

**CITY OF CLARA CITY  
CITY COUNCIL  
REGULAR MEETING**

**Tuesday, July 12, 2011  
City Hall**

This Regular Meeting of the City Council of Clara City was called to order by Mayor Mike Thein on Tuesday, July 12, 2011, at 6:30 pm in the Council Chambers of City Hall in Clara City, MN.

Councilors present: Mike Thein, Shirley Klaassen, Les Feia, Joe Thissen, and Barry Schwitters.

Councilors absent: none.

Staff present: Judy Gosseling (Deputy Clerk), Mike Stordahl (Care Center), Ann Jaenisch (Prairie Park Place), and Windy Block (City Administrator).

Others present: John White (Clara City Herald), Lisa Osthus, Orville Meints, Isaac Gosseling, and Lonnie Curtis.

Upon consideration for the approval of the agenda, *it was moved by Klaassen and seconded by Schwitters to approve the agenda with the addition of agenda item No. 10. (J): "Resolution No. 2011-021"; agenda item No. 10. (K): "Pool Fundraiser"; and agenda item # 10. (L) "Natural Gas Franchising". The motion carried unanimously.*

Upon consideration of the approval of meeting minutes, *it was moved by Feia and seconded by Thissen to approve the Minutes of the Regular City Council Meeting of June 14, 2011, with the friendly staff amendment on page 6 noting "the City Council's approval of a 3.2% Malt Liquor On-sale Permit for use by the Prairie Fest organization on Saturday, July 9, 2011." The motion carried unanimously.*

Under the "Appearance of Interested Citizens" section of the agenda, Mayor Thein first recognized Lisa Osthus, 322 3<sup>rd</sup> St. SW, who inquired about the forms and process for applying for a waiver of assessment under a hardship situation. Staff noted that this issue was already on the agenda for this meeting and forms should be available following council consideration and action.

Mayor Thein next recognized Isaac Gosseling who rose to give an update report on his previously approved by the City Council Eagle Scout Project. Gosseling reported that he had raised a total of \$1,150 dollars in pledges thus far. He inquired if the City had already ordered the marking flags for the hydrants and how the City preferred to receive the hydrant location data. Staff replied that the markers have been ordered and that GPS was the preferred method of data collection.

Upon consideration of "Notices and Communications," the agenda included: (1) Notice, dated July 6, 2011, listing the major subcontractors selected by the general contractor Duininck, Inc. for working on the "2011 Utility and Street Improvement Project. No specific action was needed or taken on any of these items.

Upon consideration of the "Consent Agenda," *it was moved by Klaassen and seconded by Feia to approve the consent agenda, and as such, included the following items:*

*6. (A) The recommendation of the Planning Commission from their Regular Meeting on July 6,*

2011, granting approval of the following "Applications for Construction Permit":

1. *Hermina Ammermann, 323 NE 2<sup>nd</sup> St.—Re-shingle house and garage—Work to be done by Chuck Ammermann, TS Const., and Niemeyer Const.—Project cost of \$2,500—Permit fee of \$25.00.*
2. *William Tammen, 731 N. Division St.—Re-shingle house and attached garage—Work to be done by owner self-improvement—Project cost of \$5,000—Permit fee of \$25.00.*
3. *James M. Koenen, 222 NW First St.—Re-shingle house—Work to be done by owner self-improvement—Project cost of \$1,000—Permit fee of \$25.00.*
4. *Lisa Libaire, 634 First street NE—Install a ground-level patio—Work to be done by owner self-improvement—Project cost of \$300—Permit fee of \$50.00.*
5. *Linsey Kortgard, 318 4<sup>th</sup> St. SW—Install a cement platform for a pre-built 10' X 12' utility shed—Work to be done by owner self-improvement—Project cost of \$800—Permit fee of \$25.00.*
6. *Deb Slagter, 335 South Main St.—Construct a 16' X 16' cement patio—Work to be done by Lonnie Hanson—Project cost of \$1,300—Permit fee of \$50.00.*
7. *Melissa Fischer, 310 First St. SE—Remove existing fence and reposition it on same property—Work to be done by owner self-improvement—Project cost of \$-0—Permit fee of \$25.00.*
8. *All That Jazz Building (Chip Goeman), 90 NE First Avenue—Re-shingle structure—Work to be done by McNeil Construction—Project cost of \$4,500—Permit fee of \$25.00.*
9. *Dan Pieper, 83 & 87 NW 5<sup>th</sup> St.—Re-shingle duplex structure—Work to be done by Gary Bedel Construction—Project cost of \$9,000—Permit fee of \$25.00.*
10. *Susan Jenson, 234 West Center Avenue—Re-shingle house and garage—Work to be done by Jim & Joe Schlagel Const.—Project cost of \$4,000—Permit fee of \$25.00.*
11. *Constance Olson, 318 SW 3<sup>rd</sup> St.—Install a 4' high privacy fence with gate—Work to be done by owner self-improvement—Project cost of \$300 (adjusted)—Permit fee of \$25.00.*
12. *Jeff Zeatlow, Renter (Jeff DeGrote, Owner), 27 NE Fifth Avenue—Placement of a pre-built 10' X 10' utility shed—Work to be done by owner self-improvement—Project cost of \$1,000—Permit fee of \$25.00.*
13. *Evan Dieken, 630 NE First St.—Build a 10' X 20' deck on rear of house—Work to be done by owner self-improvement—Project cost of \$300.00—Permit fee of \$50.00.*
14. *Father Bob Krystosek, 91 NW 4<sup>th</sup> St.—Re-shingle house and garage—Work to be done by Home & Yard Construction (Joe Schlagel)—Project cost of \$8,400—Permit fee of \$25.00.*
15. *Lisa Libaire, 634 First St. NE—Build a 24' X 12' addition to the rear of an existing attached garage—Work to be done by owner self-improvement (w/ help from Jeff Johnson, Dewey Tjades, and Chad Wenz)—Project cost of \$10,000—Permit fee of \$100.00.*

*The motion passed unanimously.*

The Council received and acknowledged under the "Reports Sections" the following information:

- A. Approved Planning Commission Minutes of the June 1, 2011, Regular Meeting, the Approved Minutes of the June 22, 2011 Special Meeting, and the unapproved Planning Commission Minutes of July 6, 2011 Regular Meeting.
- B. The June 2011 Monthly Report from the Clara City Police Department, as drafted by Chief Ralph Bradley.

- C. Questions & Answers, revised July 8, 2011, "2011 Clara City Utility and Street Improvement Project—Phase 1."
- D. Clara City Care Center Information Report, dated July 12, 2011, as prepared by Mike Stordahl, Administrator.
- E. Verbal report from the City Administrator detailing the status of efforts for the recovery of costs through FEMA for the City's 2011 flood-fighting efforts and the status of the one acre of vacant land purchase from Edwin, Jim, Paul, and Dave Wolf.

Under the "Public Hearing" section of the agenda, there was no action to consider.

The first item of "General Business" was to consider the resignation of Police Officer Thomas Swyter. Following a brief explanation of Mr. Swyter's career advancement opportunity, *it was moved by Feia and seconded by Schwitters to acknowledge and accept, with regret, the written resignation, dated July 5, 2011, of Thomas Swyter as a full-time Police Officer in Clara City, such to be effective with the close of his last day of service on Sunday, July 24, 2011. The motion carried unanimously.*

The next item involved the consideration of approving the employment of a new full-time police officer. Councilor Feia, as the liaison to the Police Department and with assistance from staff, provided a review of the subcommittee's work in interviewing and selecting a candidate for the soon-to-be vacant full-time Police Officer position. A total of eight candidates had been interviewed and rated. That list had been reduced to four, reviewed again, and re-ranked. From that effort, the top two candidates were identified and the Police Chief did background checks on both. Based on the information shared by the hiring subcommittee, *it was moved by Feia and seconded by Thissen to accept the recommendation of the hiring subcommittee for the appointment of Christopher Lindbloom as a full-time Police Officer, such appointment to be effective upon the candidate's successful meeting of all outstanding employment requirements as monitored by the Police Chief, including the activation of his law enforcement officer's license by the POST, when, and if, such becomes possible in view of the State Government's current shut-down. The motion passed unanimously.*

The next item of general business involved a staff report and recommendation as received from the Planning Commission, based upon its findings that Lonnie Curtis had made no progress in fulfilling the abatement orders previously received from the Planning Commission regarding the zoning code violations at 227 West Center Avenue and 115 N. Division Street, that the City Council should authorize the City Attorney John Sellner to file for injunctive relief and/or a criminal complaint against Lonnie Curtis in order to facilitate the abatement of the zoning code violations at both locations. Mayor Thein recognized Lonnie Curtis who addressed the Council and explained that he needed approximately 90 days more in which to abate the violation at 227 West Center Avenue. He also suggested that the zoning violation at 115 N. Division Street was no longer an issue as the use of that property as an office had already ended. Staff then provided the Council and Curtis with a copy of a "Stipulation Agreement," as drafted by Attorney John Sellner, and suggested that it be executed by all parties if additional time was to be granted to Curtis for his abatement of the zoning code violation at 227 West Center Avenue. Curtis stated that he would have to have his attorney review the document prior to his possible signing of it. Following discussion, *it was moved by Thissen and seconded by Klaassen to approve the City's execution of the suggested "Stipulation Agreement" with the amendment that performance was due in about 90 days hence, or in other words, by October 15, 2011, and with the required contingency that Lonnie Curtis return the "Stipulation Agreement" document with his legally executed signature to City Hall by the end of the business day, 5:00 p.m., on Friday, July 15, 2011. The motion carried unanimously.*

The next item of general business involved the consideration of recommendations from the EDA and the Planning Commission regarding the City's purchase of a parcel of vacant land for purposes of future economic development. The proposed parcel borders East Highway 23 and is immediately adjacent to the "Wholly Grounds Coffee Shop." It is currently owned by Mike Stamer. Both the EDA and the Planning Commission had issued conditional approvals of this purchase by the City, citing the opportunity for future developmental projects. Lowell Schwitters, the City's real estate agent in this matter, was present and reviewed the status of the City's ongoing negotiations with Michael Stamer. Following discussion and exchange of information, *it was moved by Thissen and seconded by Schwitters that the City and its designated representatives continue moving forward with the proposed vacant land purchase via the finalization of commitment and support of the Clara City EDA and the drafting of all appropriate language within the Purchase Agreement and any associated addendums. The motion carried unanimously.*

The Council next considered the possibility of creating and implementing a policy that would allow the use of outdoor serving areas by those qualified businesses which are appropriately licensed to sell intoxicating liquor and/or beer. Reference was made to a "staff report," dated June 14, 2011. Following the discussion, it was the consensus of the Councilors that staff should first provide a written draft of the actual amendment to the liquor ordinance. The consensus also was that the written amendment should be placed on the agenda of either a special meeting or the next regular meeting of August 9, 2011, for further consideration. No other action was necessary at this time.

In response to a \$390 donation offered by Joan Wolf, *it was moved by Klaassen and seconded by Thissen to approve Resolution No. 2011-019 "Accepting a Cash Donation of \$390 from Joan Wolf" for designation to the Fire Relief Association Fund. The motion carried unanimously.* Staff was directed to send a thank-you letter of appreciation to the donor.

Likewise, in response to a \$2,800.00 donation offered by the Clara City Lions Club, *it was moved by Feia and seconded by Schwitters to approve Resolution No. 2011-020 "Accepting a Cash Donation of \$2,800 from the Clara City Lions Club" and to be designated as follows: Improvements to the Southside Park = \$500, Clara City Swimming Pool = \$1,000, Clara City Ambulance Service = \$1,000, and the Clara City Library for Books = \$300.00. The motion carried unanimously.* Staff was directed to also send a thank-you letter of appreciation to this donor.

Mike Stordahl, Administrator of the Care Center, presented his Information Report, July 12, 2011. Stordahl reviewed his report to help prepare the Council for several general business action items. The first item involved approval of a construction payment. Following questions and answers, *it was moved by Klaassen and seconded by Thissen to approve a payment of \$19,840.50 to Paul Heiling Construction as a partial payment for work completed under the contract for the 2011 Rehabilitation Project. The motion carried unanimously.*

Stordahl next introduced a recommendation for the City Council's consideration of implementing a revised version of an "Advisory Board" for the day-to-day operations of the Clara City Care Center. A fairly lengthy discussion ensued which generated questions and concerns about how this new recommendation differed from the former advisory board structure that had been eliminated by the Council less than a year ago, about what the mission and purpose of this new advisory board was intended to be, about how the bylaws would actually read, and about how qualified members would be selected. Recognizing that there were Councilors who were supportive of looking further at this recommendation, Mayor Thein recommended that this agenda item be tabled until August 9, 2011, for further consideration at the next regular meeting of the City Council. He also urged Stordahl to prepare appropriate materials and information for the Council's consideration as they had been mentioned during this meeting. The Council was in agreement with this suggested course of action.

The next item of "General Business" concerned the consideration for the certification of the Care Center as a "Housing-With-Services" provider. Stordahl and Ann Jaenisch, Housing Manager of the Prairie Park Place, provided background on the possible value to be gained by making such an arrangement a reality. It was stressed that the Care Center would not be an exclusive provider of these services at the Prairie Park Place (PPP), only another alternative to any other agencies desiring to provide such service to the residents at PPP. Upon the conclusion of discussion, *it was moved by Feia and seconded by Klaassen to authorize staff to move forward with the process of attaining its certification as a "Housing-With-Services" provider for the purpose of being able to deliver such services in the future to those residents at Prairie Park Place so desiring them. The motion passed unanimously.*

Stordahl next introduced a proposal for the purchase of a new time-keeping software and time-clock package. He presented further documentation in support of his recommendation for purchase. Following discussion, *it was moved by Feia and seconded by Schwitters to approve the purchase of time clock and software package from Ban-Koe Systems for the initial amount of \$7,615 based upon its projected low five -year cost total of \$9,415.00 and the fact that the overall bid of this vendor was in fact the lowest responsible bid. The motion carried unanimously.*

The next item of general business involved the review and affirmation of resolution No. 155 "Setting Standards for the Deferring of the Payment of Special Assessments by the Aged and Disabled Because of Hardship. The documents as currently in place were considered. Following the receipt of comments from staff and a discussion, *it was moved by Feia and seconded by Klaassen to approve the adoption of Resolution No. 2011-022 which replaces Resolution No. 155 by keeping the current standards and amending them to include the addition of "Military Persons," as defined in Minnesota State Law, as to also being eligible for the deferral of special assessments. The motion carried unanimously.* Staff was further directed to research the possible adjustment of the current standards to reflect the impact of inflation and to report back to the City Council at a future meeting.

