

CITY OF MONTEVIDEO
CITY COUNCIL PROCEEDINGS
December 6, 2010

The city council met in regular session Monday, December 6, 2010 in the council chambers at city hall. President Hodge called the meeting to order at 7:00 P.M. with the Pledge of Allegiance.

Council members present: Marvin Garbe, Karen Nieuwbeerta, Sandra Hodge, Al Johnsrud and Bryce Curtiss. Absent: None. Mayor Curtiss absent.

Also present were: City Manager Steven C. Jones, City Attorney Janice M. Nelson, City Engineer David Berryman and City Clerk Glennis A. Lauritsen.

It was moved by Curtiss, seconded by Nieuwbeerta and unanimously passed to approve the agenda, with the following modifications:

MODIFY:

7(I) CONSIDER REQUEST FROM DAVE LAURITSEN, MONTEVIDEO LIBRARIAN, FOR AN ADDITIONAL \$2,035.79 FOR COMPUTER PURCHASES.

Additional information provided, including a Library Contributions Spreadsheet, 2006-2010, and an April 20, 2009 agenda item entitled, "Consideration of Library AC/Heat Costs."

It was moved by Johnsrud, seconded by Curtiss and unanimously passed to approve the minutes of the Utilities Issue Worksession of November 15, 2010 and regular meeting of November 15, 2010, as presented.

4. Notices/Communications/Announcements or Appearance of Interested Citizens.

- None.

5. Consent Agenda.

It was moved by Johnsrud, seconded by Garbe and unanimously passed to approve the following Consent Agenda item:

5(A) VERIFIED CLAIMS FOR THE PERIOD ENDING DECEMBER 3, 2010 IN THE AMOUNT OF \$398,207.23.

6. Public Hearings.

- None.

7. General Business.

7(A) 2011 BUDGET DISCUSSION/PUBLIC COMMENT.

At the September 7, 2010 council meeting, the council scheduled this date and time for public comment and discussion of the 2011 Budget.

Finance Director Jan Flaherty reviewed materials prepared for this discussion, which included a proposed resolution adopting the 2011 Budget (to be considered 12/20), a proposed resolution establishing the 2011 Tax Levy (also to be considered 12/20) and a levy comparison spreadsheet showing 2010 vs. proposed 2011. Flaherty noted that the 2011 levy is proposed to increase by 5%, from \$1,643,740 to \$1,726,000.

There were no members of the public present for the discussion.

7(B) AMENDED 2010 BUDGET.

Earlier this year, the 2010 Budget was unofficially amended to reflect the unallotment of market value homestead credit (MVHC) for 2010. After review of the expenditure activity for 2010, the year-end budget amendments and MVHC budget amendments have been reflected in the proposed resolution.

Finance Director Flaherty reviewed and discussed information provided, which included a budget amendments spreadsheet, showing proposed revenue and expenditure modifications. The changes result in an overall increase in revenues of \$3,395,000 and an overall increase in expenditures of \$3,716,100. The proposed resolution shows total amended revenues of \$14,884,835 and amended expenditures of \$15,146,920 for all funds.

MARVIN GARBE OFFERED RESOLUTION NO. 3004, A RESOLUTION AMENDING THE 2010 BUDGET, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3004 WAS SECONDED BY BRYCE CURTISS. THOSE VOTING IN FAVOR OF MOTION: MARVIN GARBE, BRYCE CURTISS, KAREN NIEUWBEERTA, AL JOHNSRUD AND SANDRA HODGE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(C) AMENDMENTS TO FLEXIBLE BENEFIT PLAN.

Finance Director Jan Flaherty explained that in order for the city's Flexible Benefit Plan Summary to be in compliance with the Affordable Care Act of 2010, the following amendments need to be approved. 1) Over-the-counter drugs must now be prescribed by a doctor in order to be eligible for reimbursement; and, 2) The age limit for an eligible child has been raised, from 25 to 26.

