

Mayor Hafften called the **June 10, 2014** Regular Meeting of the Rockford City Council to order at 7:04 p.m. The meeting was held in the Council Chambers of City Hall at 6031 Main Street, Rockford, MN.

Roll Call

Roll call was taken. The following council members were present: Hafften, Graner, Kesanen, and Martinson. Absent: Wenz. Also in attendance were: Financial Consultant Sweeney, Administrator Madsen, Public Works Supervisor Peterson, Water/Wastewater Employee Duda and Deputy Clerk Etzel.

The Pledge of Allegiance to the Flag was given.

Approve Consent Agenda/Set Agenda

MOTION was made by Graner, seconded by Martinson to approve all items on the consent agenda 3.A to 3.G. with item 3.D. Stork House Management Agreement to be reviewed the by the City Attorney, set agenda Items 4.A to 4.F, and remove 4.E since it is the same as 4.B.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

***Approve Regular Council Minutes/May 27, 2014**

MOTION was made by Graner, seconded by Martinson to approve the minutes of the May 27, 2014, Regular Council Meeting.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

***Approve Payment of Claims**

MOTION was made by Graner, seconded by Martinson to approve the payment of claims #23301 to #23359 in the amount of \$96,548.33.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

***Approve April 2014 Building Permits**

MOTION was made by Graner, seconded by Martinson to approve the May Building Permits #14-30 to #14-41.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

***Approve Stork House Management Agreement**

MOTION was made by Graner, seconded by Martinson to approve the Stork House Management Agreement pending review by the City Attorney and authorize the Mayor and staff to sign the agreement.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

***Resolution #14-26/Approve Liquor Licenses**

MOTION was made by Graner, seconded by Martinson to approve Resolution #14-26 to approve licenses for July 1, 2014 to June 30, 2015 for:

- KCG Hospitality, Inc. d/b/a Billy's Rockford Bar – Intoxicating On Sale, Intoxicating On Sale Sunday, Off Sale, & Dance and Game

- Red Vest LLC. d/b/a Red Vest Bar & Grill - Intoxicating On Sale, Intoxicating On Sale Sunday, Off Sale, & Dance and Game
- Rosewood LLC d/b/a Rosewood Eatery – On Sale 3.2 Malt Liquor, On Sale Wine (including strong beer), & On Sale Sunday
- Sabrelcik, Inc. d/b/a Sabourin’s Wine and Liquor - Off Sale

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

***Approve Equipment Loan and Service Agreement/Rockford Riverview Estates**

MOTION was made by Graner, seconded by Martinson to approve the Equipment Loan and Service Agreement between the City of Rockford and Rockford Riverview Estates and authorizes the Mayor and staff to sign the agreement

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

***Approve Brenner Mall Lease Agreement**

MOTION was made by Graner, seconded by Martinson to approve the Rockford City Center Lease Agreement between the City of Rockford and Dr. Corey Brenner, DDS / Brenner Family Dental, PLLC and authorize the Mayor and staff to sign the agreement.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

Wright County Sheriff’s Deputy – Adam Fournier

Reminded the residents that school is out. More children and adults are out and about and watch for pedestrians when driving. There has been theft from vehicle in Wright County, so lock your vehicle doors and bring your valuables inside and out of view. The river is high and flowing fast – use caution.

15 Year Employee Recognition/Doug Duda

The City Council recognized and thanked Doug Duda for his fifteen years of service to the City of Rockford. Doug started with the City on June 1, 1999 and currently oversees the water/wastewater plant operations.

Resolution #14-27/Call for Public Hearing on the Proposed Creation of Tax Increment Financing District 2-5

Shannon Sweeney of David Drown Associates presented the Council with information for the Redevelopment Tax Increment Financing District 2-5 for the Rockford Mall site. The purpose would be to capture new property taxes that may result from the redevelopment of the site.

On July 13, 2004 the City of Rockford created Redevelopment Tax Increment Financing (TIF) District 2-4 on the Rockford Mall site to assist Welsh Company with the redevelopment of the mall site. Welsh made some improvements to the facility which generated additional property taxes that were reimbursed to them. TIF District 2-4 is subject to the 5 year rule which means new obligations cannot be incurred within that district 5 years after its certification date.

If council determines it is appropriate to proceed with the creation of a new TIF district in advance of improvements to make this year, it would be appropriate to call for a public hearing to be held July 8, 2014 for the purpose of accepting public comment regarding the proposed action. A resolution has been prepared for council to review and consider.

The cost of creating a new redevelopment TIF district is approximately \$7,500 including the cost of inspections and publication of notice. A redevelopment TIF district will enable the City to capture a portion of the City, County and School District property taxes that are generated as a result of the increase in market value that may occur after the district is created and for a period of up to 26 years.

Administrator Madsen noted he is working with the Building Official to complete the inspection of the property.

MOTION was made by Graner, seconded by Kesanen to approve Resolution #14-27 calling for a public hearing on the proposed creation of Tax Increment Financing District No. 2-5

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

Resolution #14-28/Sale of the 2014B Water and Sewer Revenue Bonds

Shannon Sweeney of David Drown Associates was at the meeting to discuss the 2014B G.O. Sewer & Water Revenue Bonds – PFA Credit Enhanced. The city had initiated a bond sale for which competitive bids were received by 11am on June 10, 2014. Four bids were received for the bond issue and were presented to the Council for consideration.