The first added item of general business under agenda item # 10 (J) involved the consideration of adopting Resolution No. 2011-021. Following a brief explanation of its content, *it was moved by Feia and seconded by Schwitters to adopt Resolution No. 2011-021 "Accepting a Cash Donation of \$2,750.00 From Larry and Jane Niemeyer" and designated for the Fire relief Association Fund, per the Donor's wishes. The motion carried unanimously.*

Mayor Thein next introduced his request for consideration of a City Council "Pool Fundraiser." There was a discussion of the history and basis for this event and the consensus of the Councilors was that the Council should sponsor this again this year. After soliciting dates and times, it was the consensus of the council members that the date of Monday, August 8, 2011, 5:00 PM, be set aside for such an event. Councilors Thein, Feia, Klaassen, and Schwitters indicated that they would be in attendance and available for helping staff in the conducting of such an event. Councilor Thissen indicated that he would not be available on that date.

Mayor Thein then inquired about the City Council's reaction to the possibility of implementing a natural gas franchise for the benefit of the community. Following discussion, it was the consensus of the Councilors that staff ought to prepare a "Request for Proposal and Qualification" (RFP&Q) for the Council's consideration at its next meeting. As such, *it was moved by Thein and seconded by Klaassen to direct that an advertising piece be prepared that would reflect the desire of the Council for the implementation of a natural gas service utility in the City of Clara City. The motion carried unanimously.*

Deputy-Clerk Gosseling next distributed the register for the current accounts payable for the City's general ledger. Each Councilor was allowed to select at random individual bills for review and detail.

Following this mini-audit exercise and further discussion, *it was moved by Schwitters and seconded by Klaassen to approve the Accounts Payable as presented by staff in the amount of \$165,277.59 and as reflected in checks #13043 - 13134. The motion carried unanimously.*

Staff then provided copies of the check register from the Clara City Care Center for the period June 1, 2011 through June 29, 2011. The Mayor informed the Council that the signing of the original checks had been transacted via the actions of Mayor Thein and Administrator Block. Following an opportunity for review of the register by each Councilor, *it was moved by Thissen and seconded by Feia to acknowledge receipt of the register and approval for the disbursement of checks # 40005 - 40084 in the total amount of \$407,286.37. The motion carried unanimously.*

The Mayor noted that the next scheduled regular meeting of the City Council of Clara City would be on Tuesday, August 9, 2011, beginning at 6:30 p.m.

Hearing no further business, *Mayor Thein declared the meeting to be adjourned at 8:44 PM.*

**SIGNED:**

  
By: Mike Thein, Mayor

**ATTEST:**

  
By: Winthro C. Block, City Administrator

**CITY OF CLARA CITY  
CITY COUNCIL  
SPECIAL MEETING**

**Monday, July 18, 2011  
City Hall**

This Special Meeting of the City Council of Clara City was called to order by Acting Mayor Shirley Klaassen on Monday, July 18, 2011, at 12:45 pm in the Council Chambers of City Hall in Clara City, MN.

Members present: Shirley Klaassen, Les Feia, Joe Thissen, and Barry Schwitters.

Members absent: Mike Thein (excused).

Staff present: Windy Block (City Administrator), Judy Gosseling (Deputy Clerk), John Sellner JD, (City Attorney), Gene Wenstrom (EDA Consultant), and Dave Berryman, PE. (Consulting Engineer)

Also present: John White (Clara City Herald) and Lowell Schwitters (Realtor).

Upon a request for the approval of the agenda, staff requested the addition of agenda item #10 (D) "Speedy Pallet/Lonnie Curtis Zoning Code Violations Update," and agenda item #10 (E) "The City Council's Pool Fundraiser." *Hearing no other requests, Acting Mayor Klaassen declared that the agenda be approved with the addition of the two items as noted above. The consensus of the Councilors for the approval of the agenda as amended was unanimous.*

There were no "Meeting Minutes" to be considered.

Under the "Appearance of Interested Citizens" section of the agenda, no one appeared.

There were no items for consideration under the following sections: "Notices and Communications," "Consent Agenda," "Reports Sections," and "Public Hearings."

Under general business, Acting Mayor Klaassen recognized Lowell Schwitters, the City's designated realtor in this transaction, and City Attorney John Sellner and asked them to review for the City Council where things currently stood with the proposed purchase of vacant land from Michael Stamer. A "First Addendum to Vacant Land Purchase Agreement," as prepared by Michael Stamer's legal counsel and executed by Stamer on July 14, 2011, was enlisted to focus the discussion. Staff also shared the recommendation regarding this issue that had been formalized by the EDA at its Special EDA Meeting earlier that day. That recommendation was for the City to continue to move forward with the purchase of subject to certain contingencies being met. Also entered into the information was a drawing and explanation from Dave Berryman, PEF, who as the City's Consulting Engineer explained the City's need for a small parcel of approximately 1/10<sup>th</sup> of an acre of private land in this same area to facilitate improvements under the "2011 Clara City utility and street Improvement project." Following discussion and a period of "questions and answers," *it was moved by Feia and seconded by Thissen to approve the EDA's recommendation and to move forward with the City's purchase of approximately 2.4 acres of raw farm land from Michael Stamer under the basic terms as outlined in the "First Addendum to Vacant Land Purchase," subject to the City Attorney's revising of the addendum's following sections: 1. Legal Description – to specify 2.4 acres; 5. Costs – to clarify that the normal and customary closing costs are to be assessed against the appropriate parties; 6. Survey – the City will offer to pay for a survey on a 50/50 basis with the Seller; 7. Joinder*

*of Kay's Processing – to clarify the commitment of Kay's Processing to participating in the purchase in an amount of \$9,400; and 9. Easement Reservation – to redefine the area of the easement and restrict its use by Seller to passenger cars and pick-up trucks only. The motion was unanimously adopted.*

The next item of business was the consideration of a "Sanitary Sewer and Utility Easement Agreement." Consulting Engineer Dave Berryman and City Attorney John Sellner both contributed background as to the origin and need for the document in conjunction with the need for certain improvements under the "2011 Clara City Utility and Street Improvement Project." Upon the completion of discussion, *it was moved by Thissen and seconded by Schwitters to approve the execution of the "Sanitary Sewer and Utility Easement Agreement" by and between the City of Clara City and Chippewa County for a thirty-foot utility easement in Lot 1 of Their Davids 2<sup>nd</sup> Addition to the City of Clara City. The motion carried unanimously.*

The next item was the consideration of a draft amendment to City Ordinance 112 "Alcoholic Beverages," that would allow the business use of outdoor enclosures, beer gardens, decks, or patios as an accessory use by permit to a qualified restaurant, bar, or club. Following a walk-through with staff of the provisions, *it was moved by Feia and seconded by Schwitters to approve City Ordinance No. 329 "An Ordinance of the City of Clara City Amending Chapter 112: Alcoholic Beverages, By Adding Section 112.37 Permits for Accessory Use of Outdoor Areas." The motion was adopted unanimously, signifying that the "voting requirement of a majority" for an ordinance change had been attained.* Staff indicated that the new ordinance would not be effective until it has been printed in the City's "official newspaper."


Staff next updated the Council on the status of the "Stipulation Agreement" that had been offered previously to Lonnie Curtis with regard to his zoning code violations at 227 West Center Avenue and 115 N. Division Street. Staff reported that a substantially revised and executed version of the "Stipulation" had been returned by Lonnie Curtis to City Hall before the close of business on Friday, July 15, 2011, and provided a copy of same to each Councilor. Attorney Sellner outlined the differences of intent and content of the original version versus the revised document, its author unknown. Staff was asked for an opinion and expressed concern that the revised version may very well be wholly inadequate in facilitating the abatement of the two zoning violations in a timely and reasonable basis. Following questions and comment, *it was moved by Feia and seconded by Schwitters that the City deems the revised "Stipulation Agreement," as offered by Lonnie Curtis, to be wholly inadequate and unacceptable, thus directing City Attorney John Sellner to move forward on the City's behalf with all of the appropriate and necessary legal actions that will result in the abatement of the two zoning code violations by Lonnie Curtis at 227 West Center Avenue and 115 N. Division Street. The motion carried unanimously.* Staff was further directed to make contact with John Woodhall III to inform him of the City's actions concerning his leased Railway property of 227 West Center Avenue.

Under the final item of general business, staff reported that the date (August 8, 2011) which had been selected by the City Council at its prior meeting for the City Council's Pool Fundraiser was also the date that had been scheduled much earlier by the Clara City Fire Department for its "Annual Picnic." It was further noted that Thursday, August 11<sup>th</sup>, has been previously scheduled as a date for broadband training at the Clara City Public Library. Not wanting to compete for some much needed participating contributors, *it was moved by Feia and seconded by Thissen to establish the date of Wednesday, August 10, 2011, 5:00 – 7:00 PM, as the official date and time for the City Council's Pool Fundraiser. The motion passed unanimously.* It was acknowledged that Councilor Thissen and Mayor Thein would not be available to assist in the event due to their respective scheduling conflicts.

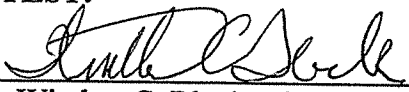
The Acting Mayor noted that the next regularly scheduled meeting of the City Council of Clara City will be on Tuesday, August 9, 2011, beginning at 6:30 PM.

Hearing no further business, *it was moved by Feia and seconded by Thissen to adjourn the meeting. The motion was unanimously adopted.* Acting Mayor Klaassen declared the meeting to be adjourned at 1:20 p.m.

**SIGNED BY:**

  
By: Shirley Klaassen, Acting Mayor

**ATTEST:**

  
By: Winthro C. Block, City Administrator

CITY OF CLARA CITY  
CITY COUNCIL  
REGULAR MEETING

Tuesday, August 9, 2011  
City Hall

This Regular Meeting of the City Council of Clara City was called to order by Mayor Mike Thein on Tuesday, August 9, 2011, at 6:30 pm in the Council Chambers of City Hall in Clara City, MN.

Councilors present: Mike Thein, Shirley Klaassen, Les Feia, Joe Thissen, and Barry Schwitters.

Councilors absent: none.

Staff present: Judy Gosseling (Deputy Clerk), Mike Stordahl (Care Center), Ann Jaenisch (Prairie Park Place), and Windy Block (City Administrator).

Others present: Lisa Osthus, Donovan Frauendienst, Bob Brix, Kathy Cowan, John Fritz, Mark Thissen, Jeff Davids, Lowell Schwitters, Al Boonstra, Randy Dooley, and Jeffrey Lopez.

Upon consideration for the approval of the agenda, *it was moved by Klaassen and seconded by Feia to approve the agenda as drafted with the addition of agenda items No. 5 (A): "Notice of Court Filing of Summons and Complaint regarding the City of Clara City vs. Lonnie Curtis, dba Speedy Pallets, et-al;" No. 5. (B): "Letter from Cenex Farmers Co-op Oil;" No. 10. (I): "Opening of Bids for Fuel Oil;" No. 10(J): "Resolution No. 2011-023;" No. 10. (K): "Resolution No. 2011-024;" and No. 10. (L): "Request for an Outdoor Serving Area Permit from Keggers Bar & Grill." The motion carried unanimously.*

Upon consideration of the approval of meeting minutes, *it was moved by Klaassen and seconded by Feia to approve the Minutes of the Regular City Council Meeting of July 12, 2011, and the Minutes of the Special City Council Meeting of July 18, 2011. The motion carried unanimously.*

Under the "Appearance of Interested Citizens" section of the agenda, Mayor Thein recognized Bob Brix who addressed Council about completing a "trail" in the form of an extended sidewalk within the Clara City Care Center's campus. Brix shared that he had procured a preliminary quote from Healing Construction for the work. Mayor Thein assigned the task to an ad hoc subcommittee of the City Council for their study and reporting back to the City Council.

Mayor Thein next recognized Lisa Osthus who inquired about an update on the "2011 Utility and Street Improvement Project" and the status of the "Hardship Deferral" forms. Staff provided commentary on both subjects.

Upon consideration of "Notices and Communications," the agenda included: (1) Notice of Filing of a Summons and Complaint by the City vs. Lonnie Curtis, dba Speedy Pallets, et al, and (2) Letter from Cenex Farmers Co-op Oil, dated August 9, 2011, addressing their interest in supplying the City with a natural gas utility service and seeking adequate time in which to complete their proposal. No specific action was needed or taken on any of these items.

Upon consideration of the "Consent Agenda," *it was moved by Feia and seconded by Klaassen to approve the consent agenda, such agenda including the following items:*

6. (A) *Recommendation of the Planning Commission from their Regular Meeting on August 3, 2011, granting approval of the following "Applications for Construction Permit":*

1. Todd Erickson, 930 4<sup>th</sup> St. NW—Re-shingle house and garage—Work to be done by Jeff Koenen Construction—Project cost of \$6,500—Permit fee of \$25.00.
2. Roger Kortgard, 431 NE First St.—Re-shingle house—Work to be done by Dan Cronen Construction—Project cost of \$12,000—Permit fee of \$25.00.
3. Andres Andresen, 314 2<sup>nd</sup> St. NE—Re-shingle house and garage—Work to be done by owner self-improvement—Project cost of \$7,000—Permit fee of \$25.00.
4. Chad Boike, 431 NE 3<sup>rd</sup> St.—Re-shingle house and garage—Work to be done by owner self-improvement—Project cost of \$2,600—Permit fee of \$25.00.
5. Sonja Giinther 110 1<sup>st</sup> Ave. NE—Installation of a privacy fence—Work to be done by owner self-improvement—Project cost of \$1,200—Permit fee of \$25.00.
6. Kevin Groen, 1111 N.W. 4<sup>th</sup> St.—Construction of a 24' X 20' addition to the west side of his existing garage—Work to be done by yet to be determined contractor—Project cost is yet unknown--Permit fee of \$100.00.
7. Bruce Berghuis, 731 S. Main St.—Re-roof house and attached garage—Work to be done by Home & Yard Construction (Joe Schlager)—Project cost of \$10,315—Permit fee of \$25.00.

*The motion passed unanimously.*

The Council received and acknowledged under the "Reports Sections" the following information:

- A. Approved Planning Commission Minutes of the July 6, 2011 Regular Meeting, the Approved EDA Minutes of the July 11, 2011 Regular Meeting, and the Approved EDA Minutes of the July 18, 2011 Special Meeting. It was noted that the unapproved minutes of the Planning Commission Regular Meeting of August 3, 2011, were not yet available.
- B. The July 2011 Monthly Report from the Clara City Police Department, as drafted by Chief Ralph Bradley.
- C. A verbal report from Ann Jaenisch about the good progress being made in the re-shingling of Prairie Park Place.
- D. Clara City Care Center Information Report, dated August 9, 2011, as prepared by Mike Stordahl, Care Center Administrator. The issue of decreasing census numbers was noted.
- E. Verbal report from the City Administrator detailing the status of efforts for the recovery of costs from the 2011 Flood Disaster via FEMA. Block particularly commended Deputy-Clerk Gosseling and Public Works Director Knapper for their outstanding effort and efficiency in drafting the City's case.

