

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, DECEMBER 2, 2009**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, December 2, 2009 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 David Thomas, Warren Stone, Keith Johnson and Al Coenen. Also present were City Administrator Vicki Willer, Public Works Director Butch Wessel, City Planner Sarah Morton, Police Chief Bryon Friedrichs and Administrative Assistant Nicki Vogt. Mayor Kirckof presided thereat.

2. APPROVAL OF AGENDA

The agenda was approved with changes by general consent.

3. APPROVAL OF MINUTES

The November 18, 2009 regular meeting minutes and September 3, 2009 Special Meeting Minutes were approved by general consent.

4. PUBLIC OPEN FORUM

Chad Bueckers DBA Affordable Disposal stated that he is currently licensed through the County of Stearns. All issues have been resolved and he stated he will continue to provide good service to his customers.

5. PUBLIC HEARINGS

Truth in Taxation. Mayor Kirckof opened the Public Hearing at 6:35 p.m. The public hearing notice was published in the Sauk Centre Herald notifying the public of their opportunity to voice their concerns regarding the 2010 budget and levy and to ask questions of the Council.

City Administrator Willer presented the Council with a handout of Tax Rate Trends and stated that Sauk Centre's tax rate fluctuated up by 3/4th of one percent, which is not a result of spending but of changes in property tax values, namely the reduction in values applied to most residential structures in the City by the County Assessor. The overall tax rate for all taxing entities rose by 4% when you factor in voter approved levies by the school and levies by the County, Watershed and HRA.

Mayor Kirckof called 3 times for persons to speak in favor or opposition. None spoke.

Mayor Kirckof closed the public hearing at 6:40 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.

The LMCIT coverage is issued with a \$1,500,000.00 per occurrence limit.

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

- b. Public Works Director Wessel reported on the December 1, 2009 Park Board meeting as follows:
- The Park Board recommended the Council hire Amelia Maher and Dennis Christianson as Outdoor Skating Rink Attendants. See Action Item 7h.
 - The Park Board recommended Planning Commission approval that the Coborn's Park Dedication fee for the plat be \$19,160. (\$28,400/3 lots = \$9,580 x 2 buildable lots).
 - The Park Board recommended approval of leasing the advertising rights for the Arena Wall Advertisements for the Hockey Association for 1 year at a cost of \$3,300. More information will be presented at a future meeting.
 - At a previous park board meeting, the Rotary Club stated that they will be applying for a Grant and asked the Park Board for ideas of where they needed assistance in park improvements. The Park Board chose to recommend installing benches at Jaycee Park or a pagoda, benches and a water fountain by the Ding Dong Café along the trail. Deadline for the Rotary Club to apply for this Grant is February 2010.

7. ACTION ITEMS

- a. See 5a above.

Council Member Thomas introduced Resolution No. 2009-76, Resolution Adopting Final Expense and Revenue Budgets for the City of Sauk Centre. The motion was seconded by Council Members Johnson. A vote being recorded as follows: Council Members Thomas, Johnson, Stone and Mayor Kirckof. Against: Council Member Coenen. The motion passed.

It was noted that the Public Works (General Fund) total was based on 32 hours of work per week.

- b. See 5a above.

Council Member Johnson introduced Resolution No. 2009-77, Adopting Final 2009 Property Tax Levy, Collectible in 2010. The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council Members Johnson, Stone, Thomas and Mayor Kirckof. Against: Council Member Coenen. The motion passed.

It was noted that the total levy remains at \$1,504,142 which is the amount adopted by the City at the Preliminary Budget meeting. Proof of Compliance with the Truth in Taxation requirements must be submitted to the Department of Revenue.

- c. 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 Minnesota 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, such as a vehicle accident or some form of negligence, the injured party would be able to recover up to 2.5 million which would be divided among the claimants.

In the past, the City of Sauk Centre has taken the position that if the City is proven liable for an incident that \$500,000 may not go a long way to cover potential lifelong expenses. The cost for the extra insurance is \$7,500. Because the City has purchased the insurance in the past, adequate funds were budgeted for that purpose.

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

One additional issue to consider is that the City has multiple boards that could be liable independently of each other so the excess liability would provide additional coverage in that instant.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to purchase Excess Liability Insurance and to waive the Statutory Limit. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

- d. At the EDA's November 13, 2009 meeting they approved entering into a Revolving Loan Fund Agreement with Evy Schilling for up to \$50,000 for 7 years at 4%. The City will have a mortgage recorded against the property and possibly another property owned in fee simple by the applicant. The City is helping to fill the gap between conventional financing, SBA financing and owner equity investments to assist Ms. Schilling in the purchase of the Palms Motel to include equipment upgrades to qualify for franchise.

The EDA met with the primary lender on the loan to review the proposal, including financial evaluation. City Attorney Mayer will draft the appropriate loan documents and mortgage.

Evy Schilling was present and stated the following:

- She has entered into negotiations with a franchise.
- The hotel will be full service.
- Moneys received will go towards billboards, electronic locks, bed upgrades, etc.
- Contracts with existing businesses will be retained.
- The hotel currently has 39 rooms and an indoor pool.
- They goal is to improve occupancy.

