

**MINUTES OF A REGULAR CITY COUNCIL MEETING HELD WEDNESDAY,
FEBRUARY 6, 2008 - 6:00 P.M. – ROCKVILLE CITY HALL.**

The meeting was called to order by Mayor Brian Herberg. Roll Call was taken and the following members were found to be present: Mayor Herberg, Council members Vern Ahles, Jeff Hagen, Susan Palmer, Jim Pflapsen, Don Simon & Randy Volkmuth. Absent: None

Staff members present were: Administrator/Clerk Rena Weber, Public Works Director Rick Hansen, Engineer Scott Hedlund & Attorney Jim Mogen.

Planning Commission member present: Jerry Bechtold.

Others present were: Tудie Hermanutz, Gene Merten, Mike Schneider, Heidi Peper, Duane Willenbring, Joe Sponheim & Jerry Schmitt.

ADDITIONS TO THE AGENDA – There were no additions.

CONSENT AGENDA – *Motion by Member Palmer, second by Member Ahles, to approve the consent agenda as presented:*

a) *Approve minutes of 01/16/08*

b) *Approve Treasurer’s Report of 2/6/08*

c) *Approve List of Bills and Additions of 2/6/08*

Accounts payable CK # 009878 to 009936 **\$125,518.84**

Payroll CK #002982 to #002998 **11,713.61**

EFT #000130 to 000131 **740.78**

d) *Approve On-sale Non-intoxicating Malt Liquor License Fire Dept 3/7/08*

AYES: *Ahles, Hagen, Herberg, Palmer, Pflapsen, Simon & Volkmuth*

Motion passed on a 7 to 0 vote.

BOARD/STAFF REPORTS

FIRE DEPARTMENT – SCHEDULE FORM FOR LUMP SUM PENSION PLAN – Rena Weber reported that the Fire Relief Association has been working with the State of MN regarding their pension plan and the municipal contribution has changed due to incorrect birth dates. There is \$5,000 in the budget and the revised contribution is \$7511. There were excess funds from the wages last year and this could be applied to make up the difference from the budget.

Motion by Mayor Herberg, second by Member Palmer, to approve the municipal contribution at \$7511 with \$2511 in additional funds to be paid from the general fund.

AYES: *Ahles, Hagen, Herberg, Palmer Pflapsen, & Volkmuth*

ABSTAINING: *Simon*

Motion passed on a 6 to 0 vote.

RESCUE VAN - Rena Weber reported the Rescue Van is ready to be picked up and therefore a check in the amount of \$45,623 will be issued this week.

ROCK-FEST – Tудie Hermanutz reported for Rock Fest indicating that the teen dance will be held on March 14th at the Parish Center. They now have a new chair for the parade and royalty pageant. Jerry Bechtold is the Chair of tours.

OLD BUSINESS

EDA APPOINTMENT – Rena Weber reported that a notice was placed in the *Cold Spring Record* seeking applications for the EDA and Vern Salzl was the only application received.

Motion by Mayor Herberg, second by Member Volkmuth, to approve the re-instatement of Vern Salzl to the EDA 2008-2011.

AYES: *Ahles, Hagen, Herberg, Palmer, Pflapsen, Simon & Volkmuth*

Motion passed on a 7 to 0 vote.

PLATTING FEES – Rena Weber reported that at the last meeting the council asked for more information on accelerated platting fees, which staff has compiled. She referred to St. Augusta fees as a possible selection:

Preliminary With Services		Escrow
First 8 Lots	\$ 500	\$1000
Between 8 – 50	1500	Plus 150
Greater than 50 Lots	6800	Plus 75
Final Plat	250	150
Preliminary w/o Services		Escrow
First 8 Lots	\$ 500	\$ 800
8 to 50 Lots	1500	Plus 100
Greater than 50 lots	4700	Plus 60

Discussion was held on various options and how it could fit.

1 to 3 lots	\$300
4 to 10 lots	500
11-40 lots	1500
Over 40 lots	5000
Final plat	\$300

Member Pfllepsen voiced concern on the difference of platting property without services Vs with services.

Mayor Herberg indicated that he believed the ordinance requires water and sewer to be extended to developments.

