

KASSON CITY COUNCIL REGULAR MEETING MINUTES
August 12, 2015

5:15 WORK SESSION – WasteWater Treatment Facility – Bill Angerman, Kevin Graves and Brandon Theobald of WHKS presented options for upgrading the wastewater treatment plant. The permit to operate the plant runs for five years and is due in October of 2016. This permit needs to be submitted for renewal 180 days ahead of the due date. The City has issues with the amount of flow coming into our plant and whether or not Mantorville connects to the Kasson WWTP, Kasson needs to do a project upgrade. The City’s former engineers, WSN submitted a facility plan in 2014 but the plan was not approved by the MPCA and won’t be approved without changes. WHKS engineers suggested a phased plan. The City Council consensus is to continue looking into a phased project.

THE FOLLOWING MEMBERS WERE PRESENT: Buck, Coleman, Eggler and Johnson - Borgstrom arrived at 5:20.

THE FOLLOWING MEMBERS WERE ABSENT: None

THE FOLLOWING WERE ALSO PRESENT: City Clerk Rappe, City Engineer Brandon Theobald, Bill Angerman and Kevin Graves of WHKS, Finance Director Nancy Zaworski, Economic Development Director Mike Martin, Library Director Art Tiff, Chris McKern, Stevie Ersland, Lorraine Spading, Bruce Prescher.

6:00 PM - Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 12th day of August, 2015 at 6:00 P.M.

Mayor Johnson called meeting to order at 6 P.M.

COUNCIL

Agenda:

Add: New Business #8 - Stop Sign on W Main St and 2nd Ave NW

Remove: K.2 - Post Journeyman Lineman Position

Remove: F.5 - Sale of City Property

Councilperson Coleman asked where the 2nd public forum is tonight. Mayor Johnson responded that there isn’t one tonight and there wasn’t one before until we started it.

Motion by Borgstrom and second by Coleman, with all voting Aye, to approve the amended August 12, 2015 agenda.

Consent Agenda:

- a. **Minutes:** Approved the July 22, 2015 regular meeting minutes.
- b. **Claims:** Approved all claims paid after the July 22, 2015 regular meeting, as audited for payment in the amount of \$208,838.54
- c. **Conferences:**
 1. Jesse Kasel DARE Training August 10-11 Stillwater, MN

d. Acknowledge Evaluations:

- | | | | |
|----|---------------------------------|------------------------------|--------------|
| 1. | Ben Bolster –PT Ice Arena | inc. Grade 1 Step 3 \$13.59 | Eff. 6-1-15 |
| 2. | Jesse Kasel – FT Patrol Officer | inc. Grade 10 Step 4 \$25.80 | Eff. 8-15-15 |
| 3. | Jason Peck – SRO/Patrol | No increase at top of scale | |

e. Resolution Approving Authority to Enter Master Subscriber Agreement for Minnesota Government Access

Resolution #8.1-15

Resolution Approving Authority to Enter Master Subscriber Agreement for Minnesota Government Access

(on file)

Motion by Egger and second by Coleman, with all voting Aye, to approve the consent agenda.

VISITORS TO THE COUNCIL

Chris McKern – Festival in the Park Update – Festival wrapped up on Sunday this past weekend. Thank you to the Council and City Staff. The financial support from the City and the help from City Staff, Parks Staff and Street Staff. Mr. McKern stated that they have been asked to put a bid in to hold the Regional Tug of War Competition next year. We had a lot of compliments on how great our parks looked. There were no big complaints or police complaints. Mayor asked if they could close the streets for the runners. Mr. McKern will take that into consideration for next year but the Council approves all of the street closures. Fundraising was up significantly this year. Vendors were very happy and they had more vendors than ever before. Mr. McKern stated that social media and media coverage was great this year. The concert in the park on Saturday night had between 7,000 and 7,500 people attended. Mr. McKern stated that the entire town and businesses in town benefit from the people attending the Festival. The Lion’s Club did an great job with the flags lining Mantorville Avenue. Councilperson Coleman congratulated Mr. McKern and his volunteers on a great job. Mr. McKern asked the council to consider what their support will be for the Festival next year since the budgets are now being decided. Mayor Johnson stated that he was in the old watertower and it was very impressive. Mr. McKern stated that the horse and buggy rides were also a big hit. Councilperson Buck stated that there was room for more vendors next year.

Mark Jurgensen – Water Bill – Mrs. Jurgensen stated that her water bill this month is 24,000 gallons and they usually use about 5,000. They are concerned about this bill. Finance Director Zaworski stated that Wastewater Supervisor Bradford and other staff have gone out and found nothing wrong with the meter. The Jurgensen’s have had higher usage in the past. Mayor Johnson stated that the City will have Supervisor Bradford go back out to see if he can find anything and the City will work with them on this.

