

## January 10, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 10, 2005 in the Council Chambers of the Municipal Building. The following council members were present: Mayor S. Ferrazzano, T. Byrne, S Rettmer, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from December 20, 2004 City Council Meeting. Motion by Stobb, seconded by Byrne to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano presented Certificates of Appreciation and Thank You for their years of dedicated service to outgoing City Council members Mike Fraser, Robert Caron and Greg Torkelson.

New City Council Members Sandi Rettmer, Bill Chukuske and Charlie Snyder were given the Oath of Office by City Administrator A. Koopman.

Mayor Ferrazzano requested any changes or additions to the agenda. There was an addition of Aquatic Center update in Legal Issues and the addition of the Fireman's Annual report to the Consent Calendar. Motion by Byrne, seconded by Stobb to accept the revised agenda. All voted in favor of the motion.

J. Kerr presented an update on the Aquatic Center. Kerr received an E-mail from Jody Dahms of Gremmer and Associates. The E-mail indicated the Myrtha representative was at the site on Thursday and did a survey of the facility. Findings of this survey included:

- ▶ Pool dimensions could be maintained so none of the walls would need to be removed and racing length maintained.
- ▶ Existing gutter cannot be reused unless the City does not want the 15 year warranty. A connection to this cannot be done and there could be potential leaking problems.
- ▶ The proposed type of gutter will raise the water level approximately two to three inches. This will allow for a two inch thick shotcrete layer to repair the floor of the pool without causing depth problems. Pashina will verify the method and thickness of the shotcrete layer.
- ▶ Dahms indicated that there are two nails with ribbons in the ground at the site. It is very important that everyone be aware of this and that they not be removed as this is the surveying control for Myrtha.
- ▶ The existing surge tank can be reused with the repairs required by WJE.
- ▶ Splash pool grating may be able to be reused. The two pools would have different grating if the existing is reused.
- ▶ Pool features need to be removed for the installation of the Myrtha pool.

Kerr indicated that Myrtha will be working on the survey information and it will be determined what the best repair for this facility would include. By January 19, information with pricing would be available. The City would then decide if that will be the route of repair, based on pricing. If the City decided that this is the option they want, a purchase order and 10% down would be required. Dahms indicated that they are shooting for the July 1 completion date, but it may be tight. Kerr suggested that a special meeting be held on January 19 for the City Council to review the findings and make a decision as to the route they would be taking for repair. Arvizu asked if the removal of the play features would be included in the bid. Robinson responded that the pool play equipment is very heavy and takes a machine to be brought in to pick them up and move them. Stobb asked if they had explored a possibility of using a different pad under PVC liner instead of the shotcrete. Kerr indicated that Dahms did not make reference to this in the E-mail, but has not forgotten about it. He informed the Council that they would have a better idea regarding the timetable for completion after the review of the survey. The project would need to be approved by the Council and the bidding procedure would have to be completed with advertising for 2 weeks, a pre-bid meeting and there is time before mobilization and starting the construction. Koopman suggested setting a time for the special meeting now and if the meeting is not needed, the Council can be called to cancel the meeting. Koopman also conveyed that a total rebuild would only provide a one year warranty. Mayor Ferrazzano indicated that the Council would meet on January 19, 2005 at 6:30 p.m. to go over the survey findings and make a decision if this is the route that will be taken.

Kerr indicated that Pashina will also be looking at a Fort Dodge facility and may have information regarding his findings at that time.

Motion by Snyder, seconded by Stobb to adopt Ordinance No. 290, an ordinance amending Section 3.10 of the Tracy City Code. All voted in favor of the motion.

Ron Radke presented his liquor store report. He indicated that he does not have all the expenses for the year yet, but feels that the year was good. Radke felt that the articles in the newspapers regarding municipal liquor stores losing money is misleading. He felt that it is not taken into account the methods of accounting that these liquor stores use. These cities have reasons for their accounting methods and it can look bad, but these cities are happy with it. Koopman stated that the liquor store here has always made money. Stobb asked where they stand with the renovation project as far as cost. Radke indicated that they have received a donation of \$1,000 from the Legion. He said that someone needed to evaluate the asbestos situation before any demolition can be done. He felt that a lot of the other construction work can be done by themselves.

Gervais stated that from the SMSU project, a web hosting program from Jonesboro was interested in locating in this area. They have indicated that they will not seriously be looking at locating here for another 12-18 months. At the February meeting, a one, two and five year plan for the future will be discussed. Gervais explained they have been discussing plans with private correction facilities owners. They are hoping to get the state to agree with plans for a private facility in Tracy. Due to shortages of room in correction facilities, small term offenders are being pushed out to make room for more serious offenders. Rettmer asked if the EDA would also be talking about the budget for upcoming years and was wondering if any other cities in this area are looking to possibly have a facility. Gervais said that Canby, Lambertton, Fergus Falls and Springfield are looking at a possible facility. In Canby, CCA is the one leading the way and owns the facility in Appleton. Fergus Falls is looking to renovate existing state hospital. It would be a regional jail facility and once a deal is worked out, then it would go for bids. It would be located north of the industrial park and would require 40-70 acres for this prison.

Police Hillger presented his activity report for December. For the new Council members benefit he explained that ICR is initial complaint reports and AOA is assist other agencies. He indicated that they had a typical December.

Robinson said that things at the compost site have been going good and the camera is up and working pretty well. Hollett Street bypass project is mostly complete. The phone dialer has to be installed and then next spring they will do the restoration of Mr. Erickson's boulevard. The water plant switch over from Peopleservice is going well. They are hoping to start interviews for the Water/Wastewater position by the week of January 17<sup>th</sup>, 2005.

Koopman and Rettmer will also take part in the interview process and felt they should do interviews during the day, so that the plant can be visited during operation.

Koopman reported that efforts are still being made to continue moving forward with the Master Drainage Plan. They have come to the conclusion that Phase 2 is more than the city can do financially. They are revisiting the plan and will meet again next week with Mr. Marlette to discuss strategy.

