



**MINUTES OF THE PROCEEDINGS OF THE CITY
COUNCIL OF THE CITY OF STACY IN THE COUNTY OF
CHISAGO AND THE STATE OF MINNESOTA PURSUANT
TO DUE CALL AND NOTICE THEREOF**

**REGULAR MEETING
JANUARY 13, 2015, 7:00p.m.
STACY CITY HALL**

**Call to Order, Administration
of Oath of Office**

The Stacy City Council met in regular session and was called to order by Mayor Utecht at 7:00p.m.

The clerk administered the Oath of Office to Mayor Utecht, Member Olivolo, and Member Denney.

Roll Call

Present: Jim Ness, Mark Utecht, Tony Olivolo, and Samantha Denney
Absent: Cindy Bruss
Others Present: Anne Thom, Mark Statz, Bonnie Hesse, Lori Dahle, and Lynda Schmidt

Additions to the Agenda

Additions to the Agenda:

- East Central Regional Development Commission

Motion by Ness to approve the agenda as amended. Second by Denney. Ness, Denney, Olivolo, and Utecht voted yes. Mayor Utecht declared the motion carried.

Public Comment

None

Consent Agenda

Motion by Ness to approve the consent agenda as amended. Second by Olivolo. Ness, Olivolo, Denney, and Utecht voted yes. Mayor Utecht declared the motion carried.

Staff Reports

City Attorney

Mr. Alliegro was not present at the meeting, however the following were discussed:

Frontage Avenue Gap

The Quiet Title Action is in process.

Sunrise Auto Quiet Title

The Quiet Title Action is in process.

No Parking Areas

Motion by Utecht to approve Resolution Number 2014-1-4, "A Resolution Pursuant to Chapter 72 of the City Code of the City of Stacy Adopting No Parking Zones in the City." Second by Denney. Utecht, Denney, and Olivolo voted yes. Ness voted no. Mayor Utecht declared the motion carried.

The council would like signs placed at the Sports Grill indicating that overflow parking is available at city hall. The signs will be located on Frontage Avenue and as you enter the parking lot from Stacy Trail.



City Engineer

Mark Statz

Water Treatment Plant

Mr. Statz gave the council an update on the water treatment plant project:

1. The plant will be a 300 gallon per minute plant
2. The plant will be designed to accommodate future growth
3. The financing package from USDA will not be ready until mid-February, this will not allow enough time to start construction in the spring. It is advantageous for the city to bid the project as soon as possible.
4. He requested \$100,000 for preliminary design; the preliminary design plans need to go through the same process as the Preliminary Engineering Report did.
5. The ADA compliance for city hall will need to be reviewed further.

Motion by Ness to authorize Stantec to start preliminary plans for the water treatment plant for a cost up to \$100,000. Second by Olivolo. Ness, Olivolo, Denney, and Utecht voted yes. Mayor Utecht declared the motion carried.

Mr. Statz indicated that the Mayor, Stantec, Clerk and USDA met last week highlights are:

1. The maximum amount of grant money is 45%
2. The grant is calculated by using the median household income from the Census Bureau and taking that times 1.5% to come up with what USDA considers and affordable monthly water bill. If using the 2000 census the water only portion of the bill would be about \$53/month. If using the 2010 data it would be about \$70/month. The USDA will be using the 2000 data as the project was started prior to the 2010 census.
3. USDA also considers the water fund balance, what can the city afford? Their standards say the city should have one year Operation and Maintenance (O&M) on reserve. The city has well in excess of that amount. The attendees discussed items on the horizon that may impact that balance.
4. Anticipated \$3.5 million dollar project, \$500,000-\$1,000,000 grant.
5. The city's financial advisor, Stantec, and USDA will work out the details for project costs and anticipated future rates.

City Clerk

Sharon Payne

Laptop Update

The laptop is here and will be used to do the water meter readings next month.

Utility Report

The council directed that staff figure out the discrepancy in billing vs. pumped for December 2014; report to council in next week or so.

Committees Commissions

**Committee Appointments
for 2015**

Motion by Olivolo to approve the committee appointments as presented. Second by Denney. Olivolo, Denney, Ness, and Utecht voted yes. Mayor Utecht declared the motion carried.

Planning Commission

Motion by Utecht to approve Ordinance 2015-1-3, An Ordinance Amending Chapter 154 of the Stacy City Code Swimming Pools, Section 154.01 and 154.03.” Second by Olivolo. Utecht, Olivolo, Ness, and Denney voted yes. Mayor Utecht declared the motion carried.

