

**SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, DECEMBER 18, 2013**

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

The Sauk Centre City Council met in a Regular Meeting on Wednesday, December 18, 2013 at 6:30 p.m. in the City Hall Council Chambers pursuant to due notice being given thereof. Present were Council Members Keith Johnson, Dave Thomas, Warren Stone and Mayor Kirckof. Also present were City Administrator Vicki Willer, Police Chief Bryon Friedrichs, City Planner Sarah Morton and Administrative Assistant Nicki Vogt. Mayor Kirckof presided thereat. Council Member Olson was absent.

2. APPROVAL OF AGENDA

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

3. APPROVAL OF MINUTES

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve the December 4, 2013 Regular Meeting Minutes as presented. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

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

None.

5. PUBLIC HEARINGS

- a. Ordinance Fee Amendment. Mayor Kirckof opened the Public Hearing and read the Public Hearing Procedure.

The meeting notice was published in the Sauk Centre Herald notifying the public of their opportunity to voice their concerns and to ask questions of the Council.

Over the past several years several cities including Sauk Centre have been working with the State of Minnesota to insure compliance with all liquor laws and licensing. One area that the State is focusing on is Club Licenses. A Club License is a license issued to a non-profit such as the American Legion and the Sauk Centre Country Club. A Club License is essentially the same license as is issued to a restaurant; however, due to the non-profit status of the license holder and the membership requirements, it is issued at a lower cost. A Restaurant On-Sale license is currently \$1,750.00 and Club On-Sale ranges from \$300.00 to \$650.00 based upon membership numbers.

A requirement to maintain the Club License status is that only Club Members and their guests may purchase and consume alcohol. The City has historically obtained from the Clubs a signed statement that alcohol is served to members only as a way to minimize

any City liability that may arise if a claim was made from a liquor liability standpoint. The State of Minnesota recognizes that it is difficult for Cities to enforce this requirement, especially in determining who is or who is not a guest and has recommended that they issue On-Sale Restaurant Licenses rather than Club Licenses to those who qualify.

Several Cities have done this at renewal. (Sauk Centre renews July 1). As an incentive to get clubs to make the switch from a Club On-Sale to a Restaurant On Sale license, many cities have set a fee specifically for non-profit clubs to obtain the Restaurant On-Sale license at the same rate as they would a Club License. Operating under the regular Restaurant On-Sale License removes liability from the City for enforcement of the membership rules.

Pros:

- Removes Liability from City in event of sale to non-member or guest that results in liability claim.
- Club has more flexibility in sales.

Cons:

- Other restaurants may not support a reduced fee for non-profits for same license.

If the City determines to offer this new fee, it would be included in the fee schedule adoption schedule.

Mayor Kirckof called for persons to speak in favor or opposition. None spoke. Mayor Kirckof closed the Public Hearing at 6:38 p.m.

6. REPORTS/PRESENTATIONS

- a. Police Chief Friedrichs presented the November 2013 Police Department Report stating that there were 147 Verbal Warnings and 300 ICR’s for a total of 447 calls.

7. ACTION ITEMS

- a. Quotes were received for the 2014 Fuel Bid (with vehicle washes) as follows:

<u>GAS STATION</u>	<u>Unleaded/Ethanol Discount</u>	<u>#1 Diesel Fuel Discount</u>	<u>#2 Diesel Fuel Discount</u>	<u>Premiu m Diesel Fuel Discount</u>	<u>Car Washes</u>	<u>Please Note:</u>
Kranz Super Stop, Inc. (Holiday)	.05¢	.05¢	.05¢	.05¢	10 Free washes per month	

Prior Year (2013) Fuel/Vehicle Bid with Diesel and Gas was awarded to Holiday as well.

It was noted that the Council has had prior discussions on whether they should award the fuel bids on a two year cycle rather than a one year cycle.