Koopman indicated that the Planning Commission is recommending re-zoning the area near and surrounding the water tower from an R-1 zone to an I-1 zone. The Commission knows there are still going to be some issues and they felt that it was in the best interest of the community to allow a warehouse in that area even though it may not comply with the required square footage. Nielsen indicated that since there will be re-zoning from residential to industrial, neighbors within 350 feet will need to be notified of the public hearing on January 24, 2005 at 6:45 p.m. Koopman said the letters would be prepared and sent out tomorrow to comply with the 14 days notification requirement. Motion by Stobb, seconded by Byrne to wave the first reading and set the public hearing on January 24, 2005 at 6:45 p.m. All voted in favor of the motion.

Koopman informed the Council that Robert Gervais has applied to fill the vacancy on the Hospital

Advisory Board representing the Currie area. Motion by Stobb, seconded by Byrne to appoint Robert Gervais to the Hospital Advisory Board. All voted in favor of the motion.

The Consent Calendar included the following: Municipal Accounts Payable, Planning Commission minutes for December 7, 2004, Monthly Water and Wastewater Report, Economic Development minutes for December 3 and 17, 2004, and Tracy Fire Department Annual Report. Motion by Stobb, seconded by Snyder to approve the Consent Calendar. All voted in favor of the motion.

Koopman presented to the Council a Memo from Paul DeSmith regarding retaining the 1999 Explorer to use as the city vehicle. DeSmith indicated that the Explorer has newer tires, the fuel injectors were redone recently. He had done some research with Salmon's to see what the city could get for the two vehicles, the Explorer and the 1993 Crown Vic. He felt that the Explorer will get poor milage when compared to a car, but has the benefit of 4-wheel drive for poor weather. In three years the Police Department 2002 Dodge Intrepid is scheduled to be replaced and the city will have an opportunity to look at a front wheel drive as a city vehicle. Motion by Stobb, seconded by Byrne to keep the Explorer as the city vehicle and sell the Crown Vic by sealed bids. All voted in favor of the motion.

Robinson said that a pickup is needed for the Water and Sewer Department. He indicated that they have looked at several used trucks, private and dealership. This pickup is needed as the utilities put on quite a few miles reading meters, going to service calls, and work orders. Robinson said that at the pond system there are dikes and a 4-wheel drive vehicle is required as the dikes are dirt and can be slippery. He recommends that they purchase a 1997 Chevrolet with 51,000 miles owned by Mrs. Merlyn Caron for \$13,000. Motion by Chukuske, seconded by Snyder to purchase the 1997 Chevrolet from Mrs. Caron. All voted in favor of the motion.

Mayor Appointments include:

1. City Clerk/Administrator - Audrey Koopman
2. Deputy Clerk - Rick Robinson
3. Public Works Director - Rick Robinson
4. Finance Director - David Spencer
5. City Attorney - Frank Nielsen
6. Assistant City Attorney - Jim Kerr
7. Fire Chief - Keith Engesser
8. Assistant Fire Chief - Dale Johnson III
9. Weed Inspector - Tom Greenfield
10. City Forester - Rick Robinson
11. Building Inspector - Gary Garrels
12. City Assessor - Orlin Bruss
13. Civil Defense Director - Police Chief Bryan Hillger

Motion by Rettmer, seconded by Stobb to approve the Mayor Appointments. All voted in favor of the motion.

Council Appointments as follows:

1. Present Pro-Tem - Russ Stobb
2. Community Ed Financial/Advisory Board - Bill Chukuske
3. Planning Commission - Russ Stobb
4. Economic Development Authority - Sandi Rettmer and Tim Byrne
5. Attorney Meetings - Steve Ferrazzano and Jan Arvizu
6. Hospital Advisory Board - Jan Arvizu and Charlie Snyder
7. Pool Committee) - Jan Arvizu

Motion by Stobb, seconded by Byrne to approve the Council Appointments. All voted in favor of the motion.

Rettmer felt that the citizens should be more informed about City Council activities. She proposed that the agenda be published in the paper on Wednesdays and move the Council meetings to the 2<sup>nd</sup> and 4<sup>th</sup> Thursdays. Arvizu felt that it would be good for the agenda to be published for public

review. Koopman said that it is sometimes hard to get the agenda completed by Wednesday and by the time it would be published, there would be changes and additions. Gervais indicated that he should be able to put the agenda on Channel 80 Prairie Wave. Motion by Rettmer to change Council meetings to the 2<sup>nd</sup> and 4<sup>th</sup> Thursdays. Motion dies for lack of interest.

Motion by Snyder, seconded by Stobb to establish the second and fourth Mondays of each month at 6:30 p.m. in the Council Chambers of the Municipal Building as the time and place for Council meetings. Upon roll call, the following vote was recorded: voting aye: Arvizu, Byrne, Chukuske, Snyder, Stobb and Ferrazzano; voting nay: Rettmer. The motion carried.

Motion by Byrne, seconded by Stobb adopt Robert’s Rules of Order and the standard agenda format. All voted in favor of the motion.

Motion by Stobb, seconded by Chukuske to approve Headlight Herald as the official municipal newspaper. All voted in favor of the motion.

Motion by Snyder, seconded by Byrne to approve Minnwest Bank South, the 4-M Fund, Salomon Smith and Barney and State Farm as the official municipal depositories. All voted in favor of the motion.

Arvizu felt that a date should be set to go over the Emergency Plan with relevant parties and that group meetings would be important. She felt that the Council should think about this and set a date at the next meeting.

Police Chief Hillger felt that it would be beneficial to have a region wide type drill.

There being no further business, Mayor Ferrazzano entertained a motion to adjourn. Motion by Byrne, seconded by Snyder to adjourn. All voted in favor of the motion.

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

**January 24, 2005**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 24, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor S. Ferrazzano, T. Byrne, S. Rettmer, J. Arvizu, B. Chukuske, C Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from January 10, 2005 City Council Meeting. Motion by Byrne, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano requested any changes or additions to the agenda. There was an addition of the Public Hearing regarding the Zoning Amendment; 5D Interview Committee Report; 9A Emergency Planning and Jan Otto would like to discuss the recent power outage and resident preparation. Motion by Stobb, seconded by Chukuske to approve the agenda as revised. All voted in favor of the motion.

