



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

**CITY COUNCIL  
MINUTES  
December 12, 2011**

**Pursuant** to call and notice the Montrose City Council met in regular session on Monday, December 12, 2011 at 7:00 p.m. Those present were Mayor Andy Kauffman, Council Members Ryan Andreae, Scott Czanstkowski and Roy Henry . Also present were Sarah Schwarzhoff, city attorney, Justin Kannas, city engineer, Wendy Manson, deputy clerk, Sean Diercks, public works director and Barb Swanson, city administrator. Council Member Scott Jensen was absent.

**Agenda**

Motion by Andreae, seconded by Czanstkowski to approve the agenda as amended with the addition of Lakeland, Electronic Communication and Senior Citizens. Motion carried 4-0.

**Consent Agenda**

Motion by Andreae, seconded by Henry to approve the Consent Agenda as follows:

- a. Minutes: November 21, November 28, December 5, 2011 prepared by Barb Swanson
- b. Accounts Payable: December 12, 2011, prepared by Wendy Manson
- c. Fire Department Accounts Payable: December 12, 2011, prepared by Wendy Manson
- d. Utility Billing Adjustments for November 2011, prepared by Drew Carlson

Motion carried 4-0.

**Truth in Taxation Public Hearing**

The public hearing was opened for public comment after a short review of the levy. Mayor Kauffman informed the public that for the fourth consecutive year the City would not increase the levy.

Bob Chantland was the only resident that spoke during the public hearing.

Motion by Andreae, seconded by Henry to close the Truth in Taxation hearing. Motion carried 4-0.

**2012 Levy and Budget**

Motion by Czanstkowski, seconded by Andreae, to adopt the Budget and the Final Levy as presented in the amount of \$847,580 which is a 0% increase. Motion carried 4-0.

**Request for Council Action, Allen Spreeman**

Spreeman requested permission to license three dogs. Swanson told the council that the city had never received any complaints and a recommendation in the codification of the city code increases the number of pets to three.

Motion by Czanstkowski, seconded by Henry to approve up to three animal licenses for Allen Spreeman Motion carried 4-0.

**Seasonal Employee Policy**

Motion by Czanstkowski, seconded by Henry to adopt the Seasonal Employee Hiring Policy where the city council hires seasonal employees adding Seasonal to On-Call Employees. Motion carried 4-0.

**Lakeland Construction Settlement**

Schwarzhoff updated the city council on a settlement offer. She will contact the attorney regarding the possibility of increasing the offer and report back to the city council in January.

**Electronic Communication**

Schwarzhoff cautioned the City Council that texts and email received during council meeting via Smart Phones are public information and should be shared with the city council and public. If the information received is not shared it is a violation of the Open Meeting Law.

Motion by Andreae, seconded by Kauffman to have all council members and staff silence and put away their cell phones during the council meetings. Motion carried 3-1. Opposed Czanstkowski.

**City Council**

Mayor Kauffman reported that he had toured the Xcel Energy facility and suggested that the city contact them regarding an alternate EOC location. He reported that he had attended staff meetings to discuss investments and budgets. He also attended a Community Education meeting and they are committed to opening a daycare in August 2012.

Council Member Henry reported that he had attended the Highway 12 meeting, a Planning & Zoning meeting and Fire Department Training.

Council Members Andreae and Czanstkowski reported that they had attended the standard meetings.

**Senior Citizens**

Sylvia Henry reported that the senior citizens organization was 5 years old.

## **Finance**

### *Standard & Poors, credit rating*

Swanson reported that the city's credit rating is A+, which is excellent for a city the size of Montrose. The management of the city's finances, fund balances and conservative philosophies in spending were significant factors in determining the city's credit rating.

### *Bond Refunding*

The city is refunding a bond from the CSAH 12 project to reduce the interest rate thereby saving the city approximately \$35,000 over the life of the bond.

Motion by Andreae, seconded by Kauffman to adopt Resolution 2011-20 accepting the proposal on the negotiated sale of \$740,000 general obligation improvement crossover refunding bonds, series 2012A, pledging special assessments for the security thereof and levying a tax for the payment thereof. Motion carried 4-0.

### *2011 Budget Amendments*

Motion by Andreae, seconded by Henry to adopt Resolution 2011-14 amending the 2011 budget. Motion carried 4-0.

### *Fund Balance Policy*

Motion by Kauffman, seconded by Andreae to adopt the Fund Balance Policy as written. Motion carried 4-0.

### *Committing Specific Revenue Sources*

Motion by Andreae, seconded by Czanstkowski to adopt Resolution 2011-16 committing specific revenue sources and confirming restrictions for specified purposes in special revenue funds. Motion carried 4-0.

## **Fire Department**

Jason Chaffins, Fire Chief, will present bids for a skid unit at the January meeting.

## **Park & Recreation**

Wendy Manson reported that the Park & Rec Commission will host a movie, **Kung Fu Panda 2**, on January 13<sup>th</sup> at the community center.

## **Planning & Zoning**

Motion by Czanstkowski, seconded by Henry to grant the variance for the property located at 361 Nelson Boulevard for the expansion of an accessory structure. Motion carried 4-0.

## **Public Works**

Sean Diercks, Public Works Director, reviewed the cost of operations and debt payments for the city's public utilities. By law the utility funds must have a positive balance. Over the past several years the fund balances have declined because of the economic conditions and the slow-down of the new home construction. The proposed increases are necessary to cover the debt payments for the construction of the WWTP, the 2008 sewer replacement from US Highway

12 to the plant and for the cleaning and painting of the water tower. Without the increases the city will be unable to make the debt payments.

*Water System Rates*

Motion by Andreae, seconded by Kauffman to adopt Resolution 2011-17 increasing the water system rates. Motion carried 3-1. Opposed Czanstkowski.

*Sanitary Sewer System Rates*

Motion by Andreae, seconded by Henry to adopt Resolution 2011-18 increasing the sanitary sewer system rates. Motion carried 3-1. Opposed Czanstkowski.

*Waste Water Treatment Plant Rates*

Motion by Andreae, seconded by Kauffman to adopt Resolution 2011-19 increasing the Wastewater treatment plant rates. Motion carried 3-1 Opposed Czanstkowski.

**Video on Demand**

Swanson recommended the tabled “video on demand” item be removed from the agenda because funds are not available to provide the service at this time.

**2011 Donations**

Motion by Andreae, seconded by Henry to adopt Resolution 2011-14 accepting 2011 donations. Motion carried 4-0.

**Open Forum**

No one spoke at Open Forum.

**Acknowledgements**

- Ashlyn Otto for starting a food shelf
- Volunteers and donations for 2011
- Breakfast with Santa organizers and volunteers

**Adjournment**

Motion by Andreae, seconded by Czanstkowski to adjourn at 8:22p.m. Motion carried 4-0.

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Andy Kauffman, Mayor

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Barbara Thwing-Swanson, Administrator