Attorney Mogen indicated there is no specific requirement in the ordinance and it is required only if it is available.

Mayor Herberg voiced concern that each lot has to be able to accommodate 2 on-site septic sites and this would not work using the minimum lot size for residential. That was his understanding.

Attorney Mogen stated that it is determined up front that if the developer wants small lot sizes, it would be pre-mature if in the future the city could extend services. This is not an issue for the subdivision fees.

Mayor Herberg indicated that we need to go with fee for services only and not encourage the different scenarios.

Member Hagen questioned if the need for a final plat fee is due to publication fees and notices. Member Hagen questioned if the minor subdivision requires as much of a fee and how many lots can be created. (2 or more if 40 acres in size) Administrative platting is another fee and is used for correcting lot line disputes and does not create a building site.

Motion by Member Hagen, second by Member Palmer to approve the following platting fee schedule:

PRELIMINARY PLAT FEES	
1 to 3 Lots	\$ 300
4 to 10 Lots	500
11-40 Lots	1500
Over 40 Lots	5000
FINAL PLAT FEE	\$300

AYES: Ahles, Hagen, Herberg, Palmer, Pfllepsen, Simon & Volkmuth

Motion passed on a 7 to 0 vote.

PUBLIC HEARING

ORDINANCE NO'S. 2008-45, 46 & 47 – Mayor Herberg announced that a public hearing would now be held to consider amendments to certain sections of the zoning and subdivision ordinances. Rena Weber read the notice of public hearing.

Member Hagen questioned Ordinance No. 2008-46 in that Subdivision 27 Setback requirements A, B & D do not apply to all districts and should remain in A-40. Rena Weber agreed and this will be changed to remain in A -40 only.

Duane Willenbring – 25123 County Road 139 voiced concern about the same setbacks A, B & D that Member Hagen questioned. Mr. Willenbring was informed that this was discussed and will be removed from the amendment.

Member Hagen was also concerned that when the density gets higher the impervious surface allowance should get lower. It was determined that this needs to be looked at later.

Motion by Member Palmer, second by Member Hagen, to close the public hearing on all three ordinance amendments.

AYES: Ahles, Hagen, Herberg, Palmer, Pfllepsen, Simon & Volkmuth

Motion passed on a 7 to 0 vote.

Member Hagen introduced the following Ordinance and moved for its adoption:

ORDINANCE NO. 2008-45

ORDINANCE AMENDING CERTAIN SECTIONS OF THE CITY OF ROCKVILLE SUBDIVISION ORDINANCE

THE CITY COUNCIL OF THE CITY OF ROCKVILLE STEARNS COUNTY, MINNESOTA DOES HEREBY ORDAIN:

SECTION 1:

AMENDING ROCKVILLE'S SUBDIVISION ORDINANCE SECTION 5: PRELIMINARY PLAT, Subdivision 1(2) TO READ:

Five 24" x 36" copies of the preliminary plat, plus additional copies as requested.

SECTION 2:

AMENDING ROCKVILLE'S SUBDIVISION ORDINANCE SECTION 5: PRELIMINARY PLAT, Subdivision 1(3) TO READ:

Fifteen 11" x 17" copies of the preliminary plat, plus additional copies as requested.

SECTION 3:

AMENDING ROCKVILLE'S SUBDIVISION ORDINANCE SECTION 6: FINAL PLAT, Subdivision 1(1) TO READ:

Five 24" x 36" copies of the final plat, fifteen 11" x 17" copies, plus additional copies as requested.

SECTION 4:

AMENDING ROCKVILLE'S SUBDIVISION ORDINANCE SECTION 11: MINOR SUBDIVISIONS, Subdivision 1(4) TO READ:

All copies of the Certificate of Survey shall be 11" x 17" in size.

SECTION 5:

EFFECTIVE DATE: This ordinance shall become effective upon its passage and publication in the official newspaper.

The motion for the foregoing ordinance was duly seconded by Member Simon with the following vote being taken:

AYES: Ahles, Hagen, Herberg, Palmer, Pfllepsen, Simon & Volkmuth

Motion passed on a 7 to 0 vote.

