



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

**CITY COUNCIL MINUTES
February 9, 2009**

Pursuant to call and notice the Montrose City Council met in regular session on Monday, February 9, 2009, at 7:00p.m. Those present were Mayor Andy Kauffman, Council Members Ryan Andreae, Scott Jensen, Sharon Knodel and Jeff Petersen. Also present were Kyle Hartnett, city attorney, Justin Kannas, city engineer, Sean Diercks, public works director, Wendy Manson, deputy clerk and Barb Swanson, city administrator.

Mayor Kauffman addressed two requests for council action that were not on the agenda. He noted both had requested a market comparison of all city pay inclusive of staff and city council. Mayor Kauffman stated that the League of Minnesota Cities provides that type of survey information, therefore the city would not be conducting a survey.

OPEN FORUM

Bob Chantland, Evan Siljander and Alice Barrick spoke during the open forum portion of the meeting, there was no council action taken.

AGENDA

Motion by Andreae, seconded by Jensen to approve the agenda with the addition of a date change for the June 8 council meeting. The motion was carried 5-0.

CONSENT AGENDA

Motion by Knodel, seconded by Jensen, to approve the consent agenda, which includes:

1. Minutes: January 26, 2009, special meeting
January 26, 2009, regular council meeting
2. Accounts Payable: February 9, 2009: \$139,517.89
3. Fire Dept. Accounts Payable: February 9, 2009: \$984.78
4. January 2009 utility adjustments

The motion was carried 5-0.

RUN WITH SCISSORS

Bret McQuinn presented an overview of his company related to developing a brand for the City of Montrose. Previously he had made a presentation to the Business Recruitment and a quote for developing programs within the city that include a comprehensive brand story.

McQuinn will provide a revised proposal for services.

TRAINING BUDGET

Montrose City Council

Meeting Date: February 9, 2009

Subject: **2009 Training budget**

Prepared by: Barb Swanson, administrator

Late December 2008 City staff reviewed the approved 2009 budget. This review was warranted because of the unallotment of funds by Governor Tim Pawlenty. Included in this review and recommended reduction was training for city council and staff in the amount of \$8,000.00. The proposed reduction presented to council in January was a 38% (205,000) reduction in the 2009 budget.

In January 2009 Governor Pawlenty presented a proposed budget to the state legislature indicating a 33% reduction in Local Government Aid over the next two years, or 16.5% (88,600) each year.

In addition beginning February 1, 2009, the employee health insurance program was changed. This change will provide a \$9000.00 savings in the 2009 budget. This savings was not included in the proposed budget reduction, increasing the overall proposed 2009 budget reduction to \$214,000.

Considering the aforementioned savings and the importance of training especially in a time of unprecedented change, I am requesting that the city council consider restoring the \$8,000.00 for training to the 2009 budget.

Motion by Jensen, seconded by Andreae, to increase budget training by \$6400 in 2009. The motion was carried 5-0.

MONTROSE ECONOMIC DEVELOPMENT AUTHORITY



DATE: February 3, 2009
MEMO TO: Mayor Kauffman, City Council Members, City Administrator Thwing-Swanson
FROM: Joanne Foust, Economic Development Consultant
RE: Annual Report of 2008 EDA Activities

Background:

The EDA's Enabling Resolution states, "Annually, at a time and in the form fixed by the Montrose City Council, the Authority shall make a written report to the Montrose City Council giving a detailed account of the Authority's receipts and expenditures during the preceding calendar year together with additional matters and recommendations the Authority deems advisable for the economic development of the City of Montrose."

Attached is a summary of 2008 activities and the detailed receipts and expenditures through December 31, 2008. The EDA has reviewed and accepted the annual report and has recommended it for submittal to and acceptance by the City Council.

Action:

A MOTION is in order to accept the annual report of the EDA for 2008.



2008 Economic Development Authority Annual Report

Montrose EDA Commissioners in 2008: Officers and Commissioners in 2008 were as follows:

President- Chris Shaul (Jan-Feb, 2008); Andrew Kauffman (March-Dec. 2008)
Vice President – Andrew Kauffman (Jan-Feb, 2008); Joe DeBauche (June-Dec. 2008)
Secretary – Cindy Beaton
Treasurer – Jeff Petersen
Assistant Treasurer - Barbara Swanson
Commissioner – Charles Nelson
Commissioner – Sharon Knodel
Commissioner - Brian Matzke
Economic Development Consultant - Joanne Foust, MDG, Inc.

