



**200 Center Avenue South  
Montrose, Minnesota 55363**

**CITY COUNCIL  
MINUTES  
November 28, 2011**

**Pursuant** to call and notice the Montrose City Council met in special session on Monday, November 28, 2011 at 7:00 p.m. Those present were Mayor Andy Kauffman, Council Members Ryan Andreae, Scott Czanstkowski, Roy Henry and Scott Jensen. Also present were Wendy Manson, deputy clerk and Barb Swanson, city administrator.

The purpose of the meeting was to discuss the outcome of the investigation conducted by Bill Everett of Everett and VanderWeil regarding two grievances filed by Kristine Richter about the conduct of Council Member Scott Czanstkowski.

**Emergency Item, Lakeland Construction/Preserve of Montrose Bankruptcy**

Sarah Schwarzhoff, city attorney, had been contacted today, November 28, and asked to consider a settlement agreement offered by Lakeland Construction. Schwarzhoff has to respond to the court by December 1, 2011, not allowing time for another city council meeting.

The Preserve of Montrose, Lakeland Construction, filed bankruptcy and the city filed a \$1,400,000 claim on a Letter of Credit that was no longer viable.

The settlement would require that the city's claim be reduced to 50% and the city would receive 5 – 7 cents on a dollar, or approximately \$36,000. The city can wait until the bankruptcy is completed and may receive the same payout but on the entire claim. There are no guarantees that the city will receive anything. The city has not spent any money related to the claim.

By consensus it was concluded that the city will not settle at this time. Schwarzhoff was asked to make sure the timeline to settle expired on December 1<sup>st</sup>.

### **Investigation**

Schwarzhoff offered a brief background of the investigation.

The investigation was ordered by the city council at the June 13, 2011 city council meeting following the receipt of two grievances filed by city employee Kristine Richter and a rebuttal filed by City Council Member Scott Czanstkowski.

The first grievance by Richter was submitted on May 2 where two incidents of alleged harassment are listed. The 2<sup>nd</sup> grievance was submitted where a violation of the open meeting law was alleged.

The investigation was conducted by Bill Everett and the conclusion of the investigation found that Czanstkowski “violated the city’s harassment/respectful workplace policy through his actions toward Richter on April 19” and that the statement “my word against yours” was also found to be harassing.

The statement “better watch your back” was not found to be harassing in the context it was said and Everett did not find a violation of the Open Meeting Law.

Schwarzhoff outlined the options open to the city council and they were to ask for Czanstkowski’s resignation, censure Czanstkowski or to do nothing. Schwarzhoff also said that the city could not force Czanstkowski to resign nor was a recall election an option.

Mayor Andy Kauffman opened the discussion stating that the report found that Kris Richter was harassed. He asked the city council what they wanted to say and do about the report.

Henry was displeased that Everett didn’t want to hear what he had to say even though Henry wasn’t a witness to the incidents involved in the grievance.

Czanstkowski questioned the thoroughness of the investigation and also said that there were credibility issues on both sides of the investigation.

Andreae said that he believed the document was true and harassment of employees was a very serious offense and that the city council has to protect city staff from harassment. He encouraged the city council to ask for Czanstkowski's resignation.

Jensen said that the city council does not condone harassment of city staff.

Motion by Jensen, seconded by Henry to censure Council Member Scott Czanstkowski. Motion carried 3-1-1. Andreae was opposed and Czanstkowski abstained.

**Adjournment**

Motion by Andreae, seconded by Henry to adjourn at 8:05p.m. Motion carried. 5-0.

---

Mayor, Andy Kauffman

---

Administrator/Clerk-Treasurer, Barbara Thwing-Swanson