A motion was made by Council Member Coenen and was seconded by Council Member Stone to authorize the EDA to enter into a Revolving Loan Fund with Evy Schilling for up to \$50,000. A vote being recorded as follows: For: Council Members Coenen, Stone, Johnson, Thomas and Mayor Kirckof. Against: None. The motion passed.

- e. The Planning Commission and City Council approved the Preliminary Plat of Hedin Point First Addition which was previously platted property on Shady Lane. According to platting requirements outlined in the City Code, the Park Board shall make a recommendation regarding the appropriate amount of land or cash in lieu of land that shall be required for the Park Dedication Fee. The Park Board met on the proposal and was unable to reach consensus so the decision on the fee is being left to the City Council. The City Code requires ten percent of the land to be dedicated and if the City determines the proposed dedication does not meet the needs of the City, cash could be required instead.

The amount of the fee is calculated at ten percent of the value of the undeveloped land. The City used the County's established land market value as the base number for the calculation. Minnesota Statutes also provide guidance for determination of the fee. The value established must be a reasonable amount and have a nexus or direct relationship to the cost of providing recreational services to the new residents as a result of the plat. Also, when the plat involves previously platted land, the fee can only be charged on the increased number of lots or residences. In the case of this plat, six lots are being replatted into eight lots for an increase of two. The argument that the ultimate number of homes will actually be less than previously existed as several have been torn down and at least three have been moved off the property and four currently exist was also reviewed. This option was applied previously to the Lakeside Oaks plat on Main Street North where several trailers/cabins were removed in favor of the new plat.

The Park Board was provided with several alternate choices.

1. Overall base land market value times ten percent	\$40,120.00
2. Overall base land market value times five percent	\$20,060.00
3. Base land value times ten percent for two lot increase	\$10,030.00
4. None (the number of homes will be less than previous)	\$0.00
5. Adjusted base for off lake comparison for two lot increase	\$3,897.53

Option 5 was offered because the base value of the land is higher per square foot due to its location along the lakeshore. The base value was reduced to reflect what the

prospective value would be for the same lot area if the plat was off lake. The reason this option was offered was because it was thought that the increased demand for recreational facilities by the new residents would not be higher than those in off lake areas, and could in fact be less because the lake itself would provide recreational options. A value per square foot was calculated at \$1.43 (East River Heights Plat) versus the \$3.68 per square foot value in Hedin Point. Applying the lower value resulted in a fee calculation of \$3,897.53 for the two additional lots created by the plat.

The Developer requests that the City Council waive the Park Dedication Fee requirement due to the fact that he has cleared up a multitude of nuisance violations, is proposing final resolution to the ownership and long term care of Shady Lane and also that the ultimate final number of homes/cabins will be less than what previously existed on the same tract of land.

Staff recommended that the Council select either option 3, 4 or 5 below. Option 1 does not take into consideration the existing lots and Option 2 does not have a basis in the code.

Option 3 - \$10,030 – 2 lot increase

Option 4 - \$0.00 - Number of homes will be less than previously existed

Option 5 - \$3,897.53 - 2 lot increase adjusted for off lake value

Council Member Thomas stated that the City will take land for park dedication, money in lieu of park dedication and he does not see any reason why we shouldn't take in-kind services in lieu of park dedication.

A motion was made by Council Member Coenen and was seconded by Council Member Johnson to go with option 3 - \$10,030.00. A vote being recorded as follows: For: Council Members Coenen and Johnson. Against: Council Members Stone, Thomas and Mayor Kirckof. The motion failed due to lack of majority vote.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to go with option 4 - \$0.00. A vote being recorded as follows: For: Council Members Stone and Thomas. Against: Council Members Coenen, Johnson 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 Johnson to go with option 5 - \$3,897.53. A vote being recorded as follows: For: Council Members Thomas and Johnson. Against: Council Members Coenen, Stone and Mayor Kirckof. The motion failed due to lack of majority vote.

f. The City has received the following 2010 Refuse Hauler's License renewals:

- West Central Sanitation – License No. 2010-01
- Bueckers City Sanitation – License No. 2010-02
- Affordable Disposal – License No. 2010-03

The license period is from January 1, 2010 through December 31, 2010. Each applicant has completed the required application, provided worker's compensation and liability insurance and they have paid the \$50.00 license fee.

A motion was made by Council Member Stone and was seconded by Council Member Johnson to approve the Refuse Haulers License applications for 2010 for West Central Sanitation, Bueckers City Sanitation and Affordable Disposal & Recycling. A vote being recorded as follows: For: Council Members Stone, Johnson, Thomas, Coenen and Mayor Kirckof. Against: None. The motion passed.

- g. Bid quotes were received for 2010 refuse collection services. The following bids were received:

• Affordable Disposal	\$457.42/Monthly	\$5,488.94/Annual
• West Central Sanitation	\$481.55/Monthly	\$5,788.50/Annual
• Bueckers City Sanitation	\$504.03/Monthly	\$6,048.25/Annual

Council Member Thomas introduced Resolution No. 2009-73, Resolution Accepting Bid for 2010 Refuse Service Collection. The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson and Mayor Kirckof. Against: Council Member Coenen. The motion passed.

