

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

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, December 1, 2021 at 6:30 p.m. due notice being given thereof. Present were Mayor Warren Stone, Council Members Diane Kelly, Joe Fuechtmann, Heidi Leach and Shalon Wilber. Also present were Engineer 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 Fuechtmann and was seconded by Council Member Kelly to approve the agenda as presented. A vote being recorded as follows: For: Council Members Fuechtmann, Kelly, Leach, Wilber and Mayor Stone. Against: None. The motion passed.

3. APPROVAL OF MINUTES

A motion was made by Council Member Leach and was seconded by Council Member Wilber to approve the November 17, 2021 Regular Meeting Minutes as presented. A vote being recorded as follows: For: Council Members Leach, Wilber, Kelly and Mayor Stone. Against: None. Abstain: Council Member Fuechtmann. The motion passed.

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

None.

5. PUBLIC HEARINGS

5. 2022 Budget.

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

The purpose of the meeting was to give the public an opportunity to ask questions and comment on the proposed 2022 Budget and Levy.

The budget presented represents changes to the adopted Preliminary which has been updated. This resulted in a change in the General Fund leaving a revenue vs. expenditure shortfall of \$198,244.13. This is a change from the initial proposed shortfall at the Preliminary budget workshop. However, staff has since identified a combination of revenue and expenditure potential that could close \$165,000 of that gap.

The City Council asked that a levy increase to cover increased costs of 6% be certified as the Preliminary Levy. It was estimated that this levy would not create an increase in the tax rate due to new development and property value changes.

This resulted in an increase in the City tax rate from 47.910% to 48.846% or an increase of just under one percent.

This new rate was applied to property values and sent to property owners in the last few weeks.

Other potential reasons for increase or decrease in addition to the value change includes changes to the County and School Levies including the school voter approved levy and also the State Tax rate applied to commercial properties.

The budget presented to the Council did include several proposed transfers that could be reduced or eliminated at year end to close any resulting shortfall.

Mayor Stone called three times for persons to speak in favor or opposition. None spoke. Mayor Stone closed the Public Hearing. See 7a.

6. REPORTS/PRESENTATIONS

a. The EDA met on December 1 and discussed the following:

- Received update on South Sauk Centre Industrial Park progress
- Received update on Arrowsmith Plat 3 progress
- Warehousing project Purchase Agreement – see 7i
- Recommend renewal of \$1,000 contract with Western Stearns CEO
- Decertifying TIF District – See 7c

7. ACTION ITEMS

a. See 5a.

A motion was made by Council Member Kelly and was seconded by Council Member Leach to approve Resolution No. 2021-110, Resolution Adopting Property Tax Levy, Collectible in 2022. A vote being recorded as follows: For: Council Members Kelly, Leach, Fuechtmann, Wilber and Mayor Stone. Against: None. The motion passed.

The total 2022 levy is \$2,092,267.00.

b. See 5a and 7a.

A motion was made by Council Member Wilber and was seconded by Council Member Fuechtmann to approve Resolution No. 2021-111, Resolution Adopting 2022 Expense and Revenue Budgets for the City of Sauk Centre. A vote being recorded as follows: For: Council Members Wilber, Fuechtmann, Kelly, Leach and Mayor Stone. Against: None. The motion passed.

The total 2022 expenditure budget is \$17,928,016.13.

c. In 2010 the City created TIF District 1-11 also known as TALK, Inc. or the “Wind Tower” project for the development of a wind tower renovation facility in the Sauk Centre Industrial Park.

At that time a Contract for Private Development was also entered into with representatives from TALK, Inc. and Sauk Centre Opportunities. SCO provided property to TALK, Inc. at zero dollars. SCO was then reimbursed \$95,000 for the land in the form of TIF Pay As You Go payments. The reimbursement payments occurred over a period of nine years. 2021 marks the ninth year of payments to SCO. With the Agreement fulfilled, the District should be decertified.

With decertification of the District, any funds remaining in the TIF Fund will be returned to Stearns County for redistribution back to the various taxing authorities and the property will return to the General Tax Rolls.

A motion was made by Council Member Fuechtmann and was seconded by Council Member Kelly to approve Resolution No. 2021-112, Resolution Decertifying Tax Increment Financing District No. 1-11 (Talk, Inc. Project) of the City of Sauk Centre. A vote being recorded as follows: For: Council Members Fuechtmann, Kelly, Leach, Wilber and Mayor Stone. Against: None. The motion passed.

d. Each year, the City Council approves various transfers between funds. These transfers are:

○	Transfer Fire Dept. share of City Hall Bond Pmt. To Bond Fund -	\$59,466
○	Transfer Stormwater Fees to Bond Fund	\$125,000
○	Transfer Small Cities Street Grant to Sinking Fund	\$39,951
○	Transfer Future Equipment Purchase Funds to Sinking Fund	\$60,000
○	Transfer Current Year Purchase from Sinking Fund to General Fund	\$360,000
○	Transfer Apt. Complex Abatement to EDA Fund	\$18,328.14
○	Close Capital Projects Funds	\$74,285.11
○	Transfers Funds from Hospital Fund to Ind. Park Project Fund	<u>\$1,300,000.00</u>
		<u>\$2,037,030.25</u>

A motion was made by Council Member Wilber and was seconded by Council Member Leach to approve Resolution No. 2021-113, Resolution Authorizing Year End Interfund Transfers. A vote being recorded as follows: For: Council Members Wilber, Leach, Fuechtmann, Kelly and Mayor Stone. Against: None. The motion passed.

e. Minnesota Statutes 204B, Subd. 1 requires that a City Council, by Ordinance or Resolution, must designate polling places for the upcoming year.

