

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, DECEMBER 1, 2010**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, December 1, 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, Public Works Director Butch Wessel, Police Chief Bryon Friedrichs 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 amended agenda. 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 November 17, 2010 Regular Meeting Minutes were approved as presented.

4. PUBLIC OPEN FORUM

None.

5. PUBLIC HEARINGS

a. 2011 Proposed Budget – Truth in Taxation.

Mayor Kirckof opened the Public Hearing and read the Public Hearing procedure.

The budget meeting notice was published in the Sauk Centre Herald which notified the public of their opportunity to voice their concerns and/or ask questions regarding the 2011 budget and levy .

Because the City did not elect to move forward with the 2011 Stormwater Project, project costs and the accompanying bond revenue may be removed from the budget, if desired. The amount budgeted for the project as a placeholder is \$2,500,000.

The budget presented to the Council is the preliminary budget which was approved in September and was used for the proposed property tax statements mailed to residents in November.

The total General Fund is proposed at \$2,432,758.13. The total Special Revenue Fund is proposed at \$842,754.23 and the total expenses of all operating funds is proposed at \$4,569,891.19.

The total levy is \$1,504,142.00 which was the amount adopted by the Council at the Preliminary Budget meeting.

Mayor Kirckof called for persons to speak in favor or opposition.

Wayne Kostreba, 1200 Sinclair Lewis, Sauk Centre, MN 56378. Mr. Kostreba stated that his property value increased 43.9%.

City Administrator Willer stated that property value discussions take place at the Board of Review/Equalization meeting in May.

Dan Brooks, Superintendent of Public School. Mr. Brooks stated that the District does not have the funding source to make up for the \$3,000 that the City cut out of the Summer Recreation budget. He also noted the following:

- The goal of the Summer Recreation program is to keep the program affordable.
- Salaries are the largest expense.
- Fees are reviewed annually.

Mr. Brooks invited the Council to attend a school board meeting. He recommended that the Council adopt the Summer Recreation budget at \$9,000 and discuss the contract annually.

Mayor Kirckof called three times for additional persons to speak in favor or against. None additional spoke.

Mayor Kirckof closed the Public Hearing at 7:03 p.m.

6. REPORTS/PRESENTATIONS

- a. Insurance Agent Rich Bullard reported on the City's insurance renewal. The City currently purchases Liability, Property & Equipment, Open Meeting Law, Excess Liability, Airport, Workers Compensation Insurance and Bonding through the League of MN Cities.

Bullard stated that the Council needs to determine whether the City continues to purchase the Excess Liability coverage and also whether the City wishes to waive the per person limit for liability which is put in place by Minnesota Statute.

The City currently purchases the Excess Liability and waives the limit.

Bullard recommended that the City purchase the Excess Liability and waive the limit.

- b. City Planner Morton reported on the Tuesday, November 23 Regular Meeting as follows:
- Conditional Use Permit – See 7d.
 - Amending Zoning Ordinance Definitions – See 7e.

- In October there were 25 permits issued as follows: 1 new residential, 20 miscellaneous residential and 4 commercial. As of October 31, 2010 a total of 171 permits were issued in comparison to a total of 175 in October of 2009.
- Jim Lawinger resigned as a member of the Planning Commission.
- The December meeting was cancelled.

7. ACTION ITEMS

- a. See 6a above.

Each year when the City renews Liability Insurance coverage, a determination needs to be made whether the City purchases Excess Liability Insurance Coverage and also whether the City wishes to waive the per person limit for liability put in place by MN State Statute.

The City currently purchases One Million Dollars of excess coverage and waives the limit.

With this option, if there is a claim where the City is liable for something such as a vehicle accident or some form of negligence, the injured party would be able to recover up to 2.5 million dollars, if awarded. If there were multiple claims for the same act, the aggregate maximum that the City could be liable for is also 2.5 million which could be divided among claimants.

If the City chooses not to purchase the excess liability and does not waive the limit, the most a claimant could recover is \$500,000 with a total liability per incident of 1.5 million.

In the past, the City has taken the position that if we are proven liable for an incident that \$500,000 may not go a long way to cover potential lifelong expenses.

Claims that will not be covered by the limits are claims under federal civil rights law, claims for actions in another state, claims based on liquor sales, claims based on the taking law and claims for tort liability which the City has assumed by contract.

The Council was also reminded that the City has multiple boards/commissions that could be liable independently of each other so the excess liability would provide additional coverage in that instance.

A motion was made by Council Member Johnson and was seconded by Council Member Thomas to purchase excess liability insurance and waive the statutory limit. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

- b. See 5a above.

A motion made by Council Member Stone and was seconded by Council Member Coenen to set the Summer Recreation Budget at \$9,000 for 2011. A vote being recorded as follows: For: Council Members Stone, Coenen, Thomas, Johnson and Mayor Kirckof. Against: None. The motion passed.

Council Member Stone introduced Resolution No. 2010-74, Resolution Adopting Final 2011 Expense and Revenue Budgets for the City of Sauk Centre. 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.

- c. See 5a above.

Council Member Coenen introduced Resolution No. 2010-45, Adopting Final 2010 Property Tax Levy, Collectible in 2011. The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council Members Coenen, Stone, Thomas, Johnson and Mayor Kirckof. Against: None. The motion passed.

- d. The Planning Commission held a Public Hearing on Tuesday, November 23, 2010 to consider a Conditional Use Permit (CUP) to allow a residential apartment on the lower level of a commercial building located at 521 Sinclair Lewis Avenue.

The proposal would involve remodeling the back half of the lower level into a one bedroom apartment.

The Planning Commission reviewed the proposal and recommended it be approved with the conditions outlined in the Resolution.

