

KASSON CITY COUNCIL REGULAR MEETING MINUTES
August 27, 2014

Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 27rd day of August, 2014 at 6:00 p.m.

THE FOLLOWING MEMBERS WERE PRESENT: Coleman, Egglar, Hopkins, Worden and Nelson.

THE FOLLOWING MEMBERS WERE ABSENT: None.

THE FOLLOWING WERE ALSO PRESENT: City Administrator Lenth, City Clerk Rappe, Community Dev Director Martin, Finance Director Zaworski, City Engineer Neil Britton, Earlene King, Randy Carlson and Gretta Becay.
Mayor Nelson presided over the meeting.

COUNCIL

Agenda: *Motion by Egglar and second by Coleman, with all voting aye, to approve the August 13, 2014 agenda with the following amendments:*

Add:	B.2	City Clerk Rappe Health Insurance Update
	E.3.a.1	Library Project Manager Recommendation
	G.3	Oppidan to demolish Zomok House

Consent Agenda: *Motion by Hopkins and second by Egglar to approve the August 27, 2014 consent items. Ayes: Coleman, Egglar, Hopkins, Nelson and Worden. Nays: None.*

- a. **Minutes:** Approved the August 27, 2014 regular meeting minutes as submitted.
- b. **Claims:** Approved all claims paid after the August 13, 2014 regular meeting, as audited for payment in the amount of \$767,819.62.
- c. **Acknowledgement of Committee and Meeting Minutes:** Acknowledged the following committee and meeting minutes for:
- d. **Annual Evaluations:**
 1. Jesse Kasel Police Officer move to Grade 10, Step 3 \$24.31 eff. 8/15/14
 2. Jason Peck
- e. **Conferences/Training:**
 1. Josh Hanson Toward Zero Death Conference Nov 13&14 Duluth, MN
- f. **Pay Estimates/Change Orders:**
 1. Change/Order – Summit Environmental-Proj # 1706-001 218 W Main St \$8,206

VISITORS TO THE COUNCIL

1. City Clerk Rappe – The Southeast Service Cooperative and the City of Kasson had a good insurance year and the health insurance rate is not going up for 2015. Clerk Rappe stated that since the Service Co-op has met the reserve needed for high claims they have given the wellness incentive a block of money and the City’s share of that is not less than \$6,000 over the \$1,500 we apply for and get each year. Rappe stated that she has a lot of good wellness ideas in store for 2015.
2. Elaine Garry (arrived at 6:30) – Peoples Energy Cooperative – Ms. Garry stated that her purpose here is to ask the City to support a resolution for Peoples Energy Co-op and 11 other rural electric distribution cooperatives along southern MN to form Southern MN Energy Cooperative to purchase Interstate Power and Light, aka Alliant Energy, only their MN territory. This doesn’t directly affect the City of Kasson because Alliant doesn’t have any service territory in Kasson. Ms. Garry stated that since PEC has customers within the City limits that this will benefit them. Ms. Garry is asking for the City Council to approve the Resolution of Support.

Motion to Approve the Resolution of Support, made by Egglar, second by Hopkins with all voting Aye.

*(on file)
Resolution #8.3-14
Resolution of Support*

PUBLIC FORUM

PUBLIC HEARING

COMMITTEE REPORTS

1. **Electric Committee** –

Energy Park Update – Administrator Lenth stated that this committee is to the point of hiring a construction manager and the committee feels it can be done cost effectively by hiring local. Lenth stated that the committee would like approval to hire a project manager, Tom Thompson, from Pine Island Solar, not to exceed \$40K. Pine Island Solar put in the city hall panels and aquatic center panels. The energy park will be constructed with electric revenue bonds which will be paid back through electric rates and offset power purchase agreements. Councilperson Coleman wanted to make sure that the words “on time” were included in the contract. Lenth stated that we will overbuild the backbone so that there is plenty of opportunity for adding on additional panels or battery technology.