AL JOHNSRUD OFFERED RESOLUTION NO. 3005, A RESOLUTION APPROVING HEALTH CARE REFORM PROVISIONS AMENDMENT TO THE CITY OF MONTEVIDEO FLEXIBLE BENEFITS PLAN, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3005 WAS SECONDED BY KAREN NIEUWBEERTA. THOSE VOTING IN FAVOR OF MOTION: AL JOHNSRUD, KAREN NIEUWBEERTA, BRYCE CURTISS, MARVIN GARBE AND SANDRA HODGE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(D) 2011 FEES & CHARGES SCHEDULE.

Finance Director Jan Flaherty reviewed and discussed the proposed 2011 Fees & Charges Schedule. Support information provided included a memorandum from Community Development Director Nick Haggemiller, which discussed proposed building inspection fees and charges, as well as a comparison table of current vs. proposed fees. Also provided was information on water and wastewater utility cash flow, as well as a comparison of proposed new utility billing amounts (comparison of utility rates 2010 to 2011).

AL JOHNSRUD OFFERED RESOLUTION NO. 3006, A RESOLUTION ADOPTING THE 2011 FEES & CHARGES SCHEDULE, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3006 WAS SECONDED BY KAREN NIEUWBEERTA. THOSE VOTING IN FAVOR OF MOTION: AL JOHNSRUD, KAREN NIEUWBEERTA, BRYCE CURTISS, MARVIN GARBE AND SANDRA HODGE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(E) RENEWAL OF 2:00 A.M. CLOSING - GROAT'S.

It was moved by Garbe and seconded by Curtiss to approve the renewal application by Groat's, Inc., 309 South 1st Street, for the optional 2:00 A.M. closing of their liquor

establishment. Their current permit expires January 24, 2011. Those voting in favor of motion: Garbe, Curtiss, Nieuwbeerta and Johnsrud. Those voting against motion: Hodge. Motion carried 4-1.

7(F) CHANGE ORDER #13 - WWTP MODIFICATIONS.

The change order addresses repairs to existing blower equipment and increases the contract amount by \$3,028.00.

It was moved by Nieuwbeerta, seconded by Curtiss and unanimously passed to approve Change Order #13, as presented.

7(G) CHANGE ORDER #14 - WWTP MODIFICATIONS.

The change order addresses multiple items, both additions and deletions to the contract, which results in a total overall decrease of \$9,267.47.

It was moved by Garbe, seconded by Johnsrud and unanimously passed to approve Change Order #14, as presented.

7(H) SIREN MAINTENANCE AGREEMENT.

The city does not currently have in place a planned maintenance program for its sirens. Emergency Management Director Marvin Garbe has elicited a county-wide plan for Ready Watt Electric of Ramsey, Minnesota to provide maintenance on all sirens within the county. The first scheduled maintenance would not be until 2013; however,

budgeting for this item would likely begin in 2012 to set aside the city's share of \$2,592, or about \$1,300/year if put into the Capital Improvement Plan.

It was moved by Johnsrud, seconded by Nieuwbeerta and unanimously passed to approve the agreement with Ready Watt Electric to provide siren maintenance, as indicated.

7(I) LIBRARY REQUEST FOR (ADDITIONAL) COMPUTER FUNDING.

A letter was submitted from Montevideo Librarian David Lauritsen requesting additional participation by the city to fund a remaining balance in the amount of \$2,035.79 for the purchase of HP Compaq computers and monitors. The city had previously contributed \$4,000 towards this purchase.

Council members Garbe and Johnsrud sit on the local library board and discussed the situation with the council. They noted that this is simply a budget shortfall for the library. Council discussed the history surrounding this request, and other requests of the Pioneerland Library System. Members voiced concerns over the excessive cost of the computers and the recurring requests for additional funds from the city by the library.

