

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

Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 14th day of September, 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 Assistant Benfield, Community Dev Director Martin, Finance Director Zaworski, Neil Britton, Rich Miller, Kathy O'Malley, Karen & Robert Tracy, Helen Leqve, Mike Bubany, Andrea & Joel Berg, Lorraine & Fred Spading, Lucinda Luepke, Gretta Becay, Ginny Tobiason, Mary Gillard, Bruce Prescher, Randy Carlsen.

Mayor Tjosaas presided over the meeting.

COUNCIL

Agenda: Motion by Nelson and second by Marti, with all voting aye, to approve the September 14, 2011 agenda with the following amendments:

Add: F.2. Library
 K.2. IBEW Notice for Dan Roche

Consent Agenda: Motion by Marti and second by Nelson to approve the September 14, 2011 consent items. Ayes: Hopkins, Marti, Nelson, Tjosaas. Nays: None. Abstain: Torkelson (Abstention applies only to the Claims portion of the Consent Agenda due to submission of claim from Stone by Stone Plus, LLC)

1. **Minutes:** Approved the August 24, 2011 regular meeting minutes as submitted.

2. **Claims:** Approved all claims processed after the August 24, 2011 regular meeting, as audited for payment in the amount of \$377,246.48.

3. **Acknowledgement of Committee and Meeting Minutes:** Acknowledged the following committee/meeting minutes for:
 - a. Library Board - 07/12/11
 - b. EDA - 09/06/11

4. **Conferences/Training:** Acknowledged the following employee training/conference attendance for:
 - a. J. Reding/J. Hanson Strategies for Recorded Interview 9/23 Rogers, MN

5. **Pay Estimate:** Approved the following pay estimate for:
 - a. Swenke Co., Inc Sanitary Sewer Outfall Line Upgrade Est #1 \$363,777.70

6. **Resolution Accepting American Legion Post #333 Charitable Gambling Funds:** As part of the consent agenda, the resolution accepting American Legion Post #333 charitable gambling funds in the amount of \$232.34 was adopted. Ayes: Hopkins, Marti, Nelson, Tjosaas, Torkelson. Nays: None.

**Resolution # 9.1-11
Resolution Accepting American Legion Post #333 Charitable Gambling Funds
(on file)**

7. **Salvation Army HeatShare Program Agreement:** Approved the 2011-2012 Salvation Army HeatShare Program Agreement.

PUBLIC FORUM: Andrea Berg, 601 4th Avenue NE, received a utility bill in the amount of \$645 in August. Berg is on Auto Pay and the \$645 was deducted from her bank account on August 15th. She did not receive the bill until August 12 so she was not prepared to have that large amount deducted from her account. It was determined that she had a dead meter and it had not been registering accurately for several years. She was told the total amount due is actually \$1200 for electricity she used during that time. Berg's main concern was that there had been no communication with her and no courtesy call informing her of the situation and the amount owed. Administrator Lenth apologized and said that it was the City's mistake in not notifying her beforehand and arrangements have been made with Berg in paying the balance of the amount due.

VISITORS TO THE COUNCIL

1. **Karen Tracy:** City resident, Karen Tracy, did a survey of approximately 100 people during Marigold Days to find out how many actually use the public library. Her findings suggested that ages 11-15 and senior citizens use the library the most. Tracy's concern is do we really want to put money into a new/renovated building for a library - is this the best place to put money with the present and future technology. Her second concern is the Old Elementary School building. She questioned whether it is structurally sound to be renovated after being empty for several years. In the future, Tracy would like to see a community center and possibly an indoor pool.

OLD BUSINESS

1. **Refinancing of Current Debt:** Mike Bubany, David Drown Associates, presented the plan for refinancing of the City's old debt at a lower interest rate. There are three bond issues involved: 2002 and 2006 issues which are street related and a 2005 issue which is water related. The 2002 and 2005 issues can be refinanced today; the 2006 issue is not available to be refinanced until February 1, 2012, however, the interest rate can be locked in for all three. The recommendation is to issue \$1,775,000 in General Obligation Refunding Bonds for the purpose of refinancing the City's currently outstanding 2002B, 2005A and 2006A bond issues.
 - a. **Resolution Providing for the Competitive Negotiated Sale of \$1,775,000 General Obligation Refunding Bonds, Series 2011A:** Motion by Nelson and second by Marti to adopt the resolution providing for the competitive negotiated sale of \$1,775,000 General Obligation Refunding Bonds, Series 2011A. Ayes: Hopkins, Marti, Nelson, Tjosaas, Torkelson. Nays: None.