Member Hagen introduced the following Ordinance and moved for its adoption:

ORDINANCE NO. 2008-46

ORDINANCE AMENDING CERTAIN SECTIONS OF THE CITY OF ROCKVILLE ZONING CODE

THE CITY COUNCIL OF THE CITY OF ROCKVILLE STEARNS COUNTY, MINNESOTA DOES HEREBY ORDAIN:

SECTION 1:

Amend Rockville's Zoning Ordinance SECTION 16: "AG-40" AGRICULTURAL DISTRICT by deleting Subdivision 9 (Setback Requirements) and renumbering the Section.

SECTION 2:

Amend Rockville's Zoning Ordinance SECTION 9: GENERAL REQUIREMENTS by adding the following Subdivision 27:

Subdivision 27: SETBACK REQUIREMENTS.

Except where more strict standards are provided in this Ordinance, the following setback requirements shall apply:

1. Minimum Building Setbacks

A. Roadway:

Classified Roads	Setback from Road Centerline*	Setback from Road Right-of-Way*
<i>Principal Arterial</i>	150	75
<i>Minor Arterial</i>	120	60
<i>Major Collector</i>	100	50
<i>Minor Collector</i>	100	50
Un-Classified Roads	Setback from Road Centerline*	Setback from Road Right-of-Way*
<i>County Road</i>	100	50
<i>Township Road</i>	63	30
<i>Private Road Easement</i>	63	30

***THE MORE RESTRICTIVE SETBACK SHALL APPLY**

SECTION 3:

Amend Rockville’s Zoning Ordinance SECTION 17: “R-1” SINGLE FAMILY RESIDENTIAL DISTRICT by deleting Subdivision 5: (7) and replacing it with the following:

*Subdivision 5(7): **IMPERVIOUS SURFACE.** Impervious surface coverage of a lot shall not exceed twenty-five percent of the lot area.*

SECTION 4:

Amend Rockville’s Zoning Ordinance SECTION 18: “R-2” TWO FAMILY RESIDENTIAL DISTRICT by deleting Subdivision 5: (7) and replacing it with the following:

*Subdivision 5(7): **IMPERVIOUS SURFACE.** Impervious surface coverage of a lot shall not exceed twenty-five percent of the lot area.*

SECTION 5:

Amend Rockville’s Zoning Ordinance SECTION 19: “R-3” MULTIPLE FAMILY RESIDENTIAL DISTRICT by deleting Subdivision 5: (7) and replacing it with the following:

*Subdivision 5(7): **IMPERVIOUS SURFACE.** Impervious surface coverage of a lot shall not exceed twenty-five percent of the lot area.*

SECTION 6:

EFFECTIVE DATE: *This ordinance shall become effective upon its passage and publication in the official newspaper.*

The motion for the foregoing was duly seconded by Member Ahles, with the following vote being taken:

AYES: *Ahles, Hagen, Herberg, Palmer, Pflapsen, Simon & Volkmuth*
Motion passed on a 7 to 0 vote.

Member Ahles introduced the following Ordinance and moved for its adoption:
ORDINANCE NO. 2008-47

ORDINANCE AMENDING CERTAIN SECTIONS OF THE CITY OF ROCKVILLE ZONING CODE

THE CITY COUNCIL OF THE CITY OF ROCKVILLE STEARNS COUNTY, MINNESOTA DOES HEREBY ORDAIN:

SECTION 1:

The City’s Zoning Ordinance (Zoning Code), Section 24, Subdivision 5 is amended to read as follows:

Subdivision 5: USE OF PLANNED UNIT DEVELOPMENT IS RESTRICTED

Planned unit developments are not permitted within the SP-1 Zone, except as required by Section 16, Subdivision 12 for purposes of platting property for subdivision. In no event may Planned Unit Development be used to alter, amend, vary or avoid the requirements of this SP-1 overlay zoning district.

SECTION 2:

EFFECTIVE DATE: *This ordinance shall become effective upon its passage and publication in the official newspaper.*

The motion for the foregoing ordinance was duly seconded by Member Palmer with the following vote being taken:

AYES: *Ahles, Hagen, Herberg, Palmer, Pfllepsen, Simon & Volkmuth*

Motion passed on a 7 to 0 vote.