Nielsen informed the Council that it was brought to his attention there was an issue regarding Snyder's appointment to the Hospital Board. He said there is a clause in the City Ordinance that says the Board cannot have a member that is an employee of the hospital or clinic. Amending the ordinance would be eliminating the direct prohibition and raising issues of incompatible offices, conflicts of interest, etc. that would have to be dealt with.

Snyder voiced that if it is against the ordinance then that is the way it is and he does not have any objections being taken off the Hospital Board.

Motion by Stobb, seconded by Byrne to re-appoint Ferrazzano to the Hospital Board. All voted in favor of the motion.

Arvizu said that she received a phone call from someone that pointed out that the Council has been inconsistent in how they make board and commission appointments. The last time there was a vacancy on the Police Commission the Council appointed someone that had applied, been interviewed and had shown interest in the position. When someone was appointed to the hospital board this last time, the Council solicited applications through public notices, and the person who had shown interest was not contacted. She feels there needs to be more consistency in the policies.

Mayor Ferrazzano felt that the policy should be to advertise the positions and this will be the procedure to follow from this point on.

Mayor Ferrazzano then presented the Cemetery Superintendent contract. He asked for any discussion regarding this. Koopman indicated to the Council that this contract is identical to the one last year and the only change is the compensation was increased by 3%. This contract has been approved by the Cemetery Commission. The superintendent has always provided a certificate of insurance. Motion by Stobb, seconded by Byrne to approve the Cemetery Superintendent contract. All voted in favor of the motion.

Koopman informed the Council that Rick Nordahl would not be present due to a scheduling conflict. At the last Hospital Board meeting a motion was made to request \$80,000 to install a heating/cooling/ventilation system for the operating suite. Arvizu let everyone know that the Hospital Board is working hard to bring important changes, physically to the facility, that are needed in the most cost effective method which are necessary without getting extra frills. The hospital is in the black and it is difficult to be in the black and have done everything they can to manage the bottom line. This is an important issue to have sufficient ventilation systems to help reduce infections, etc. Byrne added that the community needs to be aware that this funding comes from special funds that are set up for capital improvements and not taxable to the community. They just need approval to use the funds that have already been put aside for improvements. Koopman said that they had discussed renovating the operating room, but once they started to explore this as an option, if renovation is started then the MN Dept. of Health requires a minimum of an 18 ft x 18 ft surgery suite, which would cost approximately \$350,000. This is the alternative that will still allow

us to do surgery in Tracy but may have to expand the door opening to allow for a C-arm to come in for orthopedics. This \$80,000 would include the expansion of the door opening. Kerr reminded the Council that actually Sioux Valley will end up paying for that improvement because under the lease, they are required to pay us under a two tier situation and one being depreciation. If that \$80,000 is added to the depreciation, they in turn would have to have that over the useful life, that would be paid through rent by Sioux Valley. Motion by Arvizu, seconded by Snyder to expend the \$80,000 as requested by the Hospital Board. All voted in favor of the motion.

A public hearing was held on Ordinance No. 291, an ordinance amending City Code Chapter 3, Section 3.10, Land Use Regulation (Zoning). Members from the community voiced that they would like to know what is really going on as they had received a letter from the City of Tracy and were wondering what the city was going to do regarding this property and if it would affect their taxes. Koopman informed them they would be changing this area from an R1 which is a residential area to I-1 which is a limited industrial area. There would be no changes in taxes and an interested party would like to put a warehouse facility there. This will not decrease the value of the property around there. Nielsen added that just because they are changing the zoning on that parcel, all the questions are not being resolved that might come up with this proposed buyers plans for the property. There are other restrictions that are associated that are going to make it difficult to change the zoning and say, you can built whatever you want there and call it a warehouse. There is a 20,000 square foot lot minimum size. If the property that G&R already owns with the new property that they might purchase, it still will not be 20,000 square feet. There are also some set back requirements, there are residential zones on both sides and the set backs for I-1 that adjoin residential properties are 50 feet. So with a lot of 165x100 feet, there is not much room to build anything. Motion by Stobb, seconded by Byrne to adopt Ordinance No. 291. All voted in favor of the motion.

Engel presented the Pool Committee report. In order to have sufficient staffing for the aquatic center this season, they need the okay to go to certification classes by Feb. 1 and when the committee met, they came up with the 10 issues as listed in their recommendations. If the individuals are not registered close to Feb. 1, they will not be able to get into the needed classes. He found out from Mr. Marlette that school does not start until 9/6/2005, so if they could get the completion date of the pool to around July 15, 2005, we could possibly have 6 weeks for the pool to be open and get some swimming lessons completed. Direction from the Council is needed to know how to deal with the employees. Mayor Ferrazzano feels that they need to be optimistic and have the employees go to classes. Engel indicated that they are 15-17 individuals that need to be certified or re-certified. Normally the employee pays for this certification. In Heron Lake the cost is \$85 for lifeguard training and \$125 for WSI, in Marshall it is \$125 for lifeguard training and \$185 for WSI. Normally this certification is good for three years. Kerr indicated that historically they pay for their own certification and he has some issues and hope that the council may consider paying part or all of that fee. After the meeting last Wednesday he indicated to the engineers that the city needs to inform the pool staff members if they will be hired for the 2005 pool season and the critical deadline for these individuals to register for certification classes by Feb. 1, 2005. The engineers responded that the critical point in the construction schedule would be the determination of the estimated amount of time for the Myrtha installation. The Myrtha materials are scheduled to arrive by May 1, 2005. The Council has already approved them to go forward. Kerr feels that if they can start on May 1, that is 60 days for July 1. Dahms stated that by Feb 7, they should have more answers for the council. They should be able to tell us what Myrtha will need to have it installed within a certain period of time. There is always the weather to work with. He hopes the council will go forward with registration deadline. Kerr feels that some dollar amounts are needed from Engel to approve or disapprove to go forward with the registration fee. Engel added that they have not paid for the certification in the past, but do pay for CPR training. Part of the Pool Committee report included hiring the lifeguard staff in June, merely to guarantee that staffing will be available if we are able to open the pool this year. There are 15-20 interested individuals and depending on what the Council decides, Theresa and he will be visiting with those individuals and they need to explain that part of the job may include things other than guarding or swimming lessons. The first priority would be to get Sebastian Park back to where it was when the pool was open. Stobb asked Engel that they have wages for the summer listed, but was wondering what kind of totals there are. Engel said that last year they were open, they had a salary of \$45,000. In projections, it will be somewhat less, but do not know what step individuals will be on until they get the hiring process completed. Arvizu explained that kids want three months of work. In order to get them to work for us, we need to