Council Member Johnson introduced Resolution No. 2013-90, Resolution Awarding 2014 Fuel/Vehicle Wash Bid for the period of one year. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

b. Bid quotes were received for 2014 refuse collection services. The following bids were received:

• Waste Management	\$650.24/Monthly	\$7,802.88/Annual
• Buecker's City Sanitation	\$973.67/Monthly	\$11,684.00/Annual
• West Central Sanitation	\$1,225.87/Monthly	\$14,710.41Annual

It was noted that the Waste Management Bid deviated from the Specs requested. They will not pick up 2X per week as requested in the summer months in the campground and parks and do not pick up on the requested day. They offered a double up on cans. The City tried the double up on cans in 2013, which although unsightly, resolves the volume issue, but not the odor issue, which resulted in complaints from campers and the public. In addition, Waste Management does not offer pickup of the downtown litter baskets on the stop lights. Due to the deviated bid, the Council does have the opportunity to throw out the bid that does not comply.

Also, the Council has had discussion in the past to begin a two year cycle on selecting refuse haulers rather than a one year cycle. The haulers have stated they would abide by the rates provided for two years if the City were to request it.

Council Member Thomas introduced Resolution Number 2013-91, Resolution Accepting Bid for 2014 Refuse Service Collection, awarding to Buecker's City Sanitation at the rate of \$11,684.00 for 2014. The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

c. The Council considered the following Board and Commission appointments and Mayor Kirckof recommended appointing those that submitted applications.

1.) **Park Board – 1 position to be appointed for a 2 year term.** According to City Code Section 37.21, the Park Board shall consist of five members, appointed by the council for two year terms. The term of Kelly Kerfeld will expire December 31, 2013. The following have submitted nominations:

No applications received.

The Council to appoint one members to the Park Board for a two year term, effective January 1, 2014 and expiring December 31, 2015.

2.) **Planning Commission – 2 positions to be appointed for a 3 year.** The Planning Commission shall consist of five (5) members of which are appointed by the City Council from among the residents of Sauk Centre, one (1) member will be appointed from the City Council and four (4) members shall be residents of the City. The term of Don Schlichting and Marty Sunderman will expire December 31, 2013. The following have submitted nominations:

No Applications received.

3.) **Public Utilities Commission – 2 positions to be appointed for a 3 year term.** The term of Rich Bullard and Dennis Rykken will expire December 31, 2013. The following have submitted nominations:

**David Thomas
Dennis Rykken**

The Council to appoint two members to the Public Utilities Commission, each for a three year term, effective January 1, 2014 and expiring December 31, 2016.

4.) **Senior Center Board – 4 (or more) position to be appointed for a 3 year term.** According to the City Code Section 32.03, the Senior Center Board shall consist of 5 to 15 members. Two-thirds of the members shall be citizens of the City and one-third shall be residents of the greater Sauk Centre area. Currently, there are 6 members on the board plus a Council Representative and staff member. The Code states that the Board may be expanded to fifteen members at any time. The terms of Victor Schwinghamer, Nancy Kazlauckas, Pat Scherf and Lorraine Peschel will expire December 31, 2013. The following have submitted nominations:

**Lorraine Peschel
Nancy Kazlauckas
Victor Schwinghamer
Pat Scherf**

The Council to appoint four (or more) member(s) to the Senior Center Board, each for a three year term, effective January 1, 2014 and expiring December 31, 2016.

5.) **Convention & Visitor's Bureau – 2 positions to be appointed for a 3 year term.** According to Ord. No. 665, the Mayor with approval of the City Council shall appoint 8 members to the Board: 5 of whom shall be representatives of the lodging and/or hospitality industry in the city, 1 of whom shall be a representative of the Chamber of Commerce and not a paid employee of the organization, 1 from the City who will represent the City Council and 1 member at large. The terms of Evy Schilling and Dennis Heinen will expire December 31, 2013.

Evy Schilling

The Council to appoint two members to the Convention & Visitor's Bureau, each for three year terms, effective January 1, 2014 and expiring December 31, 2016.

6.) **Airport Commission – 2 positions to be appointed for a 3 year term.** According to City Code Section 32.05., the Airport Commission shall consist of five (5) members all of which shall be appointed by the City Council. One (1) member of the Commission shall be a member of the Sauk Centre City Council three (3) members may be residents of the City of Sauk Centre, eligible to vote in its General and Special Elections and one (1) member shall be a staff person of Sauk Centre Public Works Department. The terms of Mike Bushard, Jr. and Tom Wenker will expire on December 31, 2013.