Member Pfllepsen stated that Member Hagen brings up a good issue with impervious surface being too much.

Member Hagen asked the Planning Commission to look at this.

NEW BUSINESS

STONECRAFTER'S BUSINESS SUBSIDY REQUEST – Heidi Peper, Executive Director of the EDA, was present to inform the council of StoneCrafter's request for business subsidy, which is due to expansion.

- 10,000 SF addition
- Will connect to current building
- Add 5 to 6 employees
- 1 acre of JOBZ assistance
- Exemption of property tax on the 1 acre only
- Received the one acre from Melrose
- Stearns County needs to approve
- Rocori School District needs to approve
- The City of Rockville will also need to approve therefore she is asking the council to call for a public hearing
- \$7,920 total property tax savings per year to 2015
- \$2,060 per year to city only that we would forego
- Benefit to Community:
 - Stable business staying and growing within the community
 - Creation of 6 new well paying jobs
 - City will continue to retain the City's portion of the taxes generated from the land that the new facility is going to be constructed upon

Rena Weber asked Heidi what would happen if the legislature extends JOBZ past 2015.

Heidi indicated that we would have to wait and see what the legislature comes up with.

Member Pfllepsen indicated that it is conceivable then that we could forego the additional years of JOBZ.

Member Hagen pointed out that David Drown's memo shows the building being 9,000 square feet and the numbers could be different if it is indeed a 10,000 square foot expansion.

Mayor Herberg introduced the following resolution and moved for its adoption:

RESOLUTION NO. 2008-03**RESOLUTION CALLING FOR A PUBLIC HEARING ON
JOBZ BUSINESS SUBSIDY TO STONECRAFTERS INC.**

BE IT RESOLVED by the City Council (the "Council") of the City of Rockville, Minnesota (the "City"), as follows:

1. Public Hearing. *This Council shall meet on Wednesday, March 5, 2008, at approximately 6:20 p.m. to hold a public hearing on the proposed JOBZ business subsidy to StoneCrafters, Inc., in accordance with the requirements of Minnesota Statutes 116J.993 through 116J.995.*

2. Notice of Hearing. *The City Administrator is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and to place a summary of the proposed Business Subsidy on file in the Administrator's office at City Hall and to make such copies available for inspection by the public.*

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

AYES: Ahles, Hagen, Herberg, Palmer, Pfllepsen, Simon & Volkmuth
Motion passed on a 7 to 0 vote.

AUDITOR FOR 2007 – Finance Committee Chair Susan Palmer reported she and staff interviewed 3 auditing firms on 2/4/08. There was a discrepancy in hours needed to do the audit and staff was asked to research this further. Member Palmer indicated with that being done there is still \$3,000 savings over three years by selecting ABDO, EICK & MEYER. They have a benchmarking program that was of interest to Member Palmer and she would recommend the city move to ABDO, EICK & MEYER and further to lock in 3 years with a clause that if we are unhappy we can change.

Motion by Mayor Herberg, second by Member Hagen, to approve ABDO, EICK & MEYER as auditors for the 2007, 2008 & 2009 audits with the escape clause clearly identified in the engagement letter that if the city is unhappy with the service we can back out of the agreement.

AYES: Ahles, Hagen, Herberg, Palmer, Pfllepsen, Simon & Volkmuth
Motion passed on a 7 to 0 vote.

DETACHMENT PETITION – Gene Merten 9705 205th Street was present to request approval of a resolution accepting petition for detachment of Sections 31, 32, 33, 34, 35, & 36 from the City of Rockville. A formal petition was submitted to the State of MN on 2/4/08. Mr. Merten indicated that:

1. 77 OUT OF 84 signatures were on the petition (Exhibit A which was not submitted to the City)
2. 9 property owners did not sign the petition due to some are living out of state, there may be a conflict of interest, and some new residents that didn't feel they should sign.
3. If the resolution is signed this would be easy.