Under the "Public Hearing" section of the agenda, there was no action to consider.

The first item of "General Business" was to consider approving a transfer of \$10,000 from the Ambulance Department's General Expense Fund to the Ambulance Reserve Fund. Following a brief explanation of this transfer by Deputy-Clerk Gosseling, *it was moved by Feia and seconded by B. Schwitters to approve the transfer of the \$10,000 for the Ambulance Service as detailed above. The motion carried unanimously.*

Under agenda item No. 10 (B), Mayor Thein next recognized Realtor Lowell Schwitters who provided an update on the previously approved motion regarding the City's purchase of approximately 2.4 acres of vacant farm land along East Highway 23 immediately adjacent to the "Wholly Grounds Coffee Shop" and currently owned by Michael Stamer. The Councilors had been provided a copy of the "First Addendum to Vacant Land Purchase Agreement" to which L. Schwitters addressed his comments. It was also reported that the EDA had, on Monday, August 8, 2011, reviewed and was recommending approval of the suggested changes as outlined by L. Schwitters to the City Council. The changes involved the City's paying of all survey costs, closing costs, and acceptance of the lot description as offered by Michael Stamer (outlining 4.72 acres), which in reality is only 2.43 acres of useable property. Following discussion, *it was moved by Feia and seconded by B. Schwitters that the City approves the purchase as outlined with a contingency of the City getting a written legal opinion from the City Attorney as to any risk inherent in accepting Michael Stamer's property description to the City. The motion passed unanimously.*

Mike Stordahl, Administrator of the Care Center, next presented the action items contained in his Information Report, dated August 9, 2011. Stordahl reviewed his report to help prepare the Council for several general business action items. The first item involved approval of a construction payment. Following discussion and a review of the architect's billing statement, *it was moved by Klaassen and seconded by B. Schwitters to approve a payment of \$24,880.20 to Paul Heiling Construction as a partial payment for work completed under the contract for the 2011 Rehabilitation Project. The motion carried unanimously.*

Stordahl next introduced a recommendation for the City Council's consideration of implementing a policy change that would implement the City's participation in a program known as Equitable Cost-Sharing for Publicly-Owned Nursing Facilities (ECPN) that would obligate the City to making monthly payments to the State at a total rate of \$12,500 per year, which in turn should generate \$36,708.75 of new revenue annually for the Care Center. Following discussion in which it was stated by Stordahl that the City could get out of the program at any time in the future, *it was moved by Klaassen and seconded by B. Schwitters to approve the Care Center's application for the ECPN Program with a total City participation of \$12,500 annually and subject to verification that the City can still receive its \$25,000 annual PILOT. The motion carried unanimously.*

At agenda item No. 10 (D), staff provided a Staff Memorandum, dated August 9, 2011, that outlined the staff's request for authorization to construct a "berm" within the one acre of vacant land recently purchased from Ed, Jim, Paul, and David Wolf. The specifications of the "berm" were estimated to be: (1) a height that would vary between 1-5 feet, (2) an overall length of 500 plus feet, (3) a flat top that is 6-8 feet wide, and (4) a side slope of between 4:1 to 3:1. Following discussion, *it was moved by B. Schwitters and seconded by Klaassen to approve the construction of the "berm" as outlined in the Staff Memorandum which revealed an estimated cost of \$13,145. The motion carried unanimously.*

Agenda item No. 10 (E) involved the consideration of an agreement that outlined the details of a collaborative project between the City and Chippewa County for the construction of a "Highway maintenance/Public Works Shop Facility." The Councilors had a draft copy of the agreement, revised as of August 2, 2011, that outlined the details of such a collaborative effort. Staff highlighted the document and also informed Council that the Chippewa County Commissioners had already conditionally approved the same agreement. Following further discussion, *it was moved by Feia and seconded by B. Schwitters to approve the execution of the agreement subject to legal review by both the City and County legal staffs. The motion carried unanimously.*

The next item of general business at agenda item No. 10 (F) involved the review and affirmation of Resolution No. 155 "Setting Standards for the Deferring of the Payment of Special Assessments by the

Aged, Disabled, and Military Because of Hardship.” Staff requested that this item of business be set aside for consideration until the next regular meeting. Mayor Thein, with the consensus of the other Councilors, directed that to be done.

Under agenda item No. 10 (G), the Council took under consideration the issue of soliciting a service provider of a natural gas utility for the City of Clara City. As per the previous direction of the City Council, staff had drafted a “Request for Qualification and Proposal (RFQ&P) for the Development and Installation of a Natural Gas Utility for the City of Clara City.” During the discussion, Mayor Thein recognized Randy Dooley, Dooley’s Petroleum, and Erv Ahrenholz, Cenex Farmers Oil Company, who both expressed interest in the RFQ&P process and that each intended to submit a response to it. The issue of a time deadline was noted by several speakers as being quite important, some favoring shorter, some even longer. Alternatives as to the due date for a timely response were considered. The draft RFQ&P had a due date for responses by which to be considered as received on a timely basis of Monday, November 7, 2011. Following a lengthy discussion, *it was moved by Feia and seconded by B. Schwitters to approve the use of the drafted RFQ&P, subject to any minor drafting modifications, and directed staff to advertise the document as it is deemed appropriate. The motion carried unanimously.*

Staff next presented under agenda item No. 10 (H) a “2012 Budget Calendar” for the consideration of the Council. Following receipt of a brief explanation of the listed events, *it was moved by Feia and seconded by Klaassen to approve the “2012 Budget Calendar.” The motion carried unanimously.*

Mayor Thein noted, with the concurrence of the other Councilors, that the time of the Council’s Budget Meeting on August 23, 2011, will be established as 1:00 p.m. at the City Hall.

The first added item of general business under agenda item No. 10 (I) involved the consideration of opening bids for an estimated 40,000 gallons of fuel oil. Deputy-Clerk Gosseling opened the bids and informed the Council that the City had received two timely bids. The two included Dooley’s Petroleum at \$1.79 per gallon and Cenex Farmers Co-op Oil at \$1.79 per gallon. Upon observing that there were two qualified bidders who had bid the same price per gallon, *it was moved by Feia and seconded by B. Schwitters to award the City’s purchase of 20,000 gallons of fuel oil at \$1.79 per gallon to each of the two qualified respondents—Dooley’s Petroleum and Cenex Farmers Co-op Oil. The motion carried unanimously.*

The next agenda item of No. 10 (J) was the consideration of Resolution No. 2011-023. Following a brief explanation from staff, *it was moved by Klaassen and seconded by Feia to approve Resolution No. 2011-023 “Accepting a Cash Donation of \$5,000 from the Clara City Telephone Company and Directing It for the Swimming Pool Operating Fund, per the Donor’s Wishes.” The motion carried unanimously.*

The next agenda item of No. 10 (K) was the consideration of Resolution No. 2011-0234. Following a brief explanation from staff, *it was moved by Feia and seconded by Klaassen to approve Resolution No. 2011-024 “Accepting a Cash Donation of \$5,000 from the Citizens Alliance Bank and Directing It for the Swimming Pool Operating Fund, per the Donor’s Wishes.” The motion carried unanimously.*

The last added item under general business was agenda item No. 10 (L). It involved a request from Donavon Frauendienst, owner of Keggers Bar & Grill, for a permit under City Ordinance No. 329 for approval of his accessory use of an outdoor area at Keggers Bar & Grill, 34 W. Center Avenue, for the serving of alcoholic beverages and food products. Mr. Frauendienst was in attendance and presented the Council with a hand-drawing of his request, illustrating the areas contemplated to be used for such accessory use. Staff stated that they were comfortable in working with this applicant on the first such

permit applied for under this newly adopted ordinance. Following questions and answers, *it was moved by Feia and seconded by B. Schwitters to approve the permit for an accessory use of an outdoor area for applicant Donavon Frauendienst at Keggers Bar & Grill, 34 W. Center Avenue, per the submitted drawing and such permit to expire on December 31, 2011. The motion carried unanimously.*

Deputy-Clerk Gosseling next distributed the register for the current accounts payable for the City's General Ledger. Deputy-Clerk Gosseling noted that the amount was unusually large due to a bond refinancing pay-off for the Hawk Creek Acres Project. Each Councilor was allowed to select at random individual bills for review and detail. Following this mini-audit exercise and further discussion, *it was moved by Feia and seconded by Klaassen to approve the Accounts Payable as presented by staff in the amount of \$1,123,257.15 and as reflected in checks #13135 - 13215. The motion carried unanimously.*

Deputy-Clerk Gosseling also distributed to each Councilor a copy of the City's "Cash Position" as of June 30, 2011, in support of the upcoming 2012 budget work. No action was necessary.


Staff then provided copies of the check register from the Clara City Care Center for the period July 1, 2011 through July 30, 2011. The Mayor informed the Council that the signing of the original checks had been transacted via the actions of Mayor Thein and Administrator Block. Following an opportunity for review of the register by each Councilor, *it was moved by Feia and seconded by B. Schwitters to acknowledge receipt of the register and approval for the disbursement of checks # 40085 - 40173 in the total amount of \$344,190.79. The motion carried unanimously.*

The Mayor noted that the next scheduled regular meeting of the City Council of Clara City would be on Tuesday, September 13, 2011, beginning at 6:30 p.m. Also, that there was a Special Meeting scheduled for Tuesday, August 23, 2011, beginning at 1:00 p.m. for the work on the 2012 budget.

Also noted by the Mayor were the City Council's "Pool Fundraiser" as scheduled for Wednesday, August 10, 2011, 5:00- 7:00 PM, and the broadband workshop entitled "Doing Business Online" as set for August 11, 2011, 6:00-9:00 PM, at the Public Library in Clara City.

Hearing no further business, *Mayor Thein declared the meeting to be adjourned at 8:20 PM.*

**SIGNED:**

  
 By: Mike Thein, Mayor

**ATTEST:**

  
 By: Winthro C. Block, City Administrator

**CITY OF CLARA CITY  
CITY COUNCIL  
SPECIAL MEETING**

**Monday, August 23, 2011  
City Hall**

This Special Meeting of the City Council of Clara City was called to order by Mayor Mike Thein on Tuesday, August 23, 2011, at 1:00 pm in the Council Chambers of City Hall in Clara City, MN.

Members present: Mike Thein, Shirley Klaassen, Les Feia, and Barry Schwitters.

Members absent: Joe Thissen (excused).

Staff present: Windy Block (City Administrator), and Judy Gosseling (Deputy Clerk).

Also present: Ann Jaenisch, Roger Knapper, Troy Sweep, Karen Rothers.

Upon a request for the approval of the agenda and hearing no other requests, *Mayor Thein declared that the agenda was approved as drafted. The consensus of the Councilors for such approval of the agenda was unanimous.*

There were no "Meeting Minutes" to be considered.

Under the "Appearance of Interested Citizens" section of the agenda, no one appeared.

There were no items for consideration under the following sections: "Notices and Communications," "Consent Agenda," "Reports Sections," and "Public Hearings."

Under agenda item No. 10. (A), consideration was given to Mayor Thein's request for the changing of the date of the regular City Council meeting as originally established for October 11, 2011. Mayor Thein indicated that, if a change was made, it would enable him to gain valuable information regarding economic development initiatives during his proposed attendance at a conference earlier that week. Following discussion, *it was moved by Klaassen and seconded by Schwitters to approve the changing of the date for the regular October meeting of the City Council from Tuesday, October 11, 2011, to Wednesday, October 12, 2011, at 6:30 p.m. The motion was unanimously adopted.*

Agenda item 10. (B) involved a request from City Administrator Block for an award of professional leave in conjunction with his proposed attendance at the national conference of the International City/County Management Association (ICMA) in Milwaukee, WI, on September 18-21, 2011. Block indicated that he was not requesting any additional financial assistance inasmuch as the City's 2011 Budget had no such expenses currently budgeted. Following discussion, *it was moved by Feia and seconded by Schwitters to approve the award of professional leave for Administrator Block to attend the ICMA's national conference in Milwaukee, WI on September 18-21, 2011. The motion carried unanimously.*

The Council next considered agenda item No. 10. (C) which involved receiving information regarding the status of the current 2011 Adopted Budget and the upcoming 2012 City Budget. This was an informational sharing session that was designed to provide an opportunity for the City Council and City Staff to share facts and management information about the budgetary needs of the various City departments. The order of presentation, subject, and presenter was as follows:

- "Budgeting in Tough Times" as an introduction to budgeting - Administrator Windy Block
- Prairie Park Place - Housing Manager Ann Jaenisch
- Police Department - Chief Ralph Bradley (excused due to service call) - other staff filled in
- Public Works Department - Public Works Director Roger Knapper
- Fire Department - Fire Chief Troy Sweep
- Ambulance Service - Director Jolene Hebrink (excused due to employment) - Deputy-Clerk Judy Gosseling filled in for her.
- Public Library - Head Librarian Karen Rothers
- Closing Thoughts - Administrator Block


To assist in their review of the departments and functions, each Councilor was provided a copy of the City's "Balance Sheet as of June 30, 2011," and a historical and comparative copy of the City's "General Fund Budgeted Expenses and Revenues" for the years 2008, 2009, 2010, and adopted 2011.

Discussion ensued as a part of each presentation and each was highlighted with many questions and answers by and between the Councilors and the Staff. The general consensus of the Councilors was that all existing functions of the city government seemed to be essential. Inasmuch as the purpose of the meeting was for a sharing of information and mission, there was no action taken or requested.

The Mayor noted that the next regularly scheduled meeting of the City Council of Clara City will be on Tuesday, September 13, 2011, beginning at 6:30 PM.

Hearing no further business to be discussed, Mayor Thein declared the meeting to be adjourned at 4:08 p.m.

**SIGNED BY:**

  
 By: Mike Thein, Mayor

**ATTEST:**

  
 By: Winthro C. Block, City Administrator

**CITY OF CLARA CITY  
CITY COUNCIL  
REGULAR MEETING**

**Tuesday, September 13, 2011  
City Hall**

This Regular Meeting of the City Council of Clara City was called to order by Mayor Mike Thein on Tuesday, September 13, 2011, at 6:31 pm in the Council Chambers of City Hall in Clara City, MN.

Councilors present: Mike Thein, Shirley Klaassen, Les Feia, Joe Thissen, and Barry Schwitters (6:34 pm).

Councilors absent: none.

Staff present: Judy Gosseling (Deputy Clerk), Mike Stordahl (Care Center), Ann Jaenisch (Prairie Park Place), Ralph Bradley, Roger Knapper, and Windy Block (City Administrator).

