

**MINUTES OF A REGULAR CITY COUNCIL MEETING HELD WEDNESDAY,  
FEBRUARY 4, 2009 - 6:00 P.M. – ROCKVILLE CITY HALL.**

The meeting was called to order by Mayor Jeff Hagen. Roll Call was taken and the following members were found to be present: Mayor Hagen, Council Members: Bill Becker, John Koerber, Jerry Schmitt, Randy Volkmuth, & Duane Willenbring. Susan Palmer arrived at 6:29 p.m.

Staff members present were: Administrator/Clerk Rena Weber, & Engineer Scott Hedlund.

Others present were: Dale Borgmann, Toni Honer, Aaron Cheeley, Tудie Hermanutz, Joe Sponheim, Dave Volkmuth, Brian & Laura Hatten, Adeline & Bill Boucher. Don Simon, Gene Merten, Vern Ahles, James Voigt, & Clarence Bloch.

**ADDITIONS TO THE AGENDA: *Motion by Member Volkmuth, second by Member Koerber, to approve the additions to the agenda for discussion purposes.***

**AYES: *Becker, Hagen, Koerber, Schmitt, Volkmuth & Willenbring***  
***Motion passed on a 6 to 0 vote.***

**OPEN FORUM**

Duane Willenbring – wished to state that he wanted his letter read at the last meeting. The policy has been around for a long time that anytime a member is absent they can chime in on a specific issue. The reason he was gone was due to the fact he is a member of the National Assn. of Home Builders.

**CONSENT AGENDA: *Motion by Member Volkmuth, second by Member Koerber, to approve the consent agenda as presented:***

- a) *Approve minutes of 01/21/09 & 01/26/09*
- b) *Approve Treasurer's Report of 02/04/09*
- c) *Approve List of Bills and Additions of 02/04/09*

<i>Accounts Payable CK #010952 to 010984</i>	<i>\$15,299.00</i>
<i>Payroll CK #003363 to 003383</i>	<i>8,027.10</i>
<i>EFT CK # 00182 to 000186</i>	<i>4,713.87</i>
- d) *Approve St. Joe Volunteer Fire Fighter Relief Assn. Raffle 4/17/09*

**AYES: *Becker, Hagen, Koerber, Schmitt, Volkmuth & Willenbring***  
***Motion passed on a 6 to 0 vote.***

**BOARD/STAFF REPORTS:** There were none.

**OLD BUSINESS**

**APO DUES** – Member Willenbring asked if John Koerber had met with Scott Mareck regarding the organization.

Rena Weber explained why the City of Rockville was switched to the APO from Region 7W due to the close proximity of St. Cloud.

Member Volkmuth stated what he has observed is there is no money to be had and he does not see us getting anything for two years.

Member Hagen stated that he looked at the budget for 2008 & 2009 and was not aware of the size staff employed at the APO.

***Motion by Member Volkmuth, second by Member Willenbring, to deny the payment of dues to the APO for 2009 and further to have Scott Mareck appear to explain why we should be a member.***

Member Koerber explained the process when he was on the 7W board and how funding for projects was obtained.

Member Willenbring stated that he went on the web-site to see what type of funding is going to happen in our area and it appears to be nothing.

Member Becker asked when dues are payable. Now.

**AYES: *Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring***  
***Motion passed on a 7 to 0 vote.***

### NEW BUSINESS

**REDUCTION OF SIZE OF THE COUNCIL** – Member Volkmuth stated that he asked that this be on the agenda. He wanted to know what the rest of the members think and to get this on the ballot for the next election. It is an area where we can cut expenses.

Mayor Hagen thought the past council wanted to do this, but was too late to get it on the ballot.

Member Schmitt stated that when he went to LMC training they polled the attendees about the number of council members and there were more 5 than 7 member councils.

Member Becker asked what are the advantages, is there more diversity, the cost is \$600, but will there be more ideas.

Member Volkmuth stated that he wants to know what the public wants.