**Tom Wenker
Mike Bushard, Jr.**

The Council to appoint two members to the Airport Commission for a three year term, effective January 1, 2014 and expiring December 31, 2016.

7.) **EDA Board – 1 position to be appointed for a 6 year term.** According to City Code Section 32.04, the Mayor with approval of the City Council shall appoint 5 members to the Board: 2 of whom shall be members of the City Council, 1 of whom shall be a member of the Sauk Centre Opportunities Board, 1 of whom shall be a member of the Sauk Centre Chamber of Commerce Board and 1 shall be an at large member with or without affiliation of any group or non-profit organization. The term of Dennis Heinen will expire December 31, 2013.

Dennis Heinen

The Council to appoint one member to the EDA Board for a six year term, effective January 1, 2014 and expiring December 31, 2019.

8.) **CentraCare Sauk Centre Board – 1 position to be recommended for a 3 year term.** As part of the integration process with CentraCare, the City Council recommended three appointees to the new CentraCare Sauk Centre Board with staggered terms. The term of Dan Borgman will expire on December 31, 2013.

Tim Borgmann

The Council to recommend one member to the CentraCare Sauk Centre Board for a three year term, effective January 1, 2014 and expiring December 31, 2016.

A motion was made by Council Member Johnson and was seconded by Council Member Stone to appoint David Thomas and Dennis Rykken to the Public Utilities Commission for the terms listed above. A vote being recorded as follows: For: Council Members Johnson, Stone and Mayor Kirckof. Against: None. Abstain: Council Member Thomas. Absent: Council Member Olson. The motion passed.

A motion was made by Council Member Thomas and was seconded by Council Member Johnson to appoint the above nominated individuals to the Senior Center Board, Convention and Visitor's Bureau, Airport Commission, EDA Board and CentraCare Sauk Centre Board. A vote being recorded as follows: For: Council Members Thomas, Johnson, Stone and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

- d. Payment Approval No. 11 has been submitted for payment by RL Larson for work completed on the 4th Street Project. The payment request is for \$8,481.37. Work completed to date totals \$2,429,186.85. Payments to date, including this payment, total \$2,307,727.51. The 5% retainage to date is \$121,459.34.

A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve Payment Voucher No. 11 in the amount of \$8,481.37. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

- e. Council Member Stone introduced Resolution No. 2013-92, Resolution Amending Administrative User Fees for 2014. The motion was seconded by Council Member Johnson. A vote being recorded as follows: For: Council Members Stone, Johnson, Thomas and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

Administrative user fees include items such as park rentals and public works fees, etc.

By general consent, the Policy Committee will review the Sidewalk Policy.

- f. Council Member Johnson introduced Resolution No. 2013-93, Resolution To Adopt a schedule of Fees for Voluntary Administrative Penalties and Fines for Offenses of the City Code According to §10.98. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

- g. A motion was made by Council Member Stone and was seconded by Council Member Thomas to adopt Ordinance No. 744, An Ordinance Summarizing and Reaffirming Fees for City Licenses, Permits and Services and Establishing a Schedule of Fines. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

This Ordinance adopts fees for those fees and licenses that are required to be adopted by Ordinance, which includes land use fees, zoning permits, building permits, animal control licenses, liquor, cigarette and other various licenses.

- h. Council Member Johnson introduced Ordinance No. 745, An Ordinance of the City of Sauk Centre Authorizing Summary Publication of Ordinance 745 Summarizing and

Reaffirming Fees for City Licenses and Permits and Providing for Subsequent Review, Modification and Amendment. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

- i. On July 1, 1998, the City of Sauk Centre 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 final payment was made in 2012.

With all debt settled, the EDA recommends 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.

The final amount estimated to be repaid to Stearns County for re-distribution is estimated at \$120,690.68.

With the decertification, the tax capacity of the parcels in the district will be re-classified and will be included in the general taxation for the City beginning with taxes payable in 2014.

Council Member Thomas introduced Resolution No. 2013-64, A Resolution Decertifying Tax Increment Financing Redevelopment District No. 1-5 (Felling 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 Thomas, Stone, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

- j. As part of the TIF district closures, the EDA has recommended that the City General Fund recoup the administrative costs incurred over the years for costs spent for staff time to administer the districts.

