SAUK CENTRE CITY COUNCIL
REGULAR MEETING
WEDNESDAY, JUNE 1, 2011

1. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE

The Sauk Centre City Council met in a Regular Meeting on Wednesday, June 1, 2011 at 6:30 p.m. in the City Hall Council Chambers pursuant to due notice being given thereof. Present were Mayor Brad Kirckof, Council Members Warren Stone, Keith Johnson, Al Coenen and Michael Olson. Also present were City Administrator Vicki Willer, City Planner Sarah Morton, Police Chief Bryon Friedrichs and Administrative Assistant Nicki Vogt. Mayor Kirckof presided thereat.

2. APPROVAL OF AGENDA

A motion was made by Council Member Johnson and was seconded by Council Member Olson to approve the agenda as presented. A vote being recorded as follows: For: Council Members Johnson, Olson, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

3. APPROVAL OF MINUTES

The May 18, 2011 and May 25, 3022 Meeting Minutes were approved as presented.

4. PUBLIC OPEN FORUM

Patricia Groetsch – Nurse for 33 years at St. Michael's Hospital. Ms. Groetsch feels that the Affiliation Agreement should put patients first and wants it to positively impact patient care. She is questioning why it states that employees are to be fired and re-hired. She feels it is best to consider seniority and wages during the hiring process.

Kristine Massman – Lab Tech at St. Michael's Hospital. Ms. Massman stated she had the same concerns as Ms. Groetsch. She is interested in learning how the Affiliation Agreement will affect jobs and their ability to care for the patients.

Margy Umhoefer – Employee at St. Michael's Hospital. Ms. Umhoefer questioned if there would be a gap in health insurance and employee benefits.

Tammy Rieland – Nurse for 25 years at St. Michael's Hospital. Ms. Rieland stated that she does not understand the Affiliation Agreement. She wants to be sure that this Agreement will not interrupt patient care. She also had questions relating to insurance & benefits. She presented the Council with a petition including over 100 signatures requesting a change to be made to the Agreement where it retains the employees and continues their union contract.

5. PUBLIC HEARINGS

None.

6. REPORTS/PRESENTATIONS

a. Mike Wiesser presented the Council with a Certificate of Appreciation that was presented to Victri Village for the involvement in the Deployment Ceremony. Approximately 2,000 people were in attendance.

b. Public Utility Superintendent Marty Sunderman provided the Council with the following Wastewater Treatment Facility Project update:

- The project is 1.6 million dollars under budget.
- The PFA loan is at 1.91%.
- 3 change orders were complete; 1 was for a credit.
- The project is 2 months ahead of schedule.
- Substantial completion date is set for July 25, 2011.
- The months of June & July 2011 will be busy with the changeover process.
- Operators of the new facility will be required to attend 13 training sessions for a total of 80 hours.
- There is a new ammonia limit requirement.
- A new holding pond was added for water runoff. This was a cost shared project with the Sauk River Watershed District.
- 600,000 Killowats will be saved per year.
- An energy rebate will be received in the amount of $50,000
- The facility will have an alarm system
- The old facility will be demolished and landscaping will be completed.
- The new plant will be classified as a Class A plant.
- An Open House will be in the fall of 2011.
- Customers will see an increase of 6% annually for 6 years and after that there will be a 3% increase for 14 years thereafter.

c. City Administrator Willer presented the Public Works Department report as follows:

- Quotes were open for the Mill & Overlay Project, Stormwater Project, 9th Street Sidewalk Project and the Morningview Well Project.
- Streetlight flower baskets were hung.
- The Sinclair Lewis Park fountain has been turned on and flowers have been planted.
- Mowing is in full swing for the season.
- The Toolcat is in use and the old machine is being prepped for sale.
- All docks are in.
- Staff is working with the Rotary on new benches by the band shell.
- Staff is working with the Sauk River Watershed on the installation of a rain garden at the boat landing.
- Steel is complete for the exterior work on the Public Works Garage.
- Testing for asbestos is being done at the old pump house from the original sewer plant prior to beginning roof repairs.
- The Grader has been out on gravel roads.
- A full round of street sweeping has been complete.
- Tables and chairs were delivered to and returned from VictriVillage for the deployment ceremony.

