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**KASSON CITY COUNCIL REGULAR MEETING MINUTES  
June 14, 2017**

Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 14<sup>th</sup> day of June, 2017 at 6:00 P.M.

**THE FOLLOWING MEMBERS WERE PRESENT:** Borgstrom, Buck, Egger, McKern and Zelinske

**THE FOLLOWING MEMBERS WERE ABSENT:** None

**THE FOLLOWING WERE ALSO PRESENT:** City Administrator Theresa Coleman, City Clerk Linda Rappe, City Engineer Brandon Theobald, City Attorney Melanie Leth, Finance Director Nancy Zaworski, Mike Bubany – David Drown and Associates, Candy McKern, Lorraine Hopkins. Ronald Eidem, Judy Ruport, Everett Paulson, Tara Lindquist, Joe Lonzo, Chris Seljan and David Dubbels.

Mayor McKern called the meeting to order at 6:00 P.M.

**PLEDGE OF ALLIANCE**

**COUNCIL**

Make additions, deletions or corrections at this time.

Add: E.1 Leth Amended Final Plat

Add: E.2 Ordinance amendments

Add: E.2.a Summary Publication

Add: G.1.a Summary Publication

Move H.1 to I.3

Add: I.2 a Hardship Deferment Request

Add: I.4 Recycle Containers

**Motion to Approve the Amended Agenda made by Councilmember Egger, second by Councilmember Zelinske with all voting Aye.**

**CONSENT AGENDA**

May 24, 2017 Regular Meeting Minutes

Claims processed after the May 24, 2017 regular meeting, as audited for payment in the amount of \$269,976.41

Acknowledgement of Committee Meeting Minutes - Park Board Meeting May 16, 2017

Pay Estimates:

Pay Estimate #1	SL Contracting	2017 Street Project	\$241.204.05
Pay Estimate #6	DN Tanks	WWTP Upgrade	\$961.894.71

Resolution Authorizing TIF Fund Transfers

**#6.1-17**

**Resolution Authorizing TIF Fund Transfers**

Resolution Authorizing Fund Transfers

**#6.2-17**  
**Resolution Authorizing Fund Transfers**  
(on file)

Resolution Accepting Donation for Festival in the Park

**#6.3-17**  
**Resolution Accepting Donations for the Kasson Festival in the Park**  
(on file)

Councilperson Buck requested to move the Liquor Store Manager increase to Personnel. **Motion to Approve the Consent Agenda as Amended made by Councilmember Zelinske, second by Councilmember Buck with all voting Aye.**

#### **VISITORS TO THE COUNCIL**

Mike Bubany, David Drown and Associates – Resolution to Approve Bond Sale – Mr. Bubany presented the results of the bond bid. Wells Fargo is the low interest bidder with a net interest cost of 2.35%. Mr. Bubany handed out the spreadsheet of the actual bid sheet. **Motion to Approve the Resolution Approving the Bond Sale made by Councilperson Egler, second by Councilperson Borgstrom with all voting Aye.**

**#6.4-17**  
**Resolution Providing for the Issuance and Sale of \$6,780,000 General Obligation Improvement and Utility Revenue Bonds, Series 2017A, Pledging for the Security Thereof Special Assessments and Net Revenues and Levying a Tax for the Payment Thereof.**  
(on file)

**PUBLIC FORUM** - None

#### **PUBLIC HEARING**

##### **Hearing on Improvements - South Mantorville Avenue Improvements**

Public Hearing Opened – City Engineer Theobald presented the overview of the construction of the South Mantorville Ave Project. There are agreements in place with the properties on the east side of the project and this public hearing for assessment is for the one property on the west side. Engineer Theobald stated that they are adding pedestrian ramps at the intersection of County 13 to accommodate future sidewalk from the Daniels and Kwik Trip areas. Safe routes to school also has sidewalks indicated. Engineer Theobald presented the schedule for project. We are still in negotiations with the property owner on the west side who has not signed an agreement. Total cost of the project is \$733,600. Assessment of property owners would be 100% for street and utilities. The assessment is \$280.67 per linear foot.

No Comments from the Public – a Letter from Goodrich Fellows Properties was read.

