

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, SEPTEMBER 15, 2010**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, September 15, 2010 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 Dave Thomas, Keith Johnson, Warren Stone and Al Coenen. Also present were City Administrator Vicki Willer, City Planner Sarah Morton, Police Chief Bryon Friedrichs, Public Works Director Butch Wessel, City Engineer Keith Yapp of Bonestroo and Administrative Assistant Nicki Vogt. Mayor Kirckof presided thereat.

2. APPROVAL OF AGENDA

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve the agenda with the addition of 8a. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

3. APPROVAL OF MINUTES

The September 1, 2010 Regular Meeting Minutes and September 8, 2010 Public Information Meeting minutes were approved as presented.

4. PUBLIC OPEN FORUM

Mike Nelson of MN Engineering & Co. stated that they are a low cost firm that provides reconstruction and rehabilitation services. This company has also completed projects that include rain gardens. Rain gardens provide a natural aesthetic. Maintenance of the rain gardens can be handled by a project called "Adopt-A-Raingarden".

Mr. Nelson asked that the Council consider hiring MN Engineering & Co. for the stormwater project.

5. PUBLIC HEARINGS

None.

6. REPORTS/PRESENTATIONS

- a. In August 2010 there were 291 ICRs and 205 Verbal Warnings for a total of 496.
- b. City Planner Morton reported on the September 14, 2010 Planning Commission meeting as follows:
 - Review August building permits. 134 building permits have been issued in 2010.
 - Hedin Point First Addition. See 7c.
 - Fall scrap metal clean up is scheduled for September 24 & 25, 2010.

- c. The Park Board discussed the following at their September 7, 2010 meeting:
- The dump station donation box was broken into and cash was taken.
 - Hockey Boards arrived Friday, September 3rd.
 - Recommendation for staff to apply for Stearns Electric Operation Roundup Grant to be used towards the Outdoor Skating Rink.
 - Recommendation for Council to offer the arena seasonal employee positions to Keith Sorenson, Andrew Rousslange and Lee Mahnke. See 7d.
 - Recommendation to have staff advertise for the figure skating program.
 - Action tabled on the summer recreation contract until a representative of the program is present at the meeting.
 - Campers were notified that in 2011 the City will not allow them to bring their own wood to the campground. They will be able to purchase wood on site or from a certified vendor.
- d. The EDA met in a regular meeting on September 14th to discuss an application received by T.A.L.K., Inc. See 7a.

7. ACTION ITEMS

- a. The EDA has been working with T.A.L.K., Inc. and Sauk Centre Opportunities on a proposal that will include a Tax Increment Financing (TIF) component to assist with the purchase of property in the Industrial Park for the construction of a manufacturing facility.

The TIF component is for the purchase of the land from Sauk Centre Opportunities where they (Opportunities) will be reimbursed over nine years for the land cost through the creation of an Economic Development District.

Prior to the City acting on the proposal, they will need to conduct a public hearing which is to be scheduled for October 20, 2010.

City Administrator Willer stated that this would take the parcel out of the existing TIF District and put it into a new district. Ninety percent of the taxes generated will be paid to Sauk Centre Opportunities over time.

Creation of this district should initially create 3-5 jobs and 1-2 additional jobs per year.

Council Member Johnson introduced Resolution No. 2010-50, Resolution Calling Public Hearing on Modification of the Plan for Tax Increment Financing District No. 1 and Establishment of Tax Increment Financing District No. 1-11 with the Adoption of a Tax Increment Financing Plan Therefore. 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.

- b. At the City Council's August 18, 2010 regular meeting, staff was directed to secure quotes for a mill and overlay on 1st Street South from Main Street to Birch Street along

with segments of Pine Street and Birch Street. Requests for quotes were advertised with courtesy copies of the request mailed to local firms known to provide this service.

Quotes were received and opened on Wednesday, September 8, 2010. Three quotes were received.

The three options were presented to the Council as follows:

1. Base bid plus Option No. 1 (1st Street South and Pine Street)
2. Base bid plus 120' of Pine Street (1st Street South and 120' of Pine Street)
3. Base bid only (1st Street South)

All three options include portions of the parking lot area along the PUC warehouse outside the right of way which is a PUC cost. The PUC portion is \$7,500 which will reduce the overall cost.

Option No. 2 includes the base bid and a 120' segment of which would take care of some of the surface and drainage issues on Pine Street.

All three options would require some level of surveying and staking to insure elevations are correct for drainage (\$5,000 estimate).

Staff's recommendation that at a minimum Option No. 2 be selected. The total cost with this option is \$68,224.10 (cost plus engineering, less PUC's share).

The budgeted amount for this project was \$75,000.

Council Member Stone introduced Resolution No. 2010-51, Resolution Accepting Quote for 2010 Mill and Overlay Improvement Project. The motion was seconded by Council Member Johnson. A vote being recorded as follows: For: Council Members Stone, Johnson, Thomas, Coenen and Mayor Kirckof. Against: None. The motion passed.

- c. On September 23, 2009 the Council approved the Preliminary Plat of Hedin Point First Addition with conditions that were to be completed prior to the submission and approval of the Final Plat.

Those conditions have been met and the Final Plat is being presented for approval.

As a Condition of the Final Plat, the following items must be completed:

1. Issuance of Title Opinion by the City Attorney
2. Final approval by Stearns County Surveyor
3. Clarification of ownership of Outlot B (roadway) with a legal description
4. Clarification of Outlot A legal descriptions and attachment to Lots 3-4-5, Block One
5. Payment of fees.