This prevents changes to polling places less than 90 days prior to an election unless it becomes unavailable or due to an emergency.

Resolution No. 2021-114 designates Sauk Centre City Hall as the official polling place for any Special or Regular Elections in 2022.

A motion was made by Council Member Fuechtmann and was seconded by Council Member Leach to approve Resolution No. 2021-114, Resolution Designating Polling

Place. A vote being recorded as follows: For: Council Members Fuechtmann, Leach, Kelly, Wilber and Mayor Stone. Against: None. The motion passed.

- f. The City Hall has a wet and a dry sprinkler system that requires annual maintenance and also a five-year internal pipe inspection. Summit Fire Protection has submitted a proposal to conduct the five-year test for \$1,050.00.

A motion was made by Council Member Leach and was seconded by Council Member Kelly to approve the Inspection Service Agreement with Summit Fire Protection for the City of Sauk Centre. A vote being recorded as follows: For: Council Members Leach, Kelly, Fuechtmann, Wilber and Mayor Stone. Against: None. The motion passed.

- g. The Police Department has received through forfeiture three vehicles that are now available for sale. The vehicles were advertised through the State of Minnesota online auction with the following results:

BIDDER	Property	AMOUNT
Demetrius Wilson	2010 Mercury Mariner	\$1,850.00
Furlong Motors Direct	2007 Chevy Impala	\$3,228.00
Norm Nicol	2011 Buick Enclave	\$9,650.00

A motion was made by Council Member Kelly and was seconded by Council Member Fuechtmann to approve Resolution No. 2021-109, Resolution Authorizing Sale of Excess Vehicles. A vote being recorded as follows: For: Council Members Kelly, Fuechtmann, Leach, Wilber and Mayor Stone. Against: None. The motion passed.

- h. Caribou Coffee, as the purchaser of Lot 1, Block 1, Arrowsmith Addition Plat 3 has requested a utility easement across Lot to allow for the installation of an electrical line to the pylon sign proposed on Lot 3. Since the City is currently the property owner of Lots 2, the Utility Easement is required to be executed by the City.

A copy of the property with the proposed easement was presented to the Council for their review. The easement lies alongside the storm easement for the storm pond.

A motion was made by Council Member Wilber and was seconded by Council Member Kelly to approve Resolution No. 2021-115, Resolution Authorizing Execution of Documents. A vote being recorded as follows: For: Council Members Wilber, Kelly, Leach, Fuechtmann and Mayor Stone. Against: None. The motion passed.

- i. The EDA has been working with Neighborhood Realty on the negotiation for the sale of a lot in South Sauk Centre Industrial Park. This sale was presented to the City in the form of a Letter of Intent at a prior closed meeting at which time the City authorized staff to proceed.

The Purchase Agreement has now been received according to the terms and conditions presented by the EDA:

- Sale Price \$322,500
- First Right of Refusal for Two years for one additional lot
- Buyback at 95% if not constructed within two years.
- Use to be consistent with BDPI Grant Guidelines (Warehousing/Dispatch)

Closing has been set for December 23, 2021.

A motion was made by Council Member Wilber and was seconded by Council Member Kelly to approve Resolution No. 2021-116, Resolution Authorizing Execution of Purchase Agreement and Closing Documents. A vote being recorded as follows: For: Council Members Wilber, Kelly, Leach, Fuechtmann and Mayor Stone. Against: None. The motion passed.

8. UNFINISHED BUSINESS

a. City Engineer Chuck Boser provided the Council with the following updates:

- Interpretive Center – 2021 work completed
- South Industrial Park – pipe crew currently installing utilities and doing earthwork grading
- 2022 CIP – well into design. Second Street pond is sized with several options available

9. NEW BUSINESS

None.

10. CONSENT AGENDA

The Council considered the following Consent Agenda Items:

a.	Schedule of Claims -	Unpaid Claims	\$53,439.70
		Paid Claims	<u>\$942.17</u>
		Total	<u>\$54,381.87</u>

b. Resolution No. 2021-117 Resolution Accepting Contributions.

Men’s Card Playing Group	\$124.38	Senior Center
Sauk Centre Seniors	\$3,000.00	Senior Center
Gloria Stone	\$125.00	Police Dept.
Gloria Stone	\$125.00	Amb. Dept.
Anonymous Donor	\$200.00	Police Dept.
Hennepin County	PBT	Police Dept.
Hennepin County	Helmets	Police Dept.

A motion was made by Council Member Leach and was seconded by Council Member Kelly to approve the Consent Agenda as presented. A vote being recorded as follows: For:

Council Members Leach, Kelly, Wilber, Fuechtmann and Mayor Stone. Against: None.
The motion passed.

The Council thanked the above named people/organizations for their donations.

11. INFORMATIONAL ITEMS

None.

13. ADJOURNMENT

A motion was made by Council Member Fuechtmann and was seconded by Council Member Leach to adjourn the meeting. A vote being recorded as follows: For: Council Members Fuechtmann, Leach, Kelly, Wilber and Mayor 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