

MEETING MINUTES

CLARA CITY CITY COUNCIL REGULAR MEETING

Tuesday
March 13, 2018
6:30 PM

CITY HALL COUNCIL CHAMBERS CLARA CITY, MINNESOTA

Councilors present: Jack Sparks, Gary Nelson, Rhonda Pieper, and Nathan Speiser (6:39 p.m.)

Councilors absent: Jeffrey Davids

Staff present: Julie Aalfs (Deputy Clerk), Judy Gosseling (Finance Director), Jeff Stager (Interim Public Works Director), Michael Stordahl (Care Center Administrator), Jen Henker (Care Center), Tanner Torgerson (F/T Police Officer), and Windy Block (City Administrator)

Others present: Jim Gilman (Conway, Deuth & Schmiesing, PLLP), Josie Oliver (Clara City Herald), Shirley Klaassen, and Jim Trulock (I.S.D. #2180)

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1. Call to Order—*By Mayor Jack Sparks at 6:31 p.m. A Quorum of the City Council was declared as being present.*

***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 3-0 (Pieper/Nelson) to approve the Agenda for this Meeting as drafted with the addition of the following Agenda Items: No. 4. (A) Update from Aaron Backman, dated March 10, 2018, regarding recent activities of the Highway 23 Coalition; No. 9. D-5 Recommendation for the write-off of certain uncollectible bills at the Care Center; and No. 9.(I) Discussion regarding the necessary replacement of the stove in the kitchen at the Community Center.*

3. Approval of Minutes

3. (A) Regular City Council Meeting of February 13, 2018.

***Action taken:** M/S/P 3-0 Nelson/Pieper) to approve the Meeting Minutes for the February 13, 2018 Regular City Council Meeting as presented.*

4. Notices and Communications—*Informational only, no action is required.*

4. (A) Email from Aaron Backman, dated March 10, 2018, detailing the current activities of the Highway 23 Coalition.

5. Approval of Consent Agenda.

5. (A) Approval of the “Applications for Construction Permit(s)” for the following applicant(s) as recommended by the Planning Commission from its Regular Meeting on March 7, 2018:

1. Kyle & Daniela Goeman, 26 NW First Ave.—Application for a Sign Permit—Installation of a Canopy/Marquee sign over the doorway of the “Salon Alainn” building—To be fabricated and installed by Brian Pauling of Rural Fabrics—Project cost of \$300—Permit fee of \$15.00.

5. (B) Approval for the Fire Department to move forward with the advertising for and solicitation of two (2) new candidates for training and qualification as Firefighters for the Clara City Fire Department. Currently, the Department is authorized for 21 firefighters. They currently have 20 positions filled with two (2) retirements expected in March 2019. They may have up to 22 bodies on staff during the training period.

Action taken: M/S/P 3-0 (Nelson/Pieper) to approve the Consent Agenda as presented above.

6. Reports from Officers, Commissions, and Committees—*No action is required.*

6. (A) Planning Commission – *City Administrator Block reported on the following:*

1. Approved Minutes of the February 7, 2018 Regular Meeting.
2. Any notable activities from the Regular Meeting of March 7, 2018

6. (B) Economic Development Authority (EDA) – *Council Liaisons Nelson & Pieper reported on the following:*

1. Approved Minutes of the February 12, 2018 Regular Meeting.
2. Any notable activities from their Regular Meeting of March 12, 2018.

Note: Councilor Nate Speiser arrived at 6:39 p.m. and assumed his seat at the Council Table.

7. Reports from Staff and Administrative Officers—*No action is required (see general business).*

7. (A) Police Department—*February 2018 Monthly Activity Report by Kimberly M. Wood, Chief of Police*

7. (B) Public Works Department—*Jeff Stager, Provisional Director of Public Works*

7. (C) Prairie Park Place—*Mindie Nurmi, Housing Manager*

7. (D) Clara City Care Center—*Michael Stordahl, Administrator---See Agenda Item No. 9 (D).*

7. (E) *City Administrator Block presented the following informational items.*

1. *The Planner Update, dated February 26, 2018, from the UMYRDC.*
2. *Swimming Pool project.*

8. Public Hearing—*None.*

9. General Business

9. (A) Consideration of receiving and acknowledging the audit results of the Clara City Care Center’s Fiscal Year Financial Statements (for the Fiscal Year of October 1, 2016 – September 30, 2017) as prepared and to be presented by Jim Gilman, CPA of Conway, Deuth & Schmiesing, PLLP.