FOR THE RECORD: Mr. Merten presented the following to the city council:

- a. Letter dated 2/4/08 to Office of Administrative Hearings from Michael Loesch
- b. Petition for Detachment of Sections 31, 32, 33, 34, 35, & 36 from the City of Rockville, MN
- c. Exhibit B – list of parcels, year built, tax code, values, and owner
- d. Exhibit C – Parcel #, property description, value, description, measurements, age, owner
- e. Resolution for Detachment

Member Pfllepsen asked for discussion on next steps and a schedule to meet with Maine Prairie to see if a formal petition has been presented.

Member Palmer indicated that a financial analysis would need to be done and Maine Prairie Township would have to look at it too.

Member Pfllepsen stated that he did not sign the petition due to conflict of interest, but he has discussed the issue with people in the area. This was discussed when Harvey Woods was Twp. Supervisor in 2002 which was prior to consolidation. The request to detach has nothing to do with the Assessment Policy or current issues. The difference is in the demographics of the people that live there. The issue is they are Ag-40 and truly rural. People have a sincere desire to be governed by a Township. They are rural in character and they would feel better participating with a Township form of government.

Member Volkmuth asked if the residents in the 6 square miles are prepared to take on the financial debt from the city hall/fire hall and are they interested in paying that. Member Volkmuth had other items of concern:

- City should obtain a resolution on the acceptance of the financial terms

- The financial aspect still has to be looked at by the Council and any group looking at this should be willing to take on the debt
- The residents would not have an asset to go with it as you can't split up a city hall

Member Palmer voiced concern that we need to do the financials and discuss with Maine Prairie.

Member Pflapsen stated the administrative component is there so the taxes can be split out. He would like to see a committee set up and create a dialog with the Township.

Member Palmer asked if we go through this process and we incur some cost, can this be a charge back to the petitioners.

Attorney Mogen stated that he can look into it, but he does not think we can charge back. Some costs are included by the state. These are all questions to be worked out. One of the big steps is to determine the financial liability of the city. Staff will talk to David Drown and evaluate what the market value is and how it will affect the city.

Member Hagen asked if there were any legal time lines.

Attorney Mogen suggested the council talk to Maine Prairie Township to see if they are on board with this request. The State needs to know if it is contested. If this is not true, pass the resolution and then it is a formality.

Member Hagen asked if a public hearing has been held before we pass a resolution like that. Attorney Mogen indicated that he would need to check this, but he does not believe it is so. No action tonight.

Member Hagen suggested the Finance Committee or some other committee brainstorm the issues as there may be more than financial issues and the council can decide from there with Maine Prairie Township.

Mayor Herberg suggested the Finance Committee schedule a meeting on 2/27/08 at 6 p.m.

Member Pflapsen stated that we need some sort of cost estimate on the road conditions and what the cost is to repair.

Attorney Mogen indicated he would start the conversation with David Drown on a preliminary basis as to how this will affect the city.

COMMITTEE REPORTS

STREET COMMITTEE REPORT – Chair Simon reported that the Street Committee met today and reviewed the Water Rate Study prepared by David Drown. There is a \$30,000 deficit and David Drown recommends a 20% increase over the next two years. The committee recommends that a 10% increase on Fixed and Volume rates occur over 4 years instead of the 20%.

Rena Weber explained the cell phone rental and how that could be divided up. Currently the budget has \$9500 under General Fund which used to be in the Water Fund. The cost of Maintenance Department cell phones is \$3120/year. She suggested that \$3200 remain in the general fund and \$6300 be budgeted in the water fund.

Member Palmer stated that she wants to see the financial impact changing to this. She suggested we advertise at the 20% as we can always go down.

Member Hagen voiced concern that David Drown is recommending 20% each year for the next two years and it costs what it costs.

Mayor Herberg questioned the water co. that is currently in the fund. *(It is \$93,000)*

Member Hagen asked where that excess came from. Mayor Herberg indicated it has been here for years.

Motion by Mayor Herberg, second by Member Pflapsen, to schedule a public hearing for 3/5/08 – 6:30 p.m.

AYES: Ahles, Hagen, Herberg, Palmer, Pflapsen, Simon & Volkmuth

Motion passed on a 7 to 0 vote.