assure them three months, even if the pool is not open for three months. With the pay schedule they are going to be paid the same whether it is pool work or City work. Mayor Ferrazzano feels that since they are trying to recruit individuals, the City should pay for the class. Snyder feels that they should not be paid outright as some would just apply for the certification with no intention of working for the pool. Arvizu also indicated that if they do not show up to work, they will not get paid and they have to work the hours to get paid. Motion by Byrne, seconded by Snyder to reimburse for certification if there is no pool season. They pay the certification fee up front and then they are reimbursed if the pool does not open but not if they go to work for another pool. Also to accept the Aquatic Center Recommendations as written, excluding #10 and dates of pool season to be determined. All voted in favor of the motion.

Chief Hillger presented the Tobacco Compliance Check report. Letters were sent to the five businesses that passed and a letter was hand carried to Bruce at FoodPride because on non-compliance. This employee was dismissed from employment. Hillger indicated according to the ordinance if FoodPride would have had a violation in the previous two years, the fine would be \$250 plus a seven day suspension of his cigarette license. He had one previous violation in one of the first years and so this calls for a \$75 civil fine. When asked by Rettmer why this was not done during the 2004 calendar year, Hillger indicated that it was not a top priority item on his radar screen.

Mayor Ferrazzano asked how they have been with collecting administrative fines. Chief Hillger indicated that they had collected one administrative fine recently of \$250 for illegal meter bypass. They have been not using city citation as far as traffic, etc. and been going straight traffic tickets. Arvizu indicated that the State Auditor made a comment in the paper that it was her belief that the cities did not have the right to use this process of making money. It left the state out of the loop. She does not know that it was ever defined in court. It was meant to keep some of the fines at the city level. Chief Hillger indicated that a base speeding ticket is \$110. Of this, there is \$60 in surcharges, of the remaining \$50, the state, county and city splits it. So out of this amount the City gets \$16.67. Nielsen indicated that if the city police issues a ticket it is handled this way and if the State Patrol issues a ticket, it is handled differently. He also said that he had looked at the fee schedule as far as the administrative fees on the tobacco compliance violations and it was not worded clearly and he wondered if it was also possible to impose an administrative fee on the person who makes the sale that should not have and this fee was \$50. Nielsen feels that it is better for the Police Department have the discretion to use an administrative penalty or to charge criminally, but license holder's main issue is that it will cost them \$75, but worse off it happens again, it will be more money, but more importantly they are going to lose the license. Arvizu felt that the tobacco checks have merit and since it is mandated by ordinance and state law to do this annually or more often, she encourages Chief Hillger to put this in his work plan. Motion by Byrne, seconded by Snyder to assess a fine of \$75 to Food Pride. All voted in favor of the motion.

Stobb made mention to Chief Hillger that he had heard from a resident that uses the bike path that there have been vehicles on it and there were tire tracks in the snow. Some damage was done to small trees. He would like to remind the public that the bike path was not constructed for automobile traffic and will not hold up under it. If caught, this is a very expensive repair. Robinson indicated that there are poles on the line that divides the tillable ground from the prairie grass. There are posts every 100 yards. A log chain was put up to block it off, but the chain was cut off and stolen. Now they have driven through there and drove over the bushes and this will have to be repaired next spring. They could try to put in some permanent posts to see if this will remedy the problem.

Koopman presented the Interview Committee Report and informed the Council that four applicants were interviewed for the Water-Wastewater Operator position and they are recommending hiring Allen Schultz, the individual that was employed by Peopleservice and has operated our system for a year. The starting salary for this position is actually \$13.53 but with his one year's experience, they recommended that he start at the one year step of \$13.95. Peopleservice did offer him \$14.00/hr to stay and it is to our advantage that he is already licensed and qualified and was the only candidate that was actually qualified. The City is familiar with his work ethics and really feel that he would be a good fit for us. He would be able to start on January 31, 2005. Motion by Snyder, seconded by Stobb to hire Allen Schultz at \$13.95. Chukuske abstained from the vote as Mr. Schultz rents from him on one of his rental properties. All others voted in favor of the motion.

Mark Evers requested a gambling permit for the Waterfowl Banquet that is scheduled for March 19, 2005 at the Mediterranean Club, where they do game tables to win prizes. Motion by Byrne, seconded by Snyder to approve this permit. All voted in favor of the motion.

The Consent Calendar included the following: Municipal Accounts Payable, Pool Litigation Report and the Police Maintenance Log. Rettmer had a question on the Accounts Payable as to what the Airport Layout Plan is. Robinson answered that this is something required from aeronautics before we can receive state funding monies. The last Airport Layout Plan was done in 1961 and this is supposed to be done yearly. Any changes that are made to the airport are to be put in this plan. There are a lot of monies available to the airport at 95% grant and the city pays 5% but this money cannot be touched until ALP is done and the cost of this plan is also 95% reimbursed from the state. They met with SEH today and there is about \$90,000 available to Tracy that has to be used on a project by June 1 or it is lost. They met today trying to make best use of those plans and will be presenting report in two weeks

Rettmer asked Chief Hillger what the monies spent for school for the police officers was for. Hillger indicated that MN West has a program for law enforcement for continuing education. An amount of money is paid at the beginning of the year and this allows for two officers to any class that they have through the year and it takes care of mandated classes through the state. Motion by Stobb, seconded by Byrne to accept Municipal Accounts Payable and Police Maintenance Log as the Pool litigation report was missing from some of the packets. All voted in favor of the motion.

Unfinished Business included the emergency planning meeting. Arvizu felt that it was not as important to have an actual run through of an emergency, but at least once or twice a year have a tabletop exercise. Chief Hillger will set a date in March.

Mayor Ferrazzano indicated that there are appointments to the Liquor Committee and Police Committee that need to be filled.