Others present: John White, Bob Brix, Richard Engan, and Andy Engan.

Upon consideration for the approval of the agenda, *Mayor Thein declared, with consensus of the other Councilors, that the agenda as drafted was approved.*

Upon consideration of the approval of meeting minutes, *it was moved by Klaassen and seconded by Feia to approve the Minutes of the Regular City Council Meeting of August 9, 2011, and the Minutes of the Special City Council Meeting of August 23, 2011. The motion carried unanimously.*

Under the "Appearance of Interested Citizens" section of the agenda, Mayor Thein recognized Bob Brix who addressed Council about the status of the ad hoc Councilor committee which had been appointed at the August meeting to study the actions needed for the building of a "trail" in the form of an extended sidewalk on the Clara City Care Center's campus. Councilor Klaassen and Councilor Schwitters indicated that they had been unable to make any progress on the project to date. Subsequently, *it was moved by Thein and seconded by Klaassen to direct the City Administrator to fully investigate the situation with Bob Brix and Heiling Construction, Inc., formulate a recommendation, and report back to the City Council at the next regular City Council meeting.*

Upon consideration of "Notices and Communications," the agenda included: (1) Letter from the Southwest Initiative Foundation, dated August 25, 2011, seeking the City's commitment for a \$1,250 contribution in 2012 for assistance in carrying out their mission throughout southwestern Minnesota. Staff indicated that this amount had been budgeted in the preliminary 2012 budget. No specific action was needed or taken on any of these items.

Upon consideration of the "Consent Agenda," *it was moved by Thissen and seconded by Feia to approve the consent agenda, such agenda including the following items:*

6. (A) *Recommendation of the Planning Commission from their Regular Meeting on August 3, 2011, granting approval of the following "Applications for Construction Permit":*
  1. **David Groff, 1207 N. Division St.—Re-shingle house—Work to be done by Gary Bedel Construction—Project cost of \$6,500—Permit fee of \$25.00.**

2. David Groff, 1207 N. Division St.—Re-siding of two walls of the house—Work to be done by owner self-improvement—Project cost of \$1,600—Permit fee of \$25.00.
3. Harlan & Sharon Doesken, 327 NE 2<sup>nd</sup> St.—Re-shingle house and garage—Work to be done by M & M Construction—Project cost of \$5,500—Permit fee of \$25.00.
4. Joyce Hinrichs, 1111 NE 2<sup>nd</sup> Street—Install and construct a 10 ft. X 10 ft. utility shed—Work to be done by owner self-improvement—Project cost of \$3,500—Permit fee of \$25.00.
5. Louene Palmer, 122 NW 5<sup>th</sup> St.—Re-shingle house and attached garage—Work to be done by Gary Bedel Construction—Project cost of \$6,300—Permit fee of \$25.00.
6. Lowell Schwitters, 301 Wachtler Ave. East (Lots 1,2, & 3, Block 2, NE Thein & Davids Addition)—Construction of a new home approximately 86 ft. long X 40 ft. wide X 22 ft. high—Work to be done by Dale Niemeyer Construction—Project cost of \$250,000—Permit fee of \$1,900.00.
7. Alvin Brouwer, 1210 4<sup>th</sup> St. NW—Re-shingle house and attached garage—Work to be done by Lee Hagemeyer Construction—Project cost of \$8,000—Permit fee of \$25.00.
8. Byron & Sarah Hinrichs, 515 N Division St.—Widen current cement driveway—Work to be done by owner self-improvement—Project cost of \$1,000—Permit fee of \$25.00.
9. Lester TerWisscha, 514 NE Fifth St.—Re-shingle house and garage—Work to be done by Gary Bedel Construction—Project cost of \$10,000—Permit fee of 25.00.

*The motion passed unanimously.*

The Council received and acknowledged under the “Reports Sections” the following information:

- A. Approved Planning Commission Minutes of the August 3, 2011, Regular Meeting, the unapproved Planning Commission Minutes of the September 7, 2011 Regular Meeting, and the Approved EDA Minutes of the August 8, 2011 Regular Meeting. It was noted that the unapproved minutes of the EDA Regular Meeting of September 12, 2011, were not yet available.
- B. The August 2011 Monthly Report from the Clara City Police Department, as drafted by Chief Ralph Bradley.
- C. Staff reported and answered questions about the progress of the “2011 Utility and Street Improvement Project” and the “Berm Construction Project.”
- D. Clara City Care Center Information Report, dated September 13, 2011, as prepared by Mike Stordahl, Care Center Administrator. The issue of decreasing census numbers was noted.

Out of courtesy to Administrator Stordahl and the representatives of the Engan Associates, P.A., an architectural firm, Mayor Thein pulled the general business under agenda item No. 10 (E) forward at this time for the City Council’s immediate consideration.

Following a review of the previously submitted “Application and Certificate for Payment” as supporting agenda item No. 10 (E) (1), *it was moved by Schwitters and seconded by Klaassen to approve the payment of \$22,300 to Heiling Construction, Inc. as a partial payment for work*

*completed, including labor and material, thus far under the contract for the "2011 Care Center Rehabilitation Project." The motion carried unanimously.*

The next item of general business for the Care Center under agenda item No. 10 (E) (2) involved a request from staff for the approval of a policy change that would allow the "laying-away" of four (4) currently licensed beds that will result in the reduction of the Care Center's capacity to a total of 67 licensed nursing home beds, such request due to the low census conditions at the Care Center. Agenda item 10 (E) (3) was also introduced which included approval of the Care Center's operating budget for the fiscal year of October 1, 2011 through September 30, 2012. Following discussion and understanding that the Care Center's Councilor Sub-committee had not had an opportunity to review and recommend, Mayor Thein suggested, and the Council agreed, that a special meeting should be held in the coming week at which the topics of bed law-away policy and the FY 2012 Budget would be further considered. After polling the Councilors, *the Mayor declared that, with the Councilor's unanimous consensus, there would be a Special Meeting of the City Council on Monday, September 26, 2011, at 12:00 Noon in the City Hall, at which time the policy change of laying-away beds along with the FY 2012 Operating Budget for the Care Center and any other appropriate business would be considered.*

Mayor Thein also requested that staff provide, as soon as possible, to each Councilor complete copies of the proposed FY 2012 Operating Budget, summaries of the FY 2011 Operating Budget, and occupancy statistics for the Care Center for at least the past five years.

The next agenda item No. 10 (E) (4) involved a preliminary presentation of expansion plan alternatives for the Care Center/Clinic by Architect Richard Engan and Andy Engan, Engan Associates, P.A., Architects. They illustrated with drawings and cost estimates three varied options, including: Option 1 – Clinic and Physical Therapy at an estimated construction cost of \$1,611,600; Option 2 – Adding a Seven Room Unit to Option No. 1 at an estimated cost of \$2,529,600; and Option 3 – Adding a Six-Room Unit to Option No.2 at estimated cost of \$2,986,800. Questions and answers were exchanged for a period of approximately 30 minutes. The fragile nature of nursing home reimbursements was noted as a significant concern to any immediate Care Center project without adequate study and evaluation. As for the clinic facility, staff will communicate with the leadership of the Chippewa County-Montevideo Clinic facility regarding their planning wishes. No additional action was taken.

Upon returning to the normal flow of the agenda, Mayor Thein noted that, under the "Public Hearing" section of the agenda, there was no action to consider.

The first item of "General Business" at agenda item No. 10 (A) was to consider adopting Resolution No. 2011-025. Following questions, *it was moved by Klaassen and seconded by Thissen to approve the City's acceptance of a \$1,500 cash gift from Northern Grain Design & Construction, Inc. and to designate it for the Clara City Ambulance Service for the purchase of a Blood Pressure O2 Monitor, per the donor's wishes. The motion carried unanimously.*

Upon consideration of agenda item No. 10 (B) and following discussion, *it was moved by Thissen and seconded by Feia that the City approves the acceptance of a \$1,500 cash gift from Thein Moving Company and designates it for the benefit of the Clara City Fire Department towards the purchase of a fire truck. The motion passed unanimously.*

Next was consideration of agenda item No. 10 (C). Following discussion, *it was moved by Feia and seconded by Klaassen that the City approves the acceptance of a \$500 cash gift from the Clara City Lions Club and designates it for the benefit of the Clara City Care Center. The motion passed unanimously.*

At agenda item No. 10 (D), staff reviewed a Staff Memorandum, dated September 13, 2011, addressing the possible amending of the dollar values of certain thresholds that are used as a basis in the determination of eligibility for the deferral of assessment by certain persons due to a hardship. Following discussion, *it was moved by Thein and seconded by Feia to approve the amending of City Resolution No. 2011-022 "Setting Standards for the Deferring of the Payment of Special Assessments by the Aged, Disabled, and Military Because of Hardship" to include the following revised standards: Individual Maximum Annual Income = \$29,150; Joint Maximum Annual Income = \$33,354; and Non-excludable Maximum Assets = \$6,780. The motion carried unanimously.*

Agenda item No. 10 (F) involved the consideration of adopting Resolution No.2011-026. Following a brief explanation and discussion, *it was moved by Feia and seconded by Schwitters to adopt Resolution No. 2011-026 "Resolution Approving State of Minnesota Joint Powers Agreements with the City of Clara City on Behalf of Its City Attorney and Police Department" and to authorize the Mayor and City Clerk to execute it accordingly. The motion carried unanimously.*

The next item of general business under agenda item No. 10 (G) involved the consideration of a recommendation as received from the Planning commission for the possible implementation of a city ordinance that would adopt and establish regulations for a fire prevention code. A draft ordinance was presented. Following further discussion, *it was the consensus of the Council that staff should continue the pursuit for the implementation of such an ordinance by firming up the financial and personnel resources that will be needed in support of such an ordinance.*

At agenda item No. 10 (H), the Mayor called for the consideration of the 2012 Preliminary City Budget and the associated 2011 tax levy, collectible in 2012. Mayor Thein requested that City Administrator Block provide additional background on the preliminary budget/levy and an explanation of the supporting information, such including a "Staff Memorandum, dated September 13, 2011" that detailed the financial condition of the City and the anticipated revenues and expenditures for 2012; and the projected status of City Reserved Fund Balances. Discussion included the following relevant points: 1) the City has lost \$209,176 of Local Government Aid (LGA) over the past three years due to actions of the Minnesota State Legislature, 2) the City has also lost approximately \$66,736 of city levy funds due to broken commitments by the Minnesota Legislature under the Homestead Market Value Credit (MHVC) program, 3) the City is facing in 2012 its first payment due for the "2011 Utility and Street Improvement Project," a payment that will require a levy amount of \$117,437, and 4) the ongoing opportunities such as the shared City Public Works/County Highway Maintenance Shop, flood-prevention berm, expansion of local industry, and the solicitation of new manufacturing business to the community. In addition, staff outlined two additional policy changes that were being put forth in an effort to keep the general tax levy increase at a manageable level. First was the implementation of special tax levy under Minnesota State Statute 469.107 that would allow the partial funding of the EDA's work plan. This would be a special levy tax of not more than .01813 percent of the City's taxable market value, or \$10,644 for 2012. It was further noted that this strategy was being requested and recommended by recent action of the EDA for the benefit of the EDA. The second strategy involved the proposed implementation of a "Street Lighting Charge" program, whereby approximately \$32,000 in the annual cost for public street lighting would be paid for through a monthly surcharge on each City utility bill. Finally, staff highlighted several important projects that needed to be completed in 2012. These include: 1) the flood berm adjacent to Wachtler Avenue West, 2) the installation of an air-exchange system for the benefit of the Fire and Ambulance Departments, 3) the completion of the "2011 Utility and Street Improvement Program," 4) the implementation of an investor-owned natural gas utility within the City, 5) completion of the Comprehensive Plan, 6) the completion and adoption of the ongoing water and wastewater rate study, 7) a review of the existing employees' compensation

package and employment policies, and 8) completion of the shared county highway maintenance/public works shop facility with Chippewa County.

The Council questioned the wisdom of budgeting zero deposits into most of the Reserved Funds for 2012. Staff opined that this may need to be a one-time strategy that is worth the risk given the scope of the overall budget challenge for 2012. Staff also stated that it was also hopeful that, with prudent care and oversight, the City Council will be in a position to make some deposits for both 2011 and 2012 to most of the Reserved Funds via the approved transfer of unspent balances at the end of both fiscal years. Further discussion regarding increasing the tax levy to accommodate the funding of the Reserved Accounts ended with the Council agreeing that, while not its first choice, the keeping of the tax levy to a manageable level was still of the upmost importance. Staff then introduced a draft of Resolution No. 2011-029 and reviewed for Council its intent. The intention of the proposed resolution is to: 1) acknowledge and approve the recommendation of the EDA for the implementation, under MN State Statute 469.107, of a Market Value Based Levy in the amount of \$10,644 for the benefit of the EDA; 2) establish a Net Tax Capacity Based Levy for 2011, collectible in 2012, of \$652,500 for the City's general operations; 3) establish a total certified 2011 tax levy, collectible in 2012, of \$663,144; and 4) establish the date of December 13, 2011, 6:30 P.M. for a public hearing on the proposed 2012 budget and the proposed 2011 property tax levy, to be collected in 2012, with the date of December 20, 2011, 6:30 P.M., for extended consideration of the same, if such were to become necessary. Following the completion of discussion, *it was moved by Feia and seconded by Thissen to adopt Resolution No. 2011-029 "Setting Public Hearing Dates and the Proposed 2011 Tax Levy, Collectible in 2012" as outlined above. The motion passed unanimously.*

Deputy-Clerk Gosseling next distributed the register for the current accounts payable for the City's General Ledger. Each Councilor was allowed to select at random individual bills for review and detail. Following this mini-audit exercise and further discussion, *it was moved by Thein and seconded by Schwitters to approve the Accounts Payable as presented by staff in the amount of \$518,709.43 and as reflected in checks #13216 - 13300. The motion carried unanimously.*

Staff then provided copies of the check register from the Clara City Care Center for the period August 1, 2011 through August 31, 2011. The Mayor informed the Council that the signing of the original checks had been transacted via the actions of Mayor Thein and Administrator Block. Following an opportunity for review of the register by each Councilor, *it was moved by Schwitters and seconded by Feia to acknowledge receipt of the register and approval for the disbursement of checks # 40174 - 40262 in the total amount of \$389,408.77. The motion carried unanimously.*

The Mayor noted that the next scheduled regular meeting of the City Council of Clara City had been changed and will be on Wednesday, October 12, 2011, beginning at 6:30 p.m. Also, that there is a Special Meeting scheduled for Monday, September 26, 2011, beginning at 12:00 Noon for work on the FY 2012 Operating Budget for the Care Center and a policy change in licensed nursing home beds.