Action taken: M/S/P 4-0 (Speiser/Pieper) to acknowledge the receipt of the Audited Financial Statements for the Clara City Center Enterprise Fund for the Fiscal Year Ended September 30, 2017, as prepared by Conway, Deuth & Schmiesing, PLLP, and presented on their behalf by Jim Gilman, CPA.

9. (B) Consideration of adopting City Resolution No. 2018-007 RESOLUTION ACKNOWLEDGING AND ACCEPTING A \$300 CASH DONATION FROM ERMA DEGROTE IN MEMORY OF SIMON DEGROTE AND HIS SERVICE TO THE CLARA CITY AMBULANCE SERVICE.

Action taken: M/S/P 4-0 (Speiser/Pieper) to adopt City Resolution No. 2018-007 RESOLUTION ACKNOWLEDGING AND ACCEPTING A \$300 CASH DONATION FROM ERMA DEGROTE IN MEMORY OF SIMON DEGROTE AND HIS SERVICE TO THE CLARA CITY AMBULANCE SERVICE.

9. (C) Consideration of receiving two (2) reports and recommendations from Jeff Stager, Interim Public Works Director, regarding certain improvements that are deemed necessary for the efficient operation of the City's Public Water System. Jeff Stager presented the information on each of the two issues.

9. (C-1) Communications Upgrade, as detailed in Staff's Memorandum dated March 2, 2018.

Action taken: M/S/P 4-0 (Nelson/Pieper) to approve, as based on the Memorandum, dated March 2, 2018, that was presented by Jeff Stager, Interim Public Works Director, the City's contracting with Preferred Controls Corp. for the installation of a wireless communications system between the Well House #5 & #6 to the Water Treatment Plant to the Elevated Water Tower at the quoted cost of \$16,105.00, such cost to be paid for from the unexpended fund balance in the City's Water Fund.

9. (C-2) Well #6 Starter Upgrade, as detailed in Staff's Memorandum, dated March 9, 2018.

Action taken: M/S/P 4-0 (Speiser/Nelson) to approve, as based on the Memorandum, dated March 9, 2018, that was presented by Jeff Stager, Interim Public Works Director, the City's contracting with Freely Electric, Inc. for the installation of a VFD Drive in Well #6 as detailed in their quote for \$7,315, such cost to be paid for from the unexpended fund balance in the City's Water Fund.

Note: Councilor Rhonda Pieper left the meeting at approximately 7:29 P.M. due to personal reasons and did not return for the remainder of this meeting.

9. (D) Consideration of acknowledging and/or approving, as may be required, the operations information and issues, if any, which may be brought forward by the Staff and/or the Council's Care Center Subcommittee.

1. Approval of new employee hire(s) and terminations for the period of February 1–28, 2018.

Action taken: M/S/P 3-0 (Nelson/Sparks) to approve the new hires and terminations, if any, at the Care Center for the monthly period ending February 28, 2018, such including the new hires of: Clara Abrahamson (C.N.A.), Rosalinda Zamarron (C.N.A.), Isaac Hull (C.N.A.), and Sharon Skaro (LPN); and the terminations of: Leah Sulier (C.N.A.) and Annette Schroeder (LPN).

2. Acknowledgement of the Care Center's Client Census Data Report as of February 28, 2018.

Action taken: M/S/P 3-0 (Speiser/Nelson) to acknowledge and approve the Client Census Report for February, 2018, as prepared and presented by the Care Center Staff, such revealing a total of 49 clients out of a possible 60.

3. Acknowledgement and approval of the current Financial Reporting Information and Documentation for the Care Center, such including:

- a) "Financial Data" Report (unaudited) for the period ended January 31, 2018.
- b) Bank Balances and Financial Statement Balances as of February 28, 2018.
- c) Accounts Receivable Balances as of February 28, 2018.

