MINUTES OF A REGULAR CITY COUNCIL MEETING HELD WEDNESDAY, MAY 20, 2015 – 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 Sue Palmer, Don Simon, Rick Tallman & Duane Willenbring. Absent: None.

Staff members present were: Administrator/Clerk Rena Weber, Public Works Director Nick Waldbillig, Sgt. Jon Lentz & Engineer Dave Blommel.

Others present were: Tudie Hermanutz, Diane Willenbring, Dorothy Tallman, Carol Dietman, Maria Fussy, Al & Doris Schneider, Audrey & Vince Schaefer, Pat & Joe Welle, Amanda Filla, Ev Balko, Lowell Lunceford, Bill Thull, Mary Stensrud, Jean & Brian Stradtmann, Dedric McBroom, Joanne Bell, Dave Bell, John Gromberg, John Wicker, Ann Filla, & Keysia Miller.

ADDITION TO THE AGENDA – ***Motion by Member Palmer, second by Member Willenbring, to approve the additions to the agenda for discussion purposes.***

1. Bugs & Buddy Pub & Grub/The Hideaway Bar – is requesting approval to set up a food stand outside of the bar on June 27th 2:00 p.m. to midnight. They would like to sell 3.2 beer in addition.

AYES: Hagen, Palmer, Simon, Tallman & Willenbring
Motion passed on a 5 to 0 vote.

OPEN FORUM

Amanda Filla – 343 3rd St S – presented a petition requesting the council to repeal Ordinance No. 2015-83 citing that there was no public hearing, no input, and 150 people signed the petition.

Motion by Member Tallman, second by Member Willenbring, to accept the petition.
AYES: Hagen, Palmer, Simon, Tallman & Willenbring
Motion passed on a 5 to 0 vote.

Vince Schaefer-541 Caroline Lane stated that in the past he had Wi-Fi at City Hall. Now he needs a password? *For the record there are two Rockville sites: Rockville Locked is a secure site so that nobody can access the city computers. The other is Linksys where people can click on to get into the internet).*

Carol Dietman – County Road 47 stated she that talked to a fellow who is a disabled vet and he has a hard time making it so the water rates are too high. This will hurt a lot of the elderly people. Joe & Patsy Welle are here and afraid to say anything.

Dave Bell & Joanne Bell speaking on behalf of Virginia Minarski – Lake Road stated their family's concern of potential ordinance on RV's. How will we police this? People can only be there so many days like 20 days over 13 weekends. Their daughter has her camper in the front yard which is nowhere near the 50' setback. People are paying taxes and if you don't allow them to use the lot what can they do? How intense will this get and who is going to police it? There will be headaches handling this BS. There is too much government. He agreed that we need something on the lakeside as far as building structures. Fish houses are elaborate nowadays – can they put them in the front yard?

Carol Dietman – County Road 47 reminded the council that if we allow campers from 5/1 through September we may be forgetting about hunters.

Motion by Member Tallman, second by Member Willenbring, to add an addition to the agenda to discuss the petition.

Member Willenbring stated it is usually not what the council should do, but if we don't discuss tonight then will need to schedule for a future meeting.

Member Tallman stated it is the duty of the council is to represent the citizens.

Member Simon stated that we need to check for proper signatures and discuss this later.

(For the record 175 signatures 3 people signed twice, 13 people are not served by city water)

AYES: Palmer, Simon, Tallman & Willenbring
NAYS: Hagen
Motion passed on a 4 to 1 vote.

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

a) **Approve minutes of 04/15/15 & 04/29/15**
b) **ACCEPT Treasurer's Report of 05/20/15**
c) **Approve List of Bills and Additions of 05/20/15**

Accounts Payable CK #16007 – 16065	**$75,345.12**
Payroll CK #004930 – 004939	**13,099.64**
EFT #000931 – 000937	**8,893.70**

d) **Approve annual liquor license renewals**

Liquor License Renewals	***ON-SALE***	***OFF-SALE***	***SUNDAY***	
Stoney's Bar	***X***	***X***	***X***	
B'S Liquor of Rockville		***X***		
Water's Edge Supper Club	***X***	***X***	***X***	
Eddies on Grand Bar & Grill	***X***	***X***	***X***	
Boomerville	***X (3.2)***			
The Hideaway Bar	***X***	***X***	***X***	***(Transfer)***

e) **PLHA July 3rd fireworks application**
f) **Stoney's Bar – street closure for Rock Fest June 27th**
g) **Rock Fest Fireworks permit**
h) **Grand Lake Fireworks July 4th**

AYES: Hagen, Palmer, Simon, Tallman & Willenbring
Motion passed on a 5 to 0 vote.