EDA Meetings: The EDA met in session on the fourth Monday of each month, with the exception of May, August and December. Nine regular meetings and additional closed sessions were held in 2008.

Mission Statement: A mission statement of the Montrose EDA is as follows:

The Montrose EDA shall foster sound business development in the City. The mission of the EDA is:

- *To assist existing businesses with retention and expansion plans;*
- *To attract new commercial and industrial businesses to the community;*
- *To promote and encourage revitalization of commercial areas; and*
- *To encourage the expansion of the Montrose tax base.*

Business Seminars

The EDA coordinated two free business seminars for local businesses in 2008.

- A training session on "Financing Concepts for Businesses" was hosted on April 28, 2008, with guest speaker Peter Coleman.
- Action Coach, a nation wide business coaching firm, presented a seminar on "Customer Service" on June 23, 2008.
- The EDA also participated in a training session on tax increment financing, as presented by Joanne Foust of MDG, Inc.

Redevelopment Site

The EDA worked in cooperation with the Buffalo-Hanover-Montrose School District to research the acquisition of a vacant non-conforming industrial facility, located adjacent to the elementary school. The EDA executed an option agreement with the financial institution which has ownership of the site in July, 2008 and assigned it to the school district in October, 2008. Plans for future acquisition and redevelopment are anticipated to continue in 2009.

Healthy Community Partnership (HCP) Grant – The EDA received award of a Healthy Community Partnership Grant in January, 2008, for an application sponsored by the EDA to the Initiative Foundation in 2007. The grant included free leadership training for 15 community members and a \$15,000 grant (\$7,500 received in 2008 and \$7,500 to be received in 2009). As a result of the HCP grant approximately 35 volunteers participated in various capacities during several of the 31 HCP related meetings which were held in 2008. Following is a summary of activities and accomplishments.

Kick-off event –A meeting to "kick off" the grant program was held on February 28, 2007

Training Sessions In Little Falls were attended by 15 HCP members on March 4th, April 2nd and August 19th.

HCP Team meetings were held on April 23rd, May 5th, July 29th, August 26 to plan for and follow-up on the community wide visioning meeting.

Community-wide Visioning Session has held on Friday, June 20th. Approximately 85 community members attended and participated in the three hour community visioning session.

Task Force Training was held on September 30th. Three Task Forces were created including: Community Pride, Highway 12 Redevelopment and Business Recruitment. Each Task Force created its own mission or goal statement and action plan for three project identified to accomplish over the next year. Following is a summary of each Task Force, its meetings, goals and accomplishments.

Community Pride Task Force- This 11 member volunteer committee met six times during 2008 including October 9th, November 5th, November 20th, December 3rd, December 7th (Holiday event) and December 18th.

Goal Statement: *Working together to promote a sense of community pride, and a quaint hometown identity.*

Accomplishments:

December 7, 2008: Breakfast with Santa with approximately 175 participants. Included 100 photos with Santa, children decorating approximately 100 decorations, collection of 28 pounds of food for the local food shelf, and many toys collected for Toys for Tots.

A tree lighting event with hot chocolate and a bonfire was held in the evening of December 7, 2008, with approximately 30 people bearing the cold to participate.

The December 7th holiday events were successfully coordinated with the Montrose Days committee, Montrose Royalty/Ambassadors, Girl Scouts, Celebration Community Church and Public Works Department.

Christmas Lighting Contest – A Christmas lighting contest was held on December 18, 2008 with approximately 18 residents participating. Three were awarded prizes. Three businesses also received awards.

MnDOT Grant Application to the Community Landscape Partnership Program. In conjunction with Highway 12 Redevelopment Plans, the Community Pride Task Force prepared an application to MnDOT for funding to complete landscaping around the city's entrance signs. The application was finalized in December 2008 for submittal in January 2009.

Highway 12 Redevelopment Task Force- This 13 member volunteer committee was originally appointed March 24, 2008 by the EDA. It was expanded and reorganized as one of the three Task Forces in September 2008. This broad based committee met in session eight times in 2008 including meetings on April 15th, June 5th, July 15th, August 19th, September 16th, October 21st, November 18th and December 16th.