***Motion by Member Koerber, second by Member Volkmuth, to put this question on the 2010 ballot and let the people decide.***

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring  
Motion passed on a 7 to 0 vote.***

**JOINT RESOLUTION – AREA CITIES** – Rena Weber explained that this resolution comes from the area cities of St. Cloud, Waite Park, St. Augusta, St. Joseph, Sartell & Sauk Rapids as a concerted effort to our legislators of what we would like to see. The area Mayors and Administrators met to create the list and the whole membership voted on it at the 1/27/09 meeting in Waite Park. Rockville had its own meeting that same evening.

Mayor Hagen stated that he does not agree with all issues.

Member Volkmuth stated he is not in support of funding the \$15 million for airports.

Member Willenbring stated he is not in support of greenhouse gas legislation. This is very costly and should stay in an option not a mandate. He was also not in support of 11d. Encourage the establishment of met council growth boundaries.

Member Volkmuth stated he is also not in favor of the photo cop verbiage.

***Member Willenbring introduced the following resolution and moved for its adoption:***

#### RESOLUTION NO. 2009-03

**Joint Resolution of the Central MN Cities of St. Cloud, Sartell, Sauk Rapids, Waite Park, St. Joseph, St. Augusta, Rockville Advocating Support for Certain Legislative Issues and Proposals of Common Interest or Concern to the Central Minnesota Region**

***(A complete copy of said resolution is hereby attached and marked Exhibit A).***

***The motion for the foregoing resolution was duly seconded by Member Schmitt with the following vote being taken:***

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring  
Motion passed on a 7 to 0 vote.***

It was determined that all members were to submit their comments to Rena Weber concerning the resolution

#### ENGINEER REPORT

**LAKE ROAD RAIN GARDEN PROJECT** – Engineer Scott Hedlund was present to give a rain garden demonstration as a way to provide more information to the council and residents.

Member Palmer arrived at 6:29 p.m.

At this point (6:46 p.m.) Mayor Hagen announced that we would now go to the public hearings. Rena Weber read the notice of public hearing(s) for the record.

#### PUBLIC HEARINGS

#### ORDINANCE NO. 2009-55 – ORDINANCE REDUCING THE SIZE OF THE PLANNING COMMISSION

Jerry Bechtold – 24253 125<sup>th</sup> Ave. stated that when they discussed consolidation they came up with the Planning Commission size of 7 members. They canvassed the general community members about the new community they were organizing and looked at other cities. 10 or 9

members looked at the area lakes, rural, and urban make up. They decided a 7 member commission would better represent a larger area and amenable to a community that is growing and developing.

Toni Honer – 512 Cypress Court & Chair of Planning Commission – Toni reported that a joint meeting was held so a lot of discussion has occurred already. She wants to stress that it is not about a number, but it is about what each member of the Planning Commission brings to the table. We finally have a Commission with experience and who are comfortable with the job they have been given. They do a lot for the city with site visits and also donate their time and energy. People should be given recognition for stepping up to the plate. Toni urged the council to take their first days in office to see where the city wants to go. One Planning Commission member costs \$300 per year. We are trying to cut back on the use of the engineer and attorney and by doing this; we should make up for the \$300 cost.

Dave Volkmuth – 25744 Lake Road – I have been at enough of the council meetings to fully realize where the city goes and what the Planning Commission does. He noticed that consolidation was not a big important part. The old council did it their way. We need to look at uniting this city and reduce it to 5. It will go a long way to becoming one city vs. individual communities. If we are going to be a flourishing city it will be hard to do, it may hurt some people, and it is not just one area, but all through the city. He hopes we continue to do this.

***Motion by Member Willenbring, second by Member Volkmuth, to close the public hearing at 6:52 p.m.***

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring  
Motion passed on a 7 to 0 vote.***

Member Palmer stated that we talked about this at the joint meeting, we should think about where the city is headed. What is the work the council will charge the Planning Commission with and how many people do we need to do that. She feels we are making a decision with the absence of information necessary to make that decision. We do have a good group of people. She would have liked to see the option for them to come up with a (if the real issue is costs) recommendation on ways to reduce the cost or reduce the size of the Planning Commission.

