

Dawson City Council Minutes

June 6, 2017

5:30 p.m.

The Dawson City Council met in regular session on Tuesday, June 6, 2017, at 5:30 p.m. in the City Council Chambers.

Councilpersons present: Steve Tufto, Jeff Olson, Dave Lien, Al Tufto and Charlie Prestholdt.

Councilpersons absent: Becky Bothun.

Others present: Mayor Randy Tensen, City Manager Tami Schuelke-Sampson, City Clerk Treasurer Kristi Kvaal, Payroll/Utility Billing Clerk Jill Kemen, City Attorney Rick Stulz, Maintenance Superintendent Brent Powers, Dawson Sentinel Editor Dave Hickey, LeRoy Mamer, Geraldine Turner, Melva Larson, Emily Polzine, Collette Berglund, Deb Lanthier, Lee Gunderson, Maurice Schacherer and Lance Stoeber.

Declaring a quorum, Mayor Tensen called the meeting to order and the group repeated the Pledge of Allegiance to the Flag.

Mayor Tensen asked for approval of the agenda as printed with the addition of 16A Gambling Permit Application for St. James Catholic Church. On motion by Councilman Lien seconded by Councilman Olson to approve the agenda with the addition. Voting in favor: S. Tufto, Olson, Lien, A. Tufto and Prestholdt; voting against: none; absent: Bothun. Motion carries.

On motion by Councilman Lien seconded by Councilman Olson to approve the Consent Agenda Items #4 and #20, Approval of the May 2nd Council Meeting Minutes and May Bills Paid. Voting in favor: S. Tufto, Olson, Lien, A. Tufto and Prestholdt; voting against: none; absent: Bothun. Motion carries.

Mayor Tensen opened the 10 minute public forum. Hearing no comments, Mayor Tensen closed the public forum.

Mayor Tensen opened the discussion on the Liquor Store Operations, continued from the May 2, 2017 Council meeting. Councilman Al Tufto asked City Attorney Rick Stulz if he had had an opportunity to review the state statute. Attorney Stulz stated that his opinion had not changed since the last meeting, and that moreover he feels it is a policy decision. He suggested that the Council could vote to revisit the issue in January.

City Manager Tami Schuelke-Sampson stated that she had talked to the auditors, Daryl and Scott, regarding the preliminary numbers for the 2016 audit for the Liquor Store. They explained there was a huge increase for all cities in the GASB 68 requirement. The auditors are provided these numbers from an actuary that represents PERA. GASB 68 is a non-cash expense but an adjustment the auditors are required to make. GASB 68 accounted for \$818 of the related to

pensions liability number on the balance sheet for 2015, and in 2016 it accounts for \$5,811. This is an increase of \$4,993. The net pension liability for the city is \$657,680 in 2016 and \$399,054 in 2015, which is an increase of \$258,626. Of this total amount approximately 15.5% is allocated to the Liquor Store. For the Liquor Store in 2015 the amount was \$61,854 and for 2016 the amount is \$101,940, which is an increase to the Liquor Store of \$40,086. The auditors explained that the audit report will show a loss of \$5,636, but after the adjustments and the removal of the non-cash expenses, there is a positive cash flow of \$8,991. Daryl also indicated that the store is run very well.

Councilman Prestholdt referenced the recent Letter to the Editor submitted by Councilman Lien and asked for clarification regarding how the office staff is paid in relation to the different departments. City Manager Schuelke-Sampson stated that part of Jill's wage is taken from the Water/Wastewater Department. Councilman Prestholdt then asked if any overtime office wages were taken from the Liquor Store, to which Schuelke-Sampson replied no. Councilman Lien asked if there were in fact overtime hours accrued by the office staff, to which Schuelke-Sampson replied yes. Councilman Lien added that he felt there would be less overtime hours without the operation of the Liquor Store. Schuelke-Sampson estimated that the office staff spent approximately 10 hours per month on the Liquor Store.

Discussion was held concerning the depreciation of the building. Councilman Prestholdt stated that a lot of businesses use depreciation as a financial tool. LeRoy Mamer asked when the depreciation would come off the building. Councilman Lien stated that the schedule is usually 30 years on buildings, and approximately 12 years on the cooler. Mamer added that he felt the Liquor Store showed good cash flow.

Councilman Prestholdt stated that he agreed with Attorney Stulz on the matter, and suggested that the Council table the matter until January. Attorney Stulz added that by that time the Council would have the formal numbers from the auditors. On motion by Councilman Prestholdt seconded by Councilman A. Tufto to table action on the Liquor Store until January, 2018. Councilman Lien inquired as to the status of the public vote. Councilman Prestholdt stated that he didn't feel it was necessary. Councilman Lien added that he felt if a private business showed a profit of \$8,000 or less it wouldn't be considered good cash flow. Discussion. Councilman Prestholdt asked if the store would be sold as a liquor store, to which Attorney Stulz replied that the building would be sold, but not the Liquor Store as a business. Councilman Lien offered that if put to a public vote that perhaps the community would choose not to close it.

