

**NOTES FROM A FINANCE COMMITTEE MEETING HELD WEDNESDAY, JULY 7,  
2010 – 5:00 P.M. – ROCKVILLE CITY HALL**

The meeting was called to order by Chair Sue Palmer. Roll Call was taken and the following members were found to be present: Chair Palmer and alternate Duane Willenbring. Absent: Mayor Hagen, John Koerber & Randy Volkmuth. No quorum.

Staff members present: Administrator/Clerk: Rena Weber & Councilor Jerry Schmitt.

**VOIGT DEFERMENT REQUEST** – Rena Weber reported that staff did check with other cities on what they are doing about their developments and of the three that responded – all were just basically trying to hold their own. Rena presented an e-mail that she received from Mike Couri of Couri, MacArthur and Associates (law firm from St. Michael). Mike goes into detail on things cities should be doing this year to ensure good financial success such as obtaining subordination agreements with the bank/developers. This service is at a cost of \$145.00/hr. **NO ACTION TAKEN.**

**2011 PROPOSED EXPENDITURE BUDGET** – The group did a cursory review of the initial budget. **NO ACTION TAKEN.**

**ITEMS TO DISCUSS AT FUTURE MEETING:**

- ◆ Fixed Asset List
- ◆ Capital Improvement Plan
- ◆ COLA
- ◆ F.D. Equipment request
- ◆ Assessment Policy
- ◆ Review of all development status

**NOTES FROM A FINANCE COMMITTEE MEETING HELD WEDNESDAY, JUNE 16, 2010 – 5:45 P.M. – ROCKVILLE CITY HALL**

The meeting was called to order by Acting Chair Randy Volkmuth. Roll Call was called to order and the following members were found to be present: Acting Chair Volkmuth, Mayor Hagen, John Koerber, and alternate Duane Willenbring. Absent: Chair Palmer

Staff members present: Administrator/Clerk: Rena Weber, Councilors Jerry Schmitt, Bill Becker

**APPROVE RECONCILIATION** – Acting Chair Volkmuth presented the May 2010 check reconciliation report for approval. This is being done so that the council has more knowledge of the financial status of the city.

***Motion by Member Willenbring, second by Mayor Hagen, to recommend approval of the financial report for May 2010 as presented. (See attached report)***

***AYES: Hagen, Koerber, Volkmuth & Willenbring***

***Motion passed on a 4 to 0 vote.***

**INVESTMENTS** –Rena Weber reported that there is a discrepancy in the Banyon investment totals VS Smith Barney totals. Staff is working to correct this problem. There was a large journal entry done this month as part of year end (ABDO recommendation) clean up and this may be where the problem is. **RECOMMENDED ACTION – TABLE APPROVAL OF INVESTMENT.**

***Motion by Mayor Hagen, second by Member Koerber, to approve the investment statement subject to correction.***

***AYES: Hagen, Koerber, Volkmuth & Willenbring***

***Motion passed on a 4 to 0 vote.***

**LION'S PARK TRAIL PAYMENT** – Rena Weber reported that she reviewed State Statute regarding use of park dedication funds and feels that Member Willenbring was right when he voiced concern last fall. Member Willenbring cited the MN State Statute 462.358 Relating to Use of Park Dedication fees:

*(g) Cash payments received must be used only for the acquisition and development or improvement of parks, recreational facilities, playgrounds, trails, wetlands, or open space based on the approved park systems plan. Cash payments must not be used for ongoing operation or maintenance of parks, recreational facilities, playgrounds, trails, wetlands, or open space.*

Rena's recommendation is to:

Hardrives Bill is: \$35,352.22

Sources of funds:

2010 Capital Outlay 5,000.00

P & R Designated funds \$30,352.22

This does not touch the \$15,000 designated for the Community Building that has been set aside.

Member Volkmuth suggested moving the \$15,000 designated funds to park dedication as a community building would be considered a new improvement.

