

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, DECEMBER 2, 2020**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, December 2, 2020 at 6:30 p.m. due notice being given thereof. Present were Council Members Joe Fuechtmann, Diane Kelly, Heidi Leach, Shalon Wilber and Mayor Warren Stone. Also present was City Administrator Vicki Willer, Public Works Supervisor Clink, City Planner Morton and City Engineer Boser. Mayor Stone presided thereat.

Shalon Wilber was sworn in as Council Member.

2. APPROVAL OF AGENDA

A motion was made by Council Member Leach and was seconded by Council Member Kelly to approve the agenda, with additions. A vote being recorded as follows: For: Council Members Leach, Kelly, Wilber, Fuechtmann and Mayor Stone. Against: None. The motion passed.

3. APPROVAL OF MINUTES

A motion was made by Council Member Kelly and was seconded by Council Member Fuechtmann to approve the November 13 Special Meeting and November 18 Regular Meeting minutes. A vote being recorded as follows: For: Council Members Kelly, Fuechtmann, Leach and Mayor Stone. Against: None. Abstain: Council Member Wilber. The motion passed.

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

None.

5. PUBLIC HEARINGS – 2021 BUDGET

- a. Mayor Stone opened the Public Hearing and read the Public Hearing Procedure.

The purpose of the Public Hearing is to give the public an opportunity to ask questions and comment on the proposed 2010 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 \$99,039.86. This is a change from the initial proposed shortfall at the Preliminary budget workshop.

The City Council asked that a levy increase to cover increased costs of 4% 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 overall decrease in the City tax rate from 48.745% to 47.910% or a decrease of approximately a half percent.

This new rate was applied to property values and sent to property owners in the last few weeks. Property values that stayed flat would see a decrease in the City share of taxes. Values that increased would see a comparable increase.

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 does include several proposed transfers that could be reduced or eliminated at year end to close any resulting shortfall if the Council elects to approve the budget and levy as presented.

Mayor Stone called for persons to speak in favor or opposition. None spoke. Mayor Stone closed the Public Hearing.

See 7a and 7b.

6. REPORTS/PRESENTATIONS

a. The EDA met on Wednesday, December 2nd and discussed the following:

- Met with Heidi Pepper of Stantec regarding a potential grant application for Greater MN Infrastructure Grant Program. This grant, if awarded, would pay for 50% of capital costs to develop the 59 acre Unger Property. The EDA is recommending Council approval to proceed with application. More information will be presented to the Council at their December 16th meeting
- Received update on potential Information Center sale. Progress continues to move forward.
- Received final report on CARES Act Business Grant Program.
- Potential TIF project in Industrial Park.
- Mainstreeter Apartment requested assistance with WAC/SAC fees on the new addition.
- Recommending approval of 2020 TIF & Abatement payments. See 7c.

b. The Park Board met on Tuesday, December 1st and discussed the following:

- Received Public Works Department Report
- Reviewed 2020 Sinclair Lewis Campground financials
- Approved moving forward with draft design of campground bathroom
- Discussed relocation of fish clean house and are recommending to proceed with the project
- Recommend purchase of day use dock for Sinclair Lewis Park
- Received update on Master Park Plan
- Received update on Challenge Park
- Recommending refurbishment of fountain statue at Sinclair Lewis Park
- Received update on Rotary Fundraiser for the shelter in Sinclair Lewis Park

7. ACTION ITEMS

a. See 5a.

One component of the Proposed 2021 Revenue Budget is the Adoption of the Property Tax Levy. Resolution No. 2020-105 is proposed to Adopt in Final form the same levy as was presented for the Preliminary Levy.

A motion was made by Council Member Wilber and was seconded by Council Member Fuechtmann to approve Resolution No. 2020-105, Adopting Preliminary Property Tax Levy, Collectible in 2021. A vote being recorded as follows: For: Council Members Wilber, Fuechtmann, Leach, Kelly and Mayor Stone. Against: None. The motion passed.

b. See 5a.

The City Council received the proposed 2020 Proposed Budget for all Funds which was updated with revised numbers including an Interfund Loan for the proposed 2021 project.

This budget, after amendments, has an overage of expenses over revenues in the General Fund of \$99,039.86 or 2.5%.

