

KASSON CITY COUNCIL REGULAR MEETING MINUTES
February 26, 2014

Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 26th day of February, 2014 at 6:00 p.m.

The following members were present: Nelson, Coleman, Eggler and Hopkins

The following members were absent: none

The following were also present: City Administrator Lenth, City Clerk Rappe, Admin Assist Weigel, Finance Director Zaworski, Community Dev Director Martin, City Engineer Neil Britton, Fire Chief Fitch, Assistant Police Chief Berghuis, Police Officer Hanson, Randy Carlsen, Gretta Becay, Ryan Thomas, Kris Thomas, Jason Farnsworth, Jerry Berg, Michelle Jacob, Neil Witzel and Wayne Stenberg.
Mayor Nelson presided over the meeting

A. COUNCIL:

1. Agenda: Motion by Eggler and second by Coleman with all voting aye, to approve the February 26, 2014 agenda with the following amendments:

Add: G.2 GreenSteps Program
 H.1 Council Committee Appointments
 H.2 Council Strategic Planning Session
 K.1 Jodi Benda Resignation

Change: A.1. Appointment to vacant council position to
 G.1 New Business; Appointment to vacant council position.

 B.2 Visitors to the Council ; Paul Tucci – Oppidan to
 F.1 Old Business; Paul Tucci Oppidan

2. Consent Agenda: Motion by Hopkins and second by Coleman to approve the February 26, 2014 consent items. Ayes: Nelson, Coleman, Eggler and Hopkins. Nays: None.

- a. **Minutes:** Approved the February 12, 2014 regular meeting minutes as submitted and the February 18, 2014 special meeting minutes as submitted
- b. **Claims:** Approved all claims processed after the February 12, 2014 regular meeting, as audited for payment in the amount of \$424,235.24
- c. **Acknowledgement of Committee and Meeting Minutes:**
 1. Park Board – January 14, 2014
 2. Library Board – February 11, 2014
 3. Planning Commission – February 10, 2014
 4. EDA - February 19, 2014
- d. **Annual Evaluations:**
 1. Donna Kirchgatter Cir Technician Move to Grade 6, Step 4, \$19.16 Eff. 1/1/14
- e. **Conferences/Training:**
 1. Dan Trapp MN DoH Water Oper School March 12-14 Rochester
 2. Charlie Bradford Annual Waste Water Oper Conf. March 26-28 Brooklyn Park
- f. **Pay Estimates:**

1. VCI Environmental, Inc	Folkestad Building	Est #2	\$81,527.27
2. Mohs Contracting, Inc	Folkestad Building	Est #2	\$76,921.20

- g. 3.2% Malt Liquor Off-Sale License Renewal
 - 1. Kwik Trip

- h. Resolution Accepting Dover Firefighter Relief Association Charitable Gambling Funds;
Resolution #2.7-14

B. VISITORS TO THE COUNCIL:

1. Neil Witzel; SEMCAC: Neil Witzel and Wayne Stenberg from SEMCAC explained the concept of the project they are proposing. They are coming to the City looking for suitable land where they can house all of their SEMCAC services in Kasson. Currently all services are spread out throughout the City and are proving to become inadequate for their needs. They feel SEMCAC will have a presence in the community for many years to come. They inquired about the Folkestad property where the house sat. City Administrator Lenth stated that after putting two businesses in the building and the already congested parking in the Main Street area with Mayo Clinic he foresees that becoming a parking area. Mr. Witzel and Mr. Stenberg asked for alternative sites and they will be looking to meet with Community Development Director Martin in the near future to see what is available.

C. PUBLIC FORUM:

1. Ryan & Kris Thomas; Owners of Xtreme Fitness: Mr. Thomas summarized events over the last several months regarding working with the City of Kasson on the options available to them for moving their business, Xtreme Fitness into the Folkestad building as a possible tenant. Mr. Thomas stated that he and his wife and their staff attended several meetings with various people from the City and WSN. According to Mr. Thomas they had no expectations coming into initial meetings with the architect and City of Kasson staff. Xtreme Fitness is asking that city staff find a solution to their problem. Mayor Nelson advised Mr. and Mrs. Thomas that this was going to be discussed later in the meeting.

2. Jason Farnsworth: Mayor Nelson informed those in attendance that the public forum is to discuss things that are not on the agenda. Mr. Farnsworth stated that he has asked questions and he has not been given answers. Mr. Farnsworth also informed Council that Planning and Zoning is a recommending body and the Council should abide by their recommendations.

