

MEETING MINUTES

CLARA CITY CITY COUNCIL REGULAR MEETING

Tuesday
September 11, 2018
6:30 PM

CITY HALL COUNCIL CHAMBERS CLARA CITY, MINNESOTA

Members present: Jack Sparks, Gary Nelson, Nathan Speiser, Jeffrey Davids, and Rhonda Pieper (6:35 P.M.)

Members absent: None

Staff present: Judy Gosseling (Finance Director), Jeffrey Stager (Public Works), Michael Stordahl (Care Center Administrator), Tanner Torgerson (Police Department), Andrew Neville (Ambulance Service) and Windy Block (City Administrator)

Others present: Sam Peterson (Clara City Herald), Sherri Broderius (MACCRAY Superintendent of Schools); Shirley Klaassen, Murlaine Rieger, Laurie Dieken, Cindy Meyer, Lisa Osthus, and Chip Goeman

1. Call to Order—*By Mayor Sparks at 6:34 P.M. and a Quorum was declared as being present.*

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

Councilor Rhonda Pieper, who had been delayed by a train at the County Road #2 crossing, arrived at 6:35 p.m. and assumed her seat at the Council Table.

2. Additions/Deletions/Modifications to Agenda

***Action taken:** M/S/P 5-0 (Davids/Nelson) to approve the Meeting Agenda with the addition of Agenda Items No. 9 (B) Consideration of additional park improvement items; No. 9 (K) Consideration of a report from Andrew Neville of the Ambulance Service regarding projected building renovation costs for the future storage of a new ambulance; No. 9 (L) Consideration of a revised capital outlay purchase plan for the Police Department; and No. 9 (M) Consideration of authorizing staff to solicit a rate water/sewer study proposal from Ehlers, Inc.*

3. Approval of Minutes

3. (A) Regular City Council Meeting of August 15, 2018.

***Action taken:** M/S/P 5-0 (Speiser/Pieper) to approve the Meeting Minutes for the August 15, 2018 Regular City Council Meeting as presented.*

3. (B) Special City Council Meeting of August 21, 2018.

Action taken: M/S/P 5-0 (Nelson/Pieper) to approve the Meeting Minutes for the August 21, 2018 Special City Council Meeting as presented.

4. Notices and Communications—*None.*

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 September 5, 2018:

1. John & Debra Hosek, 415 NE 5th Ave—Construction of a detached 28’ wide X 36’ long X 9’ high garage on a floating slab with siding to match house—Work to be done by Heiling Construction (BC 220561)—Project cost of \$25,000—Permit fee of \$100.00.
2. Erv Ahrenholz, 215 4th Ave. SW—Re-shingle house with asphalt shingles—Work to be done by Ryan Olson—Project cost of \$10,500—Permit fee of \$25.00.
3. Doug Boike, 411 NE 5th Ave.—Re-shingle house with asphalt shingles following removal of old ones—Work to be done by Curt Person of AP Premier Contracting (BC 703496)—Project cost of \$9,400.00—Permit fee of \$25.00.
4. Andrea Arndt, 710 Division St. N—Project #1: Install a cedar picket fence (4 ft. high) in the rear yard which will be constructed no less than 2-feet inside the property lines of Applicant’s property; and Project #2: Move in within the fenced-in area and to be placed on skids an 8’ X 8’ X 8’ storage shed with blue vinyl siding and black shingles—Both projects to be done by owner self-improvement—Project cost of \$700.00 for fence and \$500 for the shed—Permit fee of \$25.00 + \$25.00 = \$50.00.
5. United Renewable Energy, 12001 50th St. SE, Clara City, MN 56222—Construction of a 1 MW AC Solar Farm on farm land leased from Michael Stamer—Work to be done by United Renewable Energy (Paul Kueck, Onsite Manager)—Project cost of \$1,500,000—Permit fee of \$25.00—This permit is conditioned on the terms of the CUP which was issued initially on June 13, 2017, and amended since by actions of the Zoning Administrator.

Action taken: M/S/P 5-0 (Pieper/Davids) to approve the Consent Agenda as presented above.

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

6. (A) Planning Commission – *Council Liaison Nathan Speiser reported.*

1. Approved Minutes of the August 1, 2018 Regular Meeting.
2. Any notable activities from the Regular Meeting of September 5, 2018.

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

1. Unapproved Minutes of the August 13, 2018 Regular Meeting—***Meeting had been cancelled.***
2. Any notable activities from their Regular Meeting of September 10, 2018.

