

**City of Stewartville
City Council Regular Meeting Minutes
Stewartville City Hall
November 22, 2011**

I. PLEDGE OF ALLEGIANCE

Mayor King announced that in the three years he has served as Mayor he tried to let the meetings run themselves in an orderly fashion. He noted that in light of recent events, he will now control the floor and will stick to the agenda. He asked that any Councilmember wishing to speak, request their wishes to him. He stated that he can't make the Council respect each other but they need to respect the citizens of Stewartville.

II. CALL TO ORDER – ROLL CALL –Mayor King called the meeting to order on November 22, 2011 at 7:00 pm. Present: King, RHanson, Miller-Beach, Stensrud and JHanson. Also Present: City Administrator Schimmel, Public Works Director Stevens, Finance Director Neubauer, Library Director Johnson and City Clerk Roeder.

III. APPROVAL OF AGENDA –Miller-Beach asked that the agenda be amended to include Item C – Banner Proposal.

Motion by RHanson, second by JHanson to approve the agenda as amended. Unanimously approved.

IV. APPROVAL OF COUNCIL MEETING MINUTES

Miller-Beach asked that the minutes reflect that a conversation was held between Mayor King and Councilmember RHanson.

Motion by RHanson, second by JHanson to approve the November 8, 2011 minutes. Unanimously approved.

V. FINANCE AND BUDGET

A. Accounts Payable –

Motion by Stensrud, second by Miller-Beach to approve the accounts payable listing. Voting in favor: Stensrud, Miller-Beach, RHanson, & King. Voting against: JHanson. Motion carried.

VI. PRESENTATIONS/PUBLIC HEARINGS

VII. MOTIONS/GENERAL BUSINESS

A. 2012 Health/Dental/Life Insurance Renewal - The renewal for employee insurance is January 1, 2012. The overall increase for the City's share of the renewal is \$662.46/month or \$7,949.52 annually. The increase is \$2,368 less that estimated for the preliminary budget. In 2011 the Council changed to Health Partners saving the City \$1,188.85/month in 2011.

Insurance Agent Janice Farris commented on non-HSA type of insurance plans. She noted that if the City switched to a low deductible \$1,000 with \$25 co-pay, the City's contribution would be \$7,863/month. She stated that with a high deductible plan like we currently have, employees are very good about watching their doctor's visits. She stated that the trend with lower deductible plans showed an increase with usage.

Miller-Beach questioned whether the renewal rates included the city's portion of the HSA. Neubauer stated that it did not. Miller-Beach questioned whether the City could get into a bigger pool. Farris responded they could, but that the challenge that the City faces when we enter this type of pool, is that as time goes on and rates go up the healthy groups drop out. Miller-Beach stated that she didn't feel that the Council was opposed to paying the premium but needs to be conscience of the HSA costs that have increased thru the years. Farris did remind Council that things will be changing in the next few years due to the Health Care Reform Act.

Motion by RHanson, second by JHanson to approve the 2012 Health Insurance renewal.
Unanimously approved.

B. Proposed Package Distribution Center - The City has received a "Letter of Terms to Purchase" approximately 8.69 acres in the Schumann Business Park from Fischer & Company for a 31,400 sq. ft. package distribution center. The City Attorney and EDA reviewed the document and are recommending entering into agreement with Fischer & Co. In order to keep this project on the proposed timeline for construction and since some of the pre-engineering work has already been completed by the City Engineer, staff is requesting that Council agree to have Yaggy Colby Assoc. complete the remaining surveying, platting, title and environmental review that is needed by the City Attorney to complete all legal documents. Staff would also like to request Council action to have the City Engineer complete the remaining feasibility report and prepare the plans and specs for the proposed construction of the extension of the street and utilities in Schumann Business Park Phase 2.

Schimmel outlined a number of points regarding the process. He stated that pending Council approval the Letter of Terms to Purchase will become a Sale Contract or Purchase Agreement. He stated that in his recent conversations with Fisher & Co., they indicated that Stewartville is the targeted site. He noted that the 180 day examination period gives both sides a chance to work out the terms. Schimmel noted that once the contract is signed, the City would go out for bids on the infrastructure work. He stated that the goal was to be ready for construction late summer/fall with the construction of the building being completed and opened in 2013.

JHanson stated that she was concerned about:

- Working with the real estate co and that they won't release the prospects name to us
- Letter of Terms – expiration date of Nov 1, 2011 – already passed
- Nothing confirming Stewartville is the only site
- No firm terms – real estate co will negotiate
- No binding agreement
- \$25,000 earnest money to be reimbursed after 180 days if they withdraw
- Spending taxpayer's money without a firm deal
- We don't own the land/Schumann's would be making money on deal

Neubauer explained how the first phase progressed with the Kwik Trip land acquisition. She stated that the City put up the money for the water/sewer and road and were paid back when Kwik Trip purchased the land. She also noted that if we paid for the water/sewer/road and Schumann's didn't agree to sell the land, they would need to reimburse us for the development costs.

Mayor King stated that City Attorney Guzinski has reviewed the agreement.

Miller-Beach questioned staff on when Council would find out the business name. She stated that she felt to move forward with the survey, platting and environmental review would be an investment for future projects if something would happen and this deal didn't materialize.

