

KASSON CITY COUNCIL REGULAR MEETING MINUTES

April 9, 2014

Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 9th day of April, 2014 at 6:00 p.m.

The following members were present: Nelson, Coleman, Egger, Hopkins and Worden

The following members were absent: none

The following were also present: City Administrator Lenth, Admin Assistant Weigel, Finance Director Zaworski, Community Dev Director Martin, City Engineer Neil Britton, Police Chief Schuck, Randy Carlsen, Gretta Becay, Paul Tucci and Tom Ryan- Oppidan, Mike Bubany – David Drown Associates, Jason Farnsworth, Rick Erpelding, Judy Ruport, Lynn Sturgis, Tony Paulson and Tedd Gilkison.

Mayor Nelson presided over the meeting

A. COUNCIL:

1. Agenda: Motion by Coleman and second by Egger with all voting aye, to approve the April 9, 2014 agenda with the following amendments:

- Add: H.1 Park Board Appointment
- K.3 Lucas Gannon
- K.4 Stewart Zeller

3. Consent Agenda: Motion by Hopkins and second by Worden to approve the April 9, 2014 consent items. Ayes: Nelson, Coleman, Egger, Hopkins and Worden. Nays: None.

- a. **Minutes:** Approved the March 26, 2014 regular meeting minutes as submitted
- b. **Claims:** Approved all claims processed after the March 26, 2014 regular meeting, as audited for payment in the amount of \$100,237.40
- c. **Acknowledgement of Committee and Meeting Minutes:**
 - 1. Park Board – March 25, 2014
- d. **Annual Evaluations:**
- e. **Conferences/Training:**

1. Nancy Zaworski	IMA Annual Conf.	Mpls	June 21-25
2. Linda Rappe	LMC Annual Conf.	St. Cloud	June 18-20
3. Randy Lenth	MCMA Conf.	Nisswa	May 14-16
4. Krista Weigel	MMC Institute	Plymouth	Apr 27-May2
- f. **Pay Estimates:**

1. Change Order 002	Folkestad bldg.		
2. Mohs Const.	Phase I Folkestad Bldg	FINAL	\$11,000
3. Mohs Const.	Phase II Folkestad Bldg	EST #1	\$118,724.40

B. VISITORS TO THE COUNCIL

C. PUBLIC FORUM:

1. Judy Ruport; 403 3rd Ave SW – Mrs. Ruport stated that she had a couple of questions. Her first concern was the interview that Mr. Martin did on KTTC last night saying that there is not going to be anymore flood control except for more or bigger ponds. She would like to know how big the ponds are going to be. Mr. Martin asked City Engineer Neil Britton to address the issue. There will be three ponds as shown in

the drawing, a pond to the west, the storage pond and the bigger pond. Mrs. Ruport asked that they can't be deeper so are they going to be bigger? Community Development Director Martin stated that yes they will be bigger in square footage, roughly two and a half times the storage that we have now. Mrs. Ruport questioned that this will take care of any flooding that will happen and Martin responded that according to two engineering firms, the DNR and FEMA yes. The next question that Mrs. Ruport had was that everything is referring to Shopko, Shopko will be paying the taxes, Shopko will pay for the development of the new park, Shopko will pay the park expenses. Is it Shopko or is it Oppidan? Paul Tucci – Oppidan answered the question that Oppidan will own the building and the land and Shopko is the tenant that will lease the property. The lease that will be signed is a triple net lease meaning Oppidan will pay the taxes and then pass the charge to the tenant. Ruport summarized that Oppidan is then paying all of these things not Shopko, people have asked the questions. Tucci reiterated that Oppidan is the developer taxes are an obligation of the parcel. If Oppidan or any subsequent owner does not pay the taxes the property goes into tax forfeiture which allows the County and city in combination to foreclose on the property. Mr. Tucci stated he is not an attorney but it is his understanding that tax priorities are always ahead of any mortgage priority so the lender would get taken out automatically. Martin also stated that the development contract also has other cures of default as well. Mrs. Ruport then asked if it has been decided what is going into the property currently owned by Carl and Linda Zomok? Paul Tucci stated that no it hasn't been decided at this time. The next question Ruport asked was regarding the water situation and if discounts were going to be given. Mayor Nelson stated no, not yet. Ruport informed Council that her water bill only went up \$10 but the sewer bill went up \$40. Mantorville, Hayfield, Dodge Center and Pine Island are all giving cuts. Just wanted to let Council know that other communities are giving cuts to residents. City Administrator Lenth updated Council that staff has been trying to figure out where the cut off is. Staff is still trying to balance out what is the best thing to do. There have been two accounts that Lenth has given a discount to on the sewer rate, those accounts were 1000% higher than normal. Ruport stated that pipes are still freezing.