Liquor Committee - S. Ferrazzano and C. Snyder

Police Committee - S. Ferrazzano and B. Chukuske

Questions were raised on the purpose of these committees. Mayor Ferrazzano explained that the Liquor Committee meet with Radke to see what kind of needs he has at the Liquor Store, ways to improve the Liquor Store, progress on things such as building the patio, progress on improvements inside the liquor store, etc. Mayor Ferrazzano felt that the Liquor Committee was needed as that is the only for-profit business the city has in town.

Koopman said that the Police Committee was established at the time when there was lack of maintenance of the police vehicles and their duties would involve more direction to the Police Department concerning general miscellaneous items.

Arvizu brought forward the issue of preparedness for power outages as was experienced yesterday. She encouraged the public to have batteries for their battery operated radio in case there are any public service announcements on the radio in these situations. It would be a good idea for the city to have a game plan for situations like this. To think ahead so that in case people get cold in their homes, they can go to the Pavilion where there is a generator and what point the community could be aware that the city knows the power is out, they are working on it and when a time line is available, they can be made aware of this. Chief Hillger told the Council that there was no public service announcement as they were not in an emergency situation yet. They were going to wait till 6:30 p.m. and make a decision at that time regarding a public service announcement and open the Pavilion. Robinson said the water plant was not running, they had power in the shop to open doors, etc. They ended up with 12 foot of water in the tower, so there were only about 65,000 gallons of water left and with a downtown fire that would be used in a very short time. He had talked with the fire chief about that and they had planned that if they needed water for a situation such as this, they would get water from Swift Lake. They have been looking on Internet sites for used generators from a hospital for the water plant. They would also need a generator at the well site or run a power line to the wells.

Chukuske wanted to know if anyone was alerted by Excel as he personally could not get through to

Excel. He feels that a letter from the Council be directed to Excel Energy corporation to get information to someone and give bulletins of what is going on. Nielsen indicated that once there is feedback, a partnership with a couple radio stations be established that someone contact them every 15-30 minutes so they can let the public know what is going on. Motion by Chukuske, seconded by Byrne to have a letter drafted from the Mayor and Council to Excel Energy, to let them know we need to be informed, especially in bad weather. Chief Hillger recommended putting in the letter a request for a phone number that law enforcement can call in and see what is going on. Koopman will draft the letter. All voted in favor of the motion.

Motion by Snyder, seconded by Byrne to close the meeting for preliminary consideration of possible alleged employee misconduct. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

**February 14, 2005**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 24, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, T. Byrne, S. Rettmer, J. Arvizu, B. Chukuske, C Snyder and R. Stobb. Also present was A. Koopman. Absent was F. Nielsen.

Mayor Ferrazzano presented a Life Saving Award to Mark Dykes for saving the life of Randy Hohler on January 26, 2005.

Mayor Ferrazzano asked for any corrections or additions to the minutes from January 24, 2005 City Council Meeting. Motion by Byrne, seconded by Stobb to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano requested any changes or additions to the agenda. There was an addition to 6A of Car Bids. Also there was an addition under Legal Issues A3, Settlement from Allman. Motion by Snyder, seconded by Stobb to approve the Agenda as revised. All voted in favor of the motion.

Kerr discussed the proposal from Braun Intertec for a Standard Scope Limited Site Investigation for the Aquatic Center. Kerr and Pashina have discussed this and are not sure it is all necessary. Pashina had contacted Mary Rivard who is the Project Manager from Braun and she was to call Koopman a week ago last Monday. That did not take place. Today Kerr, Koopman and Rettmer discussed this issue with Pashina. Pashina was to call Rivard after this conference. Pashina sent an E-mail to Kerr and Koopman indicated that he had a conversation with Rivard, and it seems that work scope in the proposal dated January 13, 2005 remains unchanged and the borings would be required. January 20, 2005 borings were discussed assuming that a fuel tank was present, but the tank was removed during the 2001 constructions and the area could be considered a closed leak site. It was noted in the memo that the City can be reimbursed for 90% of the investigation expense, but a second proposal is required. Delta Environmental was recommended. It was recommended that the City Council to approve a \$9500 expenditure for the investigative phase and consultant to be named later after a second quote is obtained from Delta. Looking at the proposal the cost estimate for the Limited Site Investigation was \$9,450. These are the services that can be reimbursed at 90% from the Petrofund. Services that cannot be reimbursed are an estimated cost of \$5,000 plus \$1,000/day. Kerr explained that once there is this type of situation, it is their duty to report this to Pollution Control. Tonight the Council needs to authorize either Braun or Delta Environmental to be awarded the service contract, not to exceed \$9,450. Kerr indicated that they cannot move forward until this is completed because if major work is required, this will have to be part of the bid package for that contractor and at the very latest will have to be done by way of addendum. Chukuske asked what the procedure would be for them to get the 90% reimbursement. Kerr feels that the City would pay first and then it is submitted to MPCA. Koopman indicated that they would need to submit an application to the Petrofund and provide copies of invoices and indicate what it was for. Arvizu wanted clarification that in the preliminary soil borings was when they noted something about the fumes and this is what started this whole process of having to go through these tests. She questioned that even if they find nothing, would that be enough for the state to reimburse the 90%? Kerr indicated that they are being led to believe soil borings are necessary and work scope from Braun in the proposal of January 13, 2005 needs to be modified. Two quotes are needed for Petrofund reimbursement. Byrne questioned what consulting services included. It seems like a short amount of time they will be out there drilling and a lot of money. Kerr indicated that he had not idea what this entailed. Mayor Ferrazzano asked if they would be reimbursed 90% of \$5,735 or 90% of the total \$9,450. He also asked that if they find nothing, do they still get 90% reimbursement or nothing. Kerr feels that they would be reimbursed 90% of the \$9,450. He feels that it needs to be understood with whoever they hire, that they are confident enough that if there is no reimbursement, then they will get 90% less. He indicated that there is no written report concerning these fumes. Braun has not indicated that there are issues, other than this proposal. The original soil boring reports did not comment on it. Arvizu felt concerned as the proposal stated that the Petrofund reimbursement will only occur if a tank is found or there is a report that the tank was removed from this site. She was wondering if contaminated soil was brought in. She was wondering why Pashina would not required this information about the borings in the report. She realized that another reason for boring was to check for water saturation from leaking pool. Kerr could not answer and indicated that all he could