3. Michelle Jacob; Xtreme Fitness Instructor and Employee: Ms. Jacob stressed to the Council that this is an emotional situation for the staff and members who have all become a family. Ms. Jacobs wrote a short memo and shared it with the Council. In summary she has chosen being a fitness instructor over a registered nurse because of the holistic approach that is helping members of all ages stay physically fit. She believes that this business can't go away and can't fail.

4. Jerry Berg: Mr. Berg approached the Council and asked when the fiasco with the Folkestad property is going to stop. It is his opinion the City has spent too much money on this project already and the building should have been torn down or used for storage.

D. PUBLIC HEARINGS:

1. Liquor License Renewals, Including Sunday Liquor

a. American Legion Post #333: Mayor Nelson opened the public hearing for the renewal of the on-sale intoxicating liquor license and Sunday liquor license for American Legion Post #333 at 6:27 p.m. The utility account, taxes and insurance are all current for this establishment. There were no public comments and no written comments were received. The hearing was closed at 6:27 p.m.

1. Action on on-sale intoxicating liquor license: *Motion by Hopkins and second by Egger, with all voting aye, to approve the renewal of the on-sale intoxicating liquor license for American Legion Post #333.*

2. Action on Sunday liquor license: *Motion by Coleman and second by Hopkins, with all voting aye, to approve the renewal of the Sunday liquor license for American Legion Post #333.*

b. Gadiant Hospitality Group, Inc., dba Daniel's Restaurant: Mayor Nelson opened the public hearing for the renewal of the on-sale intoxicating liquor license and Sunday liquor license for Gadiant Hospitality Group, Inc., dba Daniel's Restaurant at 6:28 p.m. The utility account, taxes and insurance are all current for this establishment. There were no public comments and no written comments were received. The hearing was closed at 6:28 p.m.

1. Action on On-Sale Intoxicating Liquor License: *Motion by Egger and second by Hopkins, with all voting aye, to approve the renewal of the on-sale intoxicating liquor license for Gadiant Hospitality Group, Inc., dba Daniel's Restaurant.*

2. Action on Sunday Liquor License: *Motion by Hopkins and second by Coleman, with all voting aye, to approve the renewal of the Sunday liquor license for Gadiant Hospitality Group, Inc., dba Daniel's Restaurant.*

c. Galuska, Inc., dba Pete's Repeat: Mayor Nelson opened the public hearing for the renewal of the on-sale intoxicating liquor license and Sunday liquor license for Galuska, Inc., dba Pete's Repeat at 6:29 p.m. The utility account, taxes and insurance are all current for this establishment. There were no public comments and no written comments were received. The hearing was closed at 6:29 p.m.

1. Action on On-Sale Intoxicating Liquor License: *Motion by Coleman and second by Egger, with all voting aye, to approve the renewal of the on-sale intoxicating liquor license for Galuska, Inc., dba Pete's Repeat.*

2. Action on Sunday Liquor License: *Motion by Hopkins and second by Coleman, with all voting aye, to approve the renewal of the Sunday liquor license for Galuska, Inc., dba Pete's Repeat.*

2. New Liquor License, Including Sunday Liquor

a. Events by Saker, LLC: Mayor Nelson opened the public hearing for the renewal of the on-sale intoxicating liquor license and Sunday liquor license for Events by Saker, LLC at 6:30 p.m. The utility account, taxes and insurance are all current for this establishment. There were no public comments and no written comments were received. The hearing was closed at 6:30 p.m.

1. Action on On-Sale Intoxicating Liquor License: Motion by Egger and second by Hopkins, with all voting aye, to approve the renewal of the on-sale intoxicating liquor license for Events by Saker, LLC.

2. Action on Sunday Liquor License: Motion by Coleman and second by Egger, with all voting aye, to approve the renewal of the Sunday liquor license for Events by Saker, LLC.

E. COMMITTEE REPORTS: NONE

F. OLD BUSINESS:

1. Rezone of Lion's Park and Oppidan Presentation: Paul Tucci and Tom Ryan from Oppidan, LLC presented Council with revised plans showing a picture including the recently acquired property which would be for future use. This would be a smaller stand alone building on the corner. Oppidan Engineers

