

Resolution 1.5-12
Resolution Accepting Dover Firefighter Relief Association
Charitable Gambling Funds
(on file)

VISITORS TO THE COUNCIL

1. **Brian Ross – Response to EAW Comments:** Brian Ross, WSN, noted there were eight agencies/persons who submitted comments regarding the Environmental Assessment Worksheet for the Old Elementary School Demolition project. The comments and responses were reviewed by council members. Ross indicated the council had three choices regarding the EAW: 1) determine that an EAW is needed if there would be potential significant environmental problems that would come about with the demolition of the school, 2) delay making a decision for 30 days in case additional information would come in, 3) declare a negative need for an EAW. The council's decision was to declare a negative need for an EAW. Ross stated that, if someone wanted to, they would have 30 days to appeal the decision through the courts.
 - a. **Resolution Declaring a Negative Need for an Environmental Impact Statement for the Old Elementary School Demolition Project:** Motion by Marti and second by Nelson to adopt the resolution declaring a negative need for an Environment Impact Statement for the Old Elementary School demolition project. Ayes: Hopkins, Marti, Nelson, Tjosaas, Torkelson. Nays: None.

Resolution #1.6-12
Resolution Declaring a Negative Need for an Environmental Impact Statement
for the Old Elementary School Demolition Project
(on file)

COMMITTEE REPORTS

1. **Resolution Granting Reynold and Judith Kuchinka a Minor Subdivision:** Reynold and Judy Kuchinka own the property at 708 South Fork Place SE. They would like to combine two lots, 9 &10, Block 2 of the South Fork Subdivision, into one lot to build a garage complying with setback regulations. The Planning Commission held a public hearing on January 9, 2012. There were no comments from the public. The Planning Commission recommends approval with no conditions. Motion by Hopkins and second by Marti to adopt the resolution granting Reynold and Judith Kuchinka a minor subdivision. Ayes: Hopkins, Marti, Nelson, Tjosaas, Torkelson. Nays: None.

Resolution #1.7-12
Resolution Granting Reynold and Judith Kuchinka a Minor Subdivision
(on file)

2. **Liquor Store Committee**
 - a. **Liquor Store Repair:** This subject had been discussed at the January 11th council meeting with no action taken. A vehicle had hit the side of the Liquor Store and left a large dent in the siding. At this meeting additional information on the repair was provided including insulation specifications and energy efficiency data. \$12,349 would come out of the Liquor Store Fund after the LMC insurance payment. This includes the cost of bollards or other kind of protection for the side of the building.

Council Member Hopkins expressed concern that the expenditure was not in the budget and whether it is really a necessity. Other comments included looking at the colors/style that would be used. The business is bringing in money and the majority agreed that the repairs should proceed. Motion by Nelson and second by Marti to approve the Liquor Store repairs, the Liquor Store committee to work with the Liquor Store manager on choice of colors, and approve amending the 2012 budget to include the new expenditure. Ayes: Marti, Nelson, Tjosaas, Torkelson. Nays: Hopkins.

3. **Electric Committee:** In prior years when the City annexed property, the City served those areas with electricity. The City is required to purchase the electric service territory from other companies such as Xcel Energy and Peoples Energy; however, due to court cases and state statutes, the cost has become excessive. Previously, the cost per meter was \$600 per meter and currently the cost can be \$2800-\$3200 per meter which would have to be passed on to the developers. A change of policy is being requested with the resolution that states the City “might” serve an annexed area. The City will look at each parcel as it comes in and will negotiate and come up with the best alternative. We may serve them but the City will also look at Xcel Energy or Peoples Energy continuing to serve customers in newly annexed properties.
 - a. **Resolution Relating to Electric Service in Newly Annexed Areas of the City of Kasson:** Motion by Marti and second by Nelson to adopt the resolution relating to electric service in newly annexed areas of the City of Kasson. Ayes: Hopkins, Marti, Nelson, Tjosaas, Torkelson. Nays: None.

**Resolution #1.8-12
Resolution Relating to Electric Service to Newly Annexed Areas
of the City of Kasson
(on file)**

- b. **South Fork/South Bend:** Administrator Lenth informed council members that the Electric committee will continue to meet with Peoples Energy regarding an agreement for servicing the South Fork/South Bend area.