The Council was informed that they could make additional reductions to the budget or can adopt as presented with the understanding it isn't 100% balanced and work to close that gap throughout the year by underspending, delaying purchases, reducing interfund transfers to the sinking fund or generating additional revenue.

A motion was made by Council Member Wilber and was seconded by Council Member Leach to approve Resolution No. 2020-106, Resolution Adopting Final 2021 Expense and Revenue Budgets for the City of Sauk Centre. A vote being recorded as follows: For: Council Members Wilber, Leach, Fuechtmann, Kelly and Mayor Stone. Against: None. The motion passed.

c. The City currently has a Tax Increment Financing Agreement with Sauk Centre Opportunities for land acquisition for the TALK, Inc. wind turbine project in the Industrial Park. Payment #8 is due in the amount of \$13,011.93 which represents 95% of the tax increment collected on the parcel in 2020. The contract is open for one more year of payments or until a total of \$95,000 has been paid. To date, including this payment, \$82,892.59 has been paid. The final payment will be due in 2021.

The City also has an Agreement with Felling Trailers for the construction of the Corporate Office with the first payment due in 2020. Payment #1 which represents 90% of the increment generated by the first half of taxes in 2020 is \$18,645.89. Payments will be made semi-annually in February and August each year until 18 total payments have been made.

The third Economic Dev. Project that is open is the construction of the Mainstreeters Apartment Building whereby the City reimburses itself for costs incurred to run utilities to

the apartments by capturing the city share of taxes paid and allocating it specifically to the project. \$18,503.15 in City Share of taxes was generated in 2020 for transfer to the project fund.

A motion was made by Council Member Leach and was seconded by Council Member Kelly to approve TIF payments. A vote being recorded as follows: For: Council Members Leach, Kelly, Fuechtmann, 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 -	\$58,837
○ Transfer Stormwater Fees to Bond Fund	\$125,000
○ Transfer Future Equipment Purchase Funds to Sinking Fund	\$85,000
○ Transfer Current Year Purchase from Sinking Fund to General Fund	\$123,200
○ Transfer Apt. Complex Abatement to EDA Fund	\$18,503.15
○ Close Capital Projects Funds	<u>\$823,726.69</u>
	<u>\$1,199,266.84</u>

A motion was made by Council Member Fuechtmann and was seconded by Council Member Leach to approve Resolution No. 2020-107, Resolution Authorizing Year-End Interfund Transfers. A vote being recorded as follows: For: Council Members Fuechtmann, Leach, Kelly, Wilber 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 2020-108 designates Sauk Centre City Hall as the official polling place for any Special Elections in 2021.

A motion was made by Council Member Kelly and was seconded by Council Member Wilber to approve Resolution No. 2020-108, Resolution Designating Polling Places. A vote being recorded as follows: For: Council Members Kelly, Wilber, Leach, Fuechtmann and Mayor Stone. Against: None. The motion passed.

f. During the budget process for 2020, Ambulance Director Kathy Struffert included dollars for potential pay increases for the Department.

Proposal #1 – 2% increase in rates for Run Time and Administrative pay.

Proposal #2 - Increase the rate for being on call on Holidays to \$6.00 per hour (up from \$4.00 per hour).

Holidays impacted include New Year’s Day, New Year’s Eve, Easter, Memorial Day, 4th of July Day, 4th of July Night, Labor Day, Thanksgiving, Christmas Eve, Christmas Day.

Proposal #3 - Run rate of \$30 per hour when a transfer is greater than 50 miles from Sauk Centre. In the past twelve months there were approximately fifty transfers that met these criteria with an average of five hours per transfer. This new rate would increase the transfer wages by \$120.

Financial Impact:	Proposal #1	\$4,260.00
	Proposal #2	\$720.00
	Proposal #3	<u>\$6,000.00</u>
	Total	\$11,420.00

The total financial impact to be paid with Ambulance Revenues.

A motion was made by Council Member Kelly and was seconded by Council Member Wilber to approve Pay Increases, as presented. A vote being recorded as follows: For: Council Members Kelly, Wilber, Leach, Fuechtmann and Mayor Stone. Against: None. The motion passed.

- g. Pay Request #5 has been received from Breitbach Construction Co. for the 2020 construction project.