Member Becker stated that based on the size of our city and the future of development along with the work the Planning Commission has done \$300 is a good investment for the city. The work they do is beneficial, he knows that nobody is in it for the money so hats off to them.

Mayor Hagen stated that it is important to remember that the decision to reduce the commission is not who is on the commission, but just an operational issue in his opinion.

Member Koerber asked where the members are from.

Member Volkmuth stated it is not where they are from; they are supposed to represent the whole city. They are to decide the viability of a project. That is the job of the City Council. Everyone should be doing the same amount of research so it does not matter that there are 5 or 7 members.

Member Becker stated that he likes the advantage of diversity. Diversity and their knowledge of diversity means a lot to him.

Member Schmitt stated he had the same thought. You have the farmers, the lake people and the core city and the residential people so they are all represented with the 7 members.

Mayor Hagen stated we do not have any criteria stating that people have to come from a geographical area so he wishes we would get away from that thought. We should make recommendations on good projects and not act on the special interests in any one geographical area.

Member Willenbring stated in looking back at the minutes from the joint meeting we had; Member Palmer mentioned that it is not easy doing this work and not get paid for it. He questioned if there is a vacant seat now that Councilmember Ahles is no longer on. If we are going to bring it down to 5, which is what the group formed to streamline government proposed, and there was a liaison position that was held. The public meetings are always noticed.

Mayor Hagen stated he knew where Member Willenbring was going with this discussion, but the ideal structure what we are looking at is 4 citizens at large and one council member who is a liaison and also a voting member.

Member Becker so then you have 4 planning commission members and one council member. He disagrees with that.

Member Willenbring asked what is the value of the council members serving as a voting member and further stated that he would attend Planning Commission meetings free of charge.

Mayor Hagen stated that some members of the Planning Commission do not understand what the council is looking for until they make a recommendation. Hopefully there will be better communication earlier in the process in knowing the feelings of the council. That person would be there and vote so I think it is a little more input from the council at an earlier stage and I also think that this may avoid some of the hard feelings that come with things going back to the Planning Commission.

Member Palmer stated that she heard Duane say that it should still go back to the Planning Commission and let them suggest how they would see the reduction in cost. She heard some conversation about less pay or no pay. Duane wanted to go back to 5 with one council liaison as a non-voting member.

Member Volkmuth suggested that it go back to 5 with one council member as a liaison and at the end of 2009 it becomes 4 and one council.

Member Palmer asked Toni Honer if the Planning Commission would give a recommendation on what to do about reducing costs. Toni indicated it would be on their next agenda pending the outcome of this meeting.

Mayor Hagen indicated it is not just a cost issue in that he thinks it is an efficiency issue. You do not actually get better decisions with more people on the board. He talked to a township supervisor recently who reduced the size of their board from 5 to 3 and the one thing he noticed is that they had better preparation when they only had three people there. Whereas, they had one or two people who came unprepared and knew there was going to be enough people who were prepared to make a decision. He was on the Planning Commission and City Council and he does think there are people who come to those meetings knowing there are enough people or certain people who are going to be prepared and some people are going to be so/so prepared. They go along with the rest of the vote so you don't get a lot of additional benefit from having so many members.

Member Palmer stated that was a different issue and you address it by addressing the people who are not doing the job they are supposed to do. There is something to having the community voice; which is really what we want. This gives us an opportunity to hear 2 more people who have input into what is happening in this community.

Mayor Hagen stated those meetings are public and the minutes are public.

Member Willenbring stated those five people are coming up with a recommendation and here there is a disconnect between the two bodies. So the council is making decisions in a vacuum because they have not gone through that process of learning, but if you have that cross pollination of ideas, that is where the big challenges belong. Then we may come up with the same conclusion. He served on the township planning commission for many, many years.

Member Willenbring suggested we let the group decide who the 5 would be and if none would be council – so be it. You only get one bite at the apple.

Member Volkmuth sees this as a way to compromise.

Member Willenbring cited that 5 of the Planning Commission members made most of the meetings and one member attended only half of the meetings.