- The 1st Annual Craft, Vendor & Community Garage sale was held on May 21st with revenue of approximately $600.
- Pothole patching is underway.
- The crosswalk paint has arrived.

d. The Operations Committee met on Thursday, May 26th to review quotes for the mill and overlay and 9th Street sidewalk. The Committee narrowed the options to two which are presented under Action Item 7f and 7g.

Quotes for the well will be reviewed by the Park Board on June 7th after additional clarification on quotes are received.

The Committee also discussed the repair of the door at the Information Center. A new lock is proposed to be installed with an emergency exit (push paddle). Due to the age and style of the door, before any work will be done, staff is looking at replacement instead.

7. ACTION ITEMS

a. The following action proposed is a follow-up to the joint meeting with the Hospital Board on May 25, 2011 where the Council heard and reviewed the proposed Affiliation Agreement with CentraCare Health Systems.

The following is an outline of the Agreement:

The City will continue to operate St. Michael's Hospital and Nursing Home for approximately one year while a new Non-Profit Corporation is formed. This new corporation will be called CentraCare Health Systems-Sauk Centre (CCHS-SC). St. Michael's and CentraCare (parent company) will operate with a Consulting Agreement until the new corporation is formed.

Upon approval of the new corporation by the IRS and other regulatory agencies, CCHS-SC will enter into a 25 year renewable lease agreement with the City for lease of the facility. The lease is proposed to go into effect on July 1, 2012. After that date, CCHS-SC will be operated by a Board where the City will appoint three members.

Prior to the effective date of the lease, the City is to retire three existing bonds with hospital funds currently on hand designated for this purpose. The one remaining $9,505,000 bond will continue to be held by the City. The lease payment will be equal to each year's bond payment. The parent company, CentraCare, will provide a Guaranty that all payments will be made. A purchase option exists that may be executed after bonds are callable in 2015.

Current assets (except one half of the balance of the marketable securities after payment of the bonds) and most current liabilities of St. Michael's will stay with the new corporation as working capital (a loan from the City). The City will receive interest on the loan at a prime with a 6% cap. In addition, the City will receive $7,500 annually to defray administrative costs and other costs to service the bond.

Upon the effective date of the lease (July 1, 2012) CCHS-SC will become the operator and employer of the hospital. The expected date for Clinic affiliation is July 1, 2011.

Jim Platt, Legal Counsel for the City/Hospital reiterated the fact that this transaction will not occur until July 1, 2012. CCHS-SC will have an Operating Committee of which 3 members will be appointed by the Council. Interview of current employees for CCHS-SC will begin in spring 2012.

Dr. Terry Pladson, President/CEO of CentraCare stated that their mission is to Put Patients First. They are the leader in Minnesota for quality, safety, service and value. They were selected as the best workplace for all large corporations in Minnesota. They will receive input on hiring from the current leadership at St. Michael's.

Jim Davis, Vice President of Operations at CentraCare stated that he has been with CCHS for 23 years. He was a part of the Long Prairie and Melrose transition to CentraCare. The reason Melrose did not have to go through the re-hiring process is because CCHS was already managing the facility prior to the transaction. He stated that their intent is not to lay-off or fire people. The transition of benefits will be smooth. This Affiliation Agreement is designed to assure Sauk Centre a complete system of provider based rural health care. Their goal is to work effectively and openly with all employees.

Mr. Davis provided the Council with the following information regarding CCHS-Melrose (The transaction took place in 1997):

1997	2011
113 Employees	200 Employees
6.1 million revenue	25 million revenue

Del Christianson, St. Michael's Hospital Administrator. Mr. Christianson has been an employee of St. Michael's for 21 years. He is confident that the community of Sauk Centre will benefit from this transaction. He stated that he feels that the employees would be at a higher risk if this transaction is not complete.

Council Member Stone introduced Resolution No. 2011-25, A Resolution of the City Council of the City of Sauk Centre, State of Minnesota, Approving an Affiliation Agreement Regarding St. Michael's Hospital and Nursing Home and Lakeshore Estates. The motion was seconded by Council Member Olson. A vote being recorded as follows: For: Council Members Stone, Olson, Johnson and Mayor Kirckof. Against: Council Member Coenen. The motion passed.