**Motion to Approve the Resolution Ordering Improvements and Directing Preparation of Final Plans and Specifications made by Councilperson Zelinske, second by Councilperson Egler with all voting Aye.**

**#6.5-17**  
**Resolution Ordering Improvements and Directing Preparation of Final Plans and Specifications**

*(on file)*

Engineer Theobald stated that he has the final plans and specifications and the only addition was the pedestrian ramps. Engineer Theobald stated that we do have to purchase the wetlands and those are based on credits and could cost \$30,000-40,000. **Motion to Approve the Resolution Approving Plans and Specifications and Ordering Advertisement of Bids made by Councilperson Zelinske, second by Councilperson Egler with all voting Aye.**

**#6.6-17**

***Resolution Approving Plans and Specifications and Ordering Advertisement for Bids  
(on file)***

#### COMMITTEE REPORT

**Leth Final Amended Final Plat** – Administrator Coleman gave background on this plat and that it is easier and more expedient to amend the final plat than to do a minor subdivision to divide the lot in the southeast corner into two lots. **Motion to Approve the Resolution Amending the Final Plat of Leth Subdivision made by Councilperson Borgstrom, second by Councilperson Buck with all voting Aye.**

**#6.7-17**

***Resolution Approving Amended Final Plat of the Leth Subdivision  
(on file)***

**Ordinance Amendment** - a public hearing was held at the Planning Commission meeting and the recommendation from the Planning Commission is to add “r” Rental Storage Garages to conditional uses in the C-3 District. Councilperson Borgstrom would like it to say “unit” instead of “garage”. **Motion to approve the Ordinance #866 changing it to “unit” instead of “garage” made by Councilperson Borgstrom, second by Councilperson Egler with all voting Aye.**

**Motion to Approve the Summary Publication with the identified changes, made by Councilperson Egler, second by Councilperson Zelinske with all voting Aye.**

**Ordinance #866**

*(on file)*

**OLD BUSINESS** - None

#### NEW BUSINESS

**Dog License Ordinance Revision** – Administrator Coleman stated that this is to clean up the wording removing anything that has to do with annual renewals. **Motion to Approve the Ordinance #865 Revision and the Summary Publication made by Councilperson Egler, second by Councilperson Zelinske with all voting Aye.**

**Ordinance #865**

*(on file)*

**Rate Analysis** – Mayor McKern stated that Tim Miller was at the work session last Tuesday night and presented information on the rate study. One concern was the large commercial demand rate. Mr. Miller ran an analysis with the option to let the customers using between 25 kw and 50 kw could choose between small and large commercial. Mayor McKern feels that this option didn’t affect the bottom line negatively and would still let the electric department build their reserves. Councilperson Zelinske would like to see residential get a break as well as the commercial. Administrator Coleman referred to the presentation given and there is less than a whole percent increase for residential customers.

Administrator Coleman stated that staff has a list of demand customers and has worked with each customer individually to make sure that they get the best rate. Councilperson Borgstrom would like to get the electric supervisor more involved and believes this study muddies the water and that there should be straightforward rates. Mayor McKern stated that we will ask the Electric Superintendent to a future meeting.

#### **MAYOR'S REPORT**

The Mayor would like to recognize Cassie, the City's new utility billing clerk, as she handled a disgruntled customer very well.

The Mayor stated that he went with the Police Chief to Southeast MN Emergency Services Training center and thinks that is a great training facility and good opportunity for our emergency services personnel.

#### **ADMINISTRATORS REPORT**

**Solar Update** – Administrator Coleman stated that she received over 100 responses from citizens wanting more information on the solar program. The Utility customer would sign up for a monthly charge to invest in a solar panel and the customer would get a credit for the energy produced by the solar panel. Councilperson Egger asked how much they would save. Administrator Coleman stated that this is a way to invest in a panel without installing one on their home but there is no guarantee of monetary savings.

**Hardship Deferral**– Administrator Coleman stated that she has received a deferral of assessment due to a financial hardship. They do have a significant financial hardship right now and they would have to come back annually to renew the deferral. **Motion to Approve the Deferment made by Councilperson Buck, second by Councilperson Zelinske with all voting Aye.**

**MnDOT Request Letter and Resolution** – Administrator Coleman stated that this is a project that can happen in 2021 and 2021 is the last year that the program may be funded. This is a formal letter of interest. We are competing with Northfield for this money. City Engineer Theobald stated that this is a 4 to 6 million dollar project and this a cost share but this is just a first application and lining up city needs with MnDOT needs. We have had 7 water breaks within the area of Veterans Memorial Highway to Eleventh St NE in the last four years on Mantorville Ave. The City would lead the project and MnDOT would be the construction administration. Councilperson Zelinske asked if the City could design into this project storm drainage from the fire department under the railroad. Engineer Theobald stated the City is currently designing that project separately with construction scheduled for 2017-2018. **Motion to Approve the Request Letter and Resolution made by Councilperson Egger, second by Councilperson Zelinske with all voting Aye.**