and City Engineers have met regarding mitigation. Mr. Tucci stated that this development can not lead to worsening water situations; they must maintain what the situation is now or improve it to be even better. Oppidan plans to grant a conservation green space easement on the north side of the park back to the City. Nothing will be constructed on the piece of land with the exception of a trail along the creek. This will be the City's property on Oppidan's tax bill. Mayor Nelson asked Mr. Tucci if the Shopko in Ellsworth, WI was done by Oppidan. Mr. Tucci stated that no, Oppidan has been working with Shopko for about a year and the most current Shopko Hometown project is in St. Peter, MN. They have used this St. Peter store as their most recent prototype. Pamida has been bought out by Shopko so they are doing retrofits also. Council Member Coleman asked if this really is the best location or are there any other options. Mr. Tucci explained that the client has been through the town several times and looked at all possible sites. According to the State of MN Department of Transportation approximately 11,000 cars travel past the Lion's Park area on South Mantorville Ave/Hwy 57 where only approximately 5,000 – 7,000 travel North Mantorville Avenue/Hwy 57. Shopko is an in town business, looking to serve mainly those in Kasson and Mantorville, they are not looking to attract traffic from the East/West Hwy 14. Kwik Trip is a Hwy business, gas stations tend to be along the highway. The area out across from Kwik Trip is too far out of the retail corridor as is North on Mantorville Avenue. Other sites in the city that have been suggested are simply not large enough. Council Member Egger asked what the building will look like, will there be landscaping etc. Mr. Tucci explained that the City Code does require certain elements that Oppidan will need to abide by such as planting a certain amount of trees and how the outdoor lighting is handled. Mayor Nelson explained that Conditional Use Permits can be put in when the permits are taken out. Council Member Hopkins did not have any questions. Mayor Nelson explained that the Comprehensive Plan states Mantorville Avenue is the place for business growth. There was a petition presented to the Planning and Zoning Commission which held approximately 325 signatures of those that were not in favor of this project in October. It is believed by Council and staff that if those same individuals were asked again their views might change as they have more information available to them to make a more informed decision. Council Member Hopkins indicated that the silent majority has spoken. This park has been underused and it is not a safe place to take children being so close to Hwy 57. Bringing this retailer to Kasson is good for the community as a whole. Kasson turned away Schmidt Printing and Earls Small Engine, if we turn away Shopko Kasson will never see another prospective business wanting to come into town. Council Member Coleman stated he does not have issues with new business in town, his expressed concern is the water situation. Community Development Director Martin pointed out that the Finding of Facts on both resolutions are just drafts and they may be changed or revised as the Council sees fit. *Motion to approve rezoning all parcels the City owns containing Lion's Park and their lots contiguous to that (24.100.4500, 24.100.4450, 24.100.4390, 24.100.4180, 24.100.4270, and 24.100.4210). In addition to the City of Kasson's lots the City is including Lots 24.100.4480, owned by Curt and Margaret Dehn Dubbels, parcel 24.100.4460 owned by Andrea Seifert Halleland and Jeff Halleland and parcel 24.100.4410 owned by Eric and Ann Brownlow. This encompasses all of block 26 Original Plat except lots 1,2,3,4 and 15 and all of block 27 Original Plat except lots 1,2,3 and 4 was made by Council Member Hopkins and duly seconded by Council Member Egger. Upon a vote being taken, the following members voted in favor thereof: Nelson, Egger and Hopkins. Those against same: Coleman.*

2. Mike Bubany – David Drown & Associates:

a. Resolution Providing for the Issuance and Sale of \$1,025,000 General Obligation Equipment Certificates, Series 2014A and Levying a Tax for the Payment Thereof; Resolution #2.1-14: *Motion to approve Resolution Providing for the Issuance and Sale of \$1,025,000 General Obligation Equipment Certificates, Series 2014A and Levying a Tax for the Payment Thereof; Resolution #2.1-14 was made*

by Council Member Coleman and duly seconded by Council Member Egger. Upon a vote being taken, the following members voted in favor thereof; Nelson, Coleman, Egger and Hopkins. Those against the same: none.

b. Resolution Calling for a Public Hearing on the Establishment of Tax Increment Financing District No. 1-18 and the Adoption of a Tax Increment Finance Plan Relating Thereto; Resolution #2.6-14:

Motion to approve **Resolution Calling for a Public Hearing on the Establishment of Tax Increment Financing District No. 1-18 and the Adoption of a Tax Increment Finance Plan Relating Thereto; Resolution #2.6-14** with public hearing to be held on April 9, 2014 was made by Council Member Coleman and duly seconded by Council Member Hopkins. Upon a vote being taken, the following members voted in favor thereof; Nelson, Coleman, Egger and Hopkins. Those against the same: none.

c. Resolution Calling Public Hearing on the Proposed Business Subsidy to Oppidan, Inc./KTJ234, LLC (Shopko Project); Resolution #2.2-14:

Motion to approve **Resolution Calling Public Hearing on the Proposed Business Subsidy to Oppidan, Inc./KTJ234, LLC (Shopko Project); Resolution #2.2-14** with public hearing to be held on April 9, 2014 was made by Council Member Coleman and duly seconded by Council Member Hopkins. Upon a vote being taken, the following members voted in favor thereof; Nelson, Coleman, Egger and Hopkins. Those against the same: none.

