

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD WEDNESDAY, MARCH 5, 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 Brian Herberg, Council members Vern Ahles, Jeff Hagen, Susan Palmer, Jim Pflapsen, Don Simon & Randy Volkmuth.

Staff members present were: Finance Director Julie Zimmerman, Public Works Director Rick Hansen, Fire Chief Jeff Howe, Attorney Jim Mogen & Engineer Scott Hedlund.

There were no Planning Commission members present.

Others present were: Tудie Hermanutz, Vince & Audrey Schaefer, Duane Willenbring, Jerry Schmitt, Doris Smith, Roger Bechtold, & Liza Fuchs.

ADDITIONS TO THE AGENDA – There were none.

CONSENT AGENDA - Motion by Member Volkmuth, second by Member Hagen, to approve the consent agenda as presented: Member Simon questioned check # 009993 to Overhead Door Co, Inc. and whether that was to replace the glass at the Fire Hall. It was reported that it was and a claim had been submitted to insurance for the replacement.

- a) **Approve CC minutes of 2/20/08, Joint Working Session minutes of 2/26/08 & minutes of Special CC meeting of 2/27/08 regarding detachment issue**
- b) **Approve Treasurer’s Report of 03/05/08**
- c) **Approve List of Bills and Additions of 03/05/08**

Accounts Payable CK # 009976-010004	\$16,543.50
Payroll CK #003007to 003014	6191.05
EFT #000133	358.26
- d) **Approve Rockville Area Sportsman’s Club raffle-10/4/08-Mary of the Immaculate Conception Church.**

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

BOARD/STAFF REPORT

FIRE DEPARTMENT- Request for Council Action.

Fire Chief Jeff Howe requested approval to purchase printed graphics for the recently purchased rescue truck at an approximate cost of \$648.50 (from Lightning Graphic-St. Joseph). Member Pflapsen questioned whether the graphics were consistent with the other fire department vehicles? Fire Chief Howe reported that for these graphics they are using a different color scheme due to the color of paint on the rescue vehicle and not wanting to spend money on having the rescue truck repainted.

Motion by Member Volkmuth, second by Member Ahles, to approve the request for action as presented.

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

Fire Chief Jeff Howe reminded all present of the Rockville Fire Relief Fish Fry that will be held on March 7, 2008 from 4-8 pm. at the Rockville Parish Center. All are invited to attend. He also invited the council members to stop by. Their help would be appreciated at any time during the event.

ROCK FEST-Tудie Hermanutz reported for the Rock Fest.

Both lakes will do pontoon tours again this year. Jerry Bechtold has lined these up. The Teen Dance will be held March 14, 2008 which will be a lock in at the Rockville Parish Center for grades 6-8. The event will run from 6:30-10 pm.

OLD BUSINESS

There was no Old Business to report.

NEW BUSINESS

APPROVE TRANSFER OF STONEY'S LIQUOR LICENSES-

Mayor Herberg reported on behalf of Liza Fuchs that there is nothing signed yet on a potential buyer for Stoney's Bar so there will be no need to discuss a potential transfer of liquor licenses for Stoney's Bar at this meeting.

Mayor Herberg also reported that one of the local liquor establishments had paid its fee to the Department of Alcohol and Gambling Enforcement. All is fine there, unless the council wants to discuss an administrative fine. The council discussed that this is a first violation of purchasing liquor at retail for the purpose of resale, and in the past for a similar situation (2/7/07) no action was taken by the council to suspend the liquor license. Mayor Herberg also referred to city council minutes of 4/18/07 for an establishment that had failed a liquor compliance check. In this case the council had imposed a civil penalty of \$500 but staid the penalty for a one year period if there were no further violations. If there would be a second violation the penalty would be \$1,000 plus the original \$500 to equal \$1,500.

The council felt that since this was not a liquor compliance check violation they would not need to impose a penalty at this time. Mayor Herberg reported he was unsure if the state requires any further action from the council. The council consensus was to stay with the same action as the council took last time, and deal with this issue in the future if needed.

Motion by Member Volkmuth, second by Member Pflapsen to table action on this issue unless/until further action is needed.