Sterne, Agee & Leach, Inc., a new bidder, came in with a purchase price of \$4,870,664.75 with new interest costs of \$1,261,601.92 (a net interest rate of 2.7699%).

Mr. Sweeney explained the new State of Minnesota Credit Enhancement was worth purchasing. The projected interest rate was 2.833% and the bid came in at 2.7699%.

A resolution has been prepared for City Council consideration and approval.

MOTION was made by Graner, seconded by Martinson to approve Resolution #14-28 accepting proposal on the sale of \$4,795,000 General Obligation Water and Sewer Revenue Bonds, Series 2014B, providing for their issuance and pledging for the security thereof net revenues.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

Resolution #14-29/Ordinance #14-04 Sewer & Water Ordinance Amendment and Sewer & Water Rates

Administrator Madsen stated as previously discussed the City would need to increase the sewer and water rates and fees. After meetings and workshops the council and staff are proposing the following changes:

- Water usage rates increase from \$3.34 to \$5.54 per 1,000 gallons
- Discontinue charging a minimal water use of 3,000 gallons per month
- Add base rate for water of \$4.95 per month
- Increase base rate for sewer from \$4.25 or \$3.40 to \$4.95 per month for all users
- Sewer usage rates: from \$5.40 to \$7.45 per 1,000 gallons
- Discontinue the averaging method for calculating the sewer rate between November 15th to April 15th and usage, will now be the actual gallons used

Staff prepared examples applying the different rates and fees to show the affect the increases will have on the users.

These changes have been proposed to cover the increase of operating costs, the 2014 Utility Bonds and Utility projects.

The City will implement the following rates and schedule changes which will be reflected in August 2014 for the July billing.

MOTION was made by Graner, seconded by Martinson to approve Resolution #14-29 approving Ordinance #14-04 amending ordinance 401.08, Subd 10(1); Ordinance 401.08, Subd. 10(1)(B), Ordinance 402.11, Subd. 1, and Ordinance 402.12, Subd. 1 and establishing sewer and water rates and fees.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

Rockford City Center Mall/Approve Roof Top Unit Purchases and Repairs

Deputy Clerk Etzel presented the Council with information to repair and replace the roof top units (RTU) at the Rockford City Center Mall. Bids were received from High Road Heating & Cooling and Lane Refrigeration, LLC. Both companies agreed that three of the units needed to be replaced. Currently the common area units #4 and #8 are off due to their poor condition. We have receive some concern from the tenants about the space being warm. The majority of the units are very old and need to be replaced in the future.

New RTU pricing bids:

- High Road Heating & Cooling cost for a new RTU: Bryant 7 ½ ton 12 SEER \$10,902.52 + \$1,532.43 curb adapter = \$12,434.95 - \$585.00 estimated rebate
- Lane Refrigeration, LLC cost for a new RTU: Goodman 7 ½ ton 13 SEER \$9,275 (includes curb adapter) - \$800 estimated rebate

Staff is recommending the Council approve the proposal from Lane Refrigeration, LLC for the replacement of RTU #4, #5, #8 & #9 and the suggested repairs as listed.

MOTION was made by Hafften, seconded by Graner to approve the proposal from Lane Refrigeration, LLC for the replacement of four roof top units at the Rockford City Center Mall at a cost of \$9,275 per unit, the repairs as listed in the proposal and authorizes the Administrator to sign the agreement.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

Administrator’s Report

The Administrator’s report included the following: continuing to work on the transportation joint powers agreement, meeting with mall tenants, the committee for Riverside Park meet to discuss shelter options and staff is beginning to prepare for the 2015 budget workshop.

Council Member Martinson stated he was going to the Mayors dinner and they would be discussing the transportation issue. Administrator Madsen added that Rockford is split between two counties and is not sure how this will affect the agreement and the end users.

Public Works Update

Public Works Supervisor report included the following:

- Maplewood Manor project is progressing with some weather setbacks, Michels has had issues with the gas lines, staff is working to keep the roads open and a water shutoff on Edgewood was not expected. Council Member Graner stated she has received compliments on the staff and crew working on the Maplewood Manor project.
- The Wright County Road 33 project has been pushed back on the schedule to allow the Maplewood Manor project to be completed.

Engineer’s Report

The Engineer’s report included: the Maplewood Manor project is expected to be completed in October of 2014.

Council Reports

Martinson – nothing to report

Graner – like the newly painted fire hydrants and City Wide Garage Sales begin on Thursday thru Saturday – lists are available at City Hall, the website and local business and the 4Theater group, a non-profit group is hosting a garage sale.

Hafften – nominate a 2014 Wright County Senior Citizen – information is available on the website and the email blast.

Kesanen – nothing to report

OPEN FORUM

Mayor Hafften called for open forum. No one from the public spoke.

ADJOURNMENT

MOTION was made by Graner, seconded by Kesanen to adjourn the meeting.

MOTION CARRIED-VOTING IN FAVOR: HAFFTEN, GRANER, KESANEN, AND MARTINSON.

Mayor Hafften adjourned the meeting at 7:56 p.m.

Renee Hafften, Mayor

Audra Etzel, Deputy Clerk