NEW BUSINESS

1. **2012 Blaine’s 12th, Phase IV:** Carter Blaine will be developing more lots in Blaine’s 12th Subdivision. According to State statute if a property owner signs a petition, various assessment requirements, including assessment hearings, are waived at the request of the property owner to do the project. Blaine has requested a petition and waiver. He has also asked the council to consider lowering the interest rate to 5.5% vs the 7.5% as stated in the agreement. Members were in agreement to leave the interest rate at 7.5% and not be in competition with banks. Staff will also verify that this property is in the City’s electric service territory.
 - a. **Petition and Waiver with Tierra AKA for Blaine’s 12th Subdivision, Phase IV:** Motion by Marti and second by Hopkins, with all voting aye, to approve the Petition and Waiver Agreement with Tierra, AKA for Blaine’s 12th Subdivision, Phase IV.
 - b. **Resolution Approving Feasibility Study and Ordering Plans and Specifications for Bids for Blaine’s 12th, Phase IV:** There are 13 buildable lots in Blaine’s 12th,

Phase IV with a 14th lot for a park. Motion by Nelson and second by Marti to adopt the resolution approving the feasibility study and ordering plans and specifications for bids for Blaine's 12th, Phase IV.

Resolution #1.9-12
Resolution Approving Feasibility Study and Ordering Plans and
Specifications for Bids for Blaine's 12th, Phase IV
(on file)

2. **Amended 2011 Budget**: The 2011 budget had one-time expenses such as the Library design/WSN, the final Comprehensive Plan, Crescendo Consulting fees and the EAW, and also the cost of remodeling the Police Department building along with furnishings, office equipment and utilities. Some project expenses were pushed up to 2011 rather than waiting until 2012. Finance Director Nancy Zaworski presented a proposed listing of suggested 2011 budget amendments. Motion by Hopkins and second by Marti, with all voting aye, to approve the amended line items for the 2011 budget.

3. **Sewer Back-Up Insurance**: The City of Kasson qualifies for sewer back-up insurance with the League of Minnesota Cities. The resolution states that water and sanitary sewer customers can be reimbursed for up to \$25,000 of clean-up costs and property damages caused by a water main break or sanitary sewer back-up, regardless of whether the City of Kasson is negligent or otherwise legally liable for damages, subject to conditions as noted in the resolution. The maximum payment for damages of a water main break resulting from any single occurrence is \$250,000.
 - a. **Resolution Establishing Limited Clean Up and Property Damage Protection for Sewer Back-Ups and Water Main Breaks for Water and Sewer Customers**: Motion by Nelson and second by Marti to adopt the resolution establishing limited clean up and property damage protection for sewer back-ups and water main breaks for water and sewer customers. Ayes: Hopkins, Marti, Nelson, Tjosaas, Torkelson. Nays: None.

Resolution #1.10-12
Resolution Establishing Limited Clean Up and Property Damage
Protection for Sewer Back-Ups and Water Main Breaks for
Water and Sewer Customers
(on file)

MAYOR'S REPORT

1. **City Administrator Evaluation**: Mayor Tjosaas handed out forms to council members for the evaluation of City Administrator Randy Lenth. Council members are to give their input to the mayor by February 8th and he will compile the information. The evaluation will be on the February 22nd council agenda.

2. **Snow Removal**: Mayor Tjosaas said he has had comments from residents regarding the "good job" done by Public Works with snow removal. Appreciation and thanks to Burt and the Public Works employees.

CLERK-ADMINISTRATOR'S REPORT

1. **Old Elementary School Purchase Agreement:** Administrator Lenth reported that negotiations are taking place on the purchase agreement for the Old Elementary School. The City wants guarantees that Sherman Associates, Inc. will perform as they have indicated. One issue remains to be resolved. Kathy O'Malley, realtor for the sale of the school, asked if the listing agreement would be extended out from the January 31, 2012 deadline. She was told there is no reason to extend the agreement; O'Malley will be compensated for her work on finding a developer.

ENGINEER'S REPORT

1. **Updates:** Neil Britton, WSN, reported that a meeting was held with the City of Mantorville regarding the loadings/capacity of Kasson's wastewater treatment plant. The next meeting is scheduled for February 29th.

The required signed right-of-way agreements have been received from residents on 16th Street NE.

CORRESPONDENCE: The following correspondence was reviewed:

1. Wholesale Electric Purchased by City of Kasson from CMMPA 2011
2. 2012 Open Book Meeting for City of Kasson – May 3, 2012, 6:00-7:00 pm
Dodge Co. Courthouse
3. Cash and Investment Summary – December, 2011

ADJOURN: The meeting was adjourned at 7:02 p.m.

ATTEST:

Randy D. Lenth, City Administrator

Tim Tjosaas, Mayor