Mayor Kirckof thanked everyone involved with the process.

b. Every year by June 30th, Liquor Licenses are up for renewal. To date, all of the applicants have the appropriate paperwork (Application, Liquor Liability and Workman's

Comp) and have completed and paid the fee. Listed below are the Liquor Licensees and License Number that the City has assigned:

LICENSEE	LICENSE #
Next Door Bar & Lounge VII (On-Sale, Off-Sale & Sunday)	2011-14
Sportsman's Bar (On-Sale, Off-Sale & Sunday)	2011-15
The Palmer House (On-Sale & Sunday)	2011-16
West Side Liquor (Off-Sale)	2011-17
American Legion Post 67 (Club & Sunday)	2011-18
Sauk Centre Country Club (Club & Sunday)	2011-19
Hartmann's Moonshine Shoppe (Off-Sale)	2011-20
River's Edge Dining & Lounge (On-Sale & Sunday)	2011-21
Gerard's Restaurant & Banquet (On-Sale & Sunday)	2011-22
Bear Trap (On-Sale, Off-Sale & Sunday)	2011-23
Mustang Bar (On-Sale, Off-Sale & Sunday)	2011-24
Red Carpet Bar & Grill (On-Sale, Off-Sale & Sunday)	2011-25
M & M's Corner Bar (On-Sale, Off-Sale & Sunday)	2011-26
Wal-Mart Stores, Inc. (Off-Sale)	2011-27
JT's Pub and Grill (On-Sale, Off-Sale & Sunday)	2011-28

A motion was made by Council Member Johnson and was seconded by Council Member Olson to approve the renewal of the liquor licenses, effective July 1, 2011 and expiring June 30, 2012. A vote being recorded as follows: For: Council Members Johnson, Olson, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

c. Every year by June 30th, On/Off Sale 3.2 Beer Licenses are up for renewal. To date, all of the applicants have the appropriate paperwork (Application and Workman's Comp) completed and have paid the fee. Listed below are the On/Off Sale 3.2 Beer Licensees and License Number:

LICENSEE	LICENSE #
Pizza Hut	2011-29
Jitters Java Café (3.2 Beer & Wine)	2011-30
Coborn's	2011-31

A motion was made by Council Member Stone and was seconded by Council Member Olson to approve the renewal of the On/Off Sale 3.2 Beer Licenses effective July 1, 2011 and expiring June 30, 2012. A vote being recorded as follows: For: Council Members Stone, Olson, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

d. Every year by June 30th, Cigarette Licenses are up for renewal. To date, all of the applicants have the appropriate paperwork (Application and Workman's Comp) completed and have paid the fee. Listed below are the Cigarette Licensees and License Number that the City has:

LICENSEE	LICENSE #
Next Door Bar & Lounge VII	2011-32
West Side Liquor	2011-33
The Moonshine Shoppe	2011-34
Bear Trap	2011-35
Mustang Bar	2011-36
M & M's Corner Bar	2011-37
Coborn's	2011-38
Sauk Centre Fleet Supply	2011-39
Schaefer's Market	2011-40
Holiday/Kranz Super Stop	2011-41
Casey's General Store	2011-42
NorthStar of Sauk Centre	2011-43
Wal-Mart Stores, Inc.	2011-44
Truckers Inn	2011-45
J.T. Pub & Grill	2011-46
Gas Mart of Sauk Centre	2011-47

A motion was made by Council Member Johnson and was seconded by Council Member Stone to approve the renewal of the cigarette licenses effective July 1, 2011 and expiring June 30, 2012. A vote being recorded as follows: For: Council Members Johnson, Stone, Coenen, Olson and Mayor Kirckof. Against: None. The motion passed.

e. Sauk Centre Opportunities has requested a Minor Subdivision Approval (Lot Split) of a parcel adjacent to Beltline Road. The parcel is located within the I/C Zoning District which requires a minimum lot area of 15,000 square feet. The new parcel and the remainder parcel will both exceed this minimum. The resulting parcel will be a 3.67 acre tract lying east of Beltline Road, SW of Emblom Construction and south of Fletchers Bait. There will be no access directly off of Beltline Road. The parcel is supposed to be sold to an adjacent landowner. The dividing line of the existing parcel is physically located where the drainage ditch crosses the property.