MAYOR'S REPORT – Mayor Herberg reported on the following:

AREA CITIES JOINT RESOLUTION – Mayor Herberg stated that a joint city meeting was held on 1/29 where the Joint Resolution was discussed. There were two changes to the resolution:

- Local Option Sales Tax - changed to "modify" restriction instead of "Lift" restriction
- Sauk Rapids Bridge changed from "shortfall" to "3.5 million shortfall"

Motion by Member Hagen, second by Member Volkmuth, to approve Resolution No. 2008-02A as amended. (A copy is hereby attached and marked Exhibit B). AYES: Ahles, Hagen, Herberg, Palmer, Pflapsen, Simon & Volkmuth Motion passed on a 7 to 0 vote.

FIRE DEPARTMENT – Mayor Herberg reported that he met with the Fire Department on 1/28/08. They resurrected the Task Force to look at the issues (job descriptions, SOG's, etc.) and it is going in the right direction.

SPECIAL ASSESSMENT COMMITTEE – A minority report was given by Duane Willenbring and Tудie Hermanutz. The following items were reviewed:

- They reviewed tons of information
- Financial comparisons with other cities
- Deferrals
- Feasibility studies and who they belong to
- Review 4 projects and 3 different ways to assess for the projects
- High density – roads where there are few owners
- Committee brought up the fact that we are heading into recession and need to be careful about spending money
- People advocate for ad valorem instead of assessment
- Will review assessments based on actual cost
- All agreed that we want this very transparent – much more PR
- Next meeting on 2/13/08
- Deferring for senior citizens

JOINT CITY COUNCIL/PLANNING COMMISSION MEETING – Rena Weber suggested the Council and Planning Commission meet to review the proposed Shoreland Ordinance.

Motion by Mayor Herberg, second by Member Ahles, to schedule a joint meeting on 2/26/08 – 6:30 p.m.

AYES: Ahles, Hagen, Herberg, Palmer, Pflapsen, Simon & Volkmuth Motion passed on a 7 to 0 vote.

PERSONNEL COMMITTEE – Member Palmer reported the committee met with a sub-committee of the Fire Department regarding the process of Selection Vs Election and their involvement in the process. The Fire Department is to appoint 2 members to help in the interviewing of the Fire Chief. Interviews will be held on 2/19/08 at 5:15 p.m. There are 3 applicants to be interviewed and then a meeting with the sub-committee will be held at 7:30 p.m. to discuss the job descriptions, SOG's etc.

Rena Weber explained the process in that the Personnel Committee would narrow down the Fire Chief selection to two and these people would be interviewed by the full council on 2/20/08. The Mayor will recess the meeting after open forum, the TV crew can leave, and interviews will occur.

Member Simon urged the council to go to fire department meetings during the year. Mayor Herberg agreed.

ADMINISTRATOR'S REPORT

APO MEMBERSHIP – Rena Weber reported that she attended the TAC meeting at the APO this morning. As you know the city now falls under the jurisdiction of the APO instead of 7W. We do not necessarily have to be a member as any requests for funding we may have goes through Stearns County. It has been hinted to me that being a member “may be” a benefit (politically). We do not have a vote first and foremost. The TAC committee prioritizes projects that will get funded through a point process which in itself has problems. At any rate if we were members we would get one vote and the cost would be \$1.01 per capita or \$2658. We did not budget this. In addition members are asked to pay their share of a Washington lobbyist at \$36,000/year.

Mayor Herberg stated that he is still in favor of being a paid member and suggested that we forego paying dues into the MAOSC. This was approved last year and we never joined. He felt that he could dedicate the time to attending meetings now.

Member Palmer indicated that she would like to see a history of projects on the table and what was funded. Is it money well spent? Staff is to bring back more information.

OPEN FORUM

Tudie Hermanutz – 211 1st St W reported that caucuses were held this week and the rooms were filled with people attending. There were more people than they had in the late 70's (42 people were there).

ADJOURNMENT – Motion by Member Volkmuth, second by Member Hagen, to adjourn the meeting at 7:56 p.m. Motion carried unanimously.

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

**BRIAN HERBERG
MAYOR**

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