

MEETING MINUTES

CLARA CITY CITY COUNCIL SPECIAL MEETING

Monday
June 25, 2018
5:30 PM

CITY HALL COUNCIL CHAMBERS CLARA CITY, MINNESOTA

Members present: Jack Sparks, Nathan Speiser, Rhonda Pieper, and Jeffrey Davids

Members absent: Gary Nelson (excused)

Staff present: Jeff Stager (Public Works), Julie Aalfs (Deputy Clerk), and Windy Block (City Administrator)

Others present: Richard Stermer (City Attorney), Josie Oliver (Clara City Herald), and Chip Goeman

1. Call to Order—*By Mayor Jack Sparks at 5:30 p.m. A Quorum of the City Council was declared to be in attendance.*

Note: This meeting is being officially recorded. Any and all commentary must be communicated through the microphones at the Council and Staff tables or through the microphone attached at the speaker's podium.

2. Additions/Deletions/Modifications to Agenda

Action taken: M/S/P 4-0 (Pieper/Davids) to approve the Meeting Agenda with the addition of Agenda Items No. 9 (B) Approval for the payment to Global Specialty Contractors, Inc. for their Request for Payment No. 3, and No. 9 (C) Establishment of a Special City Council Meeting for Monday, July 2, 2018, 5:30 p.m., for the consideration of awarding a winning bid for the Tennis Court Improvements project.

3. Approval of Minutes—*None.*

4. Notices and Communications—*None.*

5. Approval of Consent Agenda—*None.*

6. Reports from Officers, Commissions, and Committees—*None.*

7. Reports from Staff and Administrative Officers—*None.*

8. Public Hearing—*None.*

9. General Business

9. (A) Consideration of settlement on the swimming pool proposed law suit. City Attorney Rick Stermer stated that he had confidential information to share with the Council regarding its pending litigation against Global Specialty Contractors, Inc. and their alleged failure to perform as required by the terms of the City's contract with them for the construction of a new swimming pool.

Mayor Sparks, upon acknowledging that the pending litigation requires the City Council to balance the purposes that are best served by attorney-client privilege versus those of the open meeting law and consequently requires absolute confidentiality, hereby declared that absolute confidentiality was in order and necessary. Subsequently, Mayor Sparks, without objection, declared that the meeting would be closed as of 5:34 p.m. and that the Council, the City Administrator, and the City Attorney would go into a closed session for the purpose of weighing its strategies with regard to the pending swimming pool litigation. As such, the meeting room was cleared of all persons except for the City Council, its administrator, and the City Attorney.

At 6:19 p.m., Mayor Sparks called the Public Meeting of the City Council back to order and invited the public back into the City Council Chambers. Sparks then noted that the Council had been meeting under attorney-client privilege from 5:34 p.m. through 6:18 p.m. with regard to its legal options under its pending swimming pool litigation against Global Specialty Contractors, Inc. At this time, City Attorney Richard Stermer excused himself from the meeting.

After the reopening the City Council Meeting, Mayor Sparks inquired of the Councilors as to their wishes. Following a brief period of comment and discussion, the following action was taken.

Action taken: M/S/P 4-0 (Speiser/Davids) to accept and approve the Terms of Settlement, dated June 25, 2018, such document to be made a part of these Minutes, as authored by Attorney John Patterson, Fredrickson & Byron, P.A., representing Global Specialty Contractors, Inc., subject to the following clarifications and contingencies, including 1) That both Parties understand that the dollar figures offered under Term #1 represent individual caps for each area of repair/replace of work/equipment, such individual caps totaling an overarching cap of \$65,000 for the City and any other miscellaneous partners who may choose to participate in support of this settlement; 2) That all waivers of damages and the signing-over of insurance proceeds by the City will be clarified in writing to pertain only to events that preceded this settlement and the event that triggered it (see Settlement Terms #1 and #7 in particular); 3) That the City, prior to issuing a check, will receive greater detail and verification of the stored materials, their location, and their current condition as being claimed under Application for Payment No. 3 by Global in the amount of \$97,090.00. This may be a joint responsibility of both Global Specialty Contractors, Inc. and Signature Aquatics, Inc.; and 4) That under Term #4, the City will be identified as an "Additional Insured" and will receive a "Certificate of Coverage" regarding such policy. Further, that the City Council agrees with the strategy of incorporating the terms of this settlement into a Change Order under the terms of the existing contract by and between the City of Clara City and Global Specialty Contractors, Inc. for the construction of a new aquatic swimming pool facility.

9. (B) Consideration of approving Application for Payment Request No. 3 as submitted by Global Specialty Contractors, Inc. in the amount of \$97,090.00. The billing was reviewed along with the associated recommendations for approval.

Action taken: M/S/P 4-0 (Speiser/Pieper) to approve the payment of Application Request No. 3 as submitted by Global Specialty Contractors, Inc. in the amount of \$97,090.00, subject to adequate verification of the charges in accordance with specifics of the motion above that approved the Terms of Settlement, dated June 25, 2018.

9. (C) Consideration of establishing a Special Meeting of the City Council for Monday, July 2, 2018, 5:30 p.m., per the request of staff.

Action taken: M/S/P 4-0 (Pieper/Speiser) to approve the establishment of a Special Meeting of the City Council for Monday, July 2, 2018, 5:30 P.M., City Hall, for the purpose of awarding the winning bid and work under the 2018 Tennis Court Improvements project.

10. Approval for the Payment of Claims and Appropriations—*None.*

11. Appearance of Interested Citizens—*None.*

12. Announcements—*Mayor Sparks reminded the Councilors of the following meeting:*

12. (A) Regular Meeting of the City Council on Tuesday, July 10, 2018, 6:30 P.M. at City Hall

13. Adjournment—*Upon observing that there were no additional business items to be considered, Mayor Sparks, without objection, declared this meeting of the City Council to be adjourned as of 6:24 P.M.*

BY: _____
JACK SPARKS, MAYOR

ATTEST: _____
WINTHRO C. BLOCK, CITY ADMINISTRATOR