Each TIF District initially adopted a budget for Admin costs. This budget was used to pay for legal, accounting, etc. costs. The remaining portion of the administrative budget is available for transfer to the General Fund. The EDA recommends the City recoup up to 80 hours per year at the Admin rate set by the fee schedule for each year with a cap based on the remaining budget.

This calculates as follows:

TIF 1-5	<u>\$26,480.00</u>
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A motion was made by Council Member Stone and was seconded by Council Member Thomas to approve the transfer of \$26,480 from TIF Fund 1-5 to General Fund for Administrative Cost Reimbursement. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

k. At year end the City Council approves fund transfers to move funds into related Debt Service, TIF, Sinking Funds etc. The following listing includes all recommended Fund Transfers completed or anticipated for 2013.

➤ Fund 100 PW to 101 Sinking Fund (Equip)	35,000.00
➤ Fund 100 PW to 101 Sinking Fund (Chipper)	25,000.00
➤ Fund 100 Parks to 101 Sinking Fund (Mower)	25,000.00
➤ Fund 100 Campground to 101 Sinking Fund	45,000.00
➤ Fund 100 Comp Plan to 101 Sinking Fund	2,452.00
➤ Fund 101 Sinking to 100 PW (2012 Plow Trk)	145,000.00
➤ Fund 225 Fire to 328 Debt Service	64,890.70
➤ Fund 230 Airport to 318 Debt Service	38,312.50
➤ Fund 230 Airport to 409 Airport Master Plan	15,000.00
➤ Fund 250 TIF to 326 Debt Service	250,000.00
➤ Fund 255 TIF to 100 General for Admin	26,480.00
➤ Fund 259 TIF to 330 Debt Service	24,763.00
➤ Fund 280 Storm Utility to 331 Debt Service	<u>125,220.00</u>
	822,118.20

Council Member Thomas introduced Resolution No. 2013-95, Resolution Authorizing Transfer of Funds. The motion was seconded by Council Member Stone. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

l. Prior to year end, the City Council may designate and allocate portions of its fund balance to specific activities for future use. \

At the beginning of the year the General Fund had \$510,110.63 in Designated Funds, while the Special Revenue Funds had \$148,788.00 for a total of \$658,898.63.

Changes for 2013 have been made with both additions and deletions as follows:

1. Transferred \$35,000.00 to Sinking Fund Streets for Truck
2. Transferred \$25,000.00 to Sinking Fund Streets for 2014 Chipper
3. Transferred \$145,000.00 from SF to Streets for 2013 Truck Purchase
4. Transferred \$45,000.00 to Sinking Fund Parks/Campground
5. Transferred \$25,000.00 to Sinking Fund Parks for 2013 Equipment Purchase
6. Transferred \$2,452.00 to Sinking Fund for Comp Plan
7. Reduced Fire (Building Fund) designation by \$7,000 (Annual toward building)

These items were previously approved.

The total is an addition of \$132,452.00 and the use of \$152,000.00 for a final total designation of \$594,328.02.

Interest will also be allocated at year end.

A motion was made by Council Member Johnson to approve the designation of funds as presented above. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Johnson, Thomas, Stone and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

- m. The first regular City Council Meeting for January falls on January 1st. The Council can either cancel or reschedule.

It was the general consent of the Council to cancel the January 1, 2014 Regular City Council Meeting.

It was noted that all current committee assignments will remain in effect until the January 15, 2014 Regular Meeting.

- n. In 2000, the City issued Taxable Airport Revenue Bonds in the amount of \$330,000 to finance the construction of an 11 unit T-Hangar at the airport. In 2005 the interest rate was renegotiated to 6.65%.

As of December 31, 2013, the principal balance is \$110,000.00 and is currently set to be finally paid on February 1, 2016.

2000A has been identified as a bond to be considered for pre-payment on February 1, 2014. Funds are available in the Airport Fund that can be used for this purpose.

The Finance Committee is recommending approval.