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

Motion passed on a 7 to 0 vote.

ENGINEER REPORT

The engineer had nothing to report at this time.

ATTORNEY REPORT

The attorney had nothing to report at this time.

COMMITTEE REPORTS

MAYOR REPORT – Mayor Herberg reported on the following:

APO MEETING- Mayor Herberg attended a recent meeting of the Area Planning Organization. The Rocori Trail was one of the projects being solicited for funding by this group. There were 8 requests and there would be approximately \$4 million to distribute. Since the project requests total approximately \$14 million the Rocori Trail did not receive funding, the funding was provided to just two projects. Mayor Herberg spoke to Bob Kroll and Scott Marek regarding participation in the APO. Participation in the APO would cost the city approximately \$2700/yr., and the organization also asks for cities to contribute a share for a lobbyist at approximately \$500 or \$ 600 dollars/yr. Mayor Herberg asked the council members to think about having Rockville participate in this organization. They solicit for federal money, and Mayor Herberg suggested the city may want to not renew participation in the MN Association of Small Cities organization and use those dues to go toward participation in the APO. Mayor Herberg questioned whether the city council would like to have Scott Marek present a report on the APO organization at a future council meeting. They concurred. Mayor Herberg will follow up.

Mayor Herberg then updated the council on his visit to the State Capital to request over \$2 million for the Rocori Trail. It was reported there is approximately \$372,000 is in House version and they are focusing on phase 1 of the Trail project. The Senate version has nothing for

the Rocori trail at this time. Interested persons should contact Tarryl Clark and Chair of the Confirmation Committee Langseth, to try to support approval for this request. The Rocori Trail is a regional trail connecting to a state trail (the Glacial Lakes Trail).

SPECIAL ASSESSMENT POLICY COMMITTEE-

Duane Willenbring reported that the Special Assessment Policy Committee had a meeting on Wednesday, February 27, 2008. The education process by the committee has been completed. The first portion of the February 27 meeting was regarding deferrals for Seniors in Senior Housing. The League of Minnesota Cities had provided information to the committee on this topic. At that meeting they also received information comparing 3 or 4 scenarios of using actual cost vs schedule of costs. Now that the education process is complete Duane reported he'd expect to see a couple of recommendations coming forward from the committee regarding County Road type scenarios when there is no cost to the city, and some language changes. Duane reported that hopefully a compromise can be reached. The goal of the committee is to present something to the city council soon.

Duane reported that the next Special Assessment Policy Committee meeting is scheduled for Thursday, March 13, 2008 at 6:30 pm. at Rockville City Hall. Council Member Hagen reminded Mr. Willenbring that the goal of the Committee is to have its work completed in March of 2008.

PUBLIC HEARINGS

Mayor Herberg announced at 6:24 pm. that the council meeting would now be recessed to open the Public Hearing for the Stonecrafter's Project regarding the Resolution creating a JOBZ zone, and resolution approving a Business Subsidy agreement.

The public hearing notice was read for the record.

Heidi Peper, EDA consultant from S EH Engineers, reported on the following: In February the EDA held its meeting to consider the request of Stonecrafter's to create a JobZ zone and approve a business subsidy agreement. The EDA considered the request and recommends approval.

Attorney Jim Mogen then summarized the process. There are 2 pieces to the process; one is the designation of transferring JobZ acreage from Melrose to Rockville. This is similar to the action taken by the council in designating JobZ acreage received from Freeport for the SJ Louis site in Rockville. The resolution creating a JOBZ zone needs to be paired up with resolutions from the County & the School District and, if approved, would need to be sent to DEED (Department of Employment and Economic Development) for approval. That is the administrative piece but in doing so the city would be agreeing to all local business subsidies tied in with the JobZ designation. The city would be foregoing the property tax for 1 acre of land and the reduced property tax lasts through 2015. At this time that is the maximum timeframe allowed by the State. The other benefits that Stonecrafter's would receive are not received from the city but they are reduced or no sales tax on equipment and materials used to construct the building, and income tax/payroll tax savings. Those savings come from the State. The City & Stonecrafter's would sign a Business Subsidy Agreement such as the draft prepared by the attorney that meets state statute and lays out the benefits they get and the minimum requirements. Stonecrafter's would provide a minimum of 5 new equivalent jobs at approximately \$30,800 each per year including benefits. If they don't meet the agreement they would have to pay money back to both the city and state for any subsidy they received.