Hearing no further business, *Mayor Thein declared the meeting to be adjourned at 9:12 PM.*

SIGNED:



By: Mike Thein, Mayor

ATTEST:



By: Winthro C. Block, City Administrator

CITY OF CLARA CITY  
CITY COUNCIL  
SPECIAL MEETING

Monday, September 26, 2011  
City Hall

This Special Meeting of the City Council of Clara City was called to order by Mayor Mike Thein on Monday, September 26, 2011, at 12:00 Noon in the Council Chambers of City Hall in Clara City, MN.

Members present: Mike Thein, Shirley Klaassen, Les Feia, and Joe Thissen.

Members absent: Barry Schwitters (excused).

Staff present: Windy Block (City Administrator).

Also present: John White (Clara City Herald), Mike Stordahl (Care Center Administrator), and Jennifer Henker (Care Center).

Upon a request for the approval of the agenda and hearing no other requests, *Mayor Thein declared that the agenda was approved as drafted. The consensus of the Councilors for such approval of the agenda was unanimous.*

There were no "Meeting Minutes" to be considered.

Under the "Appearance of Interested Citizens" section of the agenda, no one appeared.

There were no items for consideration under the following sections: "Notices and Communications," "Consent Agenda," "Reports Sections," and "Public Hearings."

Under agenda item No. 10 (A), consideration was given to the approval of the FY 2012 Operating Budget for the Clara City Care Center. Staff members Stordahl and Henker were present and answered questions from Council regarding certain line items of the FY 2012 operating budget that covers the period of October 1, 2011 through September 30, 2012, and reflects \$4,252,114.11 of operating revenues versus \$4,219,470.07 of operating expenses with a net income of \$32,644.04. The issue of scholarship spending was highlighted. Following discussion, *it was moved by Klaassen and seconded by Thissen to approve adoption of the FY 2012 Operating Budget for the Clara City Care Center as presented with \$4,252,114.11 of operating revenues, \$4,219,470.07 of operating expenses, and a net income of \$32,644.04. The motion was unanimously adopted.*

Agenda item 10 (B) involved a request from Care Center Administrator Stordahl for the approval of a policy change that would authorize the laying away of four (4) currently licensed nursing home beds at the Care Center resulting in the reduction of the Care Center's capacity to a total of 67 nursing home beds for the coming year. Staff shared that this action was being recommended due to the low census conditions at the Care Center, similar to those being experienced elsewhere in the region. It was also noted that this proposed lay-away would be for a period of one year at which time the action could be reversed. The issue of how many beds to actually lay-away, be it four or five, was also debated with staff indicating that either number should be workable. Following discussion, *it was moved by Feia and seconded by Thissen to authorize the laying-away of five (5) current nursing home beds to bring the total of licensed beds for the coming year to 66 at the Care Center. The motion carried unanimously.*


The Mayor reminded Council that the next regularly scheduled meeting of the City Council of Clara City would be on Wednesday, October 12, 2011, beginning at 6:30 PM.

Hearing no further business to be discussed, Mayor Thein declared the meeting to be adjourned at 12:11 p.m.

**SIGNED BY:**

  
\_\_\_\_\_  
By: Mike Thein, Mayor

**ATTEST:**

  
\_\_\_\_\_  
By: Winthro C. Block, City Administrator

**CITY OF CLARA CITY  
CITY COUNCIL  
REGULAR MEETING**

**Wednesday, October 12, 2011  
City Hall**

This Regular Meeting of the City Council of Clara City was called to order by Mayor Mike Thein on Wednesday, October 12, 2011, at 6:30 pm in the Council Chambers of City Hall in Clara City, MN.

Councilors present: Mike Thein, Shirley Klaassen, Les Feia, and Joe Thissen.

Councilors absent: Barry Schwitters (excused).

Staff present: Judy Gosseling (Deputy Clerk), Mike Stordahl (Care Center), and Windy Block (City Administrator).

Others present: Jennifer Plagge, Jeff Davids, Todd Osthus, Jolene Hebrink, Melissa Bodin, Paul Nygren, Randy Dooley, Al Boonstra, Chip Goeman, Dennis Ammermann, Robert Brix, Kurt Haugen, Troy Sweep, and Marv Garbe.

Upon consideration for the approval of the agenda, *Mayor Thein declared, with consensus of the other Councilors, that the agenda as drafted was approved.*

Upon consideration of the approval of meeting minutes, *it was moved by Klaassen and seconded by Feia to approve the Minutes of the Regular City Council Meeting of September 13, 2011, and the Minutes of the Special City Council Meeting of September 26, 2011, with the minor correction for the time of arrival for Barry Schwitters as 6:34 P.M. instead of 6:04 P.M. The motion carried unanimously.*

Under the "Appearance of Interested Citizens" section of the agenda, no one asked to be recognized.

Upon consideration of "Notices and Communications," the agenda included: (1) Letter from the United States Postal Service, dated September 15, 2011, alerting the City of USPS's intent to conduct an Area Mail Processing Study, (2) Email, dated September 27, 2011, notifying the City that the MAPE and AFSCME Unions are now ready to begin the negotiations process with the City, and (3) Order to Show Cause and Appear, summoning Lonnie Curtis to District Court on November 8, 2011, 10:00 A.M., for zoning code violations. No action was taken.

Upon consideration of the "Consent Agenda," *it was moved by Feia and seconded by Klaassen to approve the consent agenda, such agenda including the following items:*

6. (A) *Recommendation of the Planning Commission from their Regular Meeting on October 5, 2011, granting approval of the following "Applications for Construction Permit":*
  1. Dawn Gibson, 318 Third St. NE—Convert patio into living space (2' X 6")—Work to be done by owner self-improvement—Project cost of \$5,000—Permit fee of \$50.00.
  2. Duane Shubert, 87 Fourth Street NW—Re-shingle house—Work to be done by Gary Bedel Construction—Permit fee of \$25.00.
  3. Vic Sparks, 618 NE 2<sup>nd</sup> Street—Re-shingle house and garage—Work to be done by Dan Cronen Construction—Permit fee of \$25.00.

4. Dale Koenen, 709 NW 6<sup>th</sup> Avenue—Re-shingle house and attached garage—Work to be done by Dan Cronen Construction—Project cost of \$6,500—Permit fee of \$25.00.
5. Ervin Ahrenholz, 215 SW 2<sup>nd</sup> Street—Re-shingle house and garage—Work to be done by unknown contractor—Project cost of \$11,000—Permit fee of \$25.00.
6. Roger Knapper, 610 N. Division Street—Res-shingle house and garage—Work to be done by Dan Cronen Construction—Project cost of \$10,000—Permit fee of \$25.00.
7. Phillip Rud, 227 First Street SE—Re-shingle house—Work to be done by Brian Dvorak Construction—Project cost of \$5,000—Permit fee of \$25.00.
8. Bethany Reformed Church, 222 N. Main Street—Re-shingle front entrance—Work to be done by Lee Hagemeyer Construction—Project cost of \$3,500—Permit fee of \$25.00.
9. Jonathan Dobmeier, 415 Second St. NE—Re-shingle house and garage—Work to be done by owner self-improvement—Project cost of \$3,000—Permit fee of \$25.00.
10. Bruce Johnson, 327 NE First St.—Re-shingle house—Work to be done by owner self-improvement—Project cost of \$1,500—Permit fee of \$25.00.
11. Donavon Frauendienst, 24 - 5<sup>th</sup> Avenue SW—Re-shingle house—Work to be done by Home & Yard Construction—Project cost of \$9,405—Permit fee of \$25.00.
12. Shaun Weatherman, 323 First St. SE—Re-shingle house—Work to be done by Shaun Weatherman Interiors—Project cost of \$3,000—Permit fee of \$25.00.

*The motion passed unanimously.*

The Council received and acknowledged under the “Reports Sections” the following information:

- A. Approved Planning Commission Minutes of the September 7, 2011 Regular Meeting, and the unapproved EDA Minutes of the September 12, 2011 Regular Meeting.
- B. The September 2011 Monthly Report from the Clara City Police Department, as drafted by Chief Ralph Bradley.
- C. Clara City Care Center Information Report, dated October 12, 2011, as prepared by Mike Stordahl, Care Center Administrator. Stordahl, who was present, highlighted his report and answered questions.
- D. A verbal report from City Administrator Block reporting on: (1) rehabilitation of the former “junior high school” facility into apartments, (2) the proposed installation of a sidewalk at the Care Center location utilizing \$4,500 of City funding and \$4,500 of assessment funding from the Care Center – Council directed staff to continue working on the project with a goal of installation in the spring 2012, (3) a request for wage information as received via fax from Lisa Osthus – Council directed staff to respond before the next meeting to Osthus with copies to the Councilors, (4) the potential of seeking a grant to help mitigate the costs of clearing the former cement facility – the Council indicated their interest in pursuing such a plan, (5) the 2011 Utility and Street Improvement project, and (6) the status of construction of the “flood berm.”

The Mayor noted that there were no items under “Public Hearing” to consider.

Under “General Business” agenda item No. 10 (A), Mayor Thein recognized Jennifer Plagge, MACCRAY Public Schools, who gave a presentation on an upcoming lyceum program entitled “The Distracted Driver.” She shared that the projected price of the presentation was about \$1,600, for which she has already asked for and received \$300 each from the Maynard and Clara City Lions Clubs. Staff estimated that a reasonable contribution from the City would be in the \$400- \$600 range,

but that there were no known dollars budgeted for this purpose currently. Following further questions and discussion, *it was the consensus of the Councilors that the City should not provide any financial assistance to this project, but rather, they encouraged Plagge to approach the I.S.D. #2180 Foundation.*

The next agenda item of No. 10 (B) was highlighted by a presentation from Marv Garbe, Chippewa County Emergency Management Director, on the Allied Radio Matrix for Emergency response (ARMER) system. Garbe explained how his agency had applied for and been funded with a grant that assisted, in part, with the purchase of pagers, portable radios, and base radios for emergency responder units of the City of Clara City on a very advantageous basis. The number of units provided include for the Fire Department: 18 pagers, 18 radios; 7 mobiles, and 1 base radios; for the Ambulance Service: 13 pagers, 13 radios, and 1 base units; and for the Emergency Management Department: 1 pager, 1 radio, and 1 base unit. The total 5% matching cost to the City is \$7,045.87. Mr. Garbe was lauded for his care and exemplary service to the City of Clara City. No additional action was needed.

At agenda item No.10 (C), Mayor Thein next recognized Chip Goeman, Goeman Agency, for an update on various portions of the City's insurance package of coverage. The first item of request for consideration was the appointment of Chip Goeman, Goeman Agency, as the City's official agent of record for the League of Minnesota Cities Insurance Trust (LMCIT) coverage for the City of Clara City. Goeman noted that such an appointment will enable the Goeman Agency to receive the renewal package of the City's coverage under LMCIT for the coming year. *It was moved by Thein and seconded by Klaassen to appoint Chip Goeman and the Goeman Agency as the City's agent of record for 2012 insurance coverage that is purchased through the LMCIT. The motion carried unanimously.*

Goeman then explained the issue of tort limits. He recommended that the City not waive the monetary limits on tort liability as established by Minnesota Statutes 466.04. Following discussion, *it was moved by Klaassen and seconded by Feia to authorize the signing of a liability coverage waiver form to reflect that "the City does not waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04." The motion passed unanimously.*

The next insurance issue involved the level of coverage that the City should purchase under its general liability umbrella coverage. Goeman recommended that the City should only purchase \$1 M of such coverage instead of the \$2M it has purchased in the past years, such a strategy that should save the City approximately \$2,600 in premium cost in 2012. Following discussion, *it was moved by Feia and seconded by Klaassen to approve the City's purchase of \$1M of umbrella coverage under the 2012 renewal. The motion passed unanimously.*

The final insurance issue involved a review of the proposed 01/01/2012 renewal of the City of Clara City/Clara City Nursing Home #B4BD-C1028. The renewal proposal reflected a favorable rate decrease for the offered coverage. Goeman also made a presentation concerning some recommended changes to the current plan, such including a change of the offered deductibles from the current \$200 and \$500 model to a plan with a \$500 and \$1,000 deductible option, and a possible move from the traditional BlueCross Blue Shield Plan to the SW/WC Service Cooperative Common Plan. It was noted that both changes would result in additional significant premium savings. Following further discussion, *it was moved by Klaassen and seconded by Feia to adopt the revised deductibles of \$500 and \$1,000 and to take advantage of the additional savings as offered under the SW/WC Service Cooperative Common Plan. The motion passed unanimously.* The administrative staff was directed to share these policy changes and renewal plan costs to the entire City of Clara City and Clara City Nursing Home staffs for explanation and implementation.

Under Agenda Items No. 10 (D) and No. 10 (E), consideration was afforded for the execution of two separate mutual aid agreements between the City of Clara City Ambulance Service and two other ambulance services. Following further discussion and clarification, *it was moved by Thein and seconded by Feia to approve and authorize the execution of "Mutual Aid Ambulance Agreements By and Between the Clara City Ambulance Service and (1) the Chippewa County Montevideo Hospital Ambulance Service and (2) the Willmar Ambulance Service."* The motion passed unanimously.

Following a review by Stordahl and discussion of an "Application and Certificate for Payment" that had been submitted in support of agenda item No. 10 (F) (1), *it was moved by Klaassen and seconded by Feia to approve the payment of \$10,223.10 to Heiling Construction, Inc. as a partial payment for work completed, including labor and material, thus far under the contract for the "2011 Care Center Rehabilitation Project."* The motion carried unanimously.