***Motion by Member Becker, second by Member Palmer, to deny Ordinance No. 2009-55 Reducing the size of the Planning Commission and let the Planning Commission determine this year how they will come up with a plan to reduce to 5 with a council member as liaison and non-voting member. This means the commission will not be reduced at this time, but if the Planning Commission chooses to make a recommendation anytime prior to 12/31/09, that is acceptable.***

***AYES: Becker, Koerber, Palmer, Schmitt, & Willenbring***

***NAYS: Hagen & Volkmuth***

***Motion passed on a 5 to 2 vote.***

**ORDINANCE NO. 2009-56 – REPEAL OF ORDINANCE NO. 2208-53 – EVENT CENTERS**

Mayor Hagen announced that the public hearing would now convene for the repeal of Ordinance No. 2009-56 – Event Centers

Don Simon - 600 Othmar Lane, stated that when he was campaigning he heard from people that we need to get our ordinances simplified so that we can do things with our property. Here is a chance for someone to do something with his barn and bring business to the city. The ordinance was pretty specific. If we repeal this ordinance you will send a message out to people that they can't do things anymore. It will be a bad sign to show people who want to establish here. There may be something for kids like a petting zoo. There are areas of this community that are going to go from rural agriculture to more urban as time goes by. He feels it is a good idea to keep this ordinance in place as there are plenty stipulations and uses on this.

Toni Honer stated that she had expressed her concern on this already.

***Motion by Member Palmer, second by Member Volkmuth, to close the public hearing at 7:14 p.m.***

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring  
Motion passed on a 7 to 0 vote.***

Member Volkmuth stated that his thoughts on this are that it is not such a horrible ordinance, but there are not enough stipulations on it. Two of the stipulations he would like are no alcohol & no food be allowed. This is a glorified bar in his opinion and there is a lot of city responsibility. Ideas that the Planning Commission did come up with such as an antique dealer or some other uses makes sense. He would like to put something in the ordinance that there is no alcohol or food.

Mayor Hagen stated that in speaking with members of the Planning Commission after the joint meeting there is obviously different perspectives from the Planning Commission as to what was allowed. He heard comments such that it was only going to be on county roads. Another person did not know there was going to be alcohol allowed. One was not sure it was going to be every day or what times of day it would be open. I just think the serving of alcohol with a serving size up to 200 capacity is a problem. He owned a bar/restaurant so he thinks people should take a look at the worst case possibility because that is what generally will happen with something like this. Someone turns 21 years old and he wants to rent the barn for the alcohol. He wants to bring in a band. Then you get somebody outside who opens his trunk and shares alcohol with his friends. They get in an accident, they buy from each other, they get into fights and then you mix alcohol, one o'clock you kick them out of there, You get calls out there and all of sudden the neighbors are saying we were not thinking they were going to be serving alcohol. Weddings are not the only thing being allowed here. While this particular owner may have good intentions – the next owner may not. Because we allowed this in one part of the city, if someone comes with their attorney and may want to run it differently. People brought up other uses but, they are not pertinent to what this change is. That is serving alcohol, food and allowing for bands. It is an extra expense for the city to answer complaints and watch for over serving the participants. He is in agreement with antiques or small petting zoo as they fit with the SP-1. What he would like to see done is that they need more discussion and look at in the worst case scenario. Go back to the original ordinance – give the Planning Commission where they would allow such permitted uses.

***Motion by Member Becker, second by Member Palmer, to table action on this ordinance, further to send it back to Planning Commission for rework and bring back to the council within the next 3 months.***

Member Volkmuth asked if that includes the exclusion of alcohol.

Member Palmer stated the issue of the alcohol is that they have to apply for a license. How do you change the tax base and welcome people into the city? Hopefully it should be a revenue for the city.

Member Schmitt stated that he can speak out the most because he lived next to a bar. You will find people in the yard, bands playing that can be loud, and people squealing their wheels when they leave. This is all something to look at.

Member Volkmuth stated his concern is if it takes 6 months to get back to us this may be too long.

Member Becker stated he would add 3 months to his motion.