Council Member Stone introduced Resolution No. 2013-96, Calling for the Redemption of the Outstanding Taxable Airport Revenue Bonds, Series 2000A. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

- o. In 2006, the City refunded an existing bond known as GO TIF Bonds, Series 1996B. The 1996B Bonds were used to finance Tax Increment Financing projects. At the time of the issuance of Bond 2006A in the amount of \$2,720,000.00, it was projected that this new bond would be financially able to be paid ahead of its 2015 maturity date.

As of December 31, 2013, the principal balance is \$525,000.00. Also, as of December 31, 2013, adequate funds will be available in the Debt Service Fund to fully pay the bonds.

2000A has been identified as a bond to be considered for pre-payment on February 1, 2014.

Council Member Thomas introduced Resolution No. 2013-97, Resolution Calling for the Redemption of the Outstanding General Obligation Tax Increment Refunding Bonds, Series 2006A. The motion was seconded by Council Member Johnson. A vote being recorded as follows: For: Council Members Thomas, Johnson, Stone and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

- p. In 2009, the City refunded and consolidated six bonds (1997A, 2000B, 2001A, 2002A, 2003B, and 2004A) in the amount of \$2,560,000.00.

As of December 31, 2013, the principal balance is \$370,000.00. Also, as of December 31, 2013, adequate funds will be available in the Debt Service Fund to fully pay the bonds.

2009A has been identified as a bond to be considered for pre-payment on February 1, 2014.

Council Member Stone introduced Resolution No. 2013-98, Resolution Calling for the Redemption of the Outstanding General Obligation Permanent Improvement Revolving Fund Refunding Bonds, Series 2009A. The motion was seconded by Council Member Thomas. A vote being recorded as follows: For: Council Members Stone, Thomas, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

8. UNFINISHED BUSINESS

- a. At the Council meeting on December 4, the City Council was presented with a renewal contract with Sr. Dining. The Council had questions as it relates to Section 5 regarding times the Sr. Center would be closed, specifically the City Policy on being closed due to inclement weather. The current Policy is that if School is closed due to bad weather that the Sr. Center is also closed.

The Council tabled the renewal for further review on whether closing the Senior Center due to inclement weather is a good idea and why it is linked to school closures and also the impact to Sr. Dining.

The Sr. Center Board reviewed the Policy and voted to recommend it remain unchanged as it has worked well since its inception in 1994. They feel that using the school closure as a barometer to measure whether the Sr. Center should be closed is valid in that if roads are bad enough to keep students, teachers and parents off the road that it is bad enough that others including seniors should be off the road.

Sr. Dining closed their services five times last season. Two of those times the Senior Center was open and three times the Senior Center was closed.

A motion was made by Council Member Thomas and was seconded by Council Member Stone to approve the renewal of the Senior Dining Contract with Catholic Charities with an amendment noting that the Senior Center will be closed commensurate with weather related school closings. A vote being recorded as follows: For: Council Members Thomas, Stone, Johnson and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

- b. At the December 4th Council Meeting, the Council directed that letters be sent to the insurance agencies in town requesting Letters of Interest in being the City's Agent of Record in managing the City's League of MN Cities Insurance Property, Liability and Casualty Policy. Staff has sent nine letters out.

9. NEW BUSINESS

None.

10. CONSENT AGENDA

The Council to consider the following Consent Agenda Items:

a.	Schedule of Claims -	Unpaid Claims	\$135,015.00
		Paid Claims	<u>\$2,059.91</u>
		Total	<u>\$137,074.91</u>
b.	November Checks	#2027E-2058E	<u>\$316,873.13</u>
		#34500-#034609	
		4 Payroll ACH	

- c. Resolution No. 2013-99, Resolution Accepting Contributions. The contribution was from Dean and Elain Jensen in the amount of \$50.00 and was Fire Department.

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

The Council thanked the Jensen's for their donation.

11. INFORMATIONAL ITEMS

- a. 2014 Meeting Calendar.
- b. Safety Committee Meeting Minutes.

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 and Mayor Kirckof. Against: None. Absent: Council Member Olson. The motion passed.

With no further business to come before the Council, Mayor Kirckof adjourned the meeting at 7:45 p.m.

Respectfully submitted,

Mayor Brad Kirckof

City Administrator Vicki Willer