It was noted that John Vogt was present at the meeting as a representative from Stonecrafter's to answer any questions.

A question was asked related to the legislation-if the JobZ program is extended by the State does that automatically extend the JobZ benefit to that future date. Jim Mogen noted that

the current draft does not include extension past the year 2015 and he doesn't believe it would be required if not included in the agreement. Attorney Mogen noted the council can change the Business Subsidy draft at this point, if desired.

Member Pflapsen questioned what type of capital equipment may be installed? John Vogt was not aware of a dollar figure but there will be equipment related to granite fabrication such as new saws. Member Pflapsen noted sales/corporate savings for the applicant are substantial but that helps the city. It was noted that eventually the taxes will come on line to the city. There were no comments from the public.

Motion by Member Palmer, second by Member Volkmuth, to close the Public Hearing at 6:36 pm.

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

Motion passed on a 7 to 0 vote.

Regarding the possible extension of JobZ if the legislature extends the program Member Volkmuth would like to see the language in the Business Subsidy agreement go no longer than year 2015. Attorney Mogen stated the city could wait on approving the Business Subsidy agreement if changes are desired.

Member Pflapsen recommends approval of the JobZ resolution for the sub zone. Member Hagen stated he doesn't believe JobZ has been effective. The cost to taxpayers for additional jobs created is questionable. The council had received information regarding the audit of the program and some of its flaws and Member Hagen questions whether this program should be extended at the State level.

Member Hagen further stated that the EDA had recommended approval but since the owner of the property is a member of the EDA he wanted to see the council discuss this. He feels that providing this program takes customers and jobs from other businesses and there is a net loss to taxpayers in the long run.

Member Volkmuth stated that while he is not always in favor of these types of programs, other cities will do it and then the city business doesn't get done but the city needs to do something to spur commercial development. Member Palmer noted that if the city doesn't provide JobZ would they be here for another request such as TIF (Tax Increment Financing) or Tax Abatement? Member Palmer agrees that our city must stay competitive with other cities.

Member Hagen noted, if someone doesn't stop government expansion then government will never get under control and he is uncomfortable with that whole idea.

Member Volkmuth likes that it ends in 2015 and he wouldn't want to see the city extend it for further years. Member Ahles questioned what happens after those years? What keeps this company from closing its doors? It was stated that another business might come in if that occurred.

Member Pflapsen agrees with Member Hagen, however, the key question is if Stonecrafter's would leave? JobZ is a tool to give a local business. It was noted in the Business Subsidy agreement it says "full term" but in the summary it says "5 years". Attorney Jim Mogen stated this would be reviewed and he would make sure it is consistent. The city can only grant the subsidy through the period of time noted. He would have to look into whether they have to stay longer than the period of benefit. He hasn't looked into it but he can do so. The city could require more jobs, higher paying jobs, more investment in property, different types of improvement to property, etc. Member Palmer questioned whether the city can shorten the time period & have the business still receive the other benefits like sales tax etc. Attorney Mogen stated that the agreement has to have the city and State benefits cover the same time period.

Member Palmer questioned what would happen if the council approves the JobZ sub-zone and the city decides they don't want to move ahead? It could be transferred to another property in the city according to Attorney Mogen.

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

**RESOLUTION # 2008-07
CITY OF ROCKVILLE
SUB-ZONE RESOLUTION OF APPROVAL
TO AUTHORIZE TAX EXEMPTIONS ON CERTAIN PROPERTY
IN THE CITY OF ROCKVILLE**

WHEREAS job creation, business development, and individual wealth growth in areas of the City of Rockville have been less than the national and state averages; and

WHEREAS the resulting affects of such lagging job creation, business development, and individual wealth growth have harmed and are forecasted to continue to harm the economy of the City of Rockville; and

WHEREAS, the Job Opportunity Building Zone (JOBZ) Program created in the Minnesota Session Laws 2003, 1st Special Session, Chapter 21, Article 1 allows for the formation of tax free zones and subzones; and

WHEREAS, an application for tax free sub zone designation for a one (1) acre parcel in the City of Rockville is being prepared for submission to the Minnesota Department of Employment and Economic Development via the West Central Minnesota Initiative.