Personnel Committee

The committee will be meeting January 20th at 1p.m. Member Ness would like to see the job performance specific evaluation forms changed so that the self-assessment for supervisors is not rated; rather they would provide examples of actions.

Public Information

It was noted that the Website looks old – the clerk will explore costs to update.

History Committee

The committee met and appointed the chair and co-chair as well as established goals for 2015.

Park and Recreation

Member Olivolo stated that the committee is working on the Easter Festival, collecting donations, and choosing games. The council requested a budget for the event.

Old Business

**Consider Approval of Pay
Increase for 2015**

Motion by Ness to take off the table. Second by Denney. Ness, Denney, Olivolo, and Utecht voted yes. Mayor Utecht declared the motion carried.

Member Ness had prepared a report for the council to review; he utilized the data he had to come up with the figures. He questions the employee benefits, where are they accounted for in the Liquor Financials?

Mayor Utecht said based upon the information he would suggest:

- Citywide increases may no longer be appropriate; each department needs to be considered on its own.
- No increase for the On Sale for 2015
- A 1.5% increase for the Off Sale for all employees that were not brought up to the new minimum wage and/or minimum pay for their pay scale.
- A 1.8% increase for the Clerk and Maintenance Department for employees; based upon December 1, 2014, hourly rates.

Member Olivolo would like more information from the manager’s. Member Ness said the council requested the data he pulled together from the managers who did not respond. He is disappointed, no angry, at their inaction.

Motion by Olivolo to:

- Increase the off sale wages by 1.5% except for those employees who were brought up to minimum wage and/or minimum for their pay scale.
- Increase City Clerk and Maintenance Department by 1.8% based on hourly wage December 1, 2014.

Effective the next payroll. Second by Ness. Olivolo, Ness, Denney, and Utecht voted yes. Mayor Utecht declared the motion carried.

Security Cameras

Motion by Utecht. Second by Ness to combine this agenda item with Chisago County Sheriff's correspondence. Second by Ness and carried.

McKay LED Sign

The clerk will contact the mayor to schedule a meeting to discuss.

Midcontinent Communications

The term of the contract with Midcontinent (originally US Cable) item 2.4 states the franchise shall be in effect for a period of 15 years from the date of acceptance of Grantee which was May 9, 2000. So we are now at the 15 years.

Mayor Utecht said that he would like to require that Midcontinent serve the entire city as part of the renewal; this would not be negotiable; the council concurred.

The clerk was directed to contact Midcontinent to let them know we would like to start the renewal process; she will also contact the city attorney and let him know the goal of having the entire city serviced by Midcontinent.

Annexation Information

The approximate additional revenue from the proposed properties to be annexed is \$50,000. The cost to provide maintenance services is \$5,300;

The Township of Lent is asking for the annexation as a means to protect the township. Mayor Utecht wants the property owners considered for annexation to be informed; Member Ness said he struggles with how is this going to help those properties – what is the benefit?

The member's agreed that they would not support extending the existing agreement out another 25 years that would be 33 years.

Instead of annexation can the township and the city work out some other type of development agreement.

The clerk was directed to draft a letter to the township stating the next step is for Lent, Stacy, and the proposed annexed parcels to meet; Lent can then explain the reasoning for the annexation to those property owners.

New Business

Resolution Establishing Appointments for 2015

Motion by Ness to approve the Resolution Number 2015-1-2, "Resolution Establishing Appointments for 2015," as presented. Second by Denney. Ness, Denney, Olivolo, and Utecht voted yes. Mayor Utecht declared the motion carried.

Ordinance Amending Chapter 34 Fee Schedule

Motion by Ness to approve Ordinance Number 2015-5-1, "An Ordinance Amending Chapter 34 of the Stacy City Code Fee Schedule," and approve summary publication. Second by Olivolo. Ness, Olivolo, Denney, and Utecht voted yes. Mayor Utecht declared the motion carried.

ISO

The bottom line is there is no change in the ISO rating for Stacy.

**Chisago County Sheriff's
Correspondence**

Mayor Utecht indicated that he had met with Sheriff Duncan at which time he recommended the city consider increasing the contract hours with the sheriff's office. He cited the following in his memo:

- The city has seen an increase in the number of calls by 75% from 2013 to 2014
- There has been an increase in property crimes such as burglary and theft
- There has been business expansion in Stacy.
- Compared to other contract cities, Stacy is one of the lowest contract hour for the population.