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

7. (A) Police Department—Kimberly M. Wood, Chief of Police—***The Monthly Activity Report for August 2018 was reviewed.***

7. (B) Public Works Department—Jeff Stager, Provisional Director of Public Works—***No reporting.***

7. (C) Prairie Park Place—Mindie Nurmi, Housing Manager—***No reporting.***

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

7. (E) City Administrator—*Block reported on the following:*

1. The Planner Update, dated August 28, 2018, from the UMRDC.
2. Swimming Pool Project update.

8. Public Hearing—*None*.

9. General Business

9. (A) Consideration of receiving updated information regarding the upcoming bond referendum in support of some wide-ranging proposed improvements and upgrades to the educational facilities of the MACCRAY School District #2180. Sherri Broderius, Superintendent of MACCRAY Public Schools, shared the facts of the referendum proposal and the MACCRAY Schools, an all-important community asset. Ms. Broderius utilized sketches and drawings to illustrate much of the proposed referendum. She also distributed handouts that addressed (1) the tax impact, (2) some fast project facts, (3) FAQ questions, and (4) tax relief information. Ms. Broderius further invited the Mayor and any available Councilors to attend a ribbon-cutting ceremony at the new Tennis Court Facility on Thursday, September 13th, at 4:30 p.m.

Action taken: *M/S/P 5-0 (Davids/Speiser) to acknowledge the presentation regarding the upcoming bond referendum for the MACCRAY School project as prepared and presented by Superintendent Sherri Broderius, and further to thank Ms. Broderius for her time and outstanding efforts in explaining the project to the City Council.*

9. (B) Consideration of receiving a presentation from Laurie Dieken regarding the recently completed Legacy North and South Park improvement projects as donated by the Clara City Lions Club.

Action taken: *M/S/P 5-0 (Nelson/Pieper) to accept the additional donations from the Lions Club for certain improvements at the North and South End Legacy Parks, such improvements including: a bicycle rack for each of the two parks, the purchase of one trash receptacle (approximately \$850) for the North End Legacy Park, and the purchase of a picnic table from Barco for the North End Legacy Park.*

Action taken: *M/S/P 5-0 (Speiser/Pieper) to approve the City's purchase of a permanent trash receptacle for the South End Legacy Park, such to be funded by Current and Reserve Park Department funds.*

9. (C) Consideration of approving the closure of the first half of a block of First Avenue NE running from Main Street North through the alley entrance-way between the Hex Clothing Building and Trish's Catering. The purpose of the closure is to enable the Hex Clothing Company, 110 N. Main St., to sponsor and conduct a Fashion Show activity on Saturday, October 27, 2018, from 6:00 AM until 12:00 o'clock midnight. Mac Hendrickx of Hex Clothing is also requesting that the City provide adequate barriers for the official marking of such a closure. Mr. Hendrickx was unable to attending the meeting due to a business conflict. Staff explained.

Action taken: *M/S/P 5-0 (Piper/Davids) to approve the closure of First avenue NE running from Main Street North through the alley entrance-way between Hex Clothing and Trish's Catering on Saturday, October 27, 2018, from 6:00 a.m. until 12:00 o'clock midnight for the holding of a fashion show activity as sponsored by Hex Clothing Company, 110 N. Main Street, and further, to direct the Public Works Department to assist with the marking of the closure with whatever available cones or barriers it has available.*

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 August 1-31, 2018.

Action taken: *M/S/P 5-0 (Speiser/Pieper) to approve the new hires and terminations, if any, at the Care Center for the month period ending August 31, 2018, such including new hires of: Alexius*

Gallagher (C.N.A.) and Emilee Sprangler (Dietary); and the termination of: Nicole Hoberg (C.N.A.).

2. Approval and review of the Care Center's Client Census Data Report as of August 31, 2018.

Action taken: *M/S/P 5-0 Pieper/Speiser) to acknowledge and approve the Census Data Report for the monthly period ending August 31, 2018, such revealing 44 active 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 July 31, 2018.
- b) Bank Balances and Financial Statement Balances as of August 31, 2018.
- c) Accounts Receivable Balances as of August 31, 2018.

Action taken: *M/S/P 5-0 (Nelson/Pieper) 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 July 31, 2018, showing Current Income of \$352,472 + Expenses of \$<387,614> = Net Income (Loss) of \$<35,142>. For the Fiscal Year, the Net Income (Loss) is \$78,140; and

b) Bank Balances and Financial Statement Balances as of August 31, 2018, such including: Checking #293 = \$378,868.14; MMS #321 = \$67,634.84, MMS Debt Service #432 = \$37,018.73; MMS Capital Improvement #462 = \$2,508.38; MMS Memorial Fund #650 = \$60,553.35; MMS Construction Bond 2014 #632 = \$17,031.27; and MMS 2014 Debt Service Account #642 = \$68,396.54; equaling a grand total of \$632,011.25; and

c) Accounts Receivable Balances as of August 31, 2018, totaling \$374,893.90.