THEREFORE, BE IT RESOLVED that the City Council of the City of Rockville, Stearns County, Minnesota at its meeting held on Wednesday, March 5, 2008, upon careful consideration and review, approves the use of tax exemptions and tax credits within the designated zone (subject to proper review and approval by the other appropriate taxing authorities within the zone), and encourages the Minnesota Department of Employment and Economic Development to approve the Tax Free Zone Application being submitted by the City of Rockville through the Zone Administrator – West Central Minnesota Initiative. The property included in the Subzone Application is shown on the attached map and generally described as follows:

Sub-Zone 1 – StoneCrafters Inc. – A 1.0 acre parcel located immediately south of the existing StoneCrafters building which is being subdivided from larger parcel # 76.41605.020. (The property is in the process of being platted.)

BE IT FURTHER RESOLVED that the City of Rockville agrees to provide all of the local tax exemptions and credits required and provided for under the Job Opportunity Building Zones (JOBZ) Legislation and agrees to forego the tax benefits resulting from the local and state tax exemptions and credits provided under the JOBZ Legislation.

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

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

Opposed: Hagen.

Motion passed on a 6 to 1 vote.

Attorney Jim Mogen stated the city needs to get approval for the JobZ from the County and School District, and from DEED, so the city could pull back later if desired. The Business Subsidy Agreement can either be discussed and worked out with the applicant, or the city can negotiate a different agreement. The council could either send the agreement back to the EDA to handle, or send it to another committee, or dictate to staff what you'd like to see in the agreement.

Member Volkmuth stated he believes a three year JobZ tax break from the city is a good enough benefit. Member Pfllepsen reported that although Vern Salzl is a member of the EDA board he was not a part of the process regarding the JobZ or Business Subsidy agreement (he left the room and didn't vote or have any part of the decision making process). Mayor Herberg

summarized this is a tool and this is what has been asked for so he thinks the city needs to go with what has been presented. Member Pflapsen agreed this is a tool to keep the city competitive, and it demonstrates the city is willing to open up to production, distribution and manufacturing businesses to use this tool. If we don't do it another city will. Move forward with it as is. Member Palmer agreed that the city should try to be attractive to businesses.

Motion by Mayor Herberg, second by member Palmer, to table action on the Business Subsidy Agreement until the applicant has reviewed the agreement.

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

Motion passed on a 7 to 0 vote.

At 6:54 pm the city council recessed its meeting to open the Public Hearing on the city water rates. The Public Hearing notice was read for the record.

David Drown, Financial Consultant, handed out information showing water rates being phased in at 15% over three years (the council had previously reviewed scenarios of 10% over 4 years and 20% over 2 years).

David Drown presented information on an overhead projection system to explain the information on the graphs he had handed out showing the effect of approving various scenarios for increasing water rates.

David Drown reported that he had completed a study of the city sewer and water rates and projects and he noted that overall there were positive conclusions. City debt has been issued in support of new utility projects for water and sewer and in his analysis he finds no surprises with those systems. Fees will be paid by new development, special assessments were designed to pay for these projects and those strategies seem to be fine. He doesn't foresee the need for the city to change rates for supplemental revenue for these projects.

In regard to operations the city should make sure that it charges enough in user fees to cover costs of operating the water and sewer systems. In his review he sees that the sewer operation is generating a profit. Rates & charges are covering operations and he sees no changes in the foreseeable future. The same is not true of the water system. The green column on the graphs represents money (fund balance). 2006 & 2007 had approximately \$95,000 of cash in reserve. The city needs money in the bank to operate and the \$95,000 represents approximately 1 year of revenues. David Drown went on to say that most utilities operate with a fund balance of 6 -12 months of expenses in reserve, to help cover the ebbs & flows of a system. The city needs ready cash for problems encountered in operations. The water cash reserves for the city are adequate but by no means excessive. The city should maintain 6 months of reserve, at a bare minimum. During 2007 the city had \$15,000 less in revenue and that was not sufficient to cover costs. Without a revenue increase and with the current operating costs he would expect operating costs/deficits to increase each year moving forward. The city should increase water rates 40% in order to break even.