Member Palmer stated she agreed with the "next 3 months".

Member Willenbring cited his letter regarding nostalgic barns A-40 with SP-1 overlay. If the conditions were not stringent enough then the council should add to the conditions. It was close to the 60 days to act on it. This does not give him heartburn to bring it back to the Planning Commission.

Mayor Hagen stated that if we allow this type of operation in the A-40 where we want the least intensive uses when we have the other areas (Industrial, Multi-family, single family, commercial) and if we allow this how do we argue that anyone can't put this type of use in any other district. Basically you are saying we will look at the application and decide to put the restrictions on it. To me it would make sense to do that for any type of use in any district. Why would we consider a cabinet shop in this area or a multi-family or single family area? A person could argue that we allowed a bar/restaurant in the area and now they don't have a right to put that use in the A-40. He suggested we throw out all zoning districts and zone by application. We don't need that big book with intent, permitted uses, or conditional uses.

Member Palmer stated to Mayor Hagen that you keep calling it a bar/restaurant. It is open by special event, and invitation. She suggested that we leave the ordinance as is, but instruct the Planning Commission to make more restrictions.

**AYES: Becker, Koerber, Palmer, Schmitt, & Willenbring**

**NAYS: Hagen & Volkmuth**

**Motion passed on a 5 to 2 vote.**

Member Volkmuth stated he still would like to see the absence of alcohol and food.

**Motion by Member Volkmuth, that the ordinance have the absence of alcohol and food included. The motion died for a lack of 2<sup>nd</sup>.**

#### **ENGINEER REPORT CONTINUED**

##### **LAKE ROAD RAIN GARDEN PROJECT - 7:39 P.M.**

Member Becker stated that he talked with Greg Berg from Stearns County Soil and Water Conservation District and learned they did send our money off to another job. He did indicate there is money available yet along with the Pleasant Lake fund. They would need an official letter from the City requesting funds.

Member Volkmuth asked if we still have to fund the \$4500 for the design. Yes.

Member Volkmuth wanted to know if we need an engineer to do the design. So to speak we could design our own rain garden.

Member Palmer asked what was the goal of the plan? How much run-off did you think it was taking up? Scott Hedlund replied that he did not look at it, but that it is better to design the rain gardens to fit the area and went on to explain what could happen.

Member Volkmuth stated the bigger problem is the depth of the ditch. We are putting the cart before the horse. If we don't dig the ditch deeper will we screw up the rain gardens?

Member Willenbring stated that we need a design for a 10 year event and a 100 year event. How do you know what depth the ditch needs to be if you don't review the amount of water coming in from the park?

Rena Weber reported that Rick Hansen obtained an estimate for one rain garden that is 8' wide by 100' long at a cost of \$7500. It is estimated that along Lake Road we may need five rain gardens. This estimate did not include any design or the plants.

Mayor Hagen indicated that what is shown here is not going to handle the amount of water from spring run-off.

Member Becker indicated that he does not want to lose that money and this may be a 3 year project.

Mayor Hagen was concerned with the spending of \$4500 for design.

Member Willenbring stated that he was involved in a large lawsuit involving a rain water problem. When it comes to learning rain water and rain gardens he has a book that will help, but until someone makes a determination of how much water we have to do something with; then we can we design the rain gardens/ditch project. Someone has to determine how large and how

wide the gardens/ditch should be. We probably can't use park dedication funds for the ditch area, but the rain gardens in the park may be allowed.

**Motion by Member Becker, second by Member Koerber, to send a letter to Stearns County Soil & Water to request funds for the rain gardens at Pleasant Lake without precluding the city spending any money.**

Member Volkmuth stated that he wanted it in the record we are not spending any money at this time and the ditch is a bigger issue.

**AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring  
Motion passed on a 7 to 0 vote.**

Member Palmer indicated that this could be a two to three year project.

**STIMULUS MONEY** - Scott Hedlund informed the council that there might be stimulus money available on projects such as seal coating or road repair. The projects have to be ready to go in a short time frame and he was wondering if the council is interested in pursuing any of this.