Motion by RHanson, second by Stensrud to authorize Mayor and City Administrator to execute the Letter of Terms to Purchase with Fischer & Company as presented. Voting in favor: RHanson, Stensrud, Miller-Beach and King. Voting against: JHanson. Motion carried.

Motion by RHanson, second by Miller-Beach to authorize Yaggy Colby & Assoc. to complete all surveying, platting and environment review needed for legal documents. Voting in favor: RHanson, Miller-Beach, Stensrud and King. Voting against: JHanson. Motion carried.

Motion by RHanson, second by Stensrud to approve Resolution 2011-32, A Resolution Ordering Street and Utility Improvements and Preparation of Plans – Schumann Business Park – Phase 2. Voting in favor: RHanson, Stensrud, Miller-Beach and King. Voting against: JHanson. Motion carried.

C. Banners for Main Street – The City Beautification Committee has been looking at banner designs and would like to purchase 18oz vinyl 2-sided boulevard banners for three seasons. The banners will be digitally printed on both sides with UV resistant ink. The Committee received quotes from Sign Here, Identity Design and Freshwater Design, which was the low bidder. Total cost is \$4,580.74. JHanson stated that she was surprised that the material was vinyl vs canvas. Miller-Beach stated that canvas was much higher. King asked if this should wait until we had the budget meeting. Miller-Beach stated that she preferred not to wait as banners may be cut from the budget and that she felt it was an important piece to complete Main St.

Motion by Stensrud, second by JHanson to approve the purchase of banners from Freshwater Design. Voting in favor: Stensrud, JHanson, RHanson and Miller-Beach. Voting against: King. Motion carried.

VIII. ORDINANCES/RESOLUTIONS

A. DEED Business Development Infrastructure Grant – Neubauer reported that an application has been prepared for a Business Development Infrastructure Grant with the State of Minnesota Department of Employment and Economic Development for an infrastructure project in the Schumann Business Park. The proposed street and utility infrastructure project would service the site and area around the proposed 24/7/365 package distribution center. It was noted that the maximum allowed under the grant is \$250,000.

JHanson stated that she was concerned about the city's commitment of \$970,000 local match towards the project. Neubauer stated that if the grant is awarded, the City would still have the option of not entering into agreement with the State if the matching grants fund were not available.

Motion by Stensrud, second by RHanson to approve Resolution 2011-33, Approving the Business Development Infrastructure Application for the Schumann Business park Street & Utility Improvement (Phase2). Voting in favor: Stensrud, RHanson, Miller-Beach and King. Voting against: JHanson. Motion carried.

IX. MAYOR, STAFF AND CONSULTANTS REPORTS

A. Mayor – King commented on the following:

- Sympathy to the families of: Shirley Whitaker, Arline Jakl, Bennett Carroll Hiner, Bob Schoenfelder, Sharon Eastlee, Angela Kraetsch, Ione Severson, Jerry Carter, Dick Wendt, Lester King and RJ Hanson
- Happy 60th Birthday to Al Henke
- Happy 90th Birthday to Florence Reinhart
- Winterfest Dec 3rd
- We are looking for a Stew 19 Coordinator to replace Kevin Koenigs.
- Seeking Nominations for Community Service Award
- I want to wish our citizens a Happy Thanksgiving and hope that everyone takes the time to enjoy family and friends and to reflect on the many things we are thankful for.

- B. Administrator**– Council consideration of changing the December 27th meeting. Motion by Miller-Beach, second by JHanson to reschedule the 27th to December 20th at 7:00 pm. Unanimously approved.
- C. Finance Director** – Preliminary Audit meeting on December 5th. Audit will start on Feb 1st.
- D. Public Works Director** –
- Leaf Pickup has finished.
 - Seeded new bike path
- E. Library Director**- Johnson presented the monthly report for October 2011. Reported on the Dog Mushing Program held on October 24th. Over 100 people attended and Brent Sass did an excellent job. Next Library Board meeting will be held on November 15th.
- F. Fire Chief**- Mayor King stated that a 2012 calendar featuring the Fire Department is now on sale for \$10. King commented that the calendar was very well done.

X. COMMITTEE, COMMISSIONS AND BOARD REPORTS

- Care Center- No report
- Chamber of Commerce – Quarterly Mtg/Chamber Promo/Newsletter
- City Beautification/Mn Design Team – No report
- EDA/HRA - No report
- Emergency Operations Task Force –No report
- Finance- No report
- Heartland Express- No report
- Library- No report
- Park Board- No report
- Personnel- No report
- Public Safety/Safety Committee – Deputy Satzke reported that we had one failure during the tobacco compliance checks. Reminded everyone of the Winter Parking Ord.
- Planning & Zoning – No report
- Public Works- No report
- RAEDI- No report
- ROCOG- No report
- SCCC/STEW19 –Minutes of Oct 26th

XI. COMMUNICATIONS

- A.** Peoples Service Monthly Update
B. SELCO Corresp.

XII. RECOGNITION OF GUEST(S) OPEN MIC - None

XIII. ADJOURN – Motion by RHanson, second by JHanson to adjourn. Unanimously approved.

Respectfully submitted,

Cheryl Roeder
City Clerk