

**KASSON CITY COUNCIL REGULAR MEETING MINUTES
December 14, 2011**

Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 14th day of December, 2011 at 6:00 p.m.

THE FOLLOWING MEMBERS WERE PRESENT: Hopkins, Marti, Nelson, Tjosaas, Torkelson.

THE FOLLOWING MEMBERS WERE ABSENT: None.

THE FOLLOWING WERE ALSO PRESENT: City Administrator Lenth, Admin Assist Benfield, Community Dev Director Martin, Finance Director Zaworski, Neil Britton, Fire Chief Joe Fitch, Deputy Chiefs Robinson and Seljan, Kathy O'Malley, Larry O'Malley, Rick Erpelding, Dan Gadiant, Bruce Prescher, Randy Carlsen.

Mayor Tjosaas presided over the meeting.

COUNCIL

Agenda: Motion by Hopkins and second by Torkelson, with all voting aye, to approve the December 14, 2011 agenda with the following amendments:

- | | | |
|------|------|----------------------------------------------------------------------------------------|
| Add: | F.3. | Closed Session – Consider Letter of Intent for Potential Sale of Old Elementary School |
| | I.3. | Union Contracts Update |

Consent Agenda: Motion by Marti and second by Nelson to approve the December 14, 2011 consent items. Ayes: Hopkins, Marti, Nelson, Tjosaas, Torkelson. Nays: None.

1. **Minutes:** Approved the November 22, 2011 regular meeting minutes as submitted.
2. **Claims:** Approved all claims processed after the November 22, 2011 regular meeting, as audited for payment in the amount of \$294,263.06.
3. **Acknowledgement of Committee and Meeting Minutes:** Acknowledged the following committee/meeting minutes for:
 - a. Park Board - 11/14/11
4. **Conferences/Training:** Acknowledged the following employee training/conference attendance for:

a.	C. Skime	Annual Collections Sys Conf	01/18-20	Bloomington
b.	T. Kispert	Upper Midwest Metering Assoc	02/8-10	Hinckley

COMMITTEE REPORTS

1. **Electric Committee**
 - a. **Negotiations with Peoples Cooperative Services re: Territory Acquisition:** The City is continuing negotiations with Peoples Cooperative Services regarding future electrical service to South Bend and South Fork subdivisions. The City moved in to People's Electric Territory in 2002 and has not finalized an agreement for service.

OLD BUSINESS

1. **Final Levy**: Finance Director Nancy Zaworski presented information on the proposed 2011 tax levy payable in 2012, an increase of 3.28%. The main budget changes included payroll expenses with a 3% COLA, contributions to fire relief, voting – possible referendum in 2012, increase in insurance costs and fuel costs, sidewalk program for 2012, crack sealing and budgeting for a decreased reliance on LGA. City expenses are funded 70% by tax levy and also through LGA, fees, transfers and reserves. Public comments: 1) Resident Rick Erpelding noted his property tax statement showed a 10% increase in the City’s portion of his statement. It was explained that the City’s budget is increasing 3.28% and the 10% shown is directly attributed to the market value exclusion. Erpelding also questioned whether the City is minimizing elective costs as much as they could, e.g. the Masten Creek clean-up project. 2) Dan Gadiant, owner of Daniel’s Restaurant, also expressed the same feelings about the 10% increase in his City taxes while his market valuation decreased 6%. This was due to the legislative change in the residential market value homestead credit, by lowering residential market values and putting the burden on commercial businesses, apartment buildings and farm properties. Gadiant also noted that the City’s operating budget has doubled in the last ten years. This is due in large part to the decrease in local government aid and increases in other expenses – payroll, health insurance, fuel costs. 3) Bruce Prescher, owner of Prescher Apartments, saw an increase of 20% in his taxes and echoed the sentiments of Erpelding and Gadiant. Prescher also expressed concern over paying monthly base rates on utilities for empty apartments. Council members’ comments: Beginning in July, department heads met with council members and were asked where they could cut and how they could work more efficiently. It is felt a 3.28% increase in the levy is not a huge increase and is reasonable. Most residents are satisfied with the services they receive and know there is a cost. There is a 10% increase to the citizens due to legislative actions. The citizens need to speak with their legislators to cause changes in the legislature laws.
 - a. **Action on Resolution Approving 2011 Levy, Collectible in 2012 and Adoption of the 2012 Budget**: Motion by Hopkins and second by Torkelson, with all voting aye, to table action on the resolution approving the 2011 levy, collectible in 2012 and adoption of the 2012 budget until December 21, 2011.
2. **One-Day Suspension of Liquor License – Buffet King**: Motion by Nelson and second by Hopkins, with all voting aye, to approve a one-day suspension, January 13, 2012, of the liquor license for Buffet King due to the violation of MN Statute 340A.503 S2(1), serving underage customers.
3. **Closed Session – Consider Letter of Intent for Potential Sale of Old Elementary School**: This item was moved to the end of the meeting, prior to adjournment.