Goal Statement: *To enhance the Highway 12 Corridor by creating a unique identity for Montrose that promotes community pride and economic development.*

Accomplishments:

The Highway 12 Redevelopment Committee, due to the scope and financial size of the project dedicated a number of months to research in preparation for a community input session and for a future report with recommendations to the EDA and Council. Activities of the committee in 2008 included:

- Meetings with the City Engineer to gain a better understanding relating to future plans for Highway 12, including future widths, future traffic control, typical light spacing, scope of the safe routes to school grant and trail system, etc.
- Meetings with two street lighting companies to gain an understanding on various types of ornamental streetlights, lighting options (high pressure sodium, metal halide, LED) and types of poles, and on-going maintenance.
- Obtaining lighting standards from MnDOT for future lighting.
- Obtaining cost estimates from Xcel Energy to bury overhead powerlines
- Identifying the physical boundary of Phase I of the Highway 12 project as the area between Zephyr Avenue and Garfield Avenue.
- Submittal of a request to MnDOT for landscape design services for future landscaping/greenscape along the Highway 12 corridor, for the 2009 grant cycle.
- Identification of the physical components of the future Highway 12 plan including ornamental streetlights, flower pots/hanging baskets, specialized seating areas, water fountains or features, trees, sidewalk/pavers or stamps and redevelopment areas. Committee members researched each of these categories.
- Preparation of a Visual Preference Survey for community input for a January 17, 2009 meeting.
- Preparation and release of a request for proposals for design services to incorporate into the 2009 Highway 12 Redevelopment Plan.

Business Recruitment Task Force –This 11 member Task Force met in session three times in 2008 including October 23rd, November 20th and December 18th.

Goal Statement: *To recruit and retain quality and unique businesses for the City of Montrose that will create jobs, provide services for residents and increase local revenues.*

Accomplishments:

Update of Available Commercial/Industrial Sites – The map illustrating available commercial and industrial sites in the city was updated in October 2008, to include the Bayrischer Hof and ABC Lumber. The realtor for the ABC Lumber building met with the Task Force to discuss the building and his marketing efforts. Three Task Force members toured the facility. Information on these sites was posted on www.mnpro and forwarded to the Wright County Economic Development Partnership. The City's web site was also updated.

Business Retention and Expansion Visits- Business Retention and Expansion visits were last completed in 2006. Due to the change in the economy, the Task Force determined it would be beneficial to check in with Montrose's existing businesses to see how they are doing and if the Task Force/EDA or City could be assisting. Business visits to the following 11 companies occurred in 2008: Alice's, Citizens Bank, Butterfly Inn, Commercial Collectors, DeBarbeque, JeRico, Mill Pond, Montrose Chiropractic, Scott's Glass, Stock Lumber, and Video Express. Business visits will continue in 2009.

Business Ads – In order to market the community and assist in business retention, the Task Force developed a local ad campaign. Beginning in December, the Task Force featured two "Featured Businesses of the Month". Half page ads were created and included on the city's web site and inserted in January newsletters for the City and Wright County Economic Development Partnership. Alice's and Video Express were the two featured businesses in 2008.

Marketing Campaign –The Task Force updated a Montrose brochure and demographic information on the community. The Task Force interviewed and recommended engaging the services of 'Run with Scissors' to assist in the creation of a marketing video in the spring of 2009.

Business Recruitment –A sub-committee members contacted several business leads and participated in meetings with a developer/builder. The Task Force is hopeful a commercial project with two or three new businesses will commence in 2009.

Steering Committee – The HCP Steering Committee, consisting of original HCP Team members and chairpersons from the Task Forces met November 5, 2008 and December 3, 2008 to accept reports from the Task Force committee chairpersons, approve funding requests and assist in coordination of activities. The Steering Committee meets the first Wednesday of each month.

Budget 2008: The EDA, budgeted \$30,000 for 2008 operations. As of December 31, 2008 expended the following for its activities:

EDA Operating Fund	
Office Supplies	\$ 5.33
Legal Fees:	\$ 776.25
Travel :	\$ 4.04
Consulting services:	\$22,812.88
Advertising:	\$ 299.74
Dues/Subscriptions:	\$ 1,804.80
Planners Fees	\$ 338.10
Training & Instruction	\$ 77.97
Miscellaneous:	<u>\$ 1,257.42</u>
Total Operating:	\$ 27,376.53

Healthy Community Partnership Revenues: \$7,600. HCP Expenses: \$6,947.92

The Operating Fund balance for the EDA as of December 31, 2008 was \$19,159.03

Revolving Loan Fund

The EDA's Revolving Loan Fund had a December 31, 2008 fund balance of \$254,747.38. Revenues of \$51,340.71 were received in 2008 from Alice's (\$600) and ABC Lumber (\$51,340.71). ABC Lumber's loan is paid in full. Revenues received in 2009 will be from Alice's, and any other new loans which as provided with repayment.

No new loans were approved in 2008.