4. Approval of the Check Register of the Clara City Care Center for the period of August 1-31, 2018.

Action taken: *M/S/P 5-0 (Nelson/Davids) to approve the Check Register of the Clara City Care Center for the period of August 1 – 31, 2018 in the total amount of \$489,221.00 for Check Numbers 48678—48778.*

5. Approval of the Care Center Budget for Fiscal Year 2018. Mr. Stordahl presented the budget which has been created at a rate of a 1.2 % Net Margin. The presentation included included: both a Summary and Detailed Budget, along with notes on development of the revenues and expenses.

Action taken: *M/S/P 5-0 (Davids/Pieper) to approve the FY 2019 Operating Budget for the Care Center as presented by Michael Stordahl, such budget showing total service income of \$4,753,450 and total expenses of \$4,630,210, for net income of \$123,240.*

6. Approval for the purchase of 2 MedCare Sit to Stand Lifts.

Action taken: *M/S/P 5-0 (Speiser/Pieper) to approve the purchase of two (2) MedCare Sit to Stand Lifts from MedCare Products, 151 East Cliff Road, Burnsville, MN, for the quoted cost of \$7,190.00.*

7. Acknowledgment and approval of the Quarter #2 (April 1 – June 30, 2018) Financial Report for the Assisted Living Facility Operations.

Action taken: *M/S/P 5-0 (Pieper/Nelson) to approve the Quarter #2 (April 1 – June 30, 2018) Financial Report for the Assisted Living Facility Operations as presented by Care Center Administrator Michael Stordahl and recommended by the Economic Development Authority.*

9. (E) Consideration of reappointing Chip Goeman, Goeman Insurance Agency, as the City's Agent of Record for Liability, Property, and Health Insurance matters for the 2019 Calendar Year. Also needed was the City's decision with regard to the Waiver of Liability question under the City's Liability Insurance Program. The allowable standard level of liability for Minnesota Cities has been \$750,000, which the City selected under its coverage package for 2018. Mr. Goeman presented his proposal for representation and the waiver issue.

1) Action taken (Agent of Record): M/S/P 5-0 (Speiser/Davids) to approve the appointment of Chip Goeman of the Goeman Insurance Agency as the City's Agent of Record for Liability, Property, Life and Health Insurance matters for the Calendar Year 2019

2) Action taken (Waiver of Liability): M/S/P 5-0 (Nelson/Pieper) to approve the selection of the statutory recommended amount of \$750,000 as the maximum level of liability under the City's Liability Insurance Program.

9. (F) Consideration of adopting three (3) minor amendments to the Clara City Natural Gas Franchise by and between the City of Clara City and Dooley's Petroleum, Inc. The amendments include: 1) Section 1—This will correct the cite for the public utility definition to be 2016B.02 subd. 4; 2) Section 6.1--Clarifies via the addition of language that if the MPUC has rights or if other state laws exist that preempt the CCPUC, then those shall apply; and 3) Section 6.3--A technical correction that is made by the deletion of the first clause which is not entirely accurate. If these three amendments are approved as recommended by James E. Strommen, Attorney at Law, Kennedy & Graven, Chartered, the City's designated attorney for such matters, then these three amendments will be incorporated into the existing Franchise Agreement for ongoing use henceforth.

Action taken: M/S/P 5-0 (Speiser/Nelson) to approve the three (3) minor amendments to the Clara City Natural Gas Franchise by and between the City of Clara City and Dooley's Natural Gas as prepared and recommended by Attorney James E. Strommen, of Kennedy & Graven, Chartered, the City's designated attorney for such matters.

9. (G) Consideration of approving the appointment of Ms. Grace L. Brewers for service with the Clara City Ambulance Service. The candidate has been reviewed and qualified by the Ambulance Service and the City Administrator and is deemed worthy of the Council's consideration for appointment.

Action taken: M/S/P 5-0 (Pieper/Speiser) to approve the appointment of Ms. Grace L. brewers for service with the Clara City Ambulance Service, as reviewed and qualified by the Ambulance service and City Administrator Block.

9. (H) Consideration of receiving and approving a Preliminary 2019 City Budget. Due to a lengthy list of challenges that are facing our community, this budget may be constantly changing as priorities are seemingly always under constant pressure to change! The administrative staff provided the Councilors with a 2019 Summary General Budget and an updated presentation of the proposed "Preliminary 2019 General City Budget." Staff further explained that these documents were only a starting point and would be going through additional analysis and change throughout the next couple of months.

Action taken: M/S/P 5-0 (Speiser/Nelson) to acknowledge and accept the preliminary 2019 City Budget and its associated Summary General Budget, noting that both documents will continue to be analyzed for changes over the coming few months.