Sauk Centre City Code allows for the administrative Recommendation of Lot Splits where the resulting parcels meet all the criteria for a legal parcel as outlined in the Code. This proposal meets all criteria and is therefore submitted directly to the City Council for approval.

Council Member Stone introduced Resolution No. 2011-26, Resolution Approving a Minor Subdivision (Lot Split) for Sauk Centre Opportunities, Inc. The motion was seconded by Council Member Olson. A vote being recorded as follows: For: Council Members Stone, Olson, Coenen, Johnson and Mayor Kirckof. Against: None. The motion passed.

f. & g. According to prior Council Action, quotes were obtained for various mill and overlay and sidewalk projects. Quotes were opened on May 24, 2011. One quote was received for each project.

Mill and Overlay Quote	Central Specialties
9th Street Sidewalk Quote	A & J Lawncare & Concrete

The Operations Committee met and reviewed seven different combinations of options and submit for the Council's consideration two Options plus the Total option. The City budgeted $100,000 in improvement fund dollars for 2011.

Total:	Includes All projects
Option A:	Includes All Mill and Overlay/Deletes Sidewalk
Option B:	Includes Sidewalk / Deletes Birch Mill and Overlay

	Total	A	B
Pine	19,638.00	19,638.00	19,638.00
Birch	31,064.50	31,064.00	
Tenth	12,426.75	12,426.75	12,426.75
Deduct for 3	(4,800.00)	(4,800.00)	
Deduct for 2	_____.___	_____.___	(2,400.00)
M&O Subtotal	58,329.25	58,329.25	29,664.75
9th St. Sidewalk	23,267.50	23,267.50	
Storm Water	10,000.00	10,000.00	10,000.00
TOTAL	**91,596.75**	**68,329.25**	**62,932.25**

All options were presented together; however, separate action by Resolution will be taken for the Mill and Overlay and the Sidewalk Installation.

In 2010 the City solicited quotes for the installation of a handicap accessible sidewalk along 9th Street from Ash Street to the school. In addition to handicap accessibility, the City considered the safety of the existing sidewalk that is four foot wide directly adjacent to the curb. Safety of our children walking to school was the primary factor in consideration of widening the sidewalk. Currently, City specs require a five foot sidewalk where a boulevard is present; however, the City has installed wider sidewalks when adjacent to curbs to allow for a buffer otherwise provided by a grass boulevard as well as for snow storage.

The City Engineer prepared plans and specifications for the sidewalk which includes the installation of all code required handicap accessibility requirements at the street and driveway entrances along with a new six foot wide sidewalk.

In 2010 the Council determined not to proceed with the project because only one quote was received.

Council Member Johnson introduced Resolution No. 2011-27, Resolution Accepting Quote for Mill and Overlay Project and Ordering Project to Proceed (Pine, Birch and Tenth) and Resolution No. 2011-28, Resolution Accepting Quote for the Construction of a Handicap Accessible Sidewalk on 9th Street South. The motion was seconded by Council Member Olson. A vote being recorded as follows: For: Council Members Johnson, Olson, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

h. The City currently offers employees the opportunity to participate in two 457 self funded retirement plans; Nationwide and the MN Deferred Comp Plan. Participation in the plans are made by direct deduction from the employee's payroll check.

There have been recent legislative and regulatory changes which require the City's acknowledgement and acceptance. The main change is that contributions to ROTH can now be facilitated through the contribution and there will be additional investment options available.

A motion was made by Council Member Stone and was seconded by Council Member Olson to acknowledge and accept Federal Regulation Changes within the Nationwide Plan Documents. A vote being recorded as follows: For: Council Members Stone, Olson, Johnson, Coenen and Mayor Kirckof. Against: None. The motion passed.

i. Ambulance Director Kathy Struffert is recommending that Nicole Westbrock be promoted to full EMT status effective immediately. Westbrock was appointed as a Probationary EMT on June 4, 2010 and has met the requirements to become a full member of the crew.

A motion was made by Council Member Stone and was seconded by Council Member Coenen to appoint Nicole Westbrock to full EMT status at the rate of $12.23/hour for run hours, $2.00/hour for on-call and $7.25/hour for training. A vote being recorded as follows: For: Council Members Stone, Coenen, Olson, Johnson and Mayor Kirckof. Against: None. The motion passed.