Other/Miscellaneous:

The EDA supported the efforts of the Wright County Economic Development Partnership through membership and support of their annual golf scramble.

The EDA also provided a donation in support of the Initiative Foundation and its programs.

Motion by Petersen, seconded by Jensen to accept the 2008 annual report from the Economic Development Authority. The motion was carried 5-0.

EMERGENCY MANAGEMENT

There is a training session for National Incident Management System (NIMS) 100 & 200 being held in Albertville. City council and staff are eligible to attend. The NIMS 700 course is a prerequisite.

FINANCE

ACCOUNTS PAYABLE

2/09/2009

As you know, an accounts payable list is included as a consent agenda item for each council meeting. Checks for the listed payables are not released until these payables are approved with the exception of payroll, taxes, etc. This allowed two payables per month, which kept all invoices current and no late fees.

With the elimination of one council meeting, there will be a need to pay some invoices prior to council approval to avoid late fees and penalties. This would only include the normal reoccurring charges such as electric, gas, WWTP chemicals, etc.

RECOMMENDATION

Motion to allow staff to pay these invoices prior to council approval to avoid the late fees and penalties. These invoices will then be included on the accounts payable list for the next meeting.

Wendy Manson
Deputy Clerk

Motion by Petersen, seconded by Jensen, to allow city staff to pay accounts that charge a late fee and penalty. The motion was carried 5-0.

PARK & RECREATION

Park & Recreation met on February 3, 2009. Their discussion included a bedding plant sale combined with a city-wide garage sale in the spring. They recommended the appointment of Tim Hackenmiller to the commission and elected officers for 2009.

Motion by Andreae, seconded by Knodel, to approve the appointment of officers for Park & Recreation as follows:

Chair Person: Doreen Outly
Vice Chair Person: Scot Hemmesch
Secretary: Jim Burk

The motion was carried 5-0.

Motion by Knodel, seconded by Petersen to appoint Tim Hackenmiller to Park and Recreation. The motion was carried 5-0.

NATIONAL NIGHT OUT

Although city funds to support National Night Out may not be available, Sylvia Henry requested permission to proceed with plans to hold the annual National Night Out event. She will begin asking for donations and ask Community Pride to work with her.

Motion by Jensen, seconded by Andreae to support National Night Out in Montrose. Motion was carried 5-0.

SENIOR CITIZENS CLUB

Sylvia Henry reported that the size of the senior's club continues to grow. They usually serve 16 meals on Wednesday. Roy and Sylvia Henry volunteer their time to organize the weekly dinners and activities.

JUNE COUNCIL MEETING

Mayor Kauffman will be out of town on June 8th, which is the regularly scheduled council meeting. The city council may wish to reschedule their meeting.

This item was tabled to March 2009.

GREAT NORTHERN BAR & GRILL

Motion by Petersen, seconded by Jensen to send a letter to Great Northern Bar & Grill restating the fine, requesting the return of the signed waiver foregoing a public hearing, \$500.00 fine and proof of training for the employees; to be received at city hall within an allowable time to hold a public hearing on March 9, 2009, if needed. The motion was carried 5-0.

Motion by Jensen to add an administrative fine for a violator who does not respond. The motion was withdrawn.

Hartnett will look into establishing an administrative fine for the additional expense incurred by the city in cases where the violator does not comply with the required regulation thereby causing additional expense to the city.

REQUEST FOR COUNCIL ACTION: Evan Siljander

Swanson reported that a clarification from the Department of Management & Budget was received regarding the Exceptional Service Pay Test on the 2009 Results of Tests for Pay Equity Compliance. Passed: too few classes received exceptional service pay means that the city does not have enough data to calculate the test.

Motion by Jensen, seconded by Knodel, to send this matter to the Personnel Committee for clarification of terms. The motion was carried 5-0.

ACKNOWLEDGEMENTS

- Firemen's dance and dinner
- Heart Health Fare at Montrose Community Center February 28th
- Cub Scouts Pinewood Derby
- Roy and Sylvia Henry
- Alice Barrick
- Ryan Andreae for his service on Park and Recreation

CLOSED SESSION

Motion by Andreae, seconded by Jensen to move to closed session for the performance evaluation of Barb Swanson. The motion was carried 5-0.

ADJOURNMENT

Motion by Jensen, seconded by Andreae to adjourn at 9:13p.m. The motion was carried 5-0.

CITY OF MONTROSE

Andrew Kauffman, Mayor

Barbara C. Thwing-Swanson
Administrator/Clerk/Treasurer