

**SAUK CENTRE CITY COUNCIL  
REGULAR MEETING  
WEDNESDAY, DECEMBER 5, 2012**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, December 5, 2012 at 6:30 p.m. in the City Hall Council Chambers pursuant to due notice being given thereof. Present were Council Members Al Coenen, Keith Johnson, Warren Stone and Mayor Rykken. Also present were City Administrator Vicki Willer, City Planner Sarah Morton, Police Chief Bryon Friedrichs and Administrative Assistant Nicki Vogt. Mayor Rykken presided thereat. Council Member Olson was absent.

**2. APPROVAL OF AGENDA**

The agenda was approved as presented.

**3. APPROVAL OF MINUTES**

The November 21, 2012 Regular Meeting Minutes were approved by general consent.

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

None.

**5. PUBLIC HEARINGS**

- a. Public Hearing to review the 2013 proposed Budget.

Mayor Rykken opened the Public Hearing at 6:35.

The Budget Hearing was published in the Sauk Centre Herald notifying the public of their opportunity to voice their concerns regarding the 2013 proposed budget and levy and to ask questions of the Council.

Administrator Willer presented the Staff Report and stated that the Finance Committee has made an additional \$60,500 in cuts since the September budget meeting.

The total for Operating Expenses/TIF/Debt Service is \$4,588,342.00. The total for 2012 Levies is \$1,504,142.00.

See 7b & 7c.

**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. See 7a.

- b. The Park Board met on Tuesday, December 4<sup>th</sup> and discussed the following:
- Sauk Centre Youth Hockey Association reported on the Hairball Concert.
  - The Splash Pad Committee continues to meet and move forward with plans.
  - The Park Board decided not to move forward with the purchase of rink liner for the outdoor rink due to high costs.
  - The Park Board supports the formation of a broomball league but will not sponsor the league.
  - Campground Managers Curt & Ceil Pangburn notified the Board that they will not be returning in 2013.
- c. The EDA met on Tuesday, December 4<sup>th</sup>. See 7d, 7e, 7f, 7g & 7h.
- d. City Planner Morton presented the following regarding the November 27, 2012 Planning Commission Meeting:
- Recommended Council approval of Ordinance 735 (Amending Zoning Map). See 7j.
  - Recommend Council approval of Resolution No. 2012-92 (Conditional Use Permit). See 7k.

## **7. ACTION ITEMS**

- a. See 6a. 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.

The Council was 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.

The cost to purchase Excess Liability and Waive the Statutory Limit is \$8,203.

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

- b. See 5a.

Council Member Johnson introduced Resolution No. 2012-87, Resolution Adopting Final 2013 Expense and Revenue Budgets for the City of Sauk Centre. The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council Members Johnson, Stone, Coenen and Mayor Rykken. Against: None. Absent: Council Member Olson. The motion passed.

- c. See 5a. According to law, the City must certify the final levy. The total levy remains at \$1,504,142.00.

Council Member Stone introduced Resolution No. 2012-88, Adopting Final 2012 Property Tax Levy, Collectible in 2013. The motion was seconded by Council Member Johnson. A vote being recorded as follows: For: Council Members Stone, Johnson and Mayor Rykken. Against: Council Member Coenen. Absent: Council Member Olson. The motion passed.

- d. On May 5, 1999 the City of Sauk Centre created Tax Increment Financing District 1-6, known as Water Tower Housing/Pleasant Hills. The purpose of this District was to provide for the development of homes for low to moderate income families. The tax increment generated was used to assist qualifying families in reducing the special assessments that were applicable to their property. Upon qualifying for the program, tax increment was transferred into the debt service fund to supplement the reduced assessments to make the bond payments for this project.

The final payment was made in 2011.

With all the debt settled, it is recommended that the District be de-certified and that the remaining funds be transmitted to Stearns County for re-distribution to the County, City and School District.

The final amount to be repaid to the County will be determined after receipt of the second half of 2012 property taxes on approximately December 5, 2012.

Council Member Stone introduced Resolution No. 2012-89, A Resolution Decertifying Tax Increment Financing Housing Development District No. 1-6 (Pleasant Hills Plat III Housing Project) of the City of Sauk Centre. The motion was seconded by Council Member Johnson. A vote being recorded as follows: For: Council Members Stone, Johnson, Coenen and Mayor Rykken. Against: None. Absent: Council Member Olson. The motion passed.