8. UNFINISHED BUSINESS

a. Updated job descriptions for the Public Works Foreman for Streets and Park have been forwarded to Springsted for grading. They will be reviewed by a Committee for their recommendation at an upcoming meeting.

9. NEW BUSINESS

None.

10. CONSENT AGENDA

The Council considered the following consent agenda items:

a. Schedule of Claims – total of unpaid claims: $23,574.28 and paid claims of $1,744.06 for a total of $25,338.34.

b. Resolution No. 2011-29, Resolution Accepting Contribution.

The Men's Card Playing Group	$227.68	Senior Center
ECM Publishers, Inc.	$300.00	Fire Department
ECM Publishers, Inc.	$175.00	Friends of the Library
ECM Publishers, Inc.	$100.00	Senior Dining/Meals on Wheels
Anonymous Donors	$ 40.00	Street Lighting Beautification
Rite Now Tanning & Hair Salon	$ 50.00	Street Lighting Beautification
Gradatim Club	$100.00	Street Lighting Beautification
Sauk Centre Seniors	$ 40.00	Street Lighting Beautification
Minnesota National Bank	$ 50.00	Street Lighting Beautification
Subway	$ 50.00	Street Lighting Beautification
Advantage 1 Insurance Agency	$ 25.00	Street Lighting Beautification
Jessica's Shear Paradise	$ 10.00	Street Lighting Beautification
Betty Keenan	$ 20.00	Street Lighting Beautification
First State Bank	$200.00	Street Lighting Beautification

c. Request from the downtown bars for a Temporary Extension of a Premise Permit and road closure for the Sinclair Lewis Days Street Dance on July 16, 2011. The road closure request is a one block area from Main Street (stoplights) to Oak Street. The bars plan to close the road at 5:00 p.m. for set-up and re-open at 2:00 a.m. following clean up. The fenced area will be from the east side of the Red Carpet across to Main Street Drug and at the intersection of Oak Street.

The Street Dance/Road Closure Permit will be sent to Jodi Teich at the County after Council approval.

d. Request from Jeff Thang, dba: J.T.'s Pub & Grill for a Temporary Extension of Premise Permit for a Fundraiser for J.D.R. F. (Juvenile Diabetes Research Foundation) on June 11, 2011 from 4:00 p.m. till 11:00 p.m.

e. Requests from Melanie Roering, dba: M & M's Corner Bar and Richard Elfering dba: Sportsman's Bar for a Temporary Extension of Premise Permit for Sauk-A-Palooza on Saturday, June 18, 2011 from 2:00 p.m. till 1:00 a.m.

f. Requests from Tina Rohde, dba: Mustang Bar and Eric Hellermann, dba: Next Door Bar & Lounge VII, LLC for a Temporary Extension of Premise Permit for a fundraising benefit for Ken Stepan on July 17, 2011.

A motion was made by Council Member Stone and was seconded by Council Member Johnson to approve the Consent Agenda as presented. A vote being recorded as follows: For: Council Members Stone, Johnson, Olson, Coenen and Mayor Kirckof. Against: None. The motion passed.

Mayor Kirckof thanked those who donated.

11. INFORMATION ITEMS

a. Officer Dustin VonWahlde advanced to Step 4 ($22.51) of the Union Pay Scale effective May 15, 2011. He has been with the City since March 23, 2008.

b. The preliminary County Capital Improvement Plan for road improvements was presented to stakeholders and the public on May 24th and is being forwarded to the County Board for approval.

Projects that impact or are near Sauk Centre include a proposal for resurfacing of Beltline Road in 2014 from Highway 71 to Sinclair Lewis Avenue and resurfacing of 186 (outside City limits from 395 to 4) and resurfacing of 185 (outside City limits from 421st to 126.)

The County has been contacted regarding possible repair work to the 12th Street portion of Beltline Road from Highway 71 going west one block prior to that date.

12. ADJOURNMENT

A motion was made by Council Member Olson and was seconded by Council Member Johnson to adjourn the meeting. A vote being recorded as follows: For: Council Members Olson, Johnson, Stone, Coenen and Mayor Kirckof. Against: None. The motion passed.

With no further business to come before the Council, Mayor Kirckof adjourned the meeting at 8:30 p.m.

Respectfully submitted,

_____ _____

Mayor Brad Kirckof City Administrator Vicki M. Willer