Resolution #9.2-11
Resolution Providing for the Competitive Negotiated Sale of
\$1,775,000 General Obligation Refunding Bonds, Series 2011A
(on file)

2. **Library:** Council Member Marti wanted to make sure we are not leading the Library Board or the Library Building Committee down the wrong road as far as plans for building a new library. Marti wants no misconceptions about what we can afford. We need to come up with a plan and financing that is feasible. He does not see the need for a building as large as what was presented by Deb Parrott, architect from WSN. Council Member Hopkins noted that the plans presented by the architect were only the first drafts and the Library Board has had discussions regarding reduction in size of the building. Marti stated he does not want to set unrealistic expectations. Mayor Tjosaas said that a meeting with a fundraising company from Winona had been held and the company would do a community assessment. Their objective is to find out what support there is for this project versus others, is the goal realistic, if not, what would the community support. The company recommends bringing the pool and library projects together for fundraising. Council Member Nelson noted that a library building could be done in phases, building what we can afford at this time and, if needed, increase the size of the footprint at a later date.

NEW BUSINESS

1. **Recommendation from EDA regarding an Energy Park:** A proposal to investigate the possibility of developing an energy park using wind, solar and geothermal facilities to generate and store energy use by Kasson residents was reviewed by the EDA. The energy park concept provides customers with reasonably predictable energy prices and availability in the long term. The city will be looking at a ten-acre site for the facility. Storage of the energy is a prime consideration. It was noted Federal tax credits are available for this type of project. Council discussion included skepticism of the City doing its own generation and the risk of investing in generation. Approval from the council would be authorizing commitment of staff time and consultant time to investigate whether an energy park is feasible for the City. The recommendation from EDA is that the City Council authorize moving forward with this investigation. Motion by Torkelson and second by Hopkins, with all voting aye, to approve the recommendation authorizing the City Administrator to direct City resources to investigate an energy park concept.
2. **Utility Rate Increases:** Repair/maintenance costs on the storm water, sanitary sewer and water projects require rate increases for these utilities. The recommendation is a \$2.00 per month/per parcel on the storm water fee and a 1.4% increase for water and sewer base fee and usage effective January 1, 2012. The consensus of the council members was that the storm water fee increase be limited to \$1.00 per month/per parcel. Motion by Marti and second by Hopkins, with all voting aye, to set the preliminary rate of \$1.00 per month/per parcel for the storm water fee and a 1.4% increase for water and sewer base fee and usage effective January 1, 2012. Final approval for these fees will be done through Ordinance and Resolution before 2012.
3. **Preliminary Budget Discussion:** Higher health insurance premiums will have an impact on the budget, along with a 3% increase in payroll which had been frozen for 2010 and 2011.

The preliminary levy will be set at a 9.46% increase. Council members would like to see the final levy significantly lower. Staff will be working on decreasing this number.

- a. **Resolution Approving Preliminary 2011 Tax Levy, Collectible in 2012**: Motion by Nelson and second by Torkelson to adopt the resolution approving the preliminary 2011 tax levy, collectible in 2012. Ayes: Hopkins, Marti, Nelson, Tjosaas, Torkelson. Nays: None.

Resolution #9.3-11
Resolution Approving Preliminary 2011 Tax Levy, Collectible in 2012
(on file)

MAYOR'S REPORT

1. **Pool Committee**: The Pool Committee interviewed two pool design firms in July and recommends U.S. Aquatics as the designer for replacing the current pool. U.S. Aquatics has designed several pools in the area. They will return in September for a meeting with the Pool Committee.
2. **RFP**: Staff will prepare a Request for Proposal to place the Old Elementary School up for sale. Realtors could put together a plan for marketing the property. A decision would then be made as to whether we want to list it and which realtor we would use for marketing the property.

ENGINEER'S REPORT

1. **Progress Report**: Neil Britton, WSN, presented an update on current projects in the City. Projects included the North Park sanitary sewer extension and TH 57 (North) water service improvements. Swenke Co was the low quote on the North Park sanitary sewer extension; completion date for that project is October 29, 2011. Swenke Co was also the low quote on the TH 57 (North) water service improvements; completion date for that project is October 15, 2011.

PERSONNEL

1. **Fire Department Personnel**
 - a. **Resignation - Billy Gullickson**: Motion by Marti and second by Torkelson, with all voting aye, approving the resignation of Billy Gullickson effective September 9, 2011.
 - b. **Change Leave of Absence to Resignation – Dwayne Osterhout**: Motion by Nelson and second by Hopkins, with all voting aye, to approve changing the Leave of Absence to resignation for Dwayne Osterhout.
 - c. **Retirement – Roger Ries**: Motion by Marti and second by Hopkins, with all voting aye, to approve the retirement of Roger Ries effective May 2, 2011.
2. **IBEW Notice for Dan Roche**: Motion by Hopkins and second by Marti, with all voting aye, to approve the updated Leave of Absence for Journeyman/Line Worker Dan Roche from October 1, 2011 through March, 2012.

CORRESPONDENCE

1. Dodge County Ice Arena – Chamber After Hours (5:00 pm) Thursday, September 22

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

ATTEST:

Randy D. Lenth, City Administrator

Tim Tjosaas, Mayor