- e. On April 18, 2011, the City of Sauk Centre created Tax Increment Financing District 1-8, known as Morning View Housing Projects. The purpose of this District was to provide for the development of homes for low to moderate income families. The tax increment generated was used to assist qualifying families in reducing the special assessments that were applicable to their property. Upon qualifying for the program, tax increment was transferred into the debt service fund to supplement the reduced assessments to make the bond payments for this project.

The final payment was made in 2012.

With all debt settled, it is recommended that the District be de-certified and that remaining funds be transmitted to Stearns County for re-distribution to the County, City and School District.

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Council Member Stone introduced Resolution No. 2012-90, A Resolution Decertifying Tax Increment Financing Housing Development District No. 1-8 (Morning View Fifth Housing Project) of the City of Sauk Centre. The motion was seconded by Council Member Johnson. A vote being recorded as follows: For: Council Members Stone, Johnson, Coenen and Mayor Rykken. Against: None. Absent: Council Member Olson. The motion passed.

- f. On July 1, 1998, the City created Tax Increment Financing District 1-5 for three purposes:
1. Provide economic development opportunities south of I94 by assisting with paying the extra costs of assessments attributable to spanning the freeway with water and sewer utilities.
  2. Assist with expansion of Cabinet Components.
  3. Assist with site acquisition and demolition of the Meyer property for a possible discount retail store.

The City obtained a Tax Increment Revenue Bond and provided up-front funding to Cabinet Components to assist with their expansion. Tax increment generated by the expansion was used to make the bond payments. The final payment will be made in 2013 with increment captured and received in 2012.

With the final payment, the Cabinet Components parcel can be decertified from the TIF District and returned to the general tax rolls of the City.

Council Member Johnson introduced Resolution No. 2012-91, A Resolution Decertifying Parcel No. 94.57846.0010 from Tax Increment Financing Redevelopment District No. 1-5 (Cabinet Components Expansion Project of the City of Sauk Centre). The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council

Members Johnson, Stone, Coenen and Mayor Rykken. Against: None. Absent: Council Member Olson. The motion passed.

g. TIF Pay As You Go Payments (PAYGO)

**PAYGO Developer Payments**

a.	Mississippi Flats	\$18,236.13
b.	Roach Center Crossing	\$29,491.52
c.	Riverview Townhomes	\$5,272.45 (Semi-Annual)
d.	Coborns	\$15,243.11

**PAYGO Loan Repayments**

a.	RTS (Formerly Fitness Guru) (Interfund Loan)	\$7,312.06
b.	Walters Trucking (Interfund Loan)	\$7,372.03
c.	Cabinet Components (Revenue Bond)	\$10,665.45 (Semi-Annual)

**PAYGO Transfers to Bond Fund**

a.	Sauk Centre Welding (Felling)	\$24,529.35 (Semi-Annual)
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**TOTAL PAYMENTS        \$118,122.10**

A motion was made by Council Member Stone and was seconded by Council Member Johnson to approve the 2012 PAYGO payments as presented. A vote being recorded as follows: For: Council Members Stone, Johnson and Mayor Rykken. Against: Council Member Coenen. Absent: Council Member Olson. The motion passed.

h. The 2012 Fairway Pines Semi-Annual Abatement Payment is due December 1, 2012. The payment refunds the City share of property taxes to the developer. The semi-annual payment due is \$9,152.56.

The 2012 Dunham Express (8310 Commerce Drive) semi-annual payment is due December 15, 2012. The semi-annual payment due is \$2,754.65.

A motion was made by Council Member Johnson and was seconded by Council Member Stone to approve the semi-annual abatement payments to Fairway Pines in the amount of \$9,152.56 and to Dunham Express in the amount of \$2,754.65. A vote being recorded as follows: For: Council Members Johnson, Stone and Mayor Rykken. Against: Council Member Coenen. Absent: Council Member Olson. The motion passed.

i. The Personnel Committee has reached a tentative agreement with the Teamsters Local 320 Law Enforcement Unit for contract years 2013-2014.