David Drown's initial recommendation is to increase the water rates over 2 years, at 20% in 2008 & 20% in 2009 and by the end of 2009 the water system should be close to break even. He had been asked to provide information of other scenarios 10% over 4 years, and 15% over 3 years. The 15% scenario takes 3 years to break even, the 10% scenario would take 5 years to break even. The rates increase would be proposed for both the flat rate and the volumetric (flow) rate.

A rate sheet showing the rates for average user types had been created using the 20% proposal. This was reviewed for the public. Then the public was asked for their comments:

Vince Schaefer, 541 Caroline Lane, stated he understands that water operations need to be self supporting, but he questioned the income going down. It was noted that when water usage goes down it can impact revenues in a negative way. If residents conserve or use less water, then the flow rate portion of revenue may be less than anticipated.

Discussion was held on the revenues in year 2006 vs year 2007.

Tudie Hermanutz, 211 1st St. West wondered whether there are 2 water systems in the city? It was noted there is one water system and one set of water rates (which includes the flat rate and flow rate).

She also wondered why there were more water expenses in year 2005, when year 2004 & year 2006 expenses were almost the same.

Mayor Herberg noted there could be some fluctuation due to lack of users in the Pleasant Lake area. The city had to run water to keep the tower from freezing in Pleasant Lake.

Mayor Herberg noted that the problem that he sees is that the core city system is getting old (it was built in 1969) and there will probably be more repair and maintenance expense of that system in upcoming years.

Duane Willenbring, 25311 County Rd. 139, questioned whether having a new system added increased cost? It does add cost to the water operations as there is another system to maintain and operate.

Mr. Willenbring discussed the impact for the John Clark Senior Housing. If water rates increase by 20% in 2008 the impact would be approximately \$2.86 per unit at the Senior Housing complex.

Mr. Willenbring also questioned whether there is an audit of the city books and are funds received for the water operations kept in that fund as required for enterprise funds? He was told that the city does have an annual audit and water operations are dealt with in a separate fund.

Discussion was held whether the cost of the water main break made the expenses higher than might be expected in future years? Member Palmer stated that the water main break did impact the fund balance and that it does impact the costs. Members noted it could happen again as the system is getting older. If the city increases the rates it can certainly revisit the issue in the future.

It was questioned whether timecards are broken down by department and it was noted that they are. A question was asked whether the city uses user rates to cover the cost of depreciation of fixed assets? It was noted that year end journal entries require the city to show annual depreciation of enterprise fund assets but the city is not funding depreciation through user rates.

Vince Schaefer, 541 Caroline Lane requested information on gallon usage for 2007. He would like to see a printout of the two water systems.

There were no further questions from the public.

Motion by Member Volkmuth, second by Member Hagen to close the public hearing at 7:45 pm.

AYES: Ahles, Hagen, Herberg, Palmer, PflEPSen, Simon & Volkmuth.

Motion passed on a 7 to 0 vote.

The council discussed which scenario to use in deciding on water rate increases.

Motion by Mayor Herberg, second by Member PflEPSen to approve a 15% increase in water rates (fixed/flat and flow rates), over 3 years (2008, 2009 & 2010). This will be reviewed annually.

Member Hagen felt that 20% over 2 years was the better option and it was the recommended scenario which came from our Financial Consultant. Member Simon noted that the water rates for the City of Richmond are \$10 flat rate and 2.75/1000 gallons flow rate.

AYES: Ahles, Herberg, Palmer, PflEPSen, Simon & Volkmuth.

Opposed: Hagen.

Motion passed on a 6 to 1 vote.

Once published the new rate for 2008 will be \$9.20 flat rate, \$2.63/1000 gallons flow rate.

The council then recessed the council meeting at 7:52 pm. to open the Public Hearing on platting fees.

The public hearing notice was read for the record.

There were no comments from the public on the proposed platting fees.