NEW BUSINESS

1. **Approve Assessment Extension Request for Blaine’s 11th Subdivision**: C&K of Kasson, Inc. has requested an extension of an “interest only” provision through 2012 for two parcels in Blaine’s 11th Subdivision, Ph 3 - 801 6th Avenue NE and 504 8th Street NE. The original agreement stated that assessments would be assessed at the end of 2011, for collection in 2012. Motion by Nelson and second by Torkelson, with all voting aye, to grant the request from C&K of Kasson, Inc. to extend the “interest only” provision of the Petition and Waiver agreement on the above two parcels in Blaine’s 11th Subdivision through 2012.

2. **New Charge from Dodge County Fair Board:** The Dodge County Fair Board has asked for a deposit of \$500 from the City for dumping snow at the Dodge County Fairgrounds. The deposit would be returned to the City when the site is appropriately cleaned up. The Fair Board received new information from the Public Works Director and is now reconsidering this request.

MAYOR'S REPORT

1. **Pool Repair Costs:** Mayor Tjosaas provided a preliminary cost estimate to the council members that to get the pool repaired and up to code would cost an estimated to be \$1.4 million.

CLERK-ADMINISTRATOR'S REPORT

1. **Purchase of Hindermann Property:** Public Works Director Burt Fjerstad has asked Matt Hindermann if he would be willing to sell a portion of his property located in a flood plain to the City. The parcel is adjacent to Masten Creek and would be used for parkland and storm water control. A building on the property would be sold to the City for \$20,000 and Hindermann would donate the additional parcel of bare ground to the City. This would allow access to manage Masten Creek. Money is allocated in the 2012 budget. Some council members were hesitant about the purchase, including the building, and the effect on the Park budget – mowing/maintenance. Rick Erpelding again expressed concern about the City spending money on elective projects. After discussion by council members, motion by Marti and second by Hopkins to not purchase the Hindermann property. Ayes: Marti, Hopkins, Torkelson. Nays: Nelson, Tjosaas.
2. **MnDOT Curb Ramp Upgrades:** MnDOT will begin construction on pedestrian accessibility upgrade projects along TH 57 between May and October 2012. This will include upgrading the existing traffic signal at Main St and Hwy 57 with pedestrian push buttons, using audible tones to assist the visually impaired. All new approaches will be constructed along Mantorville Avenue. There are two pedestrian crossing areas at the intersection of 7th St and TH 57. The DOT will take out the north pedestrian crossing and funnel all the traffic to the corners. A lighted pedestrian sign will also be installed at the 7th St and TH 57 intersection. Since the DOT project is delaying placement of the lighted pedestrian sign on Mantorville Avenue, staff will consider placing the lighted pedestrian sign on 5th Avenue NE between the schools (mid-block).
3. **Union Contracts Update:** Administrator Lenth stated that the City has tentative agreements from both the IBEW and Teamsters unions.

ENGINEER'S REPORT

1. **Meeting with MPCA:** Neil Britton, WSN, met with MPCA personnel on December 13, 2011 regarding the possibility of the City of Mantorville hooking into the City of Kasson's wastewater treatment plant. The MPCA does not require the development of a sewer district. MPCA will compile a list of requirements/ideas for Kasson and Mantorville to consider. A meeting with Mantorville representatives and MPCA is scheduled for January 12, 2012.

PERSONNEL

1. **Non-Union Wages:** Wages for all employees have been frozen since 2010. Motion by Nelson and second by Torkelson, with all voting aye, to approve unfreezing wages for 2012

and unfreezing steps in 2013 and allow COLA adjustments for non-union employees of 2.5% in 2013 and 2.5% in 2014.

2. **Hiring of Additional Firefighters:** Motion by Hopkins and second by Marti, with all voting aye, to approve the hiring of Curtis Alexander, Steve Jurrens, Spencer Klemm, Jeff Kujath and Jason LaRock as additional firefighters.

CORRESPONDENCE: The following correspondence was reviewed:

1. Cash and Investment Summary – November, 2011

CLOSED SESSION – Consider Letter of Intent for Potential Sale of Old Elementary School:

The meeting was closed at 7:25 p.m. to consider a Letter of Intent for the potential sale of the Old Elementary School. The meeting was re-opened at 8:00 p.m. **Outcome:** Motion by Torkelson and second by Nelson, with all voting aye, to table action on the Letter of Intent for the potential sale of the Old Elementary School until the December 21, 2011 council meeting.

ADJOURN: The meeting was adjourned at 8:07 p.m.

ATTEST:

Randy D. Lenth, City Administrator

Tim Tjosaas, Mayor