Member Becker asked about the Lake Road ditch project. Yes.

Member Palmer asked can you submit more than one application. Yes.

Member Volkmuth asked if Rick Hansen could fill out the applications. Yes.

### COMMITTEE REPORTS

**MAYOR'S REPORT** – Mayor Hagen reported that he had nothing to report.

**PERSONNEL COMMITTEE** – Chair Volkmuth reported the Personnel Committee met and went through changes in the personnel policy. Attorney Jim Mogen has that right now.

**PUBLIC WORKS COMMITTEE** – Mayor Hagen reported that Jim Voigt has requested a deferment of his 2008 and 2009 special assessments. The Public Works Committee is recommending that we defer his special assessment for one year and that we would accrue interest at a rate of 6% so he would have a payment due on May 15<sup>th</sup> and November 15<sup>th</sup> (October 15<sup>th</sup>) that would be rolled into that and we would revisit that motion in January of 2010.

**Member Volkmuth introduced the following resolution and moved for its adoption:**

#### **RESOLUTION NO. 2009-04**

#### **RESOLUTION DEFERRING A SPECIAL ASSESSMENT.**

**WHEREAS**, the City Council had met on 10/13/2004, heard and passed upon all objections to the proposed assessment for 2004 Sanitary Sewer Improvement Project, and has amended such proposed assessments as it deems just;

**WHEREAS**, James & Jacqueline Voigt, Lon & Julianne Voigt, Michael & Candace Voigt, (Voigt Family) all owners of a proposed development (Parcel No. 76.41600.400) in the City of Rockville, Stearns County, Minnesota have signed their names to:

Assessment Agreement on 1/6/2004

Utility Easement on 1/6/2004

**WHEREAS**, by signing such agreement the Voigt Family have waived their right to appeal of an assessment, and;

**WHEREAS**, on 2/20/2007 James & Jacqueline Vogt subdivided 7 platted lots from this acreage (Parcel No. 76.42141.026, 027, 028, 029, 030, 031 & 032) and;

**WHEREAS**, James and Jacqueline Voigt, whose home is located in the remaining 141.79 acres have previously been assessed, have stated publically that they are unable to develop their property at this time and due to the economic situation respectfully request a deferment of their annual special assessment payment.

**WHEREAS**, The current unpaid balance of special assessments against said property including the 7 lot split amounts to \$421,743.72.

**NOW, THEREFORE BE IT RESOLVED**, by the City Council of the City of Rockville, Stearns County, Minnesota, as follows:

1. Such special assessment for Sanitary Sewer Lift Station, Sewer Availability Charge, & Sanitary Sewer Capacity is hereby deferred for 2008 & 2009:

Assessment	Cty Ltr Date	Yrs	Amount	Late Fees	Int. Rate	Int. Amt	w/ Int.	Total
SAC Fees	Not Certified	1	19,448.10	2,158.74	6.00%	1,296.41	1,296.41	22,903.25
SAC Fees	11/14/08	1	18,522.00	3,983.79	6.00%	1,350.35	1,350.35	23,856.14
SAC Fees	11/16/07	1	17,640.00	3,581.88	6.00%	1,273.31	1,273.31	22,495.19
Legal	11/16/07	1	448.60	70.91	6.00%	31.17	31.17	550.68
2004 Sanitary Sewer	10/15/07	17	353,075.18		4.34%	15,323.46	21,670.51	368,398.64
		<b>Total</b>	<b>409,133.88</b>	<b>9,795.32</b>		<b>19,274.70</b>	<b>25,621.75</b>	<b>438,203.90</b>

2. The Administrator/Clerk shall forthwith transmit a certified duplicate copy of this deferred assessment to the County Auditor to be DEFERRED TEMPORARILY on the tax list of the County. This deferral of assessments does not add 2 years onto the final payment and is due to be paid in full in 2024.