The next item of general business under agenda item No. 10 (G) involved the consideration of Council's providing of a response to a request as received from business representatives of the MAPE and AFSCME unions seeking an initial meeting date and time to begin the negotiations process. First, in responding to staff's request for the appointment of two Councilors to serve along with the City Administrator as the employer's representative, Mayor Thein solicited the Councilor's individual interest. After receiving their comments, *Mayor Thein declared that Les Feia and Mike Thein would join Administrator Block as the team representing the Employer in these negotiations. As for a date for a meeting, the consensus was to communicate the dates and time of November 8 and 9, 2011, 1:00 P.M., as the City's preferred meeting times.*

Under agenda item No.10 (H), staff was requesting the authorization to enter into agreements with the necessary professional resources that may be needed in the upcoming evaluation of responses to the "Request for Qualification and Proposal (RFQ&P) for Providing Natural Gas Services to Clara City." Staff recommended that, in addition to the City Attorney John Sellner, the City should retain the services of the law firm of Kennedy & Graven Chartered and the accounting firm of Conway, Deuth and Schmiesing, PLLP for such purposes as may be necessary in the evaluation of the responses received. Following discussion, *it was moved by Feia and seconded by Thissen to authorize staff to enter into agreements as deemed necessary and appropriate with Kennedy and Graven, Chartered; Conway Deuth & Schmiesing, PLLP; and others as may be appropriate and necessary for professional expertise and assistance as needed in reviewing the qualified responses that may be received to the RFQ&P for the Installation of a Natural Gas Utility in the City of Clara City. The motion passed unanimously.*

Upon the consideration of a staff memorandum in support of agenda item No. 10 (I), *it was moved by Feia and seconded by Klaassen to establish the date and time of November 8, 2011, 6:30 P.M., for the purpose of receiving public input and testimony regarding the City's intent to implement a "street light fee system" on all City utility bills beginning January 1, 2012 in support of paying for the costs of public street lighting in Clara City. The motion passed unanimously.*

Deputy-Clerk Gosseling next distributed the register for the current accounts payable for the City's General Ledger. Each Councilor was allowed to select at random individual bills for review and detail. Following this mini-audit exercise and further discussion, *it was moved by Klaassen and seconded by Feia to approve the Accounts Payable as presented by staff in the amount of \$398,442.57 and as reflected in checks #13301 – 13375. The motion carried unanimously.*

At agenda item No.11 (B), consideration was given to the check register from the Clara City Care Center for the period September 1, 2011 through September 30, 2011. The Mayor informed the Council that the signing of the original checks had been transacted via the actions of Mayor Thein and


Administrator Block. Following an opportunity for review of the register by each Councilor, *it was moved by Feia and seconded by Thissen to acknowledge receipt of the register and approval for the disbursement of checks # 40263 - 40355 in the total amount of \$332,723.06. The motion carried unanimously.*

The Mayor noted that the next scheduled regular meeting of the City Council of Clara City is for Tuesday, November 8, 2011, beginning at 6:30 p.m.


The Mayor then recognized Paul Nygren, who indicated that he was in attendance to discuss a billing concern with his water/sewer account. Mayor Thein suggested that Nygren visit with him following the meeting to see how his concern might be resolved, such suggestion seeming agreeable.

Hearing no further business, *Mayor Thein declared the meeting to be adjourned at 7:51 PM.*

**SIGNED:**

  
By: Mike Thein, Mayor

**ATTEST:**

  
By: Winthro C. Block, City Administrator

**CITY OF CLARA CITY  
CITY COUNCIL  
REGULAR MEETING**

**Tuesday, November 8, 2011  
City Hall**

This Regular Meeting of the City Council of Clara City was called to order by Mayor Mike Thein on Tuesday, November 8, 2011, at 6:30 pm in the Council Chambers of City Hall in Clara City, MN.

Councilors present: Mike Thein, Shirley Klaassen, Joe Thissen, Barry Schwitters, and Les Feia (6:38 p.m.).

Councilors absent: None.

Staff present: Judy Gosseling (Deputy Clerk), Roger Knapper (Public Works), Ann Jaenisch (Prairie Park Place), and Windy Block (City Administrator).

Others present: John White (Clara City Herald), Karen Young (Xcel Energy), Tom Tellijohn (GMT), Greg Palmer (GMT), Lisa Osthus, Tom Dooley (DPI), Dan Goeman, Grant Christianson, Kim Gorum, Chad Gunter, Roy Christianson, Ben Groen, Sondra Groen, Jeff Davids, Ralph Thissen, Erv Ahrenholz, Dena Hinnenkamp, Don Williamson, Donovan Frauendienst, Loren Gosseling, Lee Bosch, Ross Saue, Stewart Dansby, John Fritz, John Guertz, Lonnie Curtis, Randy Harguth, Shane Nord, Mark Thissen, Mark Rothmeier, Linnæ Rothmeier, Stan Gien, Randy Dooley (DPI), Alan Boonstra, Todd Osthus, Noel Emkesand Greg Thissen.

Upon consideration for the approval of the agenda, *it was moved by Klaassen and seconded by Schwitters to approve the agenda with the addition of Item # 4(A) Staff response to Lisa Osthus. The motion carried unanimously.*

Upon consideration of the approval of meeting minutes, *it was moved by Klaassen and seconded by Thissen to approve the Minutes of the Regular City Council Meeting of October 12, 2011. The motion carried unanimously.*

Councilor Feia arrived at 6:38 p.m.

Under the "Appearance of Interested Citizens" section of the agenda, Mayor Thein first asked for Council's approval for the release of a report from staff on salaries and overtime of City staff in 2010. Following a brief review of the material, it was moved by Klaassen and seconded by Schwitters to authorize the release of the information as presented. The motion carried unanimously. Mayor Thein also recognized the following interested citizens for their comments and concerns: Lisa Osthus (information request), Todd Osthus, (sidewalk issue), Lonnie Curtis (his zoning violation and the status of the future Public Works Department facility), and Bennie Groen (a tree issue). Mayor Thein answered some of the concerns and directed others to the City Administrator for review and action, if appropriate.

Upon consideration of "Notices and Communications," the agenda included: (1) An informational pamphlet from the League of Minnesota Cities entitled "What's Going On With My Tax Bill?" and an E-Newsletter from Xcel Energy, dated November 2011, highlighting public street lighting. No action was requested or taken.

Upon consideration of the "Consent Agenda," it was moved by Klaassen and seconded by Feia to approve the consent agenda, such agenda including the following items:

6. (A) Recommendation of the Planning Commission from their Regular Meeting on November 2, 2011, granting approval of the following "Applications for Construction Permit":
  1. Jonathan Dobmeier, 322 N. Main Street--Install white steel roofing material on roof of house--Work to be done by owner self-improvement--Project cost of \$3,500--Permit fee of \$25.00.
  2. Russell Torney, 415 NE First Street--Re-shingle roof--Work to be done by Home & Yard Construction--Project cost of \$6,100--Permit fee of \$25.00.
  3. Southside Lumber Company, 434 SW 2nd Street--Install a concrete driveway approximately 18' X 42' in size to match existing city work--Work to be done by Lonnie Hanson construction--Project cost of \$2,000--Permit fee of \$25.00.
  4. Mark Plowman, 1031 NW 4th Street--Re-shingle house and garage--Work to be done by Gary Bedel Construction--Project cost of \$11,500--Permit fee of \$25.00.
  5. Dick Schmidt, 127 N. Division Street--Re-shingle house--Work to be done by Dan Cronen Construction--project cost of \$5,000--Permit fee of \$25.00.
  6. Angie Mogard, 18 Fourth Street NW--Install a concrete driveway approximately 20' X 60'--Work to be done by K & M Construction--Project cost of \$4,000--Permit fee of \$25.00.
  7. Jeff Wollschlager, 326 & 330 NE First street--Construct a new garage, remove a dilapidated garage, and shingle and re-side an existing garage--Work to be done by owner self-improvement--project cost of \$6,200--Permit fee of \$150.00.
  
6. (B) Recommendation of the Planning Commission for the granting of a one-year extension for complete performance of the Conditional Use Permit (CUP) previously issued by the City Council on February 8, 2011, to Caring Bridge ALC for their rehabilitation and development of 12 new rental apartment units in the former "junior High School" facility, such CUP to now expire with the benefit of this extension on February 8, 2013.

*The motion passed unanimously.*

*It was then moved by Thissen and seconded by Feia to approve the acceptance of the approved Planning Commission Minutes of the October 5, 2011 Regular Meeting, and the approved EDA Minutes of the October 13, 2011 Regular Meeting. The motion passed unanimously.*

Under the two "Reports Sections," the Council received and acknowledged the following information:

8. (A) The October 2011 Monthly Report from the Clara City Police Department, as authored by Police Chief Ralph Bradley.
8. (B) Roger Knapper, PW Director, provided a verbal report on projects that the Public Works Department was working on. He also indicated that he would look into some cleanup work that was pointed out may be needed along 3<sup>rd</sup> Street SW.
8. (C) Housing Manager Ann Jaenisch reported on the roofing and siding projects that were being finished up at Prairie Park Place to fix prior storm damage.
8. (D) Clara City Care Center Information Report, dated November 8, 2011, as prepared by Mike

Stordahl, Care Center Administrator.

8. (E) A verbal report from City Administrator Block regarding the City's District Court case of the City of Clara City vs. Lonnie Curtis and Speedy Pallet Company, Inc. Block reported that the District Court was being asked to find in favor of the City regarding its effort for the abatement of the Curtis zoning violation at 221 West Center Avenue. Block had testified earlier in the day on behalf of the City at District Court in Montevideo.

Following a request from Mayor Thein, *it was then moved by Feia and seconded by Schwitters to open the public hearing calling for the consideration of the City's desire and intent to implement a "street lighting utility charge system" in order to pay for the city's costs for public street lighting. The motion passed unanimously.*

Mayor Thein requested Administrator Block to review the basics of the proposal first. Block offered that the basic premise of the change was to spread the cost of street lighting over a larger group than just property taxpayers and to keep the property tax levy increase at a manageable level. He also testified that the recent history of street lighting costs in Clara City was as follows: 2010 = \$30,441 actual, 2011 = \$31,891 projected, and 2012 = \$32,000 estimated. They were also estimating that given the proposed two classes of property, Residential and Nonresidential, that there would be 545 Residential units and 75 Nonresidential property units to bill within the system. Further, that at \$3.95 per month for Residential properties and \$7.95 per month for Nonresidential properties, that this could result in \$32,988 of annual revenue being collected to pay for the costs of public street lighting.

Mayor Thein then recognized those in attendance who desired to address the subject of the hearing. These interested persons included: Ross Saue (wants a street light in his area or will not pay) Karen Young of Xcel Energy (provided some background about public street lighting in Clara City), Lisa Osthus (why?), John Guertz (requested a street light), Lonnie Curtis (use overtime dollars to pay for the lighting and how many street lights are there), and Ann Jaenisch (30 apartments at the Prairie Park Place). Following the completion of comments, questions, and discussion, *it was moved by Schwitters and seconded by Thissen to recess this portion of the Public Hearing on the implementation of a Street Lighting System Charge. The motion passed unanimously.*

Under "General Business" agenda item No. 10 (A), Mayor Thein requested the consideration of a proposed City Ordinance No. 333 "An Ordinance Implementing a Street Lighting System Charge." Following further questions and discussion, *it was the consensus of the Councilors that the City Council should continue the public hearing from above and place it on the agenda for the December 13, 2011, meeting for final consideration. Further, they directed the staff to advertise the continued hearing and to do more research if possible on the issue.*

The next agenda item of No. 10 (B) involved the receipt by Council of the compilation from staff detailing their initial review of the responses that had been received on a timely basis by the deadline of 4:30 p.m. on Monday, November 7, 2011, to the City's "Request for Qualification and Proposal (RFQ&P) for the Development and Installation of a natural gas utility in the City of Clara City." Staff presented a Memorandum, dated November 8, 2011, that highlighted those responses to the RFQ&P that it had received on a timely basis and were deemed to be worthy of being judged as "initially qualified." The memorandum revealed that two proposals were being recommended by staff for approval as being "initially qualified," and hence, worthy of a more in depth review and analysis by the City and its designated representatives. Following further discussion, *it was moved by Schwitters and seconded by Thissen to approve the designation of the proposals as received from: (1) Dooley's Petroleum, Inc. and (2) the joint proposal of Farmers Co-op Oil of Clara City and the Prinsburg Farmers Co-op that calls for the creation of a new Farmers Natural Gas LLC, as being "initially*

***qualified" and hence eligible for a much more in depth study and evaluation. The motion carried unanimously.***

Mayor Thein then afforded both proposers an opportunity to address the Council and the attending public as to the value and important detail of their proposals. He invited the Farmers Natural Gas LLC representatives to speak first. The team for that proposal was represented principally by Greg Palmer, Erv Ahrenholz, and Tom Tellijohn along with several board members and staff. Greg Palmer, of GMT, presented a PowerPoint slide program that briefly and succinctly presented the framework of Farmer's Natural Gas's proposal. Dooley's Petroleum, Inc. was also offered an opportunity to present, but they declined citing the repetitive nature of the two proposals and stated that they did not wish to overwhelm the Council or audience with a second presentation so similar to the first. The two proposers were alerted that they would be contacted in the near future for details about follow-up interviews that would be taking place.

Under agenda item No.10 (C), Deputy-Clerk Gosseling presented the completed paperwork for two varied liquor license applications and explained that they were ready for individual Council approval. ***It was moved by Feia and seconded by Schwitters to approve the strong liquor license application as had been submitted by Kegger's Bar & Grill. The motion passed unanimously.*** Following that action, ***it was next moved by Feia and seconded by Schwitters to approve the application for the sale of 3.2% Beer and Wine Coolers at the Kwik-N-Ezy Convenience Store. The motion passed unanimously.***

Under Agenda Item No. 10 (D), consideration was afforded for the assessment of unpaid bills payable to the City's sanitation service provider. Following discussion and clarification, ***it was moved by Klaassen and seconded by Feia to adopt Resolution No. 2011-030 "Adopting the Assessment Role for Unpaid Bills Payable to West Central Sanitation" and ordering that they be forwarded to the Chippewa County Auditor's office for assessment against the appropriate real estate parcels. The motion carried unanimously.***

The next order of business at Agenda Item No. 10 (E) involved the consideration of approving a renewal of an existing contract for ambulance billing services. Following a presentation of the excellent past service that the City has had under the expiring contract by Deputy-Clerk Gosseling and further Council discussion, ***it was moved by Feia and seconded by Klaassen to approve a two(2) year renewal of the contract with Expert T Billing (ETB), 311 Oak Street, Farmington, MN 55024, for the period of 2012-2013 at the new price of \$25.00 per billable account, which was a 1.01 % increase from the current contract. The motion passed unanimously.***

The Council was next asked to consider under Agenda Item No. 10 (F) for the final approval of the execution of the "Agreement Between the City of Clara City and Chippewa County for a Highway Maintenance/Public Works Shop Facility at the Clara City Site," as last revised October 27, 2011. Following a brief discussion about the current status of the project, ***it was moved by Feia and seconded by Thissen to authorize the execution of the Agreement as described above by the Mayor and City Administrator. The motion carried unanimously.***

Under Agenda Item No. 10. (G), the Council considered a memorandum, dated November 8, 2011, that requested Council's review and action on City ordinance No. 99 "Dividing the Area of the City of Clara City Between and Urban Service District and a Rural Service District." This ordinance was first adopted by the City council back on May 12, 1987. There were three policy issues posed in the report. They included: (1) Is there a general need for such a policy--good or bad; 92) Are the correct properties currently listed for the Rural service District; and (3) Is 25% the appropriate level of benefit ratio for the "rural district?" It was also noted that the Planning commission had previously recommended the continuation of the policy with the revised listing of properties for the Rural Service

District and that the EDA had also previously recommended that the policy was generally a good tool for future economic development. Following discussion, *it was moved by Schwitters and seconded by Klaassen to approve the continued general use of the policy with a 25% benefit level for the Rural Service District and a revised listing of properties to comprise the Rural Service District as outlined in the Staff Memorandum, dated November 8, 2011. The motion carried unanimously.*

Under agenda item No.10 (H), staff provided a draft report and drawing regarding the interest of the City in extending water and sewer mains, without any direct assessment against the adjacent property, if certain owners were to purchase and dedicate a 33-foot easement right-of-way all along the south property of the Donner's Crossroads Truck Stop and Crossroads Truck Repair properties for all city infrastructure projects, including the current sewer and water mains. In exchange, there would not be any forgiveness of any hook-up charges that would be triggered in the future and there would also be open access guaranteed for all users through the current access on Minnesota Highway 23 from Donner's Crossroad Truck Stop and Crossroads Truck Repair. Following discussion, *the consensus of the City Council was that this was a good project to pursue and, assuming a suitable agreement can be attained encompassing the details above, that the City Council would be willing to approve such a public utility improvement project, assuming adequate financial resources are available.*

Deputy-Clerk Gosseling announced that there were no accounts payable check register ready for approval as of this time due to the early timing of the month and that as such, the approval of these accounts payables would have to be postponed until the next meeting in December 2011.