PUBLIC FORUM

Lorraine Spading – 10 ½ Abbey Lane – Mrs. Spading stated that they had over 400 people sign the guest book at the Old Watertower. Mrs. Spading also stated that the Alliance Restoration had horse and buggy rides that were filled from 2:00PM to 5:00 PM and went to different historical sites in Kasson and had a guide giving history on the buildings. Don Ness also gave rides in his Model T.

Bruce Prescher – 201 8th Ave NW – Mr. Prescher stated that the elephant in the room tonight is over a staffing decision that is going to be made. Mr. Prescher stated that these are hard decisions but

this is the right of the City Council to make these decisions and management is paid more money to make these decisions. Mr. Prescher supports whatever decision the City Council makes.

Stevie Ersland – 206 1st Ave NW - Ms. Ersland wanted to know when the Fire Department Committee was formed. Mayor Johnson stated he made calls within the last two days. Ms. Ersland stated that she had asked Councilperson Borgstrom who was acting Mayor at the last meeting to relay to the Mayor her interest in being on the committee and thought that the Mayor would have watched the video or read the minutes to know this. Ms. Ersland has had people call into City Hall to nominate her for the committee. Ms. Ersland is an unbiased community member and would like to know what qualifications the people on the committee have and if there is a conflict of interest.

Chris McKern – 523 21st Place NE – Mr. McKern asked for clarification on Mr. Prescher’s comments about a personnel decision and doesn’t see that on the agenda. Mr. McKern asked if this is on the agenda. The Mayor indicated it is not.

PUBLIC HEARING

COMMITTEE REPORTS

Library Board/Building Committee Updates - Art Tiff, Library Director stated that the bid for site preparation was due yesterday at 10AM and they received three bids. The Library Board voted last night to award the bid to IMS. Councilperson Borgstrom asked if this is under budget, Library Director Tiff stated that it is about \$20,000 over budget but they will have to see if they can make cuts further down the road. **Motion to approve the bid for Site Preparation for Kasson Public Library made by Coleman, second by Buck with all voting Aye.**

EDA –

Authority to list City Development Properties with Kirk Swenson of One Stop Realty – Community Development Director Martin stated that the City and EDA own five properties and it is the suggestion of the EDA to list those properties by a local realtor Kirk Swenson. Swenson is interested in selling these properties and standard practice is 10% commission with a retainer. Mr. Swenson has asked for a \$7,000 retainer and that would be deducted from the commission in the event of a sale. Martin stated one lot is the empty Folkestad lot where the Benike trailer is sitting right now, another is the Folkestad building/lot, there are two empty lots on main street, 204 W Main St. where Country Pizza was and the other is 206 W Main St. where Expressions used to be. The final lot is the one in front of Shopko. Mayor Johnson stated that he is all for this and thinks we need a professional marketing these properties. **Motion to approve listing the five City/EDA owned properties with Kirk Swenson made by Borgstrom, second by Buck with all voting Aye.**

Authority for EDA to Make a Loan to Gibbs Partners – Martin stated that the EDA is asking the City Council for approval to make a loan to Gibbs Partners. Martin stated that Gibbs Lawn Care would like to build a storage building with some possible office space. Gibbs does not have all of the paperwork in yet but to make this more timely once everything is submitted the EDA would like the City Council to approve up to \$80,000 to loan to Gibbs Partners. Councilperson Borgstrom asked what would happen if Gibbs goes out of business? Martin stated that the loan would only be on the new building and we would be second to the bank. Martin stated that the EDA requires all of the documentation that a bank requires for a loan. Councilperson Borgstrom asked what makes this loan more attractive to a business than a bank loan. Martin stated there are two reasons; one is we are at a more attractive interest rate and two is this frees up more cash for Gibbs. Martin stated this started with a State Grant and as we loan out this money and it comes back we loan it out to another business, thus a revolving loan fund. **Motion to approve the Resolution granting the Kasson EDA Permission to Make a Loan to Gibbs Partners made by Borgstrom, second by Coleman with all voting Aye.**

Resolution #8.2-15

***Resolution Granting the Kasson EDA Permission to Make a Loan to Gibbs Partners
(on file)***

Call for Tax Abatement Public Hearing – Mr. Gibbs is asking for property tax abatement for a period of time yet to be negotiated. If the City is willing to do this they will need to hold a public hearing. Martin stated that this does not approve tax abatement it just calls the public hearing. Martin stated that we are waiting on an estimate from the building inspector and the tax abatement would only be on the new building and not on the current building/land. **Motion to approve the Resolution calling a Public Hearing Regarding Tax Abatement in Connection with Gibbs Partners Expansion Project made by Coleman, second by Borgstrom with all voting Aye.**