Motion: Approve entering into negotiations for a construction manager reporting directly to Administrator Lenth motion made by Egglar, second by Coleman. All Ayes

2. **Administrative/Finance Committee** – Administrator Lenth stated that we already have credit cards but the bank needs this resolution stating how many cards we have and who has them. Mayor Nelson questioned whether the \$20K limit is individual or cumulative. Finance Director Zaworski stated that all cards have their own limit but the cumulative total of all cards is \$20K. Councilperson Coleman asked if there are safeguards in place for people making unauthorized purchases. Lenth stated that using credit cards creates excellent safeguards.

Motion: Approving the Resolution #8.2-14 Authorizing Credit Card Debt by the City of Kasson made by Worden, second by Coleman. All Ayes.

(on file)

Resolution 8.2-14

Resolution Approving Credit Card Debt by the City of Kasson

3. **Library Building Committee** – Earlene King informed the Council that RFQ’s were put together and published and the deadline was Monday, August 25 at noon for a construction manager for building the new Library. They interviewed and recommend hiring Daniel Olschewski of Custom Construction and Design, Inc. The City Attorney is reviewing the contract as we speak. Mr. Olschewski has worked with our architects previously.
Motion to approve hiring Daniel Olschewski, Custom Construction and Design, Inc. pending approval from the City Attorney made by Hopkins, second by Coleman with all voting Aye.

OLD BUSINESS

NEW BUSINESS

1. **SEMCAC** – Energy Assistance Program Approval
Motion to Approve the agreement SEMCAC and the City of Kasson made by Egger, second by Worden with all voting Aye.
2. **Heatshare Program Agreement** –
Motion to Approve the Heatshare Program Agreement with the Salvation Army made by Hopkins, second by Coleman with all voting Aye.
3. **Authorizing Oppidan to demolish the Zomok house** – Community Development Director Martin stated that the Oppidan contractor is still on site and the cost of, not to exceed \$23,000 is reasonable if not low. This is top end price, it could be lower depending on asbestos.
Motion by Egger, second by Worden with all voting Aye to authorize staff to enter into an agreement with Oppidan to arrange for demolition of the Zomok property.

MAYOR’S REPORT

ADMINISTRATOR’S REPORT

1. Discussion of Utility Rate Increase Proposal - Administrator Lenth handed out power costs by month and stated that the City provides a stabilized electric rate which allows the customers to pay the same per kilowatt charge even though the wholesale price of energy fluctuates dramatically, especially in the peak summer hours. Lenth stated that even though the City provides many incentives to decrease electric use in the summer we do not have a high enough participation rate to keep our peak demand low. It is the recommendation of staff and the electric committee to increase rates during the summer when it is most expensive to offset the high wholesale costs. The 10% discount would continue for customers with load management controllers during summer months.
2. Water tower painting and maintenance is complete and the tower was filled today and extra chlorine added, then they will drain it and re fill it and put in the regular amount of

chlorine and put it back on line. There was 2 feet of sediment on the bottom of the tank but the crew did not experience any significant challenges.

3. Change November 26th meeting date – Lenth explained that typically we have changed this meeting to Tuesday instead of holding the meeting the Wednesday night before Thanksgiving.

Motion to change the November 26 regular City Council meeting to Tuesday, November 25, 2014 made by Hopkins, second by Egler with all voting Aye.

ENGINEER’S REPORT

1. City Engineer, Neil Britton stated that the Lions Park Trail system and clearing of the land for the modular is underway and should be on schedule for the move of the park equipment next week.

PERSONNEL

1. **Closed meeting for update on Union Negotiations** – Meeting was closed at 6:50 **Meeting reopened** at 7:20pm Outcome: Administrator Lenth updated the Council on the progress of union negotiations with IBEW.

CORRESPONDENCE: Cash and Investment Summary was submitted.

ADJOURN: The meeting was adjourned at 7:22 p.m.

ATTEST:

Linda Rappe, City Clerk

Matt Nelson, Mayor