The motion for the adoption of the foregoing resolution was duly seconded by Member Willenbring and upon a vote being taken thereon, the following voted in favor thereof:

**AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring**  
**Motion passed on a 7 to 0 vote.**

**VOIGT SUBDIVISION REQUEST** – Member Volkmuth asked for council consideration in whether or not the Council would approve Jim and Jackie Voigt splitting 3 acres (which includes their home) from the 141.79 acres when there is \$450,300 in assessments (including interest) outstanding. Jim Voigt is seeking to do this so that in the event the property goes into foreclosure they will not lose their house. Member Volkmuth stated that he does not want to see this happen and wants Mr. Voigt to know that before he starts spending any money. This is the collateral the city can use and would not be in the best interest of the city.

Member Willenbring clarified that Mr. Voigt wants to split 77 acres of developable land off of the land now along with the 3 acres and this is all leveraged to cover the debt. It is probably his right to split those three acres, but we probably would not have to release that collateral which is the value of all three of those parcels of land. This is not the taxes. We are only talking about special assessments at this time so it only affects the city.

Member Palmer voiced concern about bankruptcy and asked what is the value of the property.

Member Volkmuth stated this is the unknown at this time. The estimated market value is \$1.3 million, but we really don't know.

Jim Voigt addressed the council asking why can't he and Jackie split the house from the farm. The farm is owned by Jim and his brothers. His tax statement shows a value of \$1.1 million. The house is valued at \$285,000 to \$289,000. The city has done an appraisal in the last 2 years so what is the problem if I want to pull off \$300,000. The city still has ¼ of a million that you are still holding as collateral.

Member Volkmuth stated that at the end of this year the balance will be \$485,000 with interest accruing so if you don't pay this amount just keeps accruing until you do pay. We just want to make sure there is enough value.

Mayor Hagen indicated it is not uncommon for the value of developing land to be down 30% to 40% from 18 months ago. So if \$1.1 million is in line with the appraisal and if you take \$300,000 plus 30% off you are down to \$560,000. You then are getting pretty close to the unpaid balance.

Jim Voigt stated that he feels he is being held hostage.

Mayor Hagen stated that obviously he and his brothers have known about this for some time.

Jim Voigt stated yes – illegally. He signed an agreement for \$152,000 way back when. The City of Rockville upped it ¼ of a million by putting in a lift station and putting it 32' deep. How can the city use this if he is paying for it? He has no use for it.

Rena Weber reported that the reason the lift station was so deep was due to the fact that the SW corner of the 77 acres was at such an elevation that in order to have gravity fed sewer the lift station had to be that deep.

Jim Voigt asked why we had to put this in before we needed it.

Mayor Hagen indicated that there had to be some sharing of expenses and could not believe that some people have not paid for it through their assessment. The bulk of it would be used for the development. Mayor Hagen further stated that the Voigt's had to be a part of the process or why would the city go forward with something like this without the Voigt's participation.

Scott Hedlund reported that there are two parts of the lift station cost that includes the trunk fee in addition to the cost of the lift station.

Member Palmer asked if there is a way to allow the split and still keep the home as collateral. The answer was no.

Member Volkmuth stated the city is acting as a bank in this case and asked why we would give up the collateral.

Mayor Hagen suggested Mr. Voigt borrow \$200,000, pay this off and then split it.

Scott Hedlund explained that the lift station was mainly for the Voigt property. The Pleasant Lake road people did not need it so a change order was done and they just run through it now.

***Motion by Member Volkmuth, second by Member Willenbring, to affirm that the city will not agree to a split of the home from the development property unless other information comes forward, and further that the city will keep the collateral we have relative to this assessment.***

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring***

***Motion passed on a 7 to 0 vote.***

**FEE SCHEDULE (SAC/WAC)** – Mayor Hagen reported that the committee recommends no changes to the SAC/WAC fees for 2009 due to the economy.

***Motion by Member Willenbring, second by Member Volkmuth, to freeze the SAC/WAC fees at the 2008 level.***

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring***

***Motion passed on a 7 to 0 vote.***

**JEROME KARLS CULVERT INSTALLATION** – Mayor Hagen reported that the committee recommends the request to replace the culvert on 260<sup>TH</sup> Street at his own expense.