BOARD/STAFF REPORTS

POLICE REPORT – Sgt. Jon Lentz was present to report that they used 36 contract hours for the month of April. Sgt. Lentz listed the types and numbers of calls.

Member Simon brought up the day after the road is graded somebody is ripping them up by county park.

PUBLIC WORKS – PW Director Nick Waldbillig updated the council on:
Well #2 – Werner Well did treat and clean out the pipe, it looks clean and gallons per minute went from 75 to 225 gallons per minute. Werner still needs to draft a full report, listing the parts needed such as the motor; step 2 is the building housing the well.

Member Tallman questioned if the $900 needed to be spent? Yes they needed to blow out the line.

Member Willenbring stated that the WHPP said that we were getting 200 gallons per minute. Now we have two capabilities to provide water again. He was not aware that we did not have two wells in working order.

Grand Lake Sewer Mains – Nick reported that he and Gene spent time cleaning the sewer main from Fowler Road east. They will be spending time flushing and cleaning it out. The one issue on Fowler road is due to the main needing to be flushed. Maintenance starts at the end and you work your way around the lake to the lift station. Nick talked to the operator at Green Lake/Spicer Sewer District and learned more about the maintenance of these mains.
Count Road 8 Grinder Basin – Nick hired Ritter & Ritter to grout and seal it. They need to come back and re-seal two spots that are still leaking. If they don't come back he may have to replace the basin which will include de-watering. He tried finding some cement company to pour cement around the outside of the basin to hold it down. Nobody wants to do this.

Member Willenbring suggested go through the season to see how it holds up. He questioned if there was improper shut down on this pump such as the power being shut off properly.

Member Tallman asked about the insurance coverage. Rena reported that we do not list the individual stations on our policy. Do you want a bid?

Public Works Committee Meeting 5/5/15
Member Simon reported:
80th Avenue Gravel Request – Nick & Gene will place fill in the turn-around area with Tim Byram hauling away the bad soils.
Agate Beach Culvert Request – A request was received to install a culvert under Agate Beach Road to drain water from the lake side of the road. It was determined that the east side of the road had a higher elevation so this would not work.
Kubota Tractor – Nick is looking into prices to purchase a tractor, but was asked to weigh the factors on cost Vs efficiency.
Salt Sand shed – Quote that came in was over $50,000 so this will have to be reviewed and re-bid.
Hubert Lane – Nick had questioned the type of equipment needed to keep this road open the winter. A suggestion of contacting three individuals to see if they can plow it will be checked.
Water Tower Cleaning and Inspect – Nick reported that he received quotes from 3 different firms for cleaning and inspecting the three water towers. This was bid out to be cleaned every two years with a 6 year contract. Bids were received from:

$1800 per tank – Water Tower Clean & Coating – does not require drain down of the tower
$1550 tower in town – Maquire Iron
$1800 for other towers – Maquire Iron
$1900 per tower – KLM

Motion by Member Simon, second by Mayor Hagen, to award the tower cleaning and inspection contract to Water Tower Clean & Coating at $1800. per tower.

Member Tallman stated that it seems Maquire is cheaper.

Member Simon stated that with the Water Tower Clean & Coating bid they don't have to dump the 50,000 gallons of water. Nick explained how they climb into the tank and vacuum it.

AYES: Hagen, Palmer, Simon, Tallman & Willenbring
Motion passed on a 5 to 0 vote.

Sewer - Lakes Area –Member Simon reported that the committee is checking into a policy on having people with grinder stations hire their own plumber to fix their grinder station on off hours. We may have to change the policy on the maintenance and do something similar to what Green Lake/Spicer.