Following discussion, it was moved by Johnsrud and seconded by Garbe to authorize an additional \$1,000, with funds coming from the City Council Contingency Fund, and the conveyance to the library of council's strong suggestion that Chippewa County participate as well. Those voting in favor of motion: Johnsrud, Garbe, Nieuwbeerta and Curtiss. Those voting against motion: Hodge. Motion passed 4-1.

7(J) INOPERABLE CURB BOX AT 708 NORTH 1ST STREET.

BRYCE CURTISS OFFERED RESOLUTION NO. 3007, A RESOLUTION ORDERING REPAIRS TO INOPERABLE CURB BOX ON PROPERTY OWNED BY KATHY VARPNESS LOCATED AT 708 NORTH 1ST STREET, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3007 WAS SECONDED BY KAREN NIEUWBEERTA. THOSE VOTING IN FAVOR OF MOTION: BRYCE CURTISS, KAREN NIEUWBEERTA, MARVIN GARBE, AL JOHNSRUD AND SANDRA HODGE. THOSE VOTING AGAINST MOTION: NONE. MOTION CARRIED.

7(K) FIRE RELIEF ASSOCIATION GIFT FOR FIRE PREVENTION ACTIVITIES.

AL JOHNSRUD OFFERED RESOLUTION NO. 3008, A RESOLUTION ACCEPTING (\$4,206.02) GIFT FROM THE MONTEVIDEO FIRE RELIEF ASSOCIATION FOR FIRE PREVENTION ACTIVITIES/EXPENSES, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3008 WAS SECONDED BY MARVIN GARBE. THOSE VOTING IN FAVOR OF MOTION: AL JOHNSRUD, MARVIN GARBE, KAREN NIEUWBEERTA, BRYCE CURTISS AND SANDRA HODGE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(L) AFSCME UNION AGREEMENT MODIFICATIONS.

City Manager Jones reported that after several months of negotiations, a (verbal) agreement has been reached between the city and AFSCME Local Union #65. Proposed changes to the agreement include:

President Hodge stated that it is also necessary to conduct an annual review for the city manager. It was the consensus of council that individual, written evaluations be submitted to the city clerk for compilation and formal review at the December 20th meeting, using the form prepared by staff.

7(N) FIESTA CITY LIQUOR STORE BUILDING LEASE.

The existing lease at the liquor store expires at the end of February, 2011. Staff has been negotiating a new lease with building owner Mark Schultz. Schultz has asked if the city would be interested in purchasing the property for an estimated price of \$500,000. A draft lease was presented for council review, as well as rough financial information on a possible building purchase.

It was moved by Garbe to modify the proposed lease document to include repairs to the parking lot and roof. Following discussion, the motion was withdrawn.

After additional discussion, it was the consensus of council to direct staff to make some minor modifications to the lease document, that the modified version be sent to the property owner for his review and then presented back to the council.

Prior to going into closed session to discuss a possible real estate acquisition, council members were polled for additional items of interest/concern.

8. Ordinances.

- None.

9. Discussion and Miscellaneous.

- ▶ Council member Johnsrud commended those responsible for the holiday lighting in Smith Park.
- ▶ Council member Garbe commented on the community development newsletter put together by city staff and suggested that the newspaper elaborate on those activities so that the community is made aware of that information as well.

At this time, a brief recess was held as audience members and City Engineer David Berryman left the meeting.

Minutes/City Council
December 6, 2010
Page No. 8

Council President Hodge called the closed session to order at 8:26 P.M. to discuss a possible real estate acquisition. Those in attendance included city council members Hodge, Garbe, Curtiss, Johnsrud and Nieuwbeerta; City Manager Steve Jones; City Clerk Glennis Lauritsen; and, City Attorney Janice Nelson. The entire closed session was recorded on audio tape and will be kept in accordance with the state retention schedule.

Closed session ended at 8:48 P.M.

Meeting adjourned at 8:49 P.M.

Glennis Lauritsen, Secretary

Approved by council December 20, 2010:

Sandra Hodge - President