Council Member Stone introduced Resolution No. 2010-76, Resolution Approving a Conditional Use Permit Request of Tracy M. Ryan. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Stone, Thomas, Coenen and Mayor Kirckof. Against: Council Member Johnson. The motion passed.

It was recommended that the Planning Commission look into allowing residential units on the upper level only.

- e. The Planning Commission held a public hearing at its November 23, 2010 meeting and are recommending Ordinance 702 Amending Definitions be adopted.

The Ordinance amends the City Code to further define:

LOT COVERAGE: Adds driveways, parking lots and other impervious surfaces to be Included in the lot coverage calculation.

IMPERVIOUS SURFACES: Defines the term “impervious surfaces” to include Artificial structures such as buildings, decks and patios, and roads, sidewalks, driveways and parking lots that are covered by impenetrable materials such as asphalt, concrete, brick and stone. Soils compacted by urban development including areas covered by Class V also considered impervious surface.

LOT LINE, SIDE-INTERIOR and LOT LINE, SIDE-STREET (CORNER). These definitions differentiate the difference between a side lot line that abuts another property and a side lot line that abuts a street. The reason to differentiate is that the setbacks are different.

LOT LINE, SIDE-INTERIOR: A side lot line that abuts another property.

LOT LINE, SIDE-STREET (CORNER): A side lot line that abuts a public street or road right of way as on a corner.

Council Member Johnson introduced Ordinance No. 702, An Ordinance Amending and Adding Definitions to Section 156.003. 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.

- f. As part of National Legislative Changes, credit card security requirements have been implemented to provide for safe procedures when a provider obtains confidential credit card data. These standards are called PCI DSS. (Payment Card Industry Data Security Standards)

The City currently obtains credit card data at the Campground through the use of the credit card terminal for collecting fees. A second “pay at the pump” terminal is utilized at the airport for unattended twenty-four hour fuel purchases. Our vendor to accept, process and remit payment to the City is Petroleum Card Services who has contracted with PROGuard to develop and monitor the program.

There are twelve main compliance features that must be adhered to in developing a policy under six sub-categories. Because the City does not process credit cards through our computer system due to both offsite terminals being connected directly through a phone line, not all the compliance features are required. (Identified by underlining).

Build and Maintain a Secure Network.

1. Install and Maintain a firewall configuration to protect cardholder data.
2. Do not use vendor supplied-supplied defaults for system passwords.

Protect Cardholder Data

3. Protect stored cardholder data
4. Encrypt transmission of cardholder data across open, public networks.

Maintain a Vulnerability Management Program

5. Use and regularly update anti-virus software or programs
6. Develop and maintain secure systems and applications

Implement Strong Access Control Measures

7. Restrict access to cardholder data by business need to know
8. Assign a unique ID to each person with computer access.
9. Restrict physical Access to cardholder data

Regularly Monitor and Test Networks

10. Track and monitor all access to network resources and cardholder data.
11. Regularly test security systems and processes

Maintain an Information Security Policy

12. Maintain an Information Security Policy

A draft policy is submitted for approval which meets PCI DSS requirements. City staff has been provided copies of the policy for review.

In Summary: No electronic media is retained. All paper copies do not list the sixteen digit credit card number. Paper copies are kept under lock and key and shredded according to the Records Retention Schedule. All access is documented including service providers. All software updates are documented.

Fiscal Implications: All vendors that accept credit cards are subject to compliance. This is an unfunded mandate. Therefore, the City will be required to pay approximately \$15 per month for each location or a total of \$360 per year for system compliance monitoring. If the City pays for the year in advance in January the fee is \$129 per site or \$258.00 per year.

After a lengthy discussion, it was the general consent of the Council to table action on this item for further information.

- g. Rachelle Beste resigned from her position with the Sauk Centre Ambulance Department effective November 22, 2010.

A motion was made by Council Member Johnson and was seconded by Council Member Thomas to accept the resignation of Rachelle Beste effective November 22, 2010. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

The council thanked Ms. Beste for her service to the Department.

- h. The Personnel Committee has met with the Police Bargaining Unit. A tentative agreement has been reached. A detailed response to the Bargaining Unit proposal is attached.

Changes in terms that have been negotiated and have been tentatively approved by the Bargaining Unit include:

1. Accrual rate for vacation changes to 3 weeks at 5 years vs. 7 and 4 weeks at 10 vs. 12.
2. Language clarification that accrued Comp hours over 80 are deposited into the Employee's Health Care Savings Plan Account.
3. Language clarification that uniforms and equipment, when replaced, will be of same or similar quality to what is replaced.
4. Salaries proposed are 0% for 2011 and 1.5% for 2012
5. Duration of Contract is two years through 12-31-12.
6. Miscellaneous typographical and grammatical errors from prior contract to be corrected.

A motion was made by Council Member Thomas and was seconded by Council Member Stone to approve the labor proposal for the Police Bargaining Unit. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson and Mayor Kirckof. Against: Council Member Coenen. The motion passed.

8. UNFINISHED BUSINESS

None.

9. NEW BUSINESS

None.

10. CONSENT AGENDA

The Council then considered the following consent agenda:

- a. Schedule of Claims – Total of unpaid claims \$28,187.80 and paid claims \$1,070.41 for a total of \$29,258.21.

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

11. INFORMATION ITEMS

- a. The Council reminded citizens that it is the winter season and that cars need to be removed from the street when a Snow Emergency is declared.

12. ADJOURNMENT

A motion was made by Council Member Thomas and was seconded by Council Member Stone to adjourn the 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 7:43 p.m.

Respectfully submitted,

Mayor Brad A. Kirckof

City Administrator Vicki M. Willer