1. Correct a section # in 24.1.
2. The City will contribute an equal amount of dollars toward premiums for the Officer's health insurance as it does for other City employees. (The Police Union has withdrawn from the City health plan in favor of obtaining health insurance through

the State of MN Health Plan (PEIP). This was due to the City amending its Policy by reducing the city share of health premiums to 85%.

3. The Bargaining Unit employees to receive the same compensation adjustment as other employees. (3% in 2013 and 2.5% in 2014).
4. Bargaining Unit employees to receive a 2% longevity increase upon the completion of 25 years of continuous service.
5. Language to be inserted in contracts stating that the wages are based upon a 2080 hour work year.

A motion was made by Council Member Stone and was seconded by Mayor Rykken to approve the Bargaining Unit contract for 2013-2014 and authorize execution of documents. A vote being recorded as follows: For: Council Member Stone, Mayor Rykken and Council Member Johnson. Against: Council Member Coenen. Absent: Council Member Olson. The motion passed.

- j. An application has been submitted by the Sauk Centre Congregation of Jehovah Witness Church to rezone the parcel of land where their existing church lies at 1800 2<sup>nd</sup> Street South, Sauk Centre from R-1 (Residential One and Two-Family) to R/C (Residential Commercial). Churches are currently a permitted use in the R-1 Zoning District.

The request for the rezoning was submitted by the church as they work toward selling the property after which they intend to construct a new church on other property recently purchased in the City. They deemed the current zoning too restrictive as it would allow only one or two family residential uses. The building, as constructed, does not lend itself well to this use. They anticipate they would be able to market the property to a higher residential use such as a four-plex apartment style building or a lighter commercial use such as insurance or accounting services. Both of which are allowed under R/C. A less intense option for rezoning would be to rezone to R-2 which would allow the multi-family use, however this would not allow the commercial use sought.

The Planning Commission reviewed the types of commercial or residential establishments that would be allowed if it were to change the zoning. The Commission reviewed various findings including the finding that all contiguous property is zoned R-1 and concerns that rezoning of the parcel could be considered Spot Zoning. The Commission felt, however, that because the property abuts Beltline Road that it lends itself to a commercial use due to other Commercial uses on Beltline in the vicinity. The Commission also felt that the types of Commercial uses that would be allowed would be compatible to the existing neighboring uses.

The Commission submitted the following findings:

1. The land area, setback, shoreland, floodplain and wetland requirements will be met.
2. No evidence has been submitted that would indicate a depreciation of property values in the surrounding areas as a result of the proposal.
3. Although the adjacent properties are zoned R-1, other Commercial uses currently exist along Beltline Road near this location.

4. The property lends itself to a Commercial use given its location along Beltline Road.
5. The proposal will not create excessive requirements for public services as these already serve the property.

One thing to note is that a call was received after the meeting stating opposition to the proposal citing there is already too much traffic on 2<sup>nd</sup> Street.

Also, because the rezoning is an amendment from Residential to Commercial a 4/5ths vote of the Council is required to pass the Ordinance.

Council Member Stone introduced Ordinance No. 733, An Ordinance of the City of Sauk Centre Amending the Official Zoning Map of the City as Outlined in Section 156.036 of the City Code. The motion was seconded by Council Member Johnson. A vote being recorded as follows: For: Council Members Stone, Johnson, Coenen and Mayor Rykken. Against: None. Absent: Council Member Olson. The motion passed.

- k. DF/SC LLC (Standard Iron) has submitted a proposal to construct an addition onto its existing manufacturing facility at 1131 Sinclair Lewis Avenue. Part of the proposal is to fill the property east of the existing building up the same elevation as the existing building, which is estimated at requiring 13,300 cubic yards of fill. The City Code requires a Conditional Use Permit for filling over 5,000 cubic yard.

The filled area would be a combination of foundation for the 260' X 114' addition to the building and also for the construction of an outdoor staging area. A retaining wall 265 feet long and from four to six feet in height with screened fencing along the top would be constructed along the NE line adjacent to the Wobegon Trail. The wall would be necessary due to the drop in elevation from the foundation of the existing building. The original proposal indicated a London Boulder Wall; however, the current proposal is a poured concrete wall.

Because the volume of fill being brought in requires a CUP, the City may choose to attach conditions which would mitigate the more intensive use that it allows. In the case of this proposal, the Planning Commission reviewed potential finishes to the exterior or the wall that would make it more appealing to those utilizing the Trail and also discussed screening in the form of trees or shrubbery. Although this development is in the Industrial Park, it abuts the Park System (Wobegon Trail) and is visible from Sinclair Lewis Avenue.