say was that the report furnished by Braun was all there was and the report was lacking. Stobb recalled that there was history of some type of heater in the equipment room for winter and there could have been a tank there. Robinson indicated that the original plans from 1950 showed fuel oil tank underground and they do not know if it is still there or not. They do not think it is where the plans show it was to have been. No work has been done to see if there has been one there. He indicated that the borings were taken on the north end of the pool by the retaining wall. The plans show that the fuel tank was on the south end of the pool. Motion by Arvizu, seconded by Byrne to authorize expenditures of \$9,450 for a limited site investigation with the understanding that 90% will be reimbursed by the Petrofund, and if nothing is found, will only pay 10% of fee plus DRAP and VPIC preparation, soil screening and collection of samples and project management. All voted in favor of motion.

Motion by Rettmer, seconded by Snyder to obtain second bid from Delta Environmental for the limited site investigation. All voted in favor of the motion.

Koopman presented the tax abatement option for project financing suggested by Ehlers & Associates. This is a short term financing of up to three (3) year period and can be extended to an additional three (3) year period if necessary. The positive would be that money to proceed would be available and the negative will be it will cost money to do this, approximately \$77,500 in interest and issuance costs. She added that it would be a benefit to have funding in place as there are two bills in legislature that could cause a tax freeze. If this freeze would take place, the city's levy would be frozen at that level until the local government aid is fully funded. The other alternative would be continue what we have been doing and that is using hospital funds until they are depleted and then dip into Utility Funds, as they are the only ones that have a sufficient fund balance. The negative to using Utility Funds is the big projects with drainage plans and lagoons need to be done and those funds are needed to proceed with them. Ehlers & Associates encourage the tax abatement rather than funding this in house which would restrict money for other projects. The Council was provided with information from Ehlers & Associates regarding this issue. Arvizu agreed with avoiding dipping into the hospital fund any more and handicapping the hospital if they really need the money. Since a tax freeze is possible, financing needs to be in place. She asked if the freeze could impact the capital debt also? Koopman explained that a decision does not need to be made tonight, but something that needs to be considered and thought about. The materials for repairing the pool have been ordered and this will take time to put together and requires public hearing. This bill is in the House and Senate and has not been scheduled for a hearing yet, but those bills are pending and it freezes the city's ability to increase taxes till such time that the local government aid is funded again back to the level it was in 2002. It could be 10-15 years and during that time the levy or fees cannot be increased. They are trying to make it clear to the people that Governor Pawlenty's no tax increase is hurting the local government. Koopman indicated that she would like to start with this tax abatement in April if possible. She thinks deciding in March would give the Council time to think it over and can be talked about more at the next meeting and then the first meeting in March try to make a decision. She has discussed this with David Spencer. There are pros and cons going both ways. Mayor Ferrazzano wanted clarification of what tax abatement consists of. The City is asking someone to give them \$1.1 million and they sell bonds to pay for it. The interest that the City pays over the top is the interest on the bonds and goes to the people that hold the bonds. Koopman commented that since it is such a short term bond, the interest would be about 2.75%. She added that when you are bonding, you are pledging the full faith and credit of the city and guaranteeing the bond holders payment because of the ability to tax. She wanted to clarify that when the term tax abatement is used, they are not actually abating anyone's tax and tax will still be levied as before. After more discussion, the Council felt that since there are only the two options, they cannot afford to take more money from the Hospital Fund or take funds from the Utility Funds and if Tax Abatement is the only other option, to start proceedings. Motion by Stobb, seconded by Snyder to proceed with the Tax Abatement for the financing of the Aquatic Center. All voted in favor of the motion.

Kerr presented the settlement with Allman. Giving some history, Kerr indicated that when they amended the claims against USA and Olympic Pools, they looked for possible other defendants based on the investigation of the engineers. The two that they were seriously considering to add Allman, the design engineer for specifically the pool heater venting and gas piping and Heartland Mechanical, the plumbing concerns that had the fourth contract and installed those items. Allman

felt that they did not error and they were then named in the lawsuit. It was alleged because of Allman's negligent performance, the City has incurred a sum in excess of \$3,500 including costs to redesign for venting and gas piping. Allman never hired a lawyer or appeared formally in the lawsuit but was named in the lawsuit and the court recognized him as self represented. Coleman has been talking to Allman for some time and Coleman felt that he would settle. The settlement agreement has been signed on February 10, 2005 by Allman and will pay the City a sum of \$2,500 for settlement and he will be released from the lawsuit. Asking council if it would consider approving a settlement and removing him from lawsuit. It is Coleman's recommendation and Kerr agrees to accept this settlement.

Motion by Arvizu, seconded by Byrne to accept the offer of \$2,500 from Allman to remove him from the lawsuit. All voted in favor of the motion.

Kerr also wanted to discuss another issue with reimbursement by League of Minnesota Cities toward attorney fees. Olympic sued the City for \$80,000 as that was the balance of the contract and they felt they were due that. LMC said the City did not have coverage for that. Then all the pleadings were submitted again. Koopman and Kerr had a conference with Gronli and he in turn requested a conference with Coleman and Markert. Gronli indicated that he felt there was exposure for the insurance company and he asked how 40% sounded. After the conference with Coleman and Markert, Koopman received a letter the first part of last week dated February 1, 2005 and Kerr suggested that they talk with Coleman and Markert. Kerr discussed it with Coleman and Markert and they feel that it should be explored further. They suggested that the City accept the \$15,210 and the City authorize the attorneys to look further and see if LMC would reimburse for attorney fees. He feels that this 10% is arbitrary and would like to see at least the 40%. Motion by Stobb, seconded by Byrne to direct legal counsel to look into the matter further for reimbursement by League of Minnesota Cities for attorney fees. All voted in favor of the motion.

Fire Chief Engesser presented Fire Department By-Law amendments. Since Tracy does not have their own Fire Marshal any longer and there are three on the department that can be called for this work. Motion by Byrne, seconded by Snyder to approve changes to the Fire Department By-Law Amendments. All voted in favor of the motion.

