Permit for the Sauk Centre Fire Relief Association. The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council Members Johnson, Stone, Thomas and Coenen. Against: None. Abstain: Mayor Kirckof (Reason: Member of Fire Department). The motion passed.

- k. A motion as made by Council Member Stone and was seconded by Council Member Thomas to approve the cigarette license for J.T.'s Pub & Grill. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.
- l. Eric Hellerman d/b/a Next Door Bar & Lounge VII, LLC made a request for a temporary extension of outdoor liquor license permit to hold a grand opening on September 26, 2009 from 8:00 p.m. to midnight.

Mr. Hellerman proposes to fence an area behind the Next Door Bar & Lounge going west towards Arnie's station to provide a secure area for the event. He will have two security personnel on hand to insure that liquor does not leave the area. Neighboring business owners Louise Arndt, Traci Ryan, Westerns Stearns County Food Shelf and Arnold Roering have all been informed of the event with no objection.

The following items have been provided"

- Completion of Temporary Extension of Outdoor Liquor Permit Application
- \$50.00 fee has been paid
- Signed agreements from Louise Arndt, Traci Ryan and Western Stearns County Food Shelf for the use of their parking area.

Staff recommends the following conditions be considered in conjunction with permit approval:

1. Liquor liability coverage that extends outside to the proposed area behind the bar
2. Alcohol to be dispensed in non-glass containers
3. Area to be completely fenced in with no alcohol permitted outside of fenced area
4. Debris on street and related areas to be cleaned up

A motion was made by Council Member Thomas and was seconded by Council Member Stone to approve the temporary extension of outdoor liquor license permit for Next Door Bar & Lounge VII for a grand opening on September 26, 2009 with conditions 1-4 as noted above. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

- m. Tina Rohde of the Mustang Bar submitted a request to host a kick ball tournament at Towerview Park on September 12, 2009. No liquor is proposed to be sold.

It was the general consent of the Council to approve the Mustang Bar's request to host a kick ball tournament at Towerview Park on September 12, 2009.

- n. As part of the budget process, the establishment of a Gas Franchise Fee was discussed as a revenue source and it was requested that the Council consider the establishment of a fee at this time.

The existing City Code allows for a fee to be established by Ordinance. The Ordinance requires notice to the company (Centerpoint Energy).

At the time the City considered the adoption of a fee in 2008, the rate was set at 1.5% of revenue from gas sales. The average rate for a gas franchise fee is 3%.

The revenue stream projected was 2%.

A motion was made by Council Member Thomas and was seconded by Council Member Stone to proceed with notification of Centerpoint Energy of intent to adopt a gas

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

- o. For the past several years the City has considered the purchase of surveillance equipment for city hall. It was in the original plan when the building was built but was cut for budget purposes. An updated quote was obtained to install cameras with sound in various areas including the PD lobby, sally port (garage), intoxilizer room, interview room and front door of City Hall.

The cost of the system totals:

Base Estimate	9,965.00
Add for microphones	1,050.00
Extended warranty	385.00
Uninterruptible power supply	175.00
Lower ceiling in intox room	<u>1,200.00</u>
<b>TOTAL COST</b>	<b>\$12,775.00</b>

The 2009 budget for the camera system is \$18,000 with \$1,200 budgeted to lower the ceiling in the intox room.

The system is compatible with the system used at the school and hospital and is used by many schools, police departments, hospitals and private retails stores across the state.

The Operations Committee reviewed the proposal and recommends it be purchased and installed pending a determination if a remote system could be installed and be compatible.

Following the Committee meeting it was found that because of the technology used for a remote system, it would be cost prohibitive to find one system to cover both the wired system and remote system. It would be a less expensive alternative to have two separate systems when the City decides to install remote surveillance equipment.

A motion was made by Council Member Coenen and was seconded by Council Member Johnson to approve the quote of Marco to install video surveillance equipment at a cost of \$11,575 and approval to proceed with lowering the ceiling in the intox room at a cost of \$1,200. A vote being recorded as follows: For: Council Members Coenen, Johnson, Thomas, Stone and Mayor Kirckof. Against: None. The motion passed.

- p. The Park Board is recommending that the City Council approve the campground extension. The City is licensed for ten additional sites through Stearns County. The proposal is to add six full service seasonal sites to the west of the campground and four primitive sites in the interior triangle by the boat access toward the east end.