Action taken: *M/S/P 3-0 (Nelson/Speiser) to approve the receipt of the financial data report as prepared and presented by the Care Center Staff, such including:*

a) "Unaudited Financial Data" Report for the period ended January 31, 2018, showing Current Income of \$409,901 + Expenses of \$<384,671> = Net Income (Loss) of \$25,230. For the Fiscal Year, the Net Income (Loss) is \$37,697; and

b) Bank Balances and Financial Statement Balances as of February 28, 2018, such including: Checking #293 = \$230,041.37; MMS #321 = \$37,563.78, MMS Debt Service #432 = \$14,484.68; MMS Capital Improvement #462 = \$2,506.16; MMS Memorial Fund #650 = \$60,399.38; MMS Construction Bond 2014 #632 = \$17,016.23; and MMS 2014 Debt Service Account #642 = \$18,325.59; equaling a grand total of \$380,337.19; and

c) Accounts Receivable Balances as of February 28, 2018, totaling \$523,015.94.

4. Approval of the Check Register of the Clara City Care Center.

Action taken: *M/S/P 3-0 (Nelson/Speiser) to approve the Check Register of the Clara City Care Center for the period of February 1 - February 28, 2018 in the total amount of \$377,109.05 for Check Numbers 48062—48164.*

5. Consideration of approving the Register of Uncollectible Bills for FY 2017 from the Care Center.

Action taken: *M/S/P 3-0 (Speiser/Nelson) to approve the Register of Uncollectible Bills for FY 2017 from the Care Center in the amount of \$2,536.84 and to certify them for write-off due to their state of being uncollectable.*

9. (E) Consideration of approving a report and recommendation from Julie Aalfs, Deputy Clerk, regarding the process for upgrading of the City's website program. Ms. Aalfs presented a Staff Memorandum, dated March 1, 2018, and detailed the basis for her recommendation of updating the City's website.

Action taken: *M/S/P 3-0 (Nelson/Speiser) to approve, as based upon the information provided in the Staff Memorandum, dated March 1, 2018, and presented by Deputy Clerk Aalfs, the City's contracting with the Upper Minnesota Valley Regional Development Commission (UMVRDC) for professional services in support of the upgrading of the City's website, at a cost not to exceed \$1,750, and to authorize the purchase of a new template from Gov. Office at a cost of \$2,295, the two project costs totaling \$4,045, and such to be paid from unspent 2018 City Clerk budgeted funds with any remaining need to come from the City's undesignated General Fund Balance for 2018.*

9. (F) Consideration of adopting a resolution of support from Clara City as a supporter of one or both of the two project recommendations which were received from stakeholders and the public as suggestions to be considered by the Minnesota Department of Transportation for its 2018 Corridors of Commerce program. The Council reviewed a Letter from Patrick J. Weidemann, MnDOT System Management, dated February 16, 2018.

Action taken: *Following a discussion of the options involved and hearing the consensus of the other Councilors, Mayor Jack Sparks directed Staff to place this item along with a draft resolution in support of the roundabout project at the intersection of MN Hwy 23 and Highway 7 on the Agenda for continued consideration at the April 10, 2018 City Council Meeting.*

9 (G) Consideration of providing the MACCRAY School District #2180 with a letter of intent with regard to the City's interest and level of support in collaborating with the District on the proposed Tennis Court Improvement Project as outlined in the Memorandum, dated November 7, 2017, from Rodeberg & Berryman, Inc. Staff reviewed the Memorandum with the Council and introduced Jim Trulock, Activities Director for I.S.D. #2180, who summarized the District's request of the City as to whether or not the City would be willing to commit up to \$150,000 towards a collaborative project of removing the current six (6) tennis courts and replacing them with seven (7) new tennis courts, such project detailed in Layout No. 2 of the Memorandum. He also shared the

School District's hope that I.S.D. #2180 and the City of Clara City could continue to work together collaboratively to make such improvements. Further discussion followed and there appeared to be a positive interchange in which Staff opined that the City's unfunded \$150,000 cost for this project might be able to be included in a future bonding issue that is also under current consideration in support of other proposed infrastructure improvements. Councilor Speiser also inquired about the possibility of the City taking action at the same time to improve the surface and facility conditions of the basketball venue. Staff will evaluate such a possibility and report its findings back to the City Council at an upcoming meeting.