Resolution #8.3-15

***Resolution Calling a Public Hearing Regarding Tax Abatement in Connection with Gibbs Partners Expansion Project.
(on file)***

Order Amendment to 4th St SE/Commerce Drive Project – Martin stated that the final request from the EDA is to work on the Commerce Drive portion of this project first to open land for development. The 4th St SE portion requires DNR permits and wetland studies and could take a while to get these done. Mayor Johnson stated that this is good because there are people waiting for land to open up. **Motion to amend the 4th St SE/Commerce Drive project to do the Commerce Drive portion first made by Egglar, second by Coleman with all voting Aye.**

OLD BUSINESS

Summary of Crossover Refunding Bonds 2015A – Finance Director Zaworski stated the background of the refinancing of these bonds that has been on the City Councils agendas periodically since May of 2015. Zaworski stated that we are recognizing a savings of \$240,000.

Motion to approve the Resolution Providing for the Issuance and Sale of \$2,620,000 General Obligation Crossover Refunding Bonds, Series 2015A, Pledging for the Security thereof Special Assessments and Levying a Tax for the Payment Thereof, made by Egglar, second by Buck with all voting Aye.

Resolution #8.4-15

***Resolution Providing for the Issuance and Sale of \$2,620,000 General Obligation Crossover Refunding Bonds, Series 2015A, Pledging for the Security Thereof Special Assessments and Levying a Tax for the Payment Thereof
(on file)***

Street Supervisor Position – Councilperson Egglar does not see this as a financial savings. The plan was not to replace the Public Works Director and that would save \$110,000. The Streets Supervisor was making \$80,000 and if we replace the Public Works Director are we going to hire one cheaper than what the Street Supervisor makes. Councilperson Egglar is having trouble understanding where the savings are in this plan. Councilperson Egglar also questioned whether a public works director who is not union and is going to be required to do union work is going to be an issue with the Union. Mayor Johnson stated that we have done this for years until now and we will have to sit down with the Union on this. Mayor Johnson stated that he believes we need a Public Works Director and we need an overseer of all of the public works. Councilperson Egglar stated that is what the City Administrator was for to have the Supervisors report directly to the Administrator.

Fire Department Committee – Councilperson Egglar stated that Councilperson Borgstrom brought to the previous council meeting that someone on the Fire Department stated that they don't feel safe and if that is the case why are we waiting so long to get this done. Councilperson Egglar also asked who it was that said they don't feel safe and asked if they can find out tonight who that was. Mayor Johnson stated that is for the committee to find out. Mayor Johnson stated that the committee he has chosen is Councilperson Borgstrom who will be the head of the committee, Councilperson Coleman, Troy Stafford, who is a very fair guy and Billy Glawe who is a former fireman.

Budget Update – Councilperson Borgstrom wanted to know where we are in respect to getting the budget completed. Finance Director Zaworski stated that she has been having meetings with the department heads and populating the budget. Zaworski asked the Council how they would like to go over the budget, in a work session or have a committee. The Council consensus is a work session before the next regular council meeting. Zaworski stated the preliminary budget is due by September 9 and is always a little higher since you cannot add to the preliminary budget but you can cut before the final budget is due in December.

Timecards – Councilperson Borgstrom wanted to know how the new timecards were working out. City Clerk Rappe stated that the Public Works have been very diligent in filling them out but being that each department has up to ten time types she needs to keep working on getting a readable chart.

Purchase Electric Power Territory – Councilperson Borgstrom had questions on the electric territory regarding the swaps that happened last year with People's Cooperative. What did we gain and did we have to pay anything for them and why are we paying Xcel now. Finance Director Zaworski stated that the City Administrator was very involved with this and she is trying to get up to speed on it now.

NEW BUSINESS

Personal Use of City Property – Councilperson Borgstrom stated that he is tired of people telling him that City trucks are showing up at Kwik Trip on breaks and certain people are borrowing chairs and tables from the firehall. Councilperson Borgstrom stated that it is the norm to take a break where you are. Councilperson Coleman asked if Borgstrom expected the people to go back to the shop to get their own car to take to break. Councilperson Borgstrom is concerned about insurance coverage if they are on their own time in a City vehicle. Councilperson Buck stated that breaks are considered work time but lunches are not. Assistant Fire Chief Robinson asked to answer the firehall question and stated that the firemen do have a memo from the City Administrator regarding the prohibiting of personal use of City property but the chairs and tables are property of the Fire Relief Association the borrowing goes through Jeff Ulve, who is the President.

Damaged Sidewalk Repair – Councilperson Borgstrom had a citizen ask him about sidewalk repair because their son had fallen and broken a bone. Borgstrom had the packet put together for the Council so that everyone is aware of the policy.