**#6.8-17**

***A Resolution Approving A Formal Request to Participate in Minnesota Department of Transportation 2021 Municipal Agreement Program for Improvements to Trunk Highway 57 Between CSAH 34 and Eleventh Street Northeast  
(on file)***

**Recycle Containers** – Administrator Coleman stated that the County 21 project runs past the the landfill and they have run into some challenges with their recycle containers. The County had asked for a location within the City to put the recycle containers but they may have found a location with the school.

**ENGINEER'S REPORT**

**South Fork Sewer Update** – Engineer Theobald stated that a meeting has been set up on Tuesday with the developer and the Public Works Director. The developer was receptive of scoping out the project.

**Waste Water Treatment Plant Improvements – Change Order #1.** – The increase of this change order is \$87,610. There are several items listed for changes. **Motion to Approve the Change Order made by Councilperson Buck, second by Councilperson Zelinske with all voting Aye.**

**2017 Street Assessment Project Laterals** – Engineer Theobald is looking for more of a process for the televising and fixing the service laterals. They will do these observations this year and we will give them one year to make the fix. Councilperson Buck thinks the homeowners should be notified right away if they are non-compliant and likes the idea of the petition and waiver. Engineer Theobald stated that he would recommend the 12 months starting after all are televised and given letters. Mayor McKern asked if the City can save time and money if people know they have a problem and they want to have their lines replaced and don't need to have it televised. Engineer Theobald is concerned that if we don't televise it they would come back later and want it done. Engineer Theobald listed three options for criteria of non-compliance laterals in his memo and recommends option 1 which is: "Direct Connection is Counted as Defective": a defective lateral is one that contains a direct connection that could contribute inflow into the sanitary sewer collections system. A direct connection is defined as a tap connecting the lateral to a footing drain, roof drain, driveway drain or similar. All other laterals can be considered I/I Compliant (i.e.Pass) including those with roots, mineral deposits, active leaks, cracks, hole/voids, significant and minor offset joints, sags, pipe material made of Orangeburg or Transit pipe, deposits of grease/baby wipes, and directional deflections."

**Motion to Accept Option 1 made by Councilperson Buck, second by Councilperson Borgstrom with all voting Aye.**

**Motion to Approve the Petition and Waiver (it would have to have an understanding of a warranty period with the contractor and the City is not liable) made by Councilperson Zelinske, second by Councilperson Egger with all voting Aye.**

**PERSONNEL**

**Administrative Assistant** – Administrator Coleman presented the rate from Manpower for an administrative assistant and the hours are outlined. Councilperson Borgstrom stated that when the last Administrative Assistant wanted the other job it was indicated that this position wasn't needed in City Hall. Mayor McKern asked if the City can get by with a half time position for at least for the rest of this year. Councilperson Borgstrom would like to see overtime hours from when the last Admin Assistant left to when the new Utility Billing person started. Councilperson Zelinske would like to see all of the hours that other staff is putting into this position also. Administrator Coleman will provide the overtime hours/money and equivalent hours/money for a future meeting.

**Liquor Store Manager pay increase** – Councilperson Buck would like to discuss the pay increase and why an exempt employee is on a regular pay schedule and is two grades higher than Journeyman Lineman, Police Officers and City Clerk. Councilperson Zelinske stated that this is one of the best run liquor stores in the area and it is making the city money. Administrator Coleman stated that a pay study is currently underway and explained how the job description determines points to be placed on the pay scale and this is not a union scale it is the pay equity pay scale that makes sure that we are in compliance with the

Office of Budget and Management. Mayor McKern stated that he believes the wage is justified because of the responsibility and liability involved. Councilperson Borgstrom stated that he has had it mentioned to him by business people in town that they believe \$68,000 a year is outrageous and if we had another liquor store in town ours wouldn't be doing as well.

**Motion to Approve the Increase to Grade 12 Step 7 made by Councilperson Egger, second by Councilperson Zelinske. Ayes: Zelinske, Mckern and Egger Nays: Borgstrom and Buck.**

**CORRESPONDENCE** – Correspondence was reviewed

**ADJOURN 7:33.**

**ATTEST:**

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Linda Rappe, City Clerk

\_\_\_\_\_  
Chris McKern, Mayor