At agenda item No.11 (B), consideration was given to the check register from the Clara City Care Center for the period October 1, 2011 through October 31, 2011. The Mayor informed the Council that the signing of the original checks had been done earlier by either Mayor Thein or Administrator Block or both. Following an opportunity for review of the register by each Councilor, *it was moved by Klaassen and seconded by Feia to acknowledge receipt of the register and approval for the disbursement of checks # 40356 - 40446 in the total amount of \$312,382.87. The motion carried unanimously.*

The Mayor noted that the next scheduled regular meeting of the City Council of Clara City is for Tuesday, December 13, 2011, beginning at 6:30 p.m.

Mayor Thein recognized Lonnie Curtis who wished to make a statement regarding the Court proceedings previously detailed by Administrator Block regarding his alleged zoning violation. In his opinion, the Judge's actions indicated that the case had been dismissed. Mayor Thein suggested that he and Curtis discuss anything additional on this or other issues after the meeting.

Hearing no further business, *Mayor Thein declared the meeting to be adjourned at 9:10 PM.*

**SIGNED:**



By: Mike Thein, Mayor

**ATTEST:**



By: Winthro C. Block, City Administrator

**CITY OF CLARA CITY  
CITY COUNCIL  
REGULAR MEETING**

**Tuesday, December 13, 2011  
City Hall**

In the absence of both Mayor Mike Thein and Acting Mayor Shirley Klaassen, by consensus of the three remaining Councilors this Regular Meeting of the City Council of Clara City was called to order by Councilor Les Feia on Tuesday, December 13, 2011, at 6:32 pm in the Council Chambers of City Hall in Clara City, MN.

Councilors present: Joe Thissen, Barry Schwitters, Les Feia, and Mike Thein (arrived at 7:00 p.m.)

Councilors absent: Shirley Klaassen (excused).

Staff present: Judy Gosseling (Deputy Clerk), Ann Jaenisch (Prairie Park Place), Chris Lindbloom (PD), and Windy Block (City Administrator).

Others present: John White (Clara City Herald), John Guertz, Ann Jaenisch, Randy Dooley, Jeff Davids, Kathy Cowan, John Fritz, Daryl Niemeyer, Ross Saue, Loren Klaphake, Shane Nord, Greg Thissen, Jolene Hebrink, Linnae Rothmeier, Mark Rothmeier, Harold Postma, Lonnie Curtis, Ervin Ahrenholz, Roger Feldman, Randy Harguth

Upon consideration for the approval of the agenda, *it was moved by Thissen and seconded by Schwitters to approve the agenda as presented. The motion carried unanimously.*

Lacking copies of the Regular Meeting Minutes for November 8, 2011 being available, consideration for the approval of the meeting minutes was set aside until such copies could be provided.

Under Agenda Item No. 4: "Notices and Communications," the items included: (A) Memorandum, dated December 7, 2011, from the City's Consulting Engineer Dave Berryman, PE, regarding the status of the "2011 Utility and Street Improvement Project" and (B) "findings of Fact, Conclusion of Law, order for Judgment, and Judgment" from the Eighth Judicial Court regarding the City of Clara City vs. Lonnie Curtis and Speedy Pallet Co., Inc. and their zoning violation. No action requested.

Upon consideration of the "Consent Agenda," *it was moved by Thissen and seconded by Schwitters to approve the consent agenda, such agenda including the following items:*

**5. (A) Recommendation of the Planning Commission from their Regular Meeting on December 7, 2011, granting approval of the following "Applications for Construction Permit":**

- 1. Doug Homan, 1114 4<sup>th</sup> St. NW—Re-shingle and re-side house and garage due to storm damage—Work to be done by Dan Cronen Construction—Project cost of \$15,000—Permit fee of \$50.00.**
- 2. Citizen's Alliance Bank, 327 SW 2<sup>nd</sup> St.—Re-side house—Work to be done by Gary Bedel Construction—Project cost of \$8,000—Permit fee of \$25.00.**
- 3. Justin Kortgard, 522 First St. NE—Construct an accessory storage structure that is 8 Ft. wide X 8 Ft. long X 8 Ft. tall with a slightly pitched asphalt covered roof—Work to be done by owner self-improvement in the spring-summer of 2012—Project cost of \$1,000—Permit fee of \$25.00.**

5. (B) *Recommendation from the Clara City Fire Department for the City Council's appointment of officers for 2012 as follows:*

1. *Fire Chief – Troy Sweep*
2. *Assistant Chief – Shane Nord*
3. *Secretary/Treasurer – Kurt Haugen*
4. *Captain – Kurt Haugen*
5. *Captain – Dave Lieser*
6. *Lieutenant – Kevin Groen*
7. *Lieutenant – Gregg Jenson*
8. *Lieutenant – Ryan Niemeyer*

5. (C) *Recommendation as submitted by the Clara City Ambulance Service for the City Council's appointment of officers for 2012 as follows:*

1. *President – Jeff Davids*
2. *Vice President – Mike Bosch*
3. *Secretary – Laurie Woodring*
4. *Maintenance – Darrell Schoep*
5. *MN Start Reporter – Patty Rand*

5. (D) *Renewal of an agreement, ending December 31, 2012, between the City of Clara City and Countryside Public Health for their use of the Clara City Community Center in administering the WIC Program, a special food program for women, infants and children.*

*The motion passed unanimously.*

The approved Planning Commission Minutes of the November 2, 2011 Regular Meeting and the approved EDA Minutes of the November 7, 2011 Regular Meeting were noted with no additional questions or action taken.

Under the two "Reports Sections" at Agenda Item No. 7, the Council received and acknowledged the following information:

- (A) The November 2011 Monthly Report from the Clara City Police Department, as authored by Police Chief Ralph Bradley.
- (B) Public Works Department – no items to report.
- (C) Prairie Park Place – no items to report.
- (D) Clara City Care Center Information Report, dated December 13, 2011, as prepared by Mike Stordahl, Care Center Administrator.
- (E) A verbal report from City Administrator Block regarding Clara City's collaborative offer to provide the City of Maynard with Impound Lot Services at the reasonable cost of \$20 per impound and \$10/day thereafter. The Council voiced no objection to such an arrangement.

Mayor Mike Thein arrived at 7:00 p.m. and resumed chairmanship of the meeting.

At Agenda Item No. 8, Mayor Thein opened the public hearing calling for the receipt of public input and testimony regarding the City's proposed budget for 2012 and the proposed property tax levy for 2011, payable in 2012, in the total amount of \$663,144. Mayor Thein requested that Administrator

Block begin the hearing with an overview of the proposed 2012 budget and supporting documentation. Staff utilized a PowerPoint presentation that outlined the 2012 Proposed Budget and the property tax situation as it currently exists in Clara City. He also distributed copies of the presentation to the Councilors and further highlighted the proposed implementation of a street lighting system charge.

Following Block's presentation, Mayor Thein asked if there were any members of the public wishing to address the Council on this subject. Those who asked to be recognized and addressed the Council included Loren Klaphake (questioning the process that has led to a sizeable tax increase for his residential property), Lonnie Curtis (recommending a cutting of overtime and the use of those perceived savings for street lighting costs instead), Randy Harguth (street lighting issue), Ross Saue (the high level of taxes on his newer residential house), Harold Postma (commenting that the City's policies are driving people out of the community), and Cathy Cowan (questions regarding the street lighting program). Following these comments and hearing no others, Mayor Thein declared the Public Hearing to be closed at 7:46 p.m.

Under Agenda Item No. 9(A), the first item impacting the 2012 Budget was consideration for the implementation of a "street lighting system charge" as a means to help free up some much needed budget general levy dollars. Mayor Thein requested Administrator Block to review the basics of the proposal once again. Block offered that the basic premises behind the proposed change was to spread the cost of street lighting over a larger group of payers than just property taxpayers and to keep the property tax levy increase at a more manageable level. He also testified that the recent history of street lighting costs in Clara City was as follows: 2010 = \$30,441 actual, 2011 = \$31,891 as projected, and 2012 = \$32,000 as estimated. Staff had also estimated that given the proposed two classes of property, Residential and Nonresidential, that there would be 545 Residential units and 75 Nonresidential property units to bill under the system. Further, that at \$3.95 per month for Residential Property and \$7.95 per month for Nonresidential Property, an estimated \$32,988 of annual revenue would be collected in 2012 to help pay for the costs of public street lighting.

Following further discussion, *it was moved by Schwitters and seconded by Feia to approve City Ordinance No. 333 "An Ordinance Implementing a Street Lighting System Charge." The motion passed unanimously.*

The next Agenda Item No. 9 (B) involved the consideration of a request from staff and the Ambulance Service to increase the wage scale for the Clara City Ambulance Service, effective January 1, 2012. In attendance and representing the Ambulance Service were Jolene Hebrink, 2011 President, and Jeff Davids, 2011 Vice President. It was noted that the last wage increase had been adopted in 2007. An informational handout was also distributed and subsequently detailed by Deputy-Clerk Gosseling as to the recommended changes. Staff also noted that the proposed 2012 Ambulance Budget already had the new wage scale figures included in its basis of calculation. Following further discussion, *it was moved by Schwitters and seconded by Thissen to approve the proposed wage scale for the Clara City Ambulance Service, effective January 1, 2012. The motion carried unanimously.*

At Agenda Item No. 9 (C), Mayor Thein directed the Council's attention to the 2012 Budgets that had been drafted in support of the operations of the City for 2012. He requested that staff review for the Council the basics of the information and graphs as provided. Following that presentation and additional questions, *it was moved by Thein and seconded by Feia to approve the 2012 City Budget as presented, such information illustrating the proposed revenues and expenditures for the General Fund and associated debt service funds in 2012. The motion passed unanimously.*

The next item under Agenda Item No. 9 (D) involved the Council's consideration for the amount of the property tax to be levied in 2011, collectible in 2012. Following discussion, *it was moved by Feia and seconded by Thein to adopt Resolution No. 2011-032 "Adopting the 2011 Tax Levy, Collectible*

*in 2012" in the total amount of \$663,144, and directed its transmittal to the Chippewa County Auditor. The motion passed unanimously.*

At Agenda Item No. 9 (E), the City Council next considered receiving a report and/or recommendation from the ad hoc committee which has been evaluating the two responses as previously received by the City and judged to be "initially qualified" in their response to the City's RFQ&P for the "Development and Installation of a Natural Gas Utility in the City." These two proposers included one called "Dooley's Petroleum, Inc." and another called "Farmers Natural Gas, LLC." Staff reported that the evaluation committee working on this project is made up of: James Strommen (Kennedy & Graven Chtd.), Jim Ramnes (MN Municipal Utilities Association), James Erickson (Kelly Bay Consulting LLC), David Berryman (Rodeberg & Berryman, Inc.), Gene Wenstrom (Clara City EDA), and Windy Block (Clara City). It was further indicated that closed-door interviews had been held on Monday, December 12<sup>th</sup>, with teams representing both the Dooley's Petroleum, Inc. proposal and the proposed Farmers Natural Gas LLC proposal as put forth by the Farmers Co-op Oil and Prinsburg Farmers Co-op. Administrator Block indicated that the committee had not yet completed its work and had been assigned additional due-diligence work, and as such, was requesting a time extension until Tuesday, December 20<sup>th</sup>, for the submittal of its final report. Following discussion, *it was moved by Feia and seconded by Schwitters to establish Tuesday, December 20, 2011, 1:00 p.m., at City Hall, as the date, time and place for a Special Meeting of the City Council of Clara City, at which time the Council would receive the full report and recommendation from the ad hoc committee evaluating the possibility of a new Natural Gas Utility in the City. The motion passed unanimously.*

The next item of general business at No. 9 (F) involved the City Council's consideration of a Staff Memorandum, dated December 13, 2011, that reviewed the history and activity associated with a previously awarded bid for the repair of storm damage from June 2010 to the roof of the Prairie Park Place. The original bid had been awarded by the City Council on September 27, 2010, comprised of an award to Cronen Construction for labor in the amount of \$33,541.37 and an award to Southside Lumber for materials in the amount of \$50,749.10, the two awards totaling \$84,290.47. Through the course of the project, additional damages had been identified that needed to be repaired. Those were verbally approved by the City as they were identified by the contractor for labor. In addition, due to these changes some of the materials were not purchased through the vendor for materials. In summary, staff had identified an increase in cost that could be validated as being an amount of \$13,376.01. Following further questions and discussion, *it was moved by Thissen and seconded by Feia to approve the payment of billings for the repair of the June 2010 storm roof damages at Prairie Park Place in a total amount of \$97,666.48. The motion passed unanimously.*

Under agenda item No. 9 (G), Deputy-Clerk Gosseling presented the assessment roll of unpaid utility bills payable to the City of Clara City and urged their certification for assessment and collection by the County Treasurer against the associated property as an assessment in 2012. Harold Postma, 531 NE First St., requested to be recognized regarding the inclusion of this parcel on the list. Mayor Thein allowed him to address his concerns to the City Council. Postma alleged improper handling of his payments by City staff as well as the propriety of the procedures that had been followed. Following discussion, *it was moved by Feia and seconded by Schwitters to approve Resolution No, 2011-031 "Adopting the Assessments for Unpaid Utility Bills for the Year 2011." The motion passed unanimously.*

Under Agenda Item No. 9 (H), Mayor Thein noted the absence due to illness of Care Center Administrator Mike Stordahl, and as such, requested Council's consideration that the action items for the Care Center be tabled for this meeting, and instead, placed on the agenda of the Special Meeting as previously set for December 20, 2011, for further consideration. *It was moved by Feia and seconded by Schwitters to table the consideration of Care Center issues at this meeting and to place them on the agenda for the Special Meeting of December 20, 2011. The motion carried unanimously.*