***Motion by Member Volkmuth, second by Member Koerber, to recommend funding the Lion's Park Trail Payment by:***

***a) Using \$5000 from the 2010 Capital Outlay***

***b) \$30,352.22 from Park and Recreation Designated Funds***

***And further to transfer \$15,000 from designated funds to Park Dedication for the community center.***

***AYES: Hagen, Koerber, Volkmuth & Willenbring***

***Motion passed on a 4 to 0 vote.***

Rena Weber reported as to the Class 2 Granite or Crushed Concrete to be spread around the trail – this could be considered new park improvements and we could use the park dedication fees.

Bids received were:

	CLASS 2 GRANITE	CRUSHED CONCRETE
Krippner Excavating	\$9,859	\$9,100
Gene Lange Excavating	10,530	9,850
Kraemer Trucking & Excavating	12,256	10,464

Mayor Hagen questioned how do you keep the granite from being filled in with weeds? It was determined that once the material is placed it has a binder in it that sets up.

***Motion by Member Volkmuth, second by Mayor Hagen, to recommend that Maintenance employees put Class 5 around the path and deny acceptance of bids.***

***AYES: Hagen, Koerber, Volkmuth & Willenbring***

***Motion passed on a 4 to 0 vote.***

***ADJOURNMENT –Motion by Member Volkmuth, second by Mayor Hagen, to adjourn the meeting at 5:58 p.m. Motion carried.***

Submitted by Rena Weber  
Administrator/Clerk

**MINUTES OF A REGULAR EDA MEETING HELD TUESDAY, JULY 13, 2010 – 6:00 P.M. – ROCKVILLE CITY HALL**

The meeting was called to order by President Vern Salzl. Roll Call was taken and the following members were found to be present: President Salzl, Bill Becker, Ed Karls, Don Simon, Duane Willenbring & Rena Weber. Absent: Heidi Peper.

Also attending were: Jerry Schmitt, council member.

**APPROVE MINUTES OF 02/10/10 – Motion by Becker, second by Member Willenbring, to approve the minutes of 02/10/10 as presented. Motion carried unanimously.**

**NEW BUSINESS**

**STONECRAFTER'S BUSINESS SUBSIDY AGREEMENT** – Vice President Duane Willenbring took over the meeting as Vern Salzl stepped down.

Rena Weber explained that each of our JOBZ recipients has to file certain documents with DEED (State of MN) each year indicating how many people they employed as a result of the designation and also how much they are paid per hour. Stonecrafter's failed to make the required number of five new employees being paid \$14.81 (including benefits). They have hired 2.75 equivalent persons. DEED is offering businesses that achieved at least 51% of the goal a one time opportunity to amend their business subsidy agreement. The BSA will be shortened by 45% or 35 months until 12/5/2011.

Vern Salzl explained that the economy being the way it has been for the last two years did not help his situation. He has agreed to back pay the individuals to equal the \$14.81 figure.

Vice President Willenbring asked Vern Salzl to leave the room so the EDA could discuss the agreement.

**Motion by Member Becker, second by Member Karls, to recommend advancing the business subsidy amendment agreement to the City Council who will hold a public hearing to consider the request. In addition Stonecrafter's will retain the 2.75 employees and further pay the back pay to equal \$14.81/hour (including benefits). Motion carried unanimously.**

President Salzl returned to the room and assumed his position.

**FIRE HALL WATER SOFTENER** – Member Becker asked if the water softener is working out and asked that this be put in a tickler file to discuss in a year as to how it is working.

**OLD BUSINESS**

**TREASURER'S REPORT** – Rena Weber reported that funds 209 & 304 were both quite healthy.

\$251,373.99 – Fund 209

203,915.70 – Fund 304

\$455,289.69

Plus both funds have earned approximately \$10,000 in interest this year.

There were no bills to be paid.

Rena Weber asked the EDA to consider printing a brochure for Rockville. No action was taken on this.

Discussion was also held regarding a revolving loan fund that Greg Simones wanted to get started. Member Willenbring agreed that was a priority and maybe the Board should work with Heidi Peper on this.