Member Ness said that the Sheriff will have a difficult time trying to sell him on additional contract hours; whenever we have requested them to enforce something we hear excuses why they can't do it.

Mayor Utecht said that he in some way agrees with Member Ness in the fact they make excuses, however, there are other times they do as requested. In his opinion the city should be able to tell the sheriff's office what they want them to do for the 20 hours they are here a week.

Mayor Utecht said that Sheriff Duncan indicated that the security cameras are good idea; however, money would be better spent on additional contract hours. Member Ness disagreed as the cameras are a one-time expense. Records retention for the cameras was briefly discussed and will have to be addressed in the future if the cameras are purchased.

Mayor Utecht would support increasing the hours to 40 hours per week, is it worth the council's time to pursue? Member Olivolo said that he doesn't think this is something the city can afford at this time. Member Ness said if the Mayor can find the money in the budget that we can discuss. Member Denney would like an account of how the sheriff's office is spending their time here.

The clerk was directed to prepare a draft requesting that the sheriff's office provides a detailed accounting of the contract hours, how is time being spent? The report to include date and time deputy in, what they did, what time they left. What are we spending our time on?

Mayor/Council

**Priority Sidewalk Clearing at
Sports Grill**

Member Ness stated that with the reconfiguration of the intersection at County Road 19 and County Road 30 there is no safe place to walk on the street at all; that is why he wants the maintenance staff to make the clearing of the Sports Grill sidewalk a priority before other snow removal – it is a matter of public safety.

The member's discussed the priority of the snow removal operations, what should be done first; after a lot of going back and forth it was agreed that the Sports Grill parking lot and sidewalk will be done at the same time.

**Personnel Issues – Open
Meeting Law**

Mayor Utecht reported that he had been contacted by a council member regarding an employee performance issue and wanted a closed meeting

called; the Mayor did not agree. If that council member than calls another council member a possible violation of the open meeting law could occur. It takes the Mayor or any two council members to call a meeting.

The city attorney opinion is if that council member calls another council member for the strict purpose of calling a meeting that may not be in violation of the open meeting law; it's a gray area.

Does the city want to consider changing who can call a meeting on employee performance to any member of the council; the clerk said she thought this was established in State Statute and will review.

Member Ness said his question to the attorney is: can the council go into closed session to discuss if a closed meeting should be called on an employee. Mayor Utecht will contact the city attorney to discuss.

Liquor Finances

This item handled out order by motion of Utecht. Second by Ness and carried.

The Sports Grill financial reports indicate a loss for the past six months; how can this be addressed?

Member Ness said that in preparing information for the meeting he had questions regarding the Profit and Loss, it may be beneficial for Ms. Hill to come in and explain. One question in particular is regarding the employee benefits where are they accounted for?

Question of what is a realistic amount for the Sports Grill to profit? What should be expected from the operation? Minnesota Municipal Beverage (MMBA) may be able to provide insight. Mayor Utecht said that a couple years ago the city did consult regarding the profit expected from the Sports Grill; they said the overhead for the building was excessive, they felt for the location the business was doing well; but times have changed and a new review may be beneficial.

Ms. Dahle said that even though the bar has shown a loss over the last five months; the net income was up 5.5% over 2013 to 2014, that doesn't include December 2014. Food sales are up 9%.

Items to be addressed:

- Is the transfer to the city amortized? It should be shown on the P&L so that the reports are not over inflated. The impact of the transfer needs to be known throughout the year.
- Quarterly update on how the operations are meeting their three year plan. Are they meeting the expectations?
- Add to their bullet report a six month rolling number for net profit.
- Identify where the employee benefits are accounted for. How much of payroll was benefits.
- Should the council consider establishing the profit goals? The council does not want to micro-manage.

Ms. Dahle will contact MMBA, Paul Kapszak for his input for both the on and off sale and update the council.

MMBA Boot camp

Motion by Utecht to authorize Samantha Denney to attend the MMBA conference the city will pay mileage, registration and lodging. Second by Ness. Utecht, Ness, Denney, and Olivolo voted yes. Mayor Utecht declared the motion carried.

Adjourned at 10:23 p.m.

Mayor Utecht declared the meeting adjourned at 10:23p.m.

Sharon MT Payne