Koopman indicated that Ordinance 292, an ordinance amending the zoning ordinance, is a housekeeping ordinance, with the exception of Subd. 2 (B) 8. where the term Bed and Breakfast was added and eliminated the last portion of the sentence, "and not to anyone who may apply." The rest is renumbering definitions and subdivisions. The proposed ordinance has been reviewed by the Planning Commission and they are recommending that the Council consider this ordinance. Motion by Stobb, seconded by Chukuske to waive the first reading and set the second reading and public hearing for 2/28/05 at 6:45 p.m. All voted in favor of the motion.

Next on the agenda was 5D; Elimination of current Police and Liquor Committee/Establish Investigative Committee. Chukuske felt that instead of having so many committees, have just one that would look into whatever issues the Council might want looked into. Byrne felt that they should have some guidelines for the committee members as to their duties. He also felt that there should be guidelines to distinguish commissions from committees. Kerr felt that a committee should be appointed for a specific purpose and are very limited. He felt that they should not have a standing committee, that it was unwise and is not permitted by the City Charter, and is a temptation or invitation to get around the open meeting law. If there is an issue, then there should be an investigative committee at that time and the Charter and City Ordinance both contemplates that. Motion by Chukuske, seconded by Byrne to eliminate the Liquor and Police Committees and if something is needed in the future to appoint a committee for that specific issue. All voted in favor of the motion.

Chukuske reported that he was asked about term limits for the City Council. Mayor Ferrazzano indicated that the Charter Commission recommended term limits in October, 2003 and the Council voted it down. He felt that the only way it should be brought back to the Charter Commission is if the Council felt strongly that term limits should be in effect. If this is something that the Council feels should be explored, he would not oppose to discussion of term limits for the position of Mayor. Stobb felt that he was in favor of term limits at that time and is not opposed to the Charter

Commission reviewing this issue again. Byrne commented that those that opposed the term limits felt that the people of the City had the right to decide whether they wanted a council member to stay or not, rather than the Council themselves deciding if they should be able to continue. Arvizu feels that they are held to a high degree of accountability due to the fact that they are televised live and the public can hear the discussions. The public can see if they take part in discussion and if the Council is making decision based on facts or we seem to have problems working with others. She has not seen a need for term limits. Chukuske agrees with term limits and feels that they are healthy. Motion by Chukuske, seconded by Rettmer to have Charter Commission consider term limits and other housekeeping issues that they deem appropriate. All voted in favor of the motion.

Hmong liaison appointment was discussed. Arvizu indicated that Chad Anderson has a community committee and the make up has members from the Hmong community and school. The next meeting would probably be held in March and it is open to anyone who would like to participate. She suggested that maybe they should have a liaison from the Council to attend these meetings. Chukuske will give Chad Anderson a call and will report back on meetings.

Mayor Ferrazzano reported that there was a closed meeting at the end of the last meeting to investigate alleged employee misconduct. No misconduct was found and the Council would like to apologize to the employees that were spoken to regarding this matter.

Car bids for the 1993 Ford were reviewed. Two bids were received, one from Charlie Snyder for \$550 and the second was from David Devetter in the amount of \$300. Motion by Chukuske, seconded by Byrne to accept the \$550 bid from Snyder. Snyder abstained from voting. Motion carries.

Robinson gave his Department Head report. Robinson reported that the ponds were taken down to low levels by Peopleservice. They were only to discharge the amount of water that you need to make room for the upcoming 180 days. The secondaries were completely drained to the bottom and one of the primaries was also. MPCA was called here to look at the situation because of the fact in the spring we could have trouble meeting limitations. The secondary cells are holding the water that needs to be discharged in the spring that is being treated. They talked about putting water in there to keep biological activity going, but it would be too hard to put in enough water. This has all been documented with pictures.

Robinson reported that the new employee is working out very well.

Robinson explained the catch basin situation as outlined in his report. Storm water goes to creeks through piping and catch basins. Sanitary sewers is water that is treated and goes to the ponds. It has been discovered there are catch basins that are connected to sanitary sewer. So far they have identified seven storm water catch basins tied directly to the sanitary. He had contacted Lyon County Public Works and they will be down to look at this situation. The street crew built a temporary bar screen in the structure then dropped numbered ping pong balls in the area storm water catch basins. These balls were then identified the flow. These catch basins have to be taken off the sanitary ASAP, or the bypass gate will have to be opened every time it rains or snow melts and it will be in violation. Arvizu thought that they had engineers that did expensive testing, with televising, etc. and asked Robinson and Kerr if there was any way to recover some of the money spent, since the engineers seemed to have missed some things in this situation.

Stobb asked if the filter at the treatment plant is repaired. Robinson answered that they have the new nozzles, but do not have the sand yet. It has been ordered and should be received in a week or two.

Snyder asked if there are any street light problems, if they are to call Excel. He reported that all of Park street has been out since the power outage. It was noted that the Excel should be notified.

Robinson indicated that they have contacted Excel energy and was given the peak KW loads that the wells or water plant have ever had. The water plant and wells are two separate facilities and if there was one generator at the water plant, an underground wire would have to be run out to the wells, or two separate generators, one at the well site and one at the water plant. Paul DeSmith will be looking into prices for those and a used one is an option. They would need about a 55KW on one

and 27KW on the other.

Police Chief Hillger presented the Activity Report. He indicated that the new squad car is up and running. On 2/15/05 the entire squad will be doing a refresher on the AED defib and CPR training. In March, one of the police officers and an assistant fire chief will be going to a basic arson investigation class for 3 days in St. Cloud. This is prompted as the State Fire Marshal has been affected by budget cuts and our people have to investigate first and then call the State Fire Marshal and tell him that they suspect arson based on their findings and this has to be done first before they will come and do a proper investigation.

Hillger also explained that Chief Engesser said that March 21 will not work for the tabletop drill or Emergency Management Meeting. Rettmer suggested March 22 at 6:30 p.m. Hillger felt that it would possibly be 2-3 hours and could meet at the fire hall.

Chief Hillger felt Fire Chief Engesser and the Fire Department need to be recognized as they sent all their members through the Chemical Awareness class and they are to the operational stage now and they are the only department in southwest MN that is operational.