The next order of business at Agenda Item No. 9 (I) involved the consideration of approving the write-off of unpaid and uncollectible Ambulance Service bills by the City. Following a presentation by Deputy-Clerk Gosseling of the bills and their background, *it was moved by Feia and seconded by Thissen to approve the write-off of \$4,736.49 of recommended unpaid Ambulance Service bills, with \$1,208.81 as being uncollectible and \$3,527.68 being file with Minnesota's Revenue Recapture Program. The motion passed unanimously.*

Per the language associated with the previously approved City Ordinance No. 333 "Implementing a Street Lighting System Charge," the City is required to establish the rate of any such charges via the passage of a resolution. After a brief outline of the proposed resolution by staff, *it was moved by Feia and seconded by Thissen to adopt Resolution No. 2011-033 "Establishing the Amount of Charge to residential and Nonresidential Property for Public Street Lighting," effective for the billings for public street lighting on or after January 1, 2012. The motion passed unanimously.*

Deputy-Clerk Gosseling next explained at Agenda Item No. 9 (K) staff's recommendation for the transfer of certain expenses to be covered by the Reserve Funds in 2011. Following the explanation, *it was moved by Feia and seconded by Thissen to approve the transfer of \$2,000 from the Street Repair Reserve Fund to the Street Department operating fund to cover bona fide expenses in 2011. The motion passed unanimously.*

Under Agenda item No. 9 (L), Deputy-Clerk Gosseling also explained staff's recommendation for the authorization, subject to the determination of final figures, of certain transfers to the Reserve Funds from the General Budget for 2011. Following discussion, *it was moved by Thein and seconded by Schwitters to approve transfers to the Reserve Fund from general Budget for 2011 in amounts not to exceed \$5,000 for Government Buildings, \$2,000 for the Fire Department, and \$1,500 for the Police Department. The motion passed unanimously.*

At Agenda Item No. 9 (M), Deputy-Clerk Gosseling explained the necessary process in order to correct a 2009 coding error in the General Fund Swimming Pool Account that was discovered in 2011. As such, *it was moved by Schwitters and seconded by Thissen to adopt Resolution No. 2011-034 "Approving the Transfer of \$4,196.04 from the General Fund to the Water Utility Fund." The motion passed unanimously.*

Staff presented the opportunity under Agenda Item No. 9 (N) to pay off two outstanding assessments that are the responsibility of the City as a benefitting property owner under the 2011 Utility and Street Improvement Project. The two parcels and their associated assessments include Parcel No. 30-807-3406 at \$4,277.00 and Parcel No. 30-210-0140 at \$1,820.00. Following a brief explanation by staff, *it was moved by Feia and seconded by Schwitters to adopt Resolution No. 2011-035 "Approving Payment of Assessments for the Benefit of the City Under the 2011 Utility and Street Improvement Project." The motion passed unanimously.*

The final item of "General Business" at Agenda Item No. 9 (O), was the consideration for the acceptance of a donation. Following a brief explanation, *it was moved by Feia and seconded by Thissen to adopt Resolution No. 2011-037 "Acknowledging and Accepting a Donation of \$1,000.00 from the Bethany Reformed Church for the Benefit of the Clara City Fire Department." The motion passed unanimously.*

Deputy-Clerk Gosseling presented the ledger of accounts payable under Agenda Item No. 10 (A) The Verified Claims Through December 13, 2011. Following review and questions by the Councilors, *it was moved by Feia and seconded by Thissen to approve the register of verified claims in the amount of \$1,008,051.61 for checks # 13376 – 13531. The motion carried unanimously.*

At agenda item No.10 (B), consideration was given to the check register from the Clara City Care Center for the period November 1, 2011 through November 30, 2011. The Mayor informed the Council that the signing of the original checks had been done earlier by either Mayor Thein or Administrator Block or both. Following an opportunity for review of the register by each Councilor, *it was moved by Schwitters and seconded by Feia to acknowledge receipt of the register and approval for the disbursement of checks # 40447 - 40542 in the total amount of \$456,859.76. The motion carried unanimously.*

Under Agenda Item No. 11 "Appearance of Interested Citizens," Mayor Thein recognized: (1) Lonnie Curtis who had comments about the Council hosting "home town" meetings for a dialogue exchange between the citizens and the Council and questions about the process for the building of a new public works/county highway maintenance shop facility; (2) Mark Rothmeier who had comments about an unresolved problem that he had with a tree and its roots clogging up the sewer line into his home. He wanted to know who was going to reimburse him for the damage and repair bill, claiming that the City had failed to do what he had requested a year ago—remove the tree; and (3) Harold Postma who voiced several issues including questions of due process associated with the City's shut-off of his water for nonpayment, ongoing harassment from one particular city employee, signs honoring his son's military service that had been purposely lost or destroyed by city personnel, continued illegal parking by city staff, the city's non-response to his prior letter in 2011 that indicates presumed theft by the City, and a city tree that has not yet been cut down and imperils cars in the area of his home. Staff was directed to look into all of these issues for possible resolution as soon as possible.

The Mayor noted that the next scheduled regular meeting of the City Council of Clara City is for Tuesday, January 10, 2012, beginning at 6:30 p.m. and reminded the Council of the upcoming Special Meeting previously approved and set for Tuesday, December 20, 2011, at 1:00 p.m.

Hearing no further business, *Mayor Thein declared the meeting to be adjourned at 9:09 p.m.*

**SIGNED:**



By: Mike Thein, Mayor

**ATTEST:**



By: Winthro C. Block, City Administrator

**CITY OF CLARA CITY  
CITY COUNCIL  
SPECIAL MEETING**

**Tuesday, December 20, 2011  
City Hall**

This Special Meeting of the City Council of Clara City was called to order by Mayor Mike Thein on Tuesday, December 20, 2011, at 1:00 p.m. in the Council Chambers of City Hall in Clara City, MN.

Members present: Mike Thein, Shirley Klaassen, Les Feia, Barry Schwitters, and Joe Thissen.

Members absent: None.

Staff present: Gene Wenstrom, Mike Stordahl (Care Center Administrator), and Windy Block (City Administrator).

Also present: John White (Clara City Herald), Tom Dooley, Al Boonstra, Greg Palmer, Jeff Davids, Lane Schwitters, Randy Dooley, Ralph Thissen, and Erv Ahrenholz.

Upon a request for the approval of the agenda and hearing no other requests, *Mayor Thein declared the agenda to be approved with the addition of Agenda Item No. 3 (A) "Minutes of the Regular City Council Meeting of November 8, 2011." The consensus of the Councilors for such approval of the agenda was unanimous.*

Under Agenda Item No. 3 (A), *it was moved by Joe Thissen and seconded by Les Feia to approve the Minutes of the Regular City Council Meeting of November 8, 2011. The motion passed unanimously.*

There were no items for consideration under the following sections: "Notices and Communications," "Consent Agenda," "Reports from Officers, Commissions, and Committees" and "Public Hearings." The only item under "Reports from Staff and Administrative Officers" was an informational Staff Memorandum, dated December 20, 2011, that addressed an issue raised about street lighting at the December 13, 2011 regular meeting. No action was necessary.

Under agenda item No. 9 (A), consideration was afforded to receiving a written report and recommendation from the ad hoc committee which had been retained by the City for the in depth evaluation of the two proposals that had been previously received and designated by the City Council as being "initially qualified" in response to the City's "Request for Qualification and Proposal (RFQ&P) for the Development and Installation of a Natural Gas Utility in Clara City." Mayor Thein requested that staff outline the process that had been followed and the results of that process.

Administrator Block began with an outline of the RFQ&P process that was used in securing two applicants—1) Dooley's Petroleum, Inc. and 2) Farmers Natural Gas LLC, a new startup entity being proposed by Farmers Co-op Oil of Clara City and Prinsburg Farmers Co-op. Block gave a brief synopsis of the review process that had led to both proposals being deemed "initially qualified" by the City Council at its regular meeting on November 8, 2011, and consequently, eligible for an in depth review and evaluation by the City. He then described the formation of the evaluation committee and the efforts taken to ensure a knowledgeable and effective committee. Administrator Block outlined the membership of the evaluation team and their individual expertise and credentials. The six members included: James Strommen (Kennedy & Graven Chartered) – Legal Issues; Jim Ramnes

(MN Municipal Utilities Association) – Gas Systems Analyst; James C. Erickson (Kelly Bay Consulting LLC) – Financial & Pro Forma Analysis; David Berryman (Rodeberg & Berryman, Inc.) – City Engineering Issues; Gene Wenstrom (EDA Consultant for Clara City) – Economic Development Analysis; and Windy Block (City Administrator of Clara City) – General Oversight & Committee Logistics. He described how the committee had prepared itself for the day of actual interviews with teams from each of the two proposers on December 12, 2011, in Clara City. Those interviews had next led to a week of continued work by members of the evaluation team on specifically assigned issues, with all reporting being designated for return to Jim Strommen at Kennedy & Graven, Chartered. Strommen had accepted the responsibility of drafting the final report, which all evaluation committee members were provided and eventually signed off on. The final report entitled “Committee Report and Recommendation,” dated December 19, 2011, was then presented and its contents detailed for the City Council by Block.

In reviewing the document, Block highlighted that the crux of the committee’s recommendation was as follows: The evaluation committee had determined that both proposals were legitimate options and should be able to provide safe and reliable service to residents and businesses in the City and surrounding area, at reasonable rates for a small provider. However, for several reasons, the committee had also determined on a unanimous basis that the proposal from Dooley’s Petroleum, Inc. was in fact the one that it was recommending to the City for moving forward at this time with the goal of securing a signed franchise agreement. Two principal reasons given for the committee’s recommendation included the perceived advantages of the ownership model as detailed in the DPI proposal and the conservative bias that was built into the DPI pro forma. The recommendation also noted, if franchising efforts in working with DPI would become stalemated and/or unworkable, that the City then consider moving forward with negotiations with the Farmers Natural Gas LLC sponsors to see if a signed franchise agreement could be secured. Both Block and Wenstrom ended the presentation of the “Committee Report and Recommendation” by emphasizing that the committee had been very clear that its unanimous first choice was for the City to seek a signed franchise agreement with Dooley’s Petroleum, Inc. for the development of a natural gas utility in the City.

Following additional questions about the evaluation committee’s body of work and letter, the next item of business brought before the Council for their consideration was Resolution No. 2011-038. Following further questions and discussion, Mayor Thein asked of the Council what action it desired to take next. At that point, *it was moved by Feia and seconded by Thissen to adopt Resolution No. 2011-038 “Resolution Directing City Staff to Move Forward with Dooley’s Petroleum Inc. to Present a Franchise to the City, and Other Necessary Approvals, for a Natural Gas Utility in the City.” The motion passed unanimously.* Mayor Thein requested the staff to move forward with the actions implied in the resolution on a prudent and reasonable basis.

Under Agenda Item No. 9 (B) (1), the Council’s Care Center Subcommittee, consisting of Councilors Klaassen and Schwitters, brought forward a recommendation for the approval for a revised policy that would change the form of the preferred health insurance policy and level of employer contribution on a monthly basis. Care Center Administrator Stordahl was present and detailed the economic advantages to the employer from such a change if implemented. Following questions and discussion, *it was moved by Klaassen and seconded by Schwitters to approve the designation of the \$1,000 deductible individual health insurance policy under the employer’s Blue Cross Blue Shield Plan as being the preferred employer’s offering of individual coverage and to adjust the employer’s monthly contribution for such coverage to be the amount as may be necessary for the payment of such individual coverage, currently an amount of \$419.50, beginning January 1, 2012. The motion carried unanimously.*

At Agenda Item No. 9 (B) (2), the Care Center Subcommittee presented their recommendation for the approval of the terms and conditions of a settlement for alleged wrongful termination and the related

authorization of payment as detailed in a settlement agreement reached with a former Care Center employee as directed by Felhaber, Larson, Fenlon & Voight, the Care Center's attorney representative via the Care Center's general liability insurance policy. IStordahl noted that the settlement contained certain requirements for the maintenance of confidentiality. Following discussion, *it was moved by Schwitters and seconded by Klaassen to approve the terms and conditions of the presented Settlement Agreement, Waiver and Release, dated November 2011, and to acknowledge the payment for such settlement in the total amount of \$32,000.00. The motion carried unanimously.*

Under Agenda Item No. 9 (C), staff requested consideration of permitted relief from the strict adherence to the policy regarding the mandatory loss or payout of unused comp time. Administrator Block outlined that this issue could involve 3-5 employees of the Police and Public Works Departments, depending who is assigned to cover certain shifts, with approximately 54 hours of comp time, at year's end. He suggested that the option of mandatory payout is not in the City's best interest and requested that the City Administrator be allowed to work with the affected staff to mitigate the comp time issue without penalty to the employee or any substantial disadvantage to the City. Staff also suggested that they were not requesting a change to the policy, but rather, preferred to let any future changes evolve during the ongoing employer-employee labor negotiations. Following further discussion, *Mayor Thein garnered a consensus from the Council that they would be okay with the City Administrator in overseeing the use of comp time on a reasonable basis for all and without penalty to the employee with a goal of getting this comp time used up within the first 60 days after December 31, 2011.*


The final item of general business at Agenda Item No. 9 (D) involved the consideration of adopting a resolution that would help facilitate the City's application to the MN Department of Employment and Economic Development for possible funding through a Redevelopment Grant. The most likely project for which an application may be filed was for a Redevelopment Grant to assist Caring Bridge ALC in its efforts to convert the remaining former school space in the "Old Junior High School" building that is owned by Caring Bridge. Staff also explained that there was one other project that it would like to submit, but indicated that legal issues might be a roadblock at this time to a successful filing. After further discussion, *it was moved by Feia and seconded by Thissen to approve Resolution No. 2011-036 "Approval for the City of Clara City to Apply for Funding and to Act as the Legal Sponsor for Redevelopment Grant Project(s) Applied For and Awarded by the Minnesota Department of Employment and Economic Development." The motion carried unanimously.*

There were no items for consideration under the "Payment of Claims and Appropriations" Section No. 10, and under the "11. Appearance of Interested Citizens" section, no one asked to be recognized.

The Mayor reminded Council that the next regularly scheduled meeting of the City Council of Clara City would be on Tuesday, January 10, 2012, beginning at 6:30 PM.

Hearing no further business, Mayor Thein declared the meeting to be adjourned at 2:13 p.m.

**SIGNED BY:**

  
By: Mike Thein, Mayor

**ATTEST:**

  
By: Winthro C. Block, City Administrator