Electricity – Truck Show - Councilperson Borgstrom was approached by the Fair Board to negotiate a discounted rate for the week of the truck show. Finance Director Zaworski stated that there are many meters out there and it would be hard to separate the usage. Councilperson Buck stated that we could read all of the meters before and after the show. Councilperson Egglar stated that if we give a break to one person we would have to give the break to everyone and we need to be fair.

Set Preliminary and Final Levy Dates and Holiday Dates – Finance Director Zaworski proposed dates for Levy and Budget Discussions. **Motion to set Preliminary and Final Levy Dates as September 9, December 9 with December 16 as a back up Final levy date made by Coleman, second by Buck with all voting Aye.**

Finance Director Zaworski stated that since November 11 is a Federal Holiday and no business can be transacted on that day we need to change that day and asked if the Council wanted to change the night before Thanksgiving meeting to another date. The consensus of the Council is to leave the Wednesday night meeting before Thanksgiving. **Motion to change the regular City Council meeting for November 11 to Tuesday, November 10, 2015 made by Egglar, second by Buck with all voting Aye.**

Agenda Discussion - Councilperson Buck would like to receive a report monthly from the Fire Department regarding the calls and separation of calls. Councilperson Buck would also like a report from the Police Department.

Boulevard Trees on North Mantorville Ave – Councilperson Buck is concerned with a hedge on both sides of 3rd St NW and North Mantorville Ave and the sight triangle. Mayor Johnson stated that we will have City Forrester, Ron Unger take a look at this and notify the Police Department.

First Street NE Drainage Ditch – Councilperson Buck is concerned with the drainage ditch behind the houses on 1st St NE. This ditch has been regraded and is very steep. Finance Director Zaworski will follow up with Public Works.

Stop Sign on West Main Street and 2nd Ave NW – Councilperson Coleman would like to see a four way stop sign at West Main St and 2nd Ave NW. Community Development Director Martin stated that is generally a joint effort between the Police Department and the Public Works Department.

MAYOR'S REPORT

Mayor Johnson handed out and read a fact sheet regarding the City finances stating that we are \$17M in debt. Mayor Johnson pointed out that he and Councilpersons Buck and Borgstrom were not on the Council when any of the spending decisions were made and they ran to clean this up. Mayor Johnson stated that the support they have had is outstanding and he has not had one phone call or person stopping him on the street or coming into his office saying that what they are doing is wrong. Mayor Johnson stated that not one City employee has ever come in and questioned what they were doing. The people he talks to are 100% on board. People from other towns such as Stewartville, Preston, Rochester, Byron, West Concord, Hayfield are applauding them for what they are doing in saving money. Mayor Johnson understands trying to save money with going with a department head and not a public works director but where was that last year and the year before. Yes, they deleted a position and we have had to make the tough and terrible decisions. Mayor Johnson wants to know who is fighting the other business in town that eliminated seven people this week. He is doing what he was overwhelmingly elected to do. He, Councilperson's Buck and Borgstrom grew up here and truly want what is best for Kasson. He is going to do something about the reckless spending of the citizens money. Mayor Johnson stated that he doesn't care about social media or blogs and they mean nothing to him. The Mayor stated that his door is wide open if someone wants to talk to him. The media doesn't put facts out, these are the facts. Mayor Johnson stated that most of the people in the room now are supporters. Mayor Johnson stated throwing the word "dignity" around and people need to look in the mirror. Another word being used is "bully" and he doesn't like that word. Mayor Johnson stated that if we keep going we are in deep trouble. Mayor Johnson commended the Supervisors: Charlie

Bradford, Todd Kispert and Ron Unger. Mayor Johnson stated that he keeps hearing we don't need to replace Al Riedel when he retires but no one talked to Electric Supervisor, Todd Kispert about it, but he did. Mayor Johnson stated that we need perspective and that there are people in this town that are very sick and we need to throw some "Hail Marys" and prayers out there and people are worried about these little things. We will do the best we can here and people shouldn't dwell on these minor things. Mayor Johnson stated that his door is always open and you can come in and tell him anything and no one has ever said anything bad only shook his hand and told him to keep up the good job.

ADMINISTRATOR'S REPORT

ENGINEER'S REPORT

Engineer Theobald stated there is nothing formal to approve. Regarding the Commerce Drive project we will continue to do the engineering on that.

The pre-con meeting for Blaine's 12th is Monday, August 17 to start that project along with the high school watermain project

PERSONNEL

Motion by Egglar and second by Coleman accepting the retirement of Al Riedel and thanked him for his dedication and service. All Ayes.

CORRESPONDENCE:

Dr. Neil Zimmer submitted a letter commending Public Works Director Fjerstad and Water Supervisor Bradford for exemplary customer service.

ADJOURN: The meeting was adjourned at 7:35 p.m.

ATTEST:

Linda Rappe, City Clerk

Steve Johnson, Mayor