Member Tallman asked if this would be the responsibility of the homeowner.
Member Simon said yes with the staff checking during working hours.
Member Palmer said we need to look into two things:

- When they were put in – what was the agreement?
- We need to do an estimate on the cost to repair and should there be a rate increase.

Road Repair Blow Outs – Nick reported that there are 11 spots in the roads that are bad. They will air patch some, but he is getting a quote to repair the bad ones. He would like to get at least two bids and have the Public Works Committee review them at their next meeting and get approval to go ahead. It could be another month out to get this done.

Discussion was held regarding allowing Nick to get the repairs done as long as it is within the budget and cost effective.

Member Tallman agreed that sooner rather than later would be better.

Motion by Member Palmer, second by Member Willenbring, allow the Public Works Committee approve the low bid as long as it is in the budget.
AYES: Hagen, Palmer, Simon, Tallman & Willenbring
Motion passed on a 5 to 0 vote.

Sauk River Road – Member Simon reported that this will be discussed at Public Works Committee meeting. He would like to see this road done in conjunction with CR 139 project being done.

Member Willenbring asked Tim Byram – are you talking about the hammerhead? He suggested that we take a minimum amount out and add back more.

Member Simon stated it is on the list.

Member Tallman wished to comment on the grinder stations and when grinder station went in. He was told by residents that they were told the grinder station is the city responsibility. If the council changes the policy there will be push back.

Member Willenbring stated there is a root question in regards to the maintenance portion. If there is abuse the cost should be borne by the resident, then whoever looks at the station determines if the city is going to pay for it. We need lots of public input on this.

Mayor Hagen indicated that people on the lakes are responsible for the repair either through the rates or on their own. Is it fair for people who have damaged the system have the rest of the users pay? The council should consider at what point do we take it over at the street like downtown. Do we have enough manpower/time to take care of this? Is it important that we go by what people we were told or should the council change the policy?

SCHEDULE PUBLIC WORKS MTG – 5/27/15 7 A.M.

FIRE DEPARTMENT – Rena Weber reported the Fire Department is requesting approval of the following:
Funding: R 101-42200-36232
Request to use remainder of donated funds from Stearns Electric Association in the amount of $400.00 to pay Engine 11 Company invoice for mobile water tanks. The remainder of the invoice will be paid from 101-42200-538 in the amount of $520.00.

Funding: R 101-42200-36230
Request use of donated funds from Cold Spring Granite for the amount of $500.00 to pay for a portion of an invoice for emergency scene signage from Geyer Signal, invoice #2469. We also request to use $100.00 of the $500.00 donation from Stearns Electric Association from R 101-42200-36232 to cover the rest of the invoice. The total amount would equal $600.00. Both donations occurred in 2014 and were not used.

Motion by Member Tallman, second by Member Palmer, to approve both requests as presented.
AYES: Hagen, Palmer, Simon, Tallman & Willenbring
Motion passed on a 5 to 0 vote.

NEW BUSINESS

2014 AUDIT – Auditor Jennifer Plerkarski from KDV was present to review the 2014 audit stating that in their opinion the city received a clean opinion. Refer to packet provided.

- Material Audit Adjustment (Special assessment) – 1 only made
- Results of testing legal compliance
- Required Communication
- Emerging Issues – GASB 68
- $80,000 lost in cash in the water fund – this is not including depreciation.

Member Willenbring – There is a $270,000 of the water assessment that is not current and he wants to see this in the audit. Jennifer indicated that it is noted on page 28 of the audit.

Member Willenbring stated that cash and investment is $193,733 in the water fund. If we keep on going this way there will be no money in 2 years.

Member Palmer wants to have a Finance Committee meeting to review how to fund this.

Member Willenbring would like the whole council to be a part of the review.

Administrator/Clerk Rena Weber had asked for a quote to update the Debt Management study.