Motion by Member Simon, second by Member Hagen to close the Public Hearing at 7:54 pm.

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

Motion passed on a 7 to 0 vote.

Motion by Member Herberg, second by Member Ahles to approve the amendment to the Fee Schedule for Platting of Lots as presented.

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

Motion passed on a 7 to 0 vote.

PERSONNEL COMMITTEE-

Personnel Committee Chair Volkmuth presented an update from the personnel committee. The committee met to discuss 3 fire department job descriptions for 1st Assistant Chief, 2nd Assistant Chief and Captain. The committee recommends approval of the job descriptions as amended.

Fire Chief Jeff Howe reported that the Fire Department would like to amend the Secretary position. They are looking at combining the duties of the Secretary into the job description of the 2nd Assistant Chief position.

Motion by Member Hagen, second by Member Ahles, to table the approval of the job description for the 2nd Assistant Chief and refer back to the Personnel Committee for consideration. The motion would include approving the job descriptions for 1st Assistant Chief and Captain as drafted.

Mayor Herberg asked the Fire Chief whether this would cause repercussions in the fire department ranks? Chief Howe believes the secretary duties need to go with a position, and that members need to handle all the responsibilities assigned with the positions.

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

Motion passed on a 7 to 0 vote.

Member Volkmuth noted that on March 24, 2008 at 6:15 pm the interviewing committee would interview for the 1st Assistant Chief position.

On March 25, 2008 at 6:00 pm. the Fire Fighter position interviews would be conducted. The interviewing committee would be made up of Personnel Committee Chair Volkmuth, Fire Chief Jeff Howe, and delegates from the fire department. Recommendations for these positions would be expected to go before the City Council at the April 2, 2008 council meeting.

The personnel committee is recommending in house posting of the approved positions.

Motion by Mayor Herberg, second by Member Palmer to authorize in house posting of the approved positions as requested.

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

Motion passed on a 7 to 0 vote.

ADMINISTRATOR REPORT

REQUEST FOR COUNCIL ACTION-

The council reviewed the request to amend the 2008 budget for the Water Tower Rent. To amend as follows: R101-43100-34965 \$3,200 and R 601-49440-36965 \$6,300.

Motion by Mayor Herberg, second by Member Ahles, to approve the request for action as presented and to amend the budget accordingly.

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

Motion passed on a 7 to 0 vote.

OPEN FORUM

Duane Willenbring, 25311 County Rd 139 asked whether staff could generate the general cost of both systems and analyze the ratio of the base fee and water usage fee. He was instructed to visit with staff at city hall regarding that information. Mr. Willenbring suggested perhaps the council should consider changing the ratio of the flat rate vs the flow rate.

Finance Director Julie Zimmerman asked the council for clarification on how to break out the costs which Vince Schaefer had requested. The council determined it would be difficult to create this information as costs are used to operate the entire system.

Vince Schaefer, 541 Caroline Lane noted that this is public data. Staff was instructed to provide the bills information to Vince, but not to spend staff time to break out the costs in any additional way because it is all part of one system.

Vince Schaefer, 541 Caroline Lane, discussed that he and Stearns County Commissioner Marek had spent a few days last week in Washington, DC to discuss the Rocori Trail. They visited the offices of Jim Oberstar, Norm Coleman, Collin Peterson, Amy Klobuchar & Michele Bachmann and they are all aware that the trail is on the funding wish list for Stearns County.

Mr. Schaefer stated that if the city were to become a part of the APO (Area Planning Organization), from his experience it is untrue that the city would be a small fish in the ocean if they joined the APO. He cited that St. Augusta became a member of the APO two years ago and one and a half years later the St. Augusta Mayor is Chairman of the APO. If the city were to join the APO each Mayor is on the Executive Committee and that is where policy is set so Rockville would have as much say as anyone.

ADJOURNMENT – Motion by Member Volkmuth, second by Member Hagen, to adjourn the meeting at 8:14 p.m.

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

Motion passed on a 7 to 0 vote.

**JULIE ZIMMERMAN-CMC
FINANCE DIRECTOR**

**BRIAN HERBERG
MAYOR**

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