The 6 seasonal sites would be 4,000 square feet each, which is the minimum requirement under today's standards. The estimated cost to complete the project is approximately

\$20,000. We have \$10,000 in the budget for 2009 and \$10,000 is budgeted for 2010. Utilities will be installed this fall. The PUC would carry some of the utilities materials cost into 2010 if needed. The STS crew would have the winter to build the 10 picnic tables.

Installation of water/sanitary-contractor dig	\$4,300.00
Installation of electrical-PUC & PWs (materials)	\$4,100.00
County Plan Review	\$210.00
Annual License-extra 10 sites	\$50.00
10 picnic table materials (STS to build)	\$1,000.00
6 Green Treat Ped Post-4x4	\$75.00
Class 5 for 10 sites	\$300.00
Class 5 for road	\$1,000.00
Seed & landscape	\$250.00
Blacktop	\$7,000.00
Fire rings, site signs & other misc.	<u>\$1,715.00</u>
	<b>\$20,000.00</b>

Revenue that could be generated:

6 seasonal @ \$1,500	\$9,000.00/year
4 primitive @ \$20/day assuming 30 days rented	<u>\$2,400.00/year</u>
	<b>\$11,400.00</b>

Using the 6 seasonal and 4 primitive (30 day) sites, the City could generate \$11,400 per year which could pay for the extension in two years.

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

- q. On July 15, 2009 the City Council approved Resolution 2009-42 Authorizing the Execution of a Transmission Service Agreement (T-1) and a Facilities Lease Agreement to allow the PUC's participation in cooperative purchasing of transmission services. Part of the agreement allowed the City/PUC to opt out of the agreement on September 1<sup>st</sup> after it was known how many parties would participate to determine a net savings estimate.

Because of the lack of participation by other entities, it has been determined that it is not in the best interest of Sauk Centre to participate.

A motion was made by Council Member Johnson and was seconded by Council Member Thomas to authorize execution of the documents withdrawing from the Transmission Service Agreement and Facilities Lease Agreement. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.



- r. In order to comply with GASB 43 and GASB 45, the City of Sauk Centre proposes to jointly complete an Actuarial Study with the PUC and St. Michael's Hospital. The purpose of the study is to evaluate the City's liability for post employment benefits for all benefit earning employees. This liability will then be reported in the City's financial statement.

The auditors of each of the three entities agree that a joint study would be in the best interest of the City to obtain city wide numbers and to provide an "economy of numbers" benefit by sharing the cost.

The Hospital Board and PUC will be acting on this request at their next meeting.

The City of Hutchinson recently completed their study at a cost of \$3,200 for 110 employees.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to authorize to Request Proposals (RFP) to conduct a joint Actuarial Study for the City, PUC and St. Michael's Hospital. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

## **8. UNFINISHED BUSINESS**

None

## **9. NEW BUSINESS**

- a. As part of the budget discussion, the establishment of a Payment in Lieu of Taxes (PILOT) agreement be negotiated with St. Michael's was identified as a potential revenue source for the City.

It was the general consent of the Council to facilitate a joint meeting with the Council and Hospital Board to discuss PILOT.

## **10. CONSENT AGENDA**

The Council then considered the following consent agenda:

- a. Schedule of Claims – Total of unpaid claims \$92,463.18 and paid claims \$38,255.85, for a total of \$130,719.03.
- b. Resolution No. 2009-58, Resolution Accepting Contributions. The contribution totaled \$327.00 from the Men's Card Playing Group to be used towards the Senior Center.

A motion as made by Council Member Stone and was 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.

Mayor Kirckof thanked the Men's Card Playing Group for their contribution.

## **11. INFORMATION ITEMS**

- a. The Mayor and City Administrator will be executing a Letter of Understanding with Jean Fiedler. The City currently has a lease agreement at the airport with Jean Fiedler for hangar rental. Mr. Fiedler has proposed to add an electric heater and finish the insulation and install a window.
- b. April 15, 2009 and August 6, 2009 Safety Committee Meeting Minutes.

## **12. ADJOURNMENT**

A motion was made by Council Member Stone and was 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 7:50 p.m.

Respectfully submitted,

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Mayor Brad A. Kirckof

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City Administrator Vicki M. Willer