The above requirements will be documented in a Development Contract. All other submittal requirements have been met.

At the Planning Commission's September 14th meeting they recommended approval of Resolution No. 2010-52, Resolution Approving Final Plat of Hedin Point First Addition.

A motion was made by Council Member Coenen and was seconded by Council Member Johnson to deny Resolution No. 2010-52, Resolution Approving Final Plat of Hedin Point First Addition until Park Dedication fees have been paid. A vote being recorded as follows: For: Council Members Coenen and Johnson. Against: Council Members Thomas, Stone and Mayor Kirckof. The motion failed due to lack of majority vote.

A motion was made by Council Member Thomas and was seconded by Council Member Stone to approve Resolution No. 2010-52, Resolution Approving Final Plat of Hedin Point First Addition. A vote being recorded as follows: For: Council Members Thomas, Stone and Mayor Kirckof. Against: Council Members Coenen and Johnson. The motion passed.

- d. The Park Board made recommendation that part time seasonal arena positions be offered to returning seasonal staff as follows:

Keith Sorenson	Step 8	\$13.31
Lee Mahnke	Step 4	\$11.09
Andrew Rousslange	Step 3	\$10.53

A motion was made by Council Member Johnson and was seconded by Council Member Coenen to approve seasonal arena appointments of Keith Sorenson, Lee Mahnke and Andrew Rousslange for the 2010-2011 season. A vote being recorded as follows: For: Council Members Johnson, Coenen, Stone, Thomas and Mayor Kirckof. Against: None. The motion passed.

- e. ECPN (Equitable Cost-Sharing for Publicly Owned Nursing Facilities) was established as a mechanism to allow non-state owned governmental entities that own a nursing facility and choose to contribute funds to the operation of that facility to receive federal match of those contributions. Any nursing facility whose physical plant is owned by or whose license is held by the City, County or Hospital District is eligible to participate. St. Michael's Nursing Home has been identified by the State as eligible.

If the City and Hospital apply for this program, the Nursing Home can raise rates equal to its costs. This would net the Nursing Home approximately \$700,000 additional revenue. The project is funded with Federal and State dollars. After receipt of the funds by the Nursing Home, the City is required to reimburse the State for its share to render the project cost neutral to the State.

Application deadline is September 30, 2010.

The Hospital Board met today and is recommending Council approval to make application.

Del Christianson stated that the effective date is January 2011 through September 2015.

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

- f. Every year a report is submitted to the MN State Auditor's Office by the Sauk Centre Fire Relief outlining the accrued liabilities of the Association for future retirements and the assets the Association has. Assets include funds in checking, savings, Certificates of Deposit and other investments such as mutual funds, etc.

If the value of the assets are less than the accrued liabilities, the City is required by the Auditor to contribute funds to the Relief Association.

For the August 2009 report, a shortfall existed which calculates to a \$14,590 payment requirement. This is based on the December 31, 2009 value. Since that date, the value of the investment has increased and the accrued liabilities have decreased so it is projected that the August 2010 report will not show the same shortfall.

The payment for the 2009 shortfall must be made to the relief prior to the end of 2010.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve payment to the Sauk Centre Fire Relief Association in the amount of \$14,590 from the Sauk Centre Fire Department Operating Fund. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Coenen. Against: None. Abstain: Mayor Kirckof. The motion passed.

8. UNFINISHED BUSINESS

- a. City Administrator Willer stated that the following items need to be addressed to answer the questions of the public from the public meetings held on September 8.
1. Review Design for potential mitigation that could reduce the scope of the project.
 2. Review Assessment Policy for street cost assessments and assessment percentages
 3. Obtain additional data on flooding impact to citizens.
 4. Provide financial analysis of cost increases if project delayed.
 5. Provide financial analysis of impact of tax increases to fund a capital reserve fund.
 6. Provide financial analysis of interest savings if no bond due if completed on a cash basis (in future year)

This information could be provided to Committee, to the Council at a regular meeting, to the Council in a workshop session or to the Council at the public hearing.

Mayor Kirckof and Council Member Stone felt that it may be appropriate to take a step back from the project for several years in order to build up reserve funds.

A motion was made by Council Member Stone and was seconded by Council Member Johnson to address public questions at a full Council workshop to be held on October 6, 2010 at 2:00 p.m. A vote being recorded as follows: For: Council Members Stone, Johnson, Thomas and Coenen. Against: Mayor Kirckof. The motion passed.

9. NEW BUSINESS

None.

10. CONSENT AGENDA

The Council then considered the following consent agenda:

- a. Schedule of Claims – Total of unpaid claims \$19,557.13 and paid claims of \$2,146.48 for a total of \$21,703.31.
- b. List of August checks totaling \$382,215.68.
- c. Resolution No. 2010-53, Resolution Accepting Contributions. The contribution totaled \$281.00 from the Men’s Card Playing Group to be used to towards the Senior Center.

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

11. INFORMATION ITEMS

- a. Application for Hosting a Tournament on September 18, 2010.
- b. Tri-Cap Route Changes
- c. 2010 League of MN Cities Regional Meetings
- d. Clean Up Day – September 24-25, 2010.

12. ADJOURNMENT

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

With no further business to come before the Council, Mayor Kirckof adjourned the meeting at 7:55 p.m.

Respectfully submitted,

Mayor Brad A. Kirckof

City Administrator Vicki M. Willer