2. Jason Farnsworth; 18 5th St SW – In looking at the map all the green space that was going to be given back to the City for bike paths and all that, where did all of that go? Mayor Nelson responded that there is still room for the bike path north of the entrance off Mantorville Ave to the North of the store along the pond. Farnsworth then asked how Folkestad will get wrapped in with the TIF. Mayor Nelson stated that Mr. Bubany will answer that question later in the meeting. City Administrator Lenth said that the short answer is that it's administrative, when we borrow money, we want to do it for more money less often. Farnsworth asked why it wasn't brought in the TIF at the beginning of the project verse the end of the project. Lenth said it's best to let Mike Bubany answer the question.

D. PUBLIC HEARINGS:

1. Business Subsidy – Oppidan, Inc: Mike Bubany, David Drown Associates, explained that the City of Kasson does have a Business Subsidy policy and is required for the Oppidan, LLC development. The Public Hearing was opened for public comment. Rick Erpelding; 610 1st Ave NW; stated his concerns regarding the project asking the City Council to repeal the previous rezoning action. Lynn Sturgis; 25149 Cty Hwy 34, Kasson and owner of Kasson Varsity Store; spoke to items such as moving the park equipment, increased traffic, traffic light installation, demolition of business and homes. **Motion to approve Resolution #4.1-14 Approving Business Subsidy to Oppidan, Inc./KTJ 234, LLC was made by Council Member Worden and duly seconded by Council Member Egger with all voting aye. Motion to approve Resolution #4.2-14, Resolution Authorizing Interfund Loan for Advance of Certain Land Acquisition costs in Connection with Redevelopment Project was made by Council Member Egger and duly seconded by Council Member Hopkins with all voting aye.**

2. TIF District 1-18: Mike Bubany, David Drown Associates, explained the TIF process, why a TIF is used, why the Folkestad and Oppidan, LLC projects are being lumped together, proposed dollar amount for both properties to be borrowed using TIF, how the funds are recovered and paid back. Tony Paulson; 607 3rd St NW; asked Mr. Bubany for other examples of a TIF district. The response was that there are around 2,500 TIF's in Minnesota at any given time. Mr. Paulson also asked what the new park will be like. Council responded that the park will be 17 acres, go from a 9 hole Frisbee golf course to an 18 hole course, all inclusive playground equipment, skate board park, ball diamond, tennis courts, walking and biking paths. Tony Paulson also asked about the retention ponds. Community Development Director Martin stated that it will be used to store water and will have all of the safety equipment that is allowed, as there are certain things that are not allowed by FEMA and the DNR. The pond will be 6 feet deep. Rick Erpelding approached the Council again and stated his concerns for the project and again asked the Council to consider repeal their decision regarding this project. Lynn Sturgis asked if the Folkestad project will be ongoing or in phases. She was informed that this project has been done in three phases. Phase 3 consists of the remodel for the tenant Just Like Home Child Care. This phase has been approved by Council but has not started yet. A resident asked what an incubator building was and in response was told that it's a building to help businesses start or to grow business. The lease term is approximately three years. Tenants utilizing this property will pay rent. Tedd Gilkison; 1103 3rd Place NW; asked how much is being borrowed for the Folkestad project. The answer was up to \$1,080,000. There won't be a final number until May or June of 2014. Rochester Sales Tax money was used to purchase the building. **Motion to approve Resolution #4.3-14, Resolution Approving the Creation of Tax Increment Financing District No 1-18 and Adoption of the Tax Increment Financing Plan Relating Thereto was made by Council Member Hopkins and duly seconded by Council Member Egqler with all voting aye.**