Member Willenbring asked what the big write off was for. (Sewer)

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

RESOLUTION NO. 2015-09

RESOLUTION APPROVING THE 2014 FINANCIAL AUDIT REPORT & MANAGEMENT LETTER

WHEREAS, a yearly audit was performed by Kern DeWenter Viere (KDV) on the 2014 City Financial Audit, and;

WHEREAS, Said audit was reviewed with the city council at their 05/20/15 council meeting.

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

1. Said 2014 Financial Audit & Management Letter is hereby accepted and approved.

The motion for the foregoing resolution was duly seconded by Member Simon with the following vote being taken.
AYES: Hagen, Palmer, Simon, Tallman & Willenbring
Motion passed on a 5 to 0 vote.

Member Palmer thanked the staff.

MAINE PRAIRIE TOWNSHIP – Supervisor John Wicker was present to say they did not have the contract figure at their general meeting in March so the electorate approved a 5% increase from last year. They paid $16,500 but 5% would have been $16,818. The estimated market value information was not received from Stearns County until after the general meeting date. This is a problem each year in that we rely on that information to figure the bill. Mr. Wicker indicated that he and Rena agreed that an estimate would be sent no matter what.

Motion by Mayor Hagen, second by Member Tallman, to amend the contract to $16,818 and write off the additional $1,002.15.
AYES: Hagen, Palmer, Simon, Tallman & Willenbring
Motion passed on a 5 to 0 vote.

Fire Board –Mr. Wicker reported that we used to have a fire board that met each year to review the budget and would like to see that board re-established.

Motion by Mayor Hagen, second by Member Palmer, to appoint Don Simon and Duane Willenbring to the Fire Board.
AYES: Hagen, Palmer & Tallman
ABSTAINING: Simon & Willenbring.
Motion passed on a 3 – 0 vote

Road maintenance on shared roads – Mr. Wicker questioned the maintenance agreement on 210th Street. It is in need of maintenance and in talking to Nick – he feels it is too far gone to do maintenance. Grand Lake Road (who has the tax base on this one?) He does not feel the township benefits at all so this should be a city cost. No action taken as the agreement was not available.

UNFINSIHED BUSINESS

WATER CONSERVATION RATE – COMMERCIAL/INDUSTRIAL – Member Palmer stated that this came up as part of the adoption of the ordinance. The Finance Committee did not come up with a proposal.

Member Tallman feels the $33,000 in reserves should reduce the $15,000 to $6750 per year. It is a simple system – water is pumped from a well into the tower, drained and gravity fed from there.

Mayor Hagen indicated that $80,000 in repairs is not in the budget so if we don't put anything away we will be a negative $47,000.

Discussion was held regarding a commercial/industrial rate Vs just industrial.

Member Palmer suggested that we keep the same rate for everybody and negotiate a different rate with Stickney Hills. This will be handled on a case by case basis.

Member Tallman voiced concern over the 2000 gallon minimum stating we are charging people double.

Member Willenbring questioned the timing of the wish list which was explained as not being some covert action of staff.

Motion by Member Simon, second by Member Palmer, to completely do away with the 2,000 minimum gallons for water & sewer.
AYES: Hagen, Palmer, Simon, Tallman & Willenbring
Motion passed on a 5 to 0 vote.

PETITION - Member Willenbring indicated that a groundswell of people have presented a petition to have the rate repealed. The petition has to have the legitimate number of signatures based on number of voters last year's election. We have an obligation to revisit the issue, but not tonight. This should be referred to the Finance Committee.

Member Tallman asked what we are doing about this. You only adjust rates when there is a shortfall. He needs to see the calculations used to arrive at this. There was no public hearing.

Member Simon cited the water rates in Clearwater which were higher. Every city is different. You have to do what you need to do to cover the costs.

Amanda Filla stated that she wants to be a part of a committee to review this.
Ann Filla referred to retired people on fixed income – what should they do?

Member Tallman stated he was accused of conflict of interest for his 12 unit apartment, but Todd Beumer has 72 units and that's not a conflict of interest?

COMMITTEE REPORTS

MAYOR – Mayor Hagen had nothing to report.
HUMAN RESOURCES – Member Palmer reported the committee had met this evening and had nothing to report.
RTCB – Member Willenbring reported that $20,000 was paid by each city and hired an appraiser for Phase 2.
ADMINISTRATOR – Rena Weber had nothing to report.