Finishes discussed included a London Boulder type wall as originally proposed, stamped concrete, stucco, and faux river rock or granite. Concerns were raised regarding maintenance of the wall as it pertains to graffiti.

The fencing along the top of the wall is proposed to be a woven type fence which will partially screen the staging area and will also serve to catch debris which has been an issue from the area in the past.

After deliberation, the Commission recommends for approval Resolution 2012-92 Approving a Conditional Use Permit for Standard Iron to bring in 13,300 cubic yards of fill. Conditions of the approval are:

1. Fencing along top of wall to be aesthetically pleasing.
2. Fencing to be constructed to stop debris from leaving property.
3. Storm water inlet protection area to be enlarged according to City Engineer specifications.

The Commission did not require any specific finish to the wall or landscaping; however, they did suggest that the applicant provide some landscaping in the form of trees or shrubs.

Council Member Stone introduced Resolution No. 2012-92, Resolution Approving a Conditional Use Permit Request for DF/CC LLC. The motion was seconded by Council Member Johnson. A vote being recorded as follows: For: Council Members Stone, Johnson, Coenen and Mayor Rykken. Against: None. Absent: Council Member Olson. The motion passed.

1. Anita Kaiser has resigned from the CVB Board.

A motion was made by Council Member Johnson and was seconded by Council Member Stone to approve the resignation of Anita Kaiser from the CVB and to use the pool of applicants to fill that position. A vote being recorded as follows: For: Council Members Johnson, Stone, Coenen and Mayor Rykken. Against: None. Absent: Council Member Olson. The motion passed.

## **8. UNFINISHED BUSINESS**

- a. City Engineer Yapp reported that 2012 Phase 1 of the 4<sup>th</sup> Street project is complete. Final grading and seeding will be completed in 2013. The project is on budget.
- b. Staff has been working on analyzing the potential financial impact of each of the proposed Stormwater Utility Credits. The Operations Committee will meet to review the numbers and report back to the Council at a future meeting, at which time, the Council is to give direction on which avenue to proceed with.

## **9. NEW BUSINESS**

None.

## **10. CONSENT AGENDA**

- a. Schedule of Claims – total of unpaid claims of \$96,496.40 and paid claims of \$958.02 for a total of \$97,454.42.
- b. Resolution No. 2012-93, Resolution Accepting Contributions. The contributions totaled \$316.95 from the Men’s Card Playing Group to be used for the Senior Center and \$3,000.00 from the Sauk Centre Seniors to be uses for the Senior Center.



A motion was made by Council Member Johnson and was seconded by Council Member Stone to accept the donations from the Men's Card Playing Group and the Sauk Centre Seniors. A vote being recorded as follows: For: Council Members Johnson, Stone, Coenen and Mayor Rykken. Against: None. Absent: Council Member Olson. The motion passed.

Mayor Rykken thanked the Men's Card Playing Group and the Sauk Centre Seniors for their donation.

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

## **11. INFORMATIONAL ITEMS**

- a. The following positions for Council appointment to various Boards and Committees will be made on January 2, 2013 at the organizational meeting of the City Council.

Please consider each position and provide your preferences back to staff or Mayor Elect Kirkof.

Council Committees (eight positions):

Policy & Planning (2)

Personnel (2)

Finance (2)

Operations (2)

Board/Commissions with voting authority (six positions):

Airport Commission

Planning Commission

Park Board

EDA Board (2)

Convention & Visitor's Bureau

Council/Board Liaison designations (two positions):

Senior Center Board

HRA Board

- b. The Sauk Centre Beyond the Yellow Ribbon Committee is proud to announce that Sauk Centre will receive the official Beyond the Yellow Ribbon designation at a ceremony on December 7, 2012.

Mayor Rykken, members of the Committee and the Sauk Centre National Guard Unit will attend.

**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, Coenen and Mayor Rykken. Against: None. Absent: Council Member Olson. The motion passed.

With no further business to come before the Council, Mayor Rykken adjourned the meeting at 7:18 p.m.

Respectfully submitted,

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Mayor Dennis Rykken

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City Administrator Vicki Willer