Action taken: *M/S/P 3-0 (Nelson/Speiser) to direct City staff to develop and communicate a letter of intent to I.S.D. #2180 indicating the City's willingness and intent to commit up to \$150,000 towards the collaborative development of a "Layout #2 Tennis Court Project" as detailed in the Memorandum, dated November 7, 2017, by Rodeberg & Berryman, Inc., such to be conditioned on the City's identification of suitable financing in support of its commitment to the project and on the development of joint agreement between the two parties regarding the terms and conditions for a revised Joint Powers Agreement in replacement of the existing Agreement that was executed on April 24, 1995.*

9. (H) Consideration of approving some assorted additional General Fund adjustments in conjunction with other funding sources, such to be effective for the calendar year ending 12/31/2017. These adjustments have been derived from staff's discussion with the City's audit team from Conway, Deuth and Schmiesing, PLLP. Staff distributed a copy of the various development activities and their associated financial amounts in the form of current EDA Inventory. Staff also explained their recommendation regarding the adjustments which would shift certain current EDA inventory items to Tax Increment Finance District #4-1 for better accounting purposes.

Action taken: *M/S/P 3-0 (Speiser/Nelson) to approve the adjustment, as of December 31, 2017, via the transfer of existing EDA Inventory Items as follows: \$45,946.63 (Full Throttle/Wersinger Properties) + \$213,114.49 (Land Shark/Prairie West Mutual/Gordy's Meat Shop) + \$153,792.79 (Margaret's Cafe/Clara City Herald/Vet Clinic), a total of \$412,853.91 from EDA Inventory to Tax Increment Finance District No. 4-1 with the implementation of an appropriate note payable-receivable arrangement for each ; and \$386,064.11 (Rhode's Grocery/Forstrom Investments/Clara City Electric) from EDA Inventory to Tax Increment District No. 4-1 with the implementation of an appropriate note payable-receivable arrangement or an EDA donation; and \$109,314.85 (parking lot surfacing project) from the EDA Inventory to the City with the implementation of a inner-fund loan or the sale of a tax abatement bond.*

9. (I) Consideration of what type of stove should be purchased for the replacement of the failed electric stove in the Community Center. Staff laid out the options of a residential model or a commercial electric range, and they wanted to know the City Council's preference. Staff opined that the price variance might range from \$900 for the residential model to \$3,500 for the commercial type.

Action taken: *M/S/P 3-0 (Nelson/Speiser) to authorize staff to replace the electric range in the Community Center kitchen with a commercial-style electric range at a cost not to exceed \$3,800, such cost to be taken from Government Building Reserves or other undesignated General Fund monies, if needed.*

10. Approval for the Payment of Claims and Appropriations

10. (A) Approval of the City's Verified Claims.

Action taken: *M/S/P 3-0 (Speiser/Nelson) to approve the Verified Claims through March 13, 2018, in the total amount of \$300,385.65 for Check # 20035 – 20126, as presented by Judy Gosseling, Finance Director.*

11. Appearance of Interested Citizens—*Please present yourself at the podium and after being recognized by the Mayor, clearly state your name and address for the record, and then address your concern to the entire City Council, doing so within a maximum of three (3) minutes. Your items of concern will generally not be debated or discussed; however, they may be assigned to staff for further investigation.*

A. Shirley Klaassen, 307 Third St. SW – While Ms. Klaassen complimented the good financial reporting and Council oversight activities of the Care Center/Assisted Living Facility, she also expressed her dismay at the

lack of any meaningful reporting on the activities of Prairie Park Place (PPP). She encouraged the Council to take under consideration at its next meeting discussion about including monthly reporting on Prairie Park Place by Staff at all future City Council meetings to better inform themselves and the public about financial and non-financial activity at PPP. The Mayor said that they would take her suggestion under consideration.

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

12. (A) Local Board of Appeal & Equalization (LBAE) meeting as scheduled for Tuesday, April 10, 2018, 6:00 p.m. – 6:30 p.m., in the City Hall Council Chamber in Clara City.

12. (B) The next Regular Meeting of the City Council will be on Tuesday, April 10, 2018, 6:30 pm, in the City Hall Chamber.

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 8:39 p.m.*

BY: _____
JACK SPARKS, MAYOR

BY: _____
WINTHRO C. BLOCK, CITY ADMINISTRATOR