- h. Ten applications were received for the outdoor skating rink supervisor position. Interviews took place on November 23, 2009. The interview committee consisted of Public Works Director Wessel and Park Foreman Beilke.

The Park Board and the interview committee recommend that the Council hire Amelia Maher and Dennis Christianson at a rate of \$7.25 for the 2009-2010 season.

City Administrator Willer noted that Amelia is a currently employed with the City as a figure skating instructor. Amelia will be working week days and Dennis will be working weekends.

A motion was made by Council Member Coenen and was seconded by Council Member Thomas to appoint Amelia Maher and Dennis Christianson as Outdoor Rink Attendants. A vote being recorded as follows: For: Council Members Coenen, Thomas, Johnson, Stone and Mayor Kirckof. Against: None. The motion passed.

- i. Tom Sills has submitted a letter of resignation/retirement as Building & Grounds Maintenance for the Public Works Department. Tom has been with the City since July 9, 1984.

A motion was made by Council Member Coenen and was seconded by Council Member Johnson to accept the resignation of Tom Sills with regrets. A vote being recorded as

follows: For: Council Members Coenen, Johnson, Thomas, Stone and Mayor Kirckof. Against: None. The motion passed.

The Council thanked Tom for his years of service to the City of Sauk Centre.

- j. During the preliminary budget meetings regarding the 2010 wages for non-union employees it was decided to budget to provide for placeholders to allow for awarding steps but not to increase the wage scale itself, commonly known as COLA (Cost of Living Adjustment). This was because the CPI is negative for the year.

The requested action will finalize the 2010 non-union wage scale.

A motion was made by Council Member Thomas and was seconded by Council Member Stone to approve the 2010 non-union wage scale at the same rate as the 2009 scale. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson and Mayor Kirckof. Against: Council Member Coenen. The motion passed.

Council Member Coenen felt that if union employees receive a wage increase, non-union employees should be kept on the same scale as all employees are doing their job.

- k. Removed from agenda.

- l. Staff has been researching the cost of purchasing an AED (defibrillator) to have at City Hall to be located near the front entrance to be accessible to staff and the public.

Five quotes were received that range from \$1,275 to \$1,500 with varying items included in the purchase. Four of the five quotes submitted the same machine.

The lowest quote is from American AED which also includes a business package with the cabinet, signage, pads, etc.

It was noted that the funds are in the equipment and furniture budget. All staff is AED trained.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve the purchase of an AED for City Hall from American AED for \$1,275. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Mayor Kirckof. Against: Council Member Coenen. The motion passed.

Council Member Coenen suggested an AED purchase for the Senior Center, Interpretive Center and Chamber of Commerce. He also suggested that the City solicit donations for the purchase of the AED.

8. UNFINISHED BUSINESS

- a. The City has currently received the following nominations:

- St. Michael's Hospital & Nursing Home Board (2 openings) 5

- Park Board (1 opening) 0
- Planning Commission (1 Opening) 1
- Public Utilities Commission (1 Opening) 1
- Senior Center Board (2 Openings) 2
- CVB Board (3 Openings) 1
- EDA Board (3 Openings) 1

9. NEW BUSINESS

- a. Each year the City Council meets in joint session with the PUC. The PUC is now at the point where they are nearing the end of the design of the Wastewater Treatment Facility so now would be a good time for both entities to meet and review the progress.

It was the general consent of the Council to set the joint meeting for Wednesday, December 16, 2009 at 5:00 p.m.

- b. At the time of the last meeting with the Township Representatives regarding the Fire Service Assessments, questions were raised on how the City applies the funds received from responding to fire calls against the budget.

Chief Polipnick and City Administrator Willer concur that it would be best if one representative from each township was invited to attend a meeting with the Finance or Policy Committee to review the process and answer questions. It will then be explained to a full group at the annual February fire service assessment meeting.

It was the general consent of the Council to have Finance Committee member Thomas and Policy Committee member Stone be present at this meeting.

10. CONSENT AGENDA

The Council then considered the following consent agenda:

- a. Schedule of Claims – Total of unpaid claims \$36,930.25 and paid claims \$709.27 for a total of \$37,639.52.
- b. Resolution No. 2009-78, Resolution Accepting Contributions. The contribution totaled \$10,000 from the Youth Hockey Association to be used towards the Civic Arena, \$250 from the Stearns Electric Association Trust-Operation Round Up to be used towards the Sauk Centre Outdoor Rink and \$2,608 from David and Linda Simpkins to be used for purchasing sidewalks.

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

11. INFORMATION ITEMS

- a. 2010 Meeting Calendar

12. ADJOURNMENT

A motion was made by Council Member Johnson and was seconded by Council Member Stone to adjourn the meeting. A vote being recorded as follows: For: Council Members Johnson, Stone, 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 7:50 p.m.

Respectfully submitted,

Mayor Brad A. Kirckof

City Administrator Vicki M. Willer