E. COMMITTEE REPORTS:

F. OLD BUSINESS:

G. NEW BUSINESS:

1. Electric Engineering Consultation Agreement: City Administrator Lenth informed Council that the Solar Farm Proposals have been received and he would like to retain Steve Cook with PLC Engineering, P.A.. He has been working under an old contract and Council is being asked to approve the newest contract/agreement which details the City's expectations of him and his expectations of the City. **Motion to approve contract/agreement with Steve Cook of PLC Engineering, P.A. was made by Council Member Coleman and duly seconded by Council Member Egqler with all voting Aye.** City Administrator Lenth also asked Mayor Nelson if Council Member Coleman could replace Council Member Worden on this project as Council Member Wordens schedule didn't work to hold the meetings and interviews. Mayor Nelson granted that request. Lastly City Administrator Lenth mentioned that he will be asking the Electric Committee to look at the guidelines for the LED Rebates for the Energy Conservation Program and consider removing the Energy Star requirement. This will be discussed at the next Electric Committee meeting.

H. MAYOR'S REPORT:

1. Park Board Appointment: Mayor Nelson appointed Janet Sinning to the Park Board effective immediately. This is to fill the open position left by Joe Fitch as of 12/31/13.

I. ADMINISTRATOR'S REPORT:

1. Set Special meeting before Council meeting on 4/23/14 at 5:00pm – Zaworski Annual Financial Review before the Audit: Administrator Lenth stated that there would be an open meeting before the next council meeting on April 23rd at 5pm for an in depth review of the budget before the auditors give their presentation.

J. ENGINEER'S REPORT:

1. Folkestad Building Update: City Engineer Britton reported that Just Like Home is still scheduled for a May 1st move in date and Monica will be talking with Mike Martin regarding exterior colors in the next couple of days.

K. PERSONNEL:

1. Randy Lavoie Leave of Absence: Officer Lavoie has requested a leave of absence from the Kasson Police Department until January 1, 2015. **Motion was made by Council Member Worden and duly seconded by Council Member Coleman to approve the requested leave of absence for Police Officer Randy Lavoie until January 1, 2015 with all voting aye.**

2. Hire Mike Leonhardt – Part Time Police Officer: Police Chief Schuck has requested the hiring of Mike Leonhardt as a part time Police Officer. **Motion to approve the hiring of Mike Leonhardt as a part time Police Officer was made by Council Member Egler and duly seconded by Council Member Hopkins with all voting aye.**

3. Lucas Gannon, Grade 1, Step 2 \$12.81: City Administrator Lenth requested the hiring of Lucas Gannon as a seasonal employee to start at the end of April. Mr. Gannon worked for the Parks Department last year as well. **Motion to approve hiring Lucas Gannon at Grade 1, Step 2 \$12.81 per hour for 120 days at 40 hours per week was made by Council Member Coleman and duly seconded by Council Member Worden with all voting aye.**

4. Stewart Zeller, Grade 1, Step 1 \$12.41: City Administrator Lenth requested the hiring of Stewart Zeller as a seasonal employee to start at the end of April and work for 6 (six) months for no more than 29 hours a week. **Motion to approve hiring Stewart Zeller at Grade 1, Step 1, \$12.41 per hour for 6 (six) months at no more than 29 hours per week was made by Council Member Egler and duly seconded by Council Member Hopkins with all voting aye.**

L. CORRESPONDENCE:

1. National Library Week Proclamation – April 13-19 No Discussion

M. ADJOURN:

1. The meeting was adjourned at 7:58 pm.

ATTEST:

Randy Lenth, City Administrator

Matt Nelson, Mayor