Contract Amount	\$954,481.34
Value Completed to Date	\$826,618.35
Amount Earned	\$826,618.35
Less Retainage	<u>-\$8,266.18</u>
Subtotal	\$818,352.17
Less Previously Paid	729,463.33
Failed Tests	<u>860.00</u>
Amount Due this Request	<u>88,028.84</u>

A motion was made by Council Member Fuechtmann and was seconded by Council Member Kelly to approve Pay Request #5 to Breitbach Construction Co. A vote being recorded as follows: For: Council Members Fuechtmann, Kelly, Leach, Wilber and Mayor Stone. Against: None. The motion passed.

- h. At the City Council meeting on November 4, 2020, the Council approved a Resolution authorizing the solicitation of bids for the potential purchase of a Heavy Duty Truck

Chassis and Plow Body to replace the City's 1999 truck. The timing for bidding now is to take advantage of the current State Bid price soon set to expire.

Bids were advertised and notices were sent to all know providers of this equipment.

Bids were opened on December 1, 2020 at 11:00 a.m. Ben Clink, Public Works Supervisor recommended that the City purchase the Western Star for the following reasons:

- Better visibility from cab due to single pane side window, cab mounted mirror and sloped hood.
- Multiplex wiring system with coded wiring system and factory plugs vs splicing
- Cab mounted batteries for reduced exposure to elements.
- Larger cab area
- Better suspension for smoother ride
- Pre-Wired and Pre-labeled switches and components
- Higher quality components
- Electrical panel with auto reset circuit breakers vs fuses
- Multi-Stage corrosion resistant paint system.
- Gas strut assisted hood.

In addition, he recommended the purchase of the J-Craft Plow body for two reasons.

- Towmaster Plow Body is not available for over a year.
- Stainless Steel Upgrade is recommended due to potential future pure salt application procedures.

A motion was made by Council Member Kelly and was seconded by Council Member Leach to approve Resolution No. 2020-109, Resolution Authorizing Purchase of Truck Chassis and Truck Body. A vote being recorded as follows: For: Council Members Kelly, Leach, Fuechtmann, Wilber and Mayor Stone. Against: None. The motion passed.

- i. Ben Clink, Public Works Supervisor, has sought out a potential funding source to assist with the replacement of boards at the outdoor rink. Black Oak Getty Wind Farm provides periodic grant opportunities to give back to the community.

Clink is seeking permission to apply for a grant in the amount of \$15,000 with proceeds to be applied to the Outdoor Rink.

A motion was made by Council Member Fuechtmann and was seconded by Council Member Wilber to approve Resolution No. 2020-11, Supporting Application for the Black Oak Getty Wind Farm Grant. A vote being recorded as follows: For: Council Members Fuechtmann, Wilber, Leach, Kelly and Mayor Stone. Against: None. The motion passed.

8. UNFINISHED BUSINESS

None.

9. NEW BUSINESS

- a. Due to the rising costs incurred for the reconstruction of City streets, the City Council should, from time to time, review its policy on how it assesses property owners for these costs.

Currently the City Council assesses for stormwater, sidewalks, street, curb, gutter, and utility services. The assessment rate is primarily 50% assessed (half to each side of the street) and 50% to the City.

The Council should review and possibly update this rate as well as other areas of the policy prior to beginning any future projects that may be impacted.

By general consent, this will be sent to the Finance Committee for their review/recommendation.

10. CONSENT AGENDA

The Council considered the following Consent Agenda Items:

a.	Schedule of Claims -	Unpaid Claims	\$164,761.83
		Paid Claims	<u>\$21,302.86</u>
		Total	<u>\$186,064.69</u>

- b. Resolution No. 2020-110 Resolution Accepting Contributions.

Men’s Card Playing Group	\$72.18	Senior Center
Sauk Centre Seniors	\$1,000.00	Senior Center
Anna Grythe & Melanie Quick	6 Picnic Tables	Park 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, Fuechtmann, Wilber and Mayor Stone. Against: None. The motion passed.

The Council thanked the Men’s Card Playing Group, Sauk Centre Seniors, Anna Grythe & Melanie Quick for their donations.

11. INFORMATIONAL ITEMS

None.

12. ADJOURNMENT

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