Mayor Matt Nelson: Mayor Nelson had a prepared message he wanted to share with residents and Council: *"I have always been proud of our city and our citizens. I'm also proud of how we as city leaders have made a great effort to be upfront with the citizens. When a large project is on the horizon, we meet with the affected residents two or three times before the project even kicks off. We tried to do this here, too. The meeting we had in the parking lot of the park was a debacle. I actually had people come up to me and email me several days after apologizing for it. People left that meeting because a few residents decided to take it to a different level. That was sad. What has also been sad is the accusations of corruption and wrong doing against the council. Absolutely no proof ever given, just sideways comments about us. Please remember, the council members, your council members, are doing this because they love this city and they want the best for it. I am still proud of our city, proud to be serving and I want only the best for the future of Kasson. I know we will rise above this and we will move on. Kasson is one of the most desirable cities to live in in SE Minnesota. We will continue to live up to that."*

G. NEW BUSINESS:

1. Appointment to vacant council position: Mayor Nelson recommended appointing Kevin Worden to the vacant council seat. He feels that Worden would do a good job and be able to catch up with the current events quickly. Council Member Coleman stated that he has worked with Worden in the past and thinks that would be a good choice. *Motion to approve appointing Kevin Worden to the vacant council seat was made by Council Member Coleman and duly seconded by Council Member Egger. Upon a vote being taken, the following members voted in favor thereof: Nelson, Coleman, Egger and Hopkins. Those against same: none.*

2. GreenSteps: Council Member Coleman announced to the Council that Kasson is now at a Step 2 in the GreenSteps process. We will receive the block 2 for display in June at the conference in St. Cloud, which Council Member Coleman plans to attend. The question of how many other cities are this step was raised and Finance Director Zaworski stated that only 60-80 cities are participating in the program but wasn't sure how many cities were at each level. There are three steps in the GreenSteps program.

H. MAYOR'S REPORT:

1. Committee Appointments: Mayor Nelson referenced the new Council Appointments & Sub-Committees and Designations documents that City Administrator Lenth distributed just before the meeting. Appointments are staying very similar to what they were in the past. Mayor Nelson will take over the seats for Former Mayor Tjosaas. Council Member Hopkins has joined the EDA Board and Council Member Egger has joined the Planning & Zoning Committee. Council Member Coleman will also be Acting Mayor if Mayor Nelson becomes unavailable.

2. Council Strategic Planning Session: Mayor Nelson stated that a Strategic Planning Session needed to be held with the changes in the Council. Dates suggested were March 8th or 15th. Council will check their schedule and let City Administrator Lenth know what works for them.

I. CLERK-ADMINISTRATOR'S REPORT: NONE

J. ENGINEER'S REPORT:

1. Award contract – Folkestad Building Phase 3; Neil Britton, WSN: Mr. Britton recapped to the City Council Members what has been happening with the Phase 3 bid. It was stated that there were two bidders who met the bidding requirements. Mohs Contractors from Owatonna and Wieser Brothers Construction from LaCrescent were the two bidders with Mohs coming in the lowest at \$940,000. This was considerably over what had been anticipated. WSN has worked with potential tenants and the contractor to see what could be done to bring the bid down. The bid was brought \$534,000 which staff feels is an acceptable number. *Motion to approve the bid from Mohs Contracting for \$534,000 for Phase 3 of the Folkestad property was made by Council Member Egger and duly seconded by Council Member Hopkins. Upon a vote being taken, the following members voted in favor thereof: Nelson, Coleman, Egger and Hopkins. Those against same: none.*

K. PERSONNEL:

1. Jodi Benda Liquor Store; Resignation: Jodi Benda, Senior Clerk at the Municipal Liquor Store has tendered her resignation for this position effective March 8, 2014. Ms. Benda will continue with the Liquor Store as a Liquor Clerk on a part time and on call basis. *Motion to approve the resignation of Jodi Benda as Full Time Senior Liquor Clerk effective March 8, 2014 was made by Council Member Egger and duly seconded by Council Member Coleman. Upon a vote being taken, the following members voted in favor thereof: Nelson, Coleman, Egger and Hopkins. Those against same: none.*

L. CORRESPONDENCE: NONE

M. ADJOURN:

1. The meeting was adjourned at 7:33 p.m.

ATTEST:

Randy D. Lenth, City Administrator

Matt Nelson, Mayor