9. (I) Consideration of adopting City Resolution No. 2018-029 "ADOPTING THE PROPOSED 2018 PROPERTY TAX LEVY, COLLECTIBLE IN 2019, AND SETTING PUBLIC HEARING DATES ON THE 2019 CITY BUDGET AND 2018 PROPERTY TAX LEVY, COLLECTIBLE IN 2019." With the small level of increase in the LGA, there is a need for tax levy increases. Prior to adoption of the resolution, staff made a summary presentation that incorporated the Preliminary 2019 General Budget and offered Council its thoughts and recommendation for the 2018 Property Tax Levy, Collectible in 2019. It was noted by staff that the \$1,035,596 of proposed levy for 2019 represents about a 5% increase in the City's general tax levy.

Action taken: M/S/P 5-0 (Speiser/Pieper) to adopt City Resolution No. 2018-029 “ADOPTING A PROPOSED 2018 PROPERTY TAX LEVY IN THE AMOUNT OF \$1,035,596, COLLECTIBLE IN 2019, AND SETTING PUBLIC HEARING DATES ON THE 2019 CITY BUDGET AND 2018 PROPERTY TAX LEVY, COLLECTIBLE IN 2019.”

9. (J) Consideration of approving the appointment of Jeffrey Illstrup for service with the Clara City Police Department as a Part-time Police Officer. Chief Kim Wood has interviewed and qualified the candidate and is without reservation recommending him for your consideration of appointment. The recommended hiring is conditioned on the applicant’s successful outcome of his psychological and physical exams. This assignment will be at Level 7, Step 1 on the 2018 Wage Chart.

Action taken: M/S/P 5-0 (Nelson/Speiser) to approve the appointment of Jeffrey Illstrup for service with the Clara City Police Department as a Part-time Police Officer at the assigned Level 7, Step 1 on the 2018 Wage Chart, such service to commence upon the approval of Chief Wood.

9. (K) Consideration of receiving quotes and estimates for facilitating the expansion of the parking area in the garage utilized by the Ambulance Service. Andrew Neville, Ambulance Service, reported his findings from the research that he has been doing in preparation the purchase of a new ambulance in 2019. A new diesel ambulance is built with the use of a truck frame that will require 2-3 feet of additional parking space in which to park. The estimates included: Corey’s Hometown Electric = \$2,500 + Rosken’s Plumbing & Heating = \$3,000 + Dan Niemeyer Construction = \$5,500 for a total of \$11,000, plus some basic construction floor drawings.

Action taken: M/S/P 5-0 (Speiser/Pieper) to acknowledge the receipt of the information from Andrew Neville on behalf of the Ambulance Service and to direct the information to the City Administrator for future use.

9. (L) Consideration of affirming the actions taken by the City Administrator in adjusting the overall plan for capital outlay equipment purchases by the Police Department. Staff provided the Councilors with a Staff Report, dated September 11, 2018, that outlined the actions that had been taken by staff.

Action taken: M/S/P 5-0 (Speiser/Nelson) to affirm, as based upon the aforementioned staff memo, the actions that have been taken by the City Administrator with regard to certain modifications in the previously approved plan for the purchase of capital outlay items for the Police Department under the 2018 City Budget.

9. (M) Consideration of authorizing the City staff to seek a proposal from Ehlers, Inc. for their conducting of a utility rate study for both the City’s water and sewer utilities. Staff provided their perspective on the issue.

Action taken: M/S/P 5-0 (Nelson/Davids) to approve the solicitation by staff of quotes from Ehlers, Inc. for their conducting of rate studies of both the water and sanitary sewer utilities, such results to be presented at the regular City Council Meeting on October 9, 2018.

10. Approval for the Payment of Claims and Appropriations

10. (A) Consideration for the approval of the City’s Verified Claims for the period ending September 11, 2018. The claims and any necessary explanation were presented by Judy Gosseling, Finance Director.

Action taken: M/S/P 5-0 (Pieper/Speiser) to approve the report of the Verified Claims up through September 11, 2018, as prepared and presented by Finance Director Judy Gosseling, in the total amount of \$866,227.80 for Check Numbers 20606 – 20696.

11. Appearance of Interested Citizens—None.

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

12. (A) The next Regular Meeting of the City Council will be on ***Tuesday, October 9, 2018, 6:30 p.m.***

13. Adjournment--*Upon recognizing that there was no additional business to be considered, Mayor Sparks, without objection, declared this regular meeting of the City Council to be adjourned as of 8:53 P.M.*

BY: _____
JACK SPARKS, MAYOR

ATTEST: _____
WINTHRO C. BLOCK, CITY ADMINISTRATOR