***Motion by Member Becker, second by Member Volkmuth, to approve Mr. Karls replacing the culvert on 260<sup>th</sup> Street according to city specifications at no expense to the city.***

Member Palmer asked if there are criteria on how it is to be installed and further asked that this be included with the motion.

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring***

***Motion passed on a 7 to 0 vote.***

#### **ADMINISTRATOR'S REPORT**

**SHINGOBBE LETTER TO THE EDA** – Administrator/Clerk Rena Weber reported the EDA recently received this letter from Shingobee regarding the apparatus bay floor and how this is still a problem. All other bills have been paid in good faith and this is the only remaining bill.

Mayor Hagen voiced concern that this has been going on for a number of years.

Member Willenbring reported that nothing has changed and looking at the back side of the letter that Graeme Mahler cites that epoxy was poured on bleed water. He further talked about arbitration and feels we have a good stand defending the city on this matter. The ball is still in Shingobee's court. We had the architect and two entities out to view the problem to give us a cost. Let an arbitrator decide. A letter to Shingobee should come from the EDA.

Member Volkmuth voiced concern that there are no specifications in the contract for "broomed" surface.

Member Becker wants to know what the estimated cost of arbitration would be.

Member Willenbring repeated what the architects stated "It does NOT recommend that the concrete should be "broomed" while the bleed water is still present, which is what the Shingobee job superintendent indicated occurred to us and the owner. Independent subcontractors that have evaluated the slab have reached a similar conclusion".

**DOWNTOWN ROCKVILLE SIGN** – Rena Weber reported that in talking to Tom Dumont from MNDOT the “Downtown Rockville” signs will be placed at both entrances to the city and also at no cost to the city.

**MEETING WITH REPRESENTATIVE STEVE GOTTWALT** – Rena Weber reported that she and Mayor Hagen met with Rep. Gottwalt on 1/23/09. Issues discussed were the loss of LGA once again and also the problem with the statute for detachment.

**BOARD OF REVIEW** – Rena Weber reported that the annual Board of Review meeting will be held this year on May 13<sup>th</sup> at 6 p.m.

**URBAN CONSERVATIONIST** – Rena Weber reported that the letter Carrie Raber is sending to area farmers and landowners regarding the wellhead protection is provided so that members know what she does for the city.

**STREET IMPROVEMENT DISTRICTS** – Rena Weber presented information regarding Street Improvement Districts as provided from the LMC urging council members to read it and forward their thoughts to our local legislators.

#### **ADDITIONS TO THE AGENDA**

**3.2 MALT LIQUOR LICENSES** – Rena Weber requested approval for two 3.2 malt liquor licenses:  
                                   3/27/09 – Rockville Fire Relief Association Fish Fry  
                                   Summer of 2009 – Concession Stand

***Motion by Member Becker, second by Member Volkmuth, to approve both of the 3.2 Malt Liquor licenses as presented.***

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring***  
***Motion passed on a 7 to 0 vote.***

**TASK FORCE** – Rena Weber reported that Roger Schmidt submitted a letter of resignation from the Task Force citing commitments to being a Hospice volunteer.

***Motion by Member Willenbring, second by Member Volkmuth, to regretfully accept the resignation of Roger Schmidt from the Task Force.***

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt, Volkmuth & Willenbring***  
***Motion passed on a 7 to 0 vote.***

#### **OPEN FORUM**

Don Simon – 600 Othmar Street, stated that he recently attended the Public Works Committee meeting and normally the committee is usually comprised of 3 members. He suggested the council should limit the size of committee and should reduce. He also reported that you hear about people deferring their pay raises and urged the council to give up their special meeting pay or increase or reduce the size of committee.

Member Willenbring stated that he volunteered his time on the Public Works committee. He also voiced concern of the bills that came in tonight.

**ADJOURNMENT** – ***Motion by Member Becker, second by Member Volkmuth, to adjourn the meeting at 8:32 p.m. Motion carried unanimously.***

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**VERENA M. WEBER-CMC**  
**ADMINISTRATOR/CLERK**

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**JEFF HAGEN**  
**MAYOR**