**Motion by Member Willenbring, second by Member Simon, to approve the Treasurer's Report as presented. Motion carried unanimously.**

**TOURISM** – Rena Weber reported that Duane Kuss is looking for representatives from Rockville to serve on the area tourism board. This originated because El Rancho Mananah holds two events each summer that bring a lot of people to the area. Duane Willenbring & Don Simon will attend the meeting on 7/14/10.

**ADJOURNMENT – *Motion by Member Becker, second by Member Simon, to adjourn the meeting at 6:20 p.m. Motion carried unanimously.***

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**VERENA M. WEBER-CMC  
SECRETARY/TREASURER**

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**VERN SALZL  
PRESIDENT**

**AMENDMENT TO JOB OPPORTUNITY BUILDING ZONE BUSINESS SUBSIDY  
AGREEMENT BETWEEN CITY OF ROCKVILLE AND  
STONECRAFTERS/SALZL FLOOR CENTER, INC.**

***THIS AMENDMENT TO THE JOB OPPORTUNITY BUILDING ZONE BUSINESS SUBSIDY AGREEMENT*** is made by and between the City of Rockville, a local unit of government with offices at 229 Broadway Street East, Rockville, MN 56369, (hereinafter "Subzone Administrator") and Salzl Floor Center, Inc. d/b/a Stonecrafters ("Stonecrafters"), a non-retail, noncommercial trade or business organized and operating under the laws of the State of Minnesota, (hereinafter "Qualified Business"), and shall become effective upon the date on which this Amendment is executed by the last party whose signature is required below.

**RECITALS**

***WHEREAS***, pursuant to the authority provided under Minnesota Statutes Sections 469.310 through 469.320, the parties entered into a Business Subsidy Agreement that became effective on May 7, 2008 that provided the Qualified Business with tax incentives to conduct operations in a tax zone within the Subzone Administrators jurisdiction provided that certain job creation, job retention and wage goals were met (hereafter "Agreement"); and,

***WHEREAS***, the job creation and job retention goals set forth in the Agreement will not be met throughout the term of the Agreement; and,

***WHEREAS***, pursuant to the authority provided under Minnesota Statutes Section 469.3191, the Subzone Administrator and Qualified Business have determined that it would be mutually beneficial to amend their Agreement to enable the Qualified Business to remain eligible for tax incentives; and

***WHEREAS***, pursuant to the authority provided under Minnesota Statutes Section 469.3191, the Subzone Administrator and Qualified Business have determined that it would be mutually beneficial to amend their Agreement to enable the Qualified Business to remain eligible for tax incentives.

***WHEREAS***, a business that violated the terms of the Amendment authorized under Minnesota Statutes Section 469.3191, paragraph (h) is permanently barred from seeking benefits under section 469.315 and is subject to the repayment provisions under section 469.319 effective from the day that the business ceases to operate as a qualified business in the zone under the second agreement.

**AMENDMENT**

1. II Recitals, Article G, of the Agreement is deleted in its entirety and replaced with the following:

G. Whereas, the Job Zone Term shall be effective from the approval date until December 5, 2011.

2. IV Business Subsidy Requirements, Article D, Sections (1) and (2) of the Agreement are deleted in their entirety and replaced with the following

(1) The Qualified Business shall create 2.75 new FTE jobs within twelve months of the Operation Start Date.

(2) The Qualified Business shall maintain the 2.75 new FTE jobs during the Job Zone Term and within the subzone boundary, and shall not reduce the staffing of its operations within the subzone boundary.

**Except as amended herein, the terms and conditions of the original Agreement are reaffirmed and remain in full force and effect.**

*IN WITNESS WHEREOF*, the parties hereto have acknowledged their assent to this amendment to the Agreement and shall be bound by its terms through the signatures entered below:

**QUALIFIED BUSINESS:**

BY:
TITLE:
DATE:

**SUBZONE ADMINISTRATOR:**

BY:
TITLE:
DATE: