

**MINUTES OF A REGULAR CITY COUNCIL MEETING HELD WEDNESDAY, APRIL 23, 2014 –
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 Don Simon, Randy Volkmuth and Duane Willenbring. Absent: Susan Palmer

Staff members present were: Administrator/Clerk Rena Weber, Public Works Director Roger Schotl and Auditor Steve Wischmann.

Others present were: Tудie Hermanutz, Rick Tallman, Diane Willenbring, Kevin Brannan, Carol Dietman, Maria Fussy, Brenda Fussy, Tom Maselter, George Bechtold, Judy Neu & Rick Hansen

ADDITION TO THE AGENDA – ONE DELETION – Rena Weber asked to have Item 7B (2014-B) Deleted from the agenda as the necessary paperwork/approvals had occurred already.

Motion by Member Volkmuth, second by Member Simon, to approve the Additions to Agenda for discussion purposes and also deletion of Item 7b 2014-B bonding
AYES: Hagen, Simon, Volkmuth & Willenbring.
Motion passed on a 4 to 0 vote.

OPEN FORUM

Rick Tallman – 25594 Lake Road wanted to respond to Mayor’s newsletter proceeded to address the council. Mayor Hagen cut his speech off at 4 minutes.

Kevin Brannan –25595 Lake Road yielded his four minutes to Rick Tallman. Mayor Hagen cut his speech off at 4 minutes.

Carol Dietman – 10059 County Road 47 also wanted to yield her 4 minute limit to Rick Tallman, however, Mayor Hagen did not honor the request. Carol went on to say there are big deep holes on Chapel Hill Road.

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

- a) Approve minutes of 03/12/14
- b) Approve Treasurer’s Report of 04/16/14
- c) Approve List of Bills and Additions

Accounts Payable CK #01534 to 015206	\$47,476.88
Payroll CK #004662 to 004689	19,642.20
EFT #000808 to 000820	11,197.73

AYES: Hagen, Simon, Volkmuth & Willenbring.
Motion passed on a 4 to 0 vote.

Member Willenbring questioned 3 bills – Spoden Septic \$75, Standards & Poors Bond Rating \$9500 & \$46 to Felix Massmann.

BOARD/STAFF REPORT

POLICE – the Police report showed 37.5 contract hours.

COUNTY ATTORNEY KENDALL’S REPORT – Member Willenbring reported that Attorney report numbers are down.

OLD BUSINESS

KENN TAMM ISSUE – Rena Weber reported Mr. Tamm was to appear in court on April 15th, but the city attorney received notice on April 14th that he had hired an attorney and therefore the case was postponed.

Member Volkmuth reported that he has received a number of calls from the neighbors who are concerned about kids getting hurt by crawling around the structures. This is a safety issue and is of concern to the council. Staff will ask that a fence be put up right away.

NEW BUSINESS

AUDIT – 2013 – KDV Auditor Steve Wischmann was present to review the 2013 Annual audit explaining the KDV evaluates audit risk differently each year. There is the audit process, audit results, a clean opinion was given, the council may consider an update to the debt management study and finally council should continue to look at water and sewer rates to keep ahead of the costs.

Member Willenbring questioned the local govt. aid having an effect on the levy and on the sewer side we need to look at rates because grinder stations are coming off warranty.

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

RESOLUTION NO. 2014-08

RESOLUTION ACCEPTING THE 2013 FINANCIAL AUDIT REPORT & MANAGEMENT LETTER

WHEREAS, a yearly audit was performed by Kern DeWenter Viere (KDV) on the 2013 City Financial Audit, and;

WHEREAS, Said audit was reviewed with the city council at their 04/23/14 council meeting.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Rockville, Stearns County, Minnesota.

1. Said 2013 Financial Audit & Management Letter is hereby accepted and approved.

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

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

FINANCE COMMITTEE UPDATE – Member Volkmuth reported that the Finance Committee reviewed the proposed contract for KDV for 2014 audit through 2016 and recommends approving the proposal. Rena Weber reported that the 2013 audit cost was \$16,625 and 2014 is proposed to be \$16,850, 2015 \$17,125 and 2016 is \$17,400.

Motion by Member Volkmuth, second by Member Willenbring, to approve the proposed audit contract proposal for the next three years as presented.

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

BOND SALE(S) – David Drown's office had supplied the written resolutions for the bond sales.

2014-A REFINANCING CITY HALL/FIRE HALL - Rena Weber reported that the EDA had met the previous evening and voted to turn the structures over to the city and passed a resolution recognizing that. The EDA however, did approve an update to the city hall microphone system and also a camera system for the front entrance. The monies remaining in the account(s) should be used to retire the debt.

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

RESOLUTION NO. 2014-09

RESOLUTION ACCEPTING PROPOSAL ON THE SALE OF \$1,925,000 GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS, SERIES 2014A, PROVIDING FOR THEIR ISSUANCE AND LEVYING A TAX FOR PAYMENT THEREOF.

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

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

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

2014-C – PLEASANT LAKE WATER TOWER - Rena Weber reported the staff reviewed the Debt Management Study pages 18, 19 & 20 with David Drown and Steve Wischmann.

Each has certain assumptions - the worst case (page 20) assumes that no special assessments are being paid and neither are the delinquents at all. By taking \$554,000 from the sewer fund at 1.34% interest will put this fund in the hole a lot sooner than 2017. What did we gain by doing that? If we can

take care of this by the financing proposed at 2.1% interest her recommendation is to go with this. Both consultants agreed.

Member Volkmuth stated that the SAC/WAC fee has not increased in the past few years and the Finance Committee needs to look at this.

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

RESOLUTION NO. 2014-10

RESOLUTION ACCEPTING PROPOSAL ON THE SALE OF \$539,000 GENERAL OBLIGATION PARTIAL CROSSOVER UTILITY REVENUE BONDS, SERIES 2014C, AND LEVYING A TAX FOR PAYMENT THEREOF.

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

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

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

POST ISSUANCE & COMPLIANCE POLICES & PROCEDURES – Rena Weber reported that Briggs and Morgan financial consultants have requested the city council approve the policy and procedures they presented as a way to maintain tax exempt status with the bonds.

Motion by Member Volkmuth, second by Member Simon, to approve the Post Issuance Compliance Policies & Procedures as presented.

(A copy of the policy and procedures is hereby attached and marked Exhibit C)

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

LIABILITY INSURANCE WAIVER FORM – Rena Weber reported that this form needs to be approved each year at renewal time. The standard limit of \$500,000.

Motion by Member Willenbring, second by Member Simon, to approve the form as presented using the amount of \$500,000.

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

ADDITIONS TO THE AGENDA

SCHEDULE PUBLIC HEARING – CABLE TV FRANCHISE RENEWAL

Motion by Member Volkmuth, second by Mayor Hagen to schedule the public hearing to consider ordinance No. 2014-80 ORDINANCE AMENDING COMMUNICATIONS FRANCHISE ORDINANCE for 5/14/14 – 6:30 p.m.

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

MOVE MAY MEETING DATE UP ONE WEEK –

Motion by Mayor Hagen, second by Member Willenbring, to move the May meeting up one week to 05/14/14.

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

ROCORI TRAIL CONSTRUCTION BOARD – Rena Weber reported that last fall the city received \$29,000 back from Stearns County as unspent funds from the Rocori Trail Phase 1 project. We put that into the designated fund. We now are entering Phase 2 of the project and will be spending funds for the attorney (Adam Ripple) to move forward. The attorney fees are not covered by the grants so we need to use the designated funds. I am asking approval now to spend those designated funds and will make the closing Budget amendments at year end. I will also keep track of the monthly expenditures to know how much is being spent at any given time.

Funding: \$29,000 E 202-45122-511

Motion by Member Volkmuth, second by Member Simon, to approve the request as presented:

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

COMMITTEE REPORT

MAYOR'S REPORT – Mayor Hagen asked for discussion the policy development for:

ROLE AS COUNCIL VS ADMINISTRATOR – Mayor Hagen stated that it is important that if council gets calls to refer them to the Administrator, but if is a maintenance concern have them call the Public Works Director. If it is not a policy issue – will wait and bring to the council.

RE-OCCURRING REQUESTS – Mayor Hagen brought forth his concerns on re-occurring requests to re-visit issues to be on the agenda. In his opinion the council spends a lot of time reviewing and making recommendations to the full council by way of the committee work being done.

Decisions should be made on behalf of the whole community. In regards to the water rates once the rate is set, that's it. Leave them to be revised to when they are next scheduled Policy adoption – he did talk to Sue and she is in strong support of both of these policies.

Member Willenbring voiced his concern that nothing is written for him to approve, but he does not want to impede good dialog.

Discussed open forum – Mayor Hagen stated that the original intent of the open forum at the beginning was to allow people to comment before the meeting.

Member Willenbring stated we also don't act on items presented at the open forum.

Member Simon voiced his concern regarding recurring issues. It seems we are at a time where we are not getting anywhere, get the info together and make a decision. We can't redo things every month and hear the same thing.

Motion by Mayor Hagen, second by Member Volkmuth, to adopt a policy not to accept re-occurring agenda items for discussion once they have been approved.

AYES: Hagen, Simon & Volkmuth.

NAYS: Willenbring

Motion passed on a 3 to 1 vote.

If people feel that they have not gotten a favorable request there is always the second open forum.

RTCB - Had nothing to report.

EDA – Rena Weber reported that the EDA reviewed the application and met with Jacob Reiter. The EDA recommends the appointment of Jacob Reiter to the EDA effective immediately.

Motion by Member Volkmuth, second by Member Willenbring, to appoint Jacob Reiter to the EDA immediately.

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

EQUIPMENT PURCHASES –Rena Weber reported that the EDA approved two purchases for City Hall before they are turning ownership over to the city. The microphone system has been upgraded and also a camera will be installed for safety reasons.

PUBLIC WORKS – Chair Don Simon reported on the following:

POLICY ON WATER LINE SHUT-OFFS - Rena Weber reported that a question has come up recently where there was miscommunication related to a water line shut off due to a leak. The current policy is that if Maintenance is called in after hours to shut off a water line – we bill the owner. Roger is responsible to check the repair once it is complete.

Motion by Mayor Hagen, second by Member Simon, to not charge the resident for the after-hours call, however, this will be charged to the water repair budget. Further this is only for water line leaks.

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

RFA – REPAIRS – Member Simon reported that the Public Work Director needs to get approval for pump repairs at Well 4 & 5 which exceeds the \$1000 threshold. He also would like to increase his spending limit to \$3000 instead of \$1000. The Public Works Committee recommends approval.

Motion by Mayor Hagen, second by Member Volkmuth, to approve the purchasing approval increase from \$1000 to \$3000 for public works expenditures only.

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

HUBERT LANE –Roger reported that he and Sam have opened up Hubert Lane past John Kirscher's place. They are keeping track of the time spent along with taking pictures. This will be discussed with the Hubert Lane folks this summer. A possible solution is a living fence.

88TH AVENUE CULVERT REPAIR - Roger reported that he and Sam have been trying to open this culvert and it looks like it needs to be replaced. He will follow up on this.

PUBLIC WORKS DIRECTOR REPORT - Roger Schotl spoke on the following:

- Fluoride pumps needing repair
- Snow removal – mail box issue – this was a heavy, wet snow that caused a lot of problems
- Flushing will not be done on Monday – but Tuesday.
- Frost is still not out of the ground
- Build into sewer rates for the repairs to the grinder stations
- Newsletter – what should not go through the grinder –
- Roger told the council of the anticipated changes to the sewer maintenance contract

ADMINISTRATOR'S REPORT – Rena Weber/Judy Neu requested the following:

Amend the 2014 Budget

Funding:

Expense Code:

This is the code we will be using to transfer the City unaccounted Water:

E 101-41000-704 Transfer–City Water From \$15,898 to \$11,156

Fund 215-43100-700 we used to transfer the Water Tower Rent (No longer using)

E 215-43100-700 Transfer From \$5700 to \$0

So the \$5700 was just a budget amount if the City collects \$64,297 in 2014 the \$6429 will be the actual

And we added:

Fund 215-43100-705 so when we transfer the 10% Water Tower Rent to Fund 601 (water) (it's easier to see)

E 215-43100-705 Transfer-Water Tower Rent From \$0 to \$6429 (Budget 2014 - 10% Water Tower Revenue)

Revenue Code:

This was the code we used when we transfer the Water Tower Rent into:

R 601-49440-39203 Transfer from other Fund From \$5700 to \$0 (No longer using)=

And we added:

Fund R 601-49440-39206 when we transfer the 10% Water Tower Rent (it's will be easier to see)

R 601-49440-39206 Transfer from Water Tower Rent From \$0 to \$6429 (Budget 2014 - 10% Water Tower Revenue)

And we added:

Fund R 601-49440-39207 when we transfer the City unaccounted Water (it's will be easier to see)

R 601-49440-39207 Transfer from Unaccounted Water From \$0 to \$11,156

Motion by Member Volkmuth, second by Member Simon, to approve the request as presented.

AYES: Hagen, Simon, Volkmuth & Willenbring.

Motion passed on a 4 to 0 vote.

OPEN FORUM

Carol Dietman – 10059 County Road asked the council to reconsider your decision on re-occurring issues. If new facts are presented it should be open for discussion.

Ms. Dietman told Mayor Hagen that he treated Mr. Tallman poorly and owes him an apology.

ADJOURNMENT – Motion by Member Volkmuth, second by Member Willenbring, to adjourn the meeting at 7:50 p.m. Motion carried.

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

**JEFF HAGEN
MAYOR**