

CITY OF MONTEVIDEO  
CITY COUNCIL PROCEEDINGS  
February 4, 2008

The city council met in regular session Monday, February 4, 2008 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: Sandra Hodge, Mike Diggins, Karen Nieuwbeerta and Marvin Garbe. Absent: Bryce Curtiss. Mayor Jim Curtiss absent.

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

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

<b><u>Item</u></b>	<b><u>Action</u></b>
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**DELETE:**

**9(A) ANNUAL PERFORMANCE REVIEW OF CITY MANAGER STEVE JONES.** (It was noted that council wishes to wait until all council members are in attendance.)

It was moved by Nieuwbeerta, seconded by Diggins and unanimously passed to approve the minutes of the regular city council meeting of January 22, 2008, as presented.

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

None.

5. Consent Agenda.

It was moved by Diggins, seconded by Garbe and unanimously passed to approve the following consent agenda items:

5(A) VERIFIED CLAIMS FOR THE PERIOD ENDING FEBRUARY 1, 2008 IN THE AMOUNT OF \$342,209.18.

6. Public Hearings.

None.

7. General Business.

7(A) 2008 ON-SALE LIQUOR LICENSE APPLICATION-MATTHEW SATHER.

Matthew Sather, MKL Sather, LLC, dba/The Hunt Bar & Grill, 207 North 1<sup>st</sup> Street, has submitted an application for a 2008 liquor license for this establishment. The establishment is currently licensed under CAO Enterprises, Inc. and is undergoing a change of ownership.

Mr. Sather was present to address his application, noting that the main components of the application have been submitted. Those items needing to be submitted include the \$5,000 surety bond, proof of worker's compensation insurance and the Countryside Public Health license. All of these items have been applied for; Sather is simply waiting for their issuance.

Staff noted that the establishment would remain open under the existing license until such time as the new license is issued. Once the new license is issued, a refund would be given to CAO Enterprises, Inc. in accordance with City Code 3-2A-4C.

It was moved by Diggins, seconded by Garbe and unanimously passed to approve the issuance of this license, contingent upon receipt of all necessary documents.

7(B) 2007 AUDIT TERMS/FEES.

Nancy Ageson was present representing Dana F. Cole & Company, LLP, to discuss the engagement letter submitted for purposes of conducting the city's audit for the year ended December 31, 2007. Ageson explained that effective 12/31/07, all audits are required to implement Statement of Auditing Standards (SAS's) 104-111, which are a comprehensive set of new auditing standards. Ageson distributed an informational sheet which addressed aspects of the SAS's, including internal controls, inherent risk assessment of each significant audit area, design audit testing, etc.

Audit fees are expected to increase 15-25% due to the additional required procedures. Dana F. Cole has indicated a range for the city's 2007 audit fee, which represents a 10-

15% increase over 2006. For 2007, these services will range from \$18,150 to \$18,975 for the 2007 financial statement audit and \$1,500 for a single audit, if required.

It was moved by Diggins, seconded by Garbe and unanimously passed to authorize the mayor and city manager to execute the engagement letter, as presented.

7(C) DECLARATION OF INTENT TO BOND - 2008 STREET/UTILITY PROJECTS.

In accordance with IRS issued Treasury Regulations, the city is required to make a "Declaration of Intent" to reimburse itself for expenditures paid out prior to bonds being issued for the 2008 Street & Utility Improvement.

It was moved by Garbe, seconded by Diggins and unanimously passed to approve the Declaration of Official Intent.

7(D) AGREEMENT NO. 92293 FOR HIGHWAY 7 IMPROVEMENTS.

An agreement has been drafted by the Minnesota Department of Transportation to provide for payment to the state of the city's share and county's share of the costs of the roadway, lighting, signal and utility construction to be performed on T.H. 7. Accompanying the agreement was a Mn/DOT preliminary financial schedule and a cost participation breakdown prepared by the city engineer. Each of these documents was discussed briefly.

It was noted by staff that a state aid advance of \$275,000 has been approved. City Engineer Berryman noted that the bid date is set for February 22. Both he and Utilities Superintendent Hayunga plan to attend.

MIKE DIGGINS OFFERED RESOLUTION NO. 2814, A RESOLUTION ENTERING INTO MN/DOT AGREEMENT NO. 92293 WITH THE STATE OF MINNESOTA, DEPARTMENT OF TRANSPORTATION, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 2814 WAS SECONDED BY MARVIN GARBE. THOSE VOTING IN FAVOR OF MOTION: MIKE DIGGINS, MARVIN GARBE, KAREN NIEUWBEERTA AND SANDRA HODGE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 4-0.

7(E) SMALL CITIES GRANT FUNDS DISBURSEMENT.

A list of projects has been submitted by Prairie Five in connection with the Small Cities Grant funds for rental and owner-occupied rehabilitation projects. In accordance with the Small Cities Grant, the city council is the “approving entity” for the disbursement of the funds.

It was moved by Nieuwbeerta, seconded by Garbe and unanimously passed to approve the list of eligible projects, as submitted.

7(F) RELEASE OF UTILITY EASEMENT - OST PROPERTY.

In completing the closing on the Ost property in the city’s sale to Co-Op Credit Union, it was noted that an utility easement crosses between the two lots. Since they intend to use both lots as one big lot, the easement will interfere with their proposed construction.

MARVIN GARBE OFFERED RESOLUTION NO. 2815, A RESOLUTION AUTHORIZING THE EXECUTION OF A QUIT CLAIM DEED, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 2815 WAS SECONDED BY MIKE DIGGINS. THOSE VOTING IN FAVOR OF MOTION: MARVIN GARBE, MIKE DIGGINS, KAREN NIEUWBEERTA AND SANDRA HODGE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 4-0.

7(G) PLANNING COMMISSION APPOINTMENT.

One vacancy remains on the planning commission - a two-year term, expiring January 2010. Two applications have been submitted for the position - from Robert Jacobson and from Debra Lee Fader.

Council member Garbe nominated Fader for the position. Council member Diggins seconded the nominations.

It was moved by Garbe, seconded by Diggins and unanimously passed that nominations cease and a unanimous ballot be cast for the appointment of Debra Lee Fader to the planning commission, term expiring January 2010.

8. Ordinances.

None.

9. Discussion and Miscellaneous.

- ▶ Council member Diggins encouraged the City of Montevideo to do as much as possible for the family of fallen soldier Matthew Kahler. Diggins noted that his mother, Colleen, is a resident of Montevideo and a teacher at Ramsey Elementary School. Staff stated that the city's fire truck is taking part in the motorcade procession activities on Wednesday, and staff will check with all departments to see if there are other ways the city can show its respect and gratitude.
- ▶ Council member Nieuwbeerta questioned the city's worker's compensation insurance premium amount. Nieuwbeerta felt the city's rate is quite high and compared it to the rate of Fagen Engineering in Granite Falls. Brief discussion took place regarding claims history and other aspects of the city's participation in the League of MN Cities insurance pool.
- ▶ Staff informed the council that the Pollution Control Agency had approved the city's preliminary Facility Plan for the wastewater treatment plant project.
- ▶ Brief discussion took place regarding reed bed locations.

Meeting adjourned at 7:58 P.M.

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Glennis A. Lauritsen, Secretary

Approved by council February 19, 2008:

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Sandra Hodge, President