PETITION –

Member Tallman asked:

- How is the water tower at Pleasant Lake being paid?
- Why is the rate increasing when there was a surplus?
- Let's fill out the 21 page report.
- Cited a list of what are ways to accomplish reduction:
  Reducing Water Demand – actions that encourage water consumers to use less water

Time of day sprinkling regulations	Water efficient appliances
Billing on a monthly basis	Use of rain barrels
Conservation rates	Water audits of costumers
Water efficient landscaping	Rain gauge regulations
Smart meters for automatic sprinkling system	Recycling water or gray water reuse
Water efficient fixtures	Water conservation education efforts

- Nowhere does it say tiered rates

Mayor Hagen states there is a lot of information out there. He feels the petition is not legitimate as it Is totally negative and written by Rick Tallman.

Vince Schaefer stated the 2,000 minimum gallon issue came about because of them.

Mayor Hagen stated that we are looking at very little in revenue. In fact this kept the rates down and the money stayed in the fund.

Motion by Member Tallman, second by Member Willenbring, to revisit water rate ordinance and have a citizen sit on the committee, and further meet between now and next council meeting.

Member Palmer explained that budget is what it is – you have fixed costs and variable costs. No matter what you need to pay for the system. The rate would not change significantly.

Member Willenbring stated that if Arcon goes south the debt should come out of the general fund not just the water fund.

Amanda Filla indicated that she went to Rick Tallman to get this information.

Audrey Schaefer stated she was still employed by the city after consolidation. Julie Zimmerman and she programmed the Banyon system. There was a base rate in the program plus usage.
The 2,000 minimum was instituted after she left, she does not remember/

Member Palmer suggested let us just go with this rate for a year and review in a year.

AYES: Simon, Tallman, & Willenbring
NAYS: Hagen & Palmer
Motion passed on a 3 – 2 vote.

Member Willenbring referred to the minutes from the 4/29/15 meeting citing his concern that there was a lack of information from both Rena and Randy Lahr. This needs to change.

With that Member Tallman proceeded to voice his concern on the fact that the Administrator contacted the city attorney after she received approval from the mayor to get his opinion on three events. "Contact with City Attorney" – The Mayor and members of the City Council must obtain approval from the Council before contacting the city attorney."
(For the record the policy further states "The Administrator/Clerk has authority to contact the City Attorney only when necessary)

Member Tallman stated he carbon copied two members of the council who were at the same 4/29 meeting indicating that he was asking for an explanation.

Duane took it upon himself to open a culvert that probably would not get done for another year and the city was looking at a lawsuit for lost crops and trees. He should be complimented for doing what he did.

Member Tallman stated he talked to other government people who said if I had done that to them I would be looking for a new job. This was the wrong thing to do.

Amanda Filla – questioned when Arcon will be handled, will the money go into the water fund?

Member Palmer stated she will have the Finance Committee look at and come back with an answer.

Member Tallman stated there are an excess of $273,000 of WAC/SAC fees and assessments outstanding or $430,000 includes penalty and interest.

Member Willenbring stated that at some point this is upside down as the debt out there will be more than what the land is worth. There may be a statute of limitation involved so time is of the essence.

Audrey Schaefer had one question – When this all started we were supposed to have 2 sewer funds, but not in the water fund. The two systems are not connected. All I am saying there was a mistake in handling the funds, we are all one city, we have to pull together. The mistake should be paid by the general fund. Be one city and fair to everyone. Pleasant lake can't pay this by themselves. This was a council error.

JoAnn Bell on behalf of Virginia Minarski – Lake Road read a letter for her mother. She wants to protect her right to have a camper, any time, any length of the year.

ADJOURNMENT – *Motion by Member Willenbring, second by Mayor Hagen, to adjourn the meeting at 9:01 p.m. Motion carried.*

VERENA M. WEBER-CMC	**JEFF HAGEN**
ADMINISTRATOR/CLERK	**MAYOR**