At 5:45, Mayor Tensen closed the regular Council meeting and opened the public hearing regarding the Conditional Use Permit for 962 Hickory Street. Hearing no public comment, Mayor Tensen closed the public hearing.

On motion by Councilman Prestholdt seconded by Councilman A. Tufto to postpone the public vote regarding the Liquor Store and revisit the issue in January, 2018. Voting in favor: S. Tufto, Olson, A. Tufto and Prestholdt; voting against: Lien; absent: Bothun. Motion carries.

On motion by Councilman Olson seconded by Councilman Prestholdt to approve the Conditional Use Permit for 962 Hickory Street. Voting in favor: S. Tufto, Olson, Lien, A. Tufto and Prestholdt; voting against: none; absent: Bothun. Motion carries.

On motion by Councilman Olson seconded by Councilman S. Tufto to approve the Application to Remove Sidewalk at 716 Elm Street. Voting in favor: S. Tufto, Olson, Lien, A. Tufto and Prestholdt; voting against: none; absent: Bothun. Motion carries.

Head Librarian Deb Lanthier was present and thanked the Council for the recent additions to the Dawson Public Library. The Library Committee approved the purchase of a Sit 'n Play Snake, a Magnetic Board, a Puppet Theatre, books from the Junior Library Guild, a storage cabinet, a book repair machine, and a machine to repair DVDs.

Updates were given on the various committee meetings. No action required.

On motion by Councilman Olson seconded by Councilman Lien to approve the Pioneerland Library System 2nd Quarter Request. Voting in favor: S. Tufto, Olson, Lien, A. Tufto and Prestholdt; voting against: none; absent: Bothun. Motion carries.

The LQP EDA Operations Report was presented. No action required.

On motion by Councilman Olson seconded by Councilman Lien to approve the Gambling Permit Application for the Dawson Area Chamber of Commerce. Voting in favor: S. Tufto, Olson, Lien, A. Tufto and Prestholdt; voting against: none; absent: Bothun. Motion carries.

On motion by Councilman Olson seconded by Councilman Prestholdt to approve the Gambling Permit Application for the St. James Catholic Church. Voting in favor: S. Tufto, Olson, Lien, A. Tufto and Prestholdt; voting against: none; absent: Bothun. Motion carries.

The next regularly scheduled meeting of the Dawson City Council falls on Tuesday, July 4. On motion by Councilman Olson seconded by Councilman Lien to change the July 4 Council Meeting date to Tuesday, July 11. Voting in favor: S. Tufto, Olson, Lien, A. Tufto and Prestholdt; voting against: none; absent: Bothun. Motion carries.

Maintenance Superintendent Brent Powers' Report:

- A. Lincoln Pipestone Rural Water. The Lincoln Pipestone Rural Water project is moving forward. LPRW will be constructing a 55'x80' building located on the corner at the

- Industrial Park. Attorney Stulz recommended entering into a lease agreement with LPRW so that the City retains ownership of the property.
- B. Veterans' Park Campground Update. The plumbing permit has been received for the Veterans' Park Campground. Powers stated that they will concentrate efforts into putting water and sewer hook up to the Nelson Field concession stand before Riverfest, and then move forward with work on the campground.
 - C. Water Main Break. Another water main break occurred near Jennie-O. Powers recommended purchasing a pressure relief valve for \$1,200.

City Manager Tami Schuelke-Sampson's Report:

- A. EDA Update. The Riverview Estates project is moving forward with construction scheduled to begin in the next couple of weeks. The RDC is working with Inspect and the Minnesota Historical Society to help put together a scope of work and other items needed to apply for the grant.
- B. DSI Small City Grant Update. Tami spoke with Dan, and there is one commercial project space available. DSI is currently working with a potential applicant. There are also seven residential project spaces available. Dan stated that residents are not returning applications or needed proofs, but they are going to be calling those applicants this week. He is working with one residential applicant to get under contract.
- C. First Children's Finance's Rural Child Care Innovation Grant. The press release that was in the Dawson Sentinel was included with the Council packet. Tami is part of the core team, and the first meeting is scheduled for June 28.
- D. Swimming Pool. The swimming pool opened June 1, and has been very busy. The new pool manager is Kylie Schuelke. There are 19 lifeguards and ten Water Safety Instructors. There are three seasonal part-time employees hired for the Park Department. The new summer office assistant is Johanna Neilsen. She will be helping with various office duties, including the Records Retention schedule.
- E. Riverfest. Riverfest will be held June 22-25. The lifeguards will be handing out free swim passes in the parade.

On motion by Councilman Lien seconded by Councilman Olson to adjourn the meeting. Motion carries and the meeting adjourned at 6:05 p.m.