Chief Engesser said that there are some problems with Hmong and they are storing LP tanks in their houses. It is very dangerous. Arvizu suggested that he get in contact with Chad Anderson so this can be discussed. He explained that the department can assist when there is Hazardous waste clean up and it teaches the department how to react when something happens. With money from fund raisers they have purchased a gas detector and have had to use it once already.

Koopman indicated that her report basically reported meetings that she has attended and tried to elaborate a little more on the tax freeze bill. She said that the LMC has been lobbying against this and will be testifying when the hearing it held to represent the cities.

Kerr reported that Pashina and Dahms were to meet today to finalize the final schedule, but Dahm's wife had a baby. Pashina indicated that he would talk to the person filling in for Dahms, Adam Salo. Kerr indicated that on 2/7/05 the Myrtha design work was completed. The schedule now is for 2/21/05 preparation for design and constructions documents completed and 2/24/05 advertisement for bids. Previously the Council approved plans and specifications when we had the Diamond Bright as one of the specs. What he would like tonight is that the Council recognize that those are not any longer viable constructions documents and the original advertisement for bids is also no longer functional. Those should be deleted from the repair plans. He requested the Council to consider a resolution approving plans and specifications, contingent on approval by the Public Works Director and Mechanic and authorize the advertisement for bids. These plans and specs are subject to Robinson and DeSmith's review and if something is found, then there can be an addendum to the bid documents that would rectify that. Motion by Snyder, seconded by Chukuske to rescind the previous motion to approve plans and specifications and authorizing the advertisement for bids. All voted in favor of the motion.

Motion by Snyder, seconded by Rettmer to adopt a resolution approving plans and specifications contingent on the approval by the Public Works Director and Mechanic and authorize the advertisement for bids. (Res. No. 2005-1)

Stobb wondered if it would possible or smart to advertise for bids for two different completion dates for completion date of August 1 or earlier or completion date of November 1. If there would be a pool season for one month, it would be nice to know what that would cost. He had talked to Engel today about that and talked about that possibility. Engel indicated that he would have an idea of what labor costs would be for pool this summer if it opened. Mayor Ferrazzano asked Kerr if it is possible when advertising for bids to say if they are going to bid on this project, to give a bid for completion date of August 1 and also a bid for completion date in November. He indicated that he was concerned about if given two different options, what if they do not apply for one of the completion dates. Kerr indicated that he would have to check with the engineers. He stated that one of the things that needs to be kept in mind, is that the Myrtha material has been ordered and will be on site by May 1<sup>st</sup> and is wondering if this can even be done. Arvizu indicated that if they forego a second season, her concern is that if too many years are gone without having staff with experience,

the ranks are not being built for lifeguards or WIS. A one month season is needed to salvage this. Mayor Ferrazzano emphasized the need to get the bids out by next week, he felt that once Kerr has talked with the engineers tomorrow, they could phone poll to see whether they would like to advertise a bid that has mandatory two dates on the bid. Stobb also indicated that he and Engel had discussed it would be beneficial to have the pool open for a month, just to see that everything is functioning as it should be. The Council has been working to get everything going as fast as possible, but in reality the crews may not be there to do it until later. Kerr indicated that if they go this route, they would have to check to see if Myrtha could delay delivery of the materials, but they may have to still be paid. After further discussion, original motion was amended to direct the staff to discuss the two completion dates with Pashina and Dahms. All voted in favor of the amended motion.

The Consent Calendar included the following: Economic Development minutes for January 7 and 21, 2005; Multi-Purpose Center minutes for January 18, 2005; Police Commission minutes for February 8, 2005 and Municipal Accounts Payable. Motion by Stobb, seconded by Chukuske to adopt the Consent Calendar as is currently printed. All voted in favor of the motion.

Koopman introduced the Capital Improvement Budget and asked if there were any questions regarding this. This is merely a plan that is used as a guideline for future budgets and is intended to identify the needs of the City by various departments. Stobb asked about the way the money is used for computer updates and likes the idea of using amounts every year to update as fast the equipment changes. He also asked about the \$28,000 in the Liquor Store Budget. Koopman indicated that one of the reasons the main office has it annually is because of number of computers in the office and the usage that they get. She answered that the \$28,000 is an estimate for the Liquor Store patio project. Chief Hillger also agreed that the Police Department does not need to upgrade as often as the main office or some of the other departments.

There were no questions submitted to the Council from the public.

Chukuske gave a report on the Council orientation that he, Snyder and Rettmer attended this past weekend in Mankato. He felt that it was very worthwhile to learn the basics of how a city is run, and be able to talk to other individuals from the same size city. He felt that the presenters were excellent. Snyder commented that it really opened his eyes to resources that are available, what should and should not be done, and they stressed the issues of talking to the staff if there are questions as they are the ones that know what is happening. Rettmer felt that is was excellent. As a result of the information given them, they recommend that new Councils have a team building seminar. This involves the seven member Council to go off for a period of time and get to know each other, opinions, likes, dislikes and try to get a handle on how we all behave, as well as create a mission statement. Also they suggest line up some goals where we would like to be and where we would like to go in the next two years. Chukuske indicated it would have to be an open meeting and he would contact some local consultants after discussing the cost of this. Rettmer indicated this meeting has to be accessible, and not conducting it on a regular Council night, nor holding it in council chambers. It needs to be done in a location where decisions and discussion are done. The point of the team building is to get to know each other out of the council realm. Motion by Rettmer, seconded by Arvizu that the Council investigate and research the possibility of having a team building session and also research the cost of this session. Mayor Ferrazzano asked if they need a consultant to do this. Chukuske felt that they need an outside person to moderate and keep the session on task and focus. Rettmer agreed with this issue. She feels that they can decide how long of sessions or how many hours they feel they can accomplish this goal in. After further discussion, all voted in favor of the motion.

Mayor Ferrazzano asked that they reschedule the March 28 meeting to March 21. March meetings will be March 14, 2005 and March 21, 2005 at 6:30 p.m.

Motion by Chukuske, seconded by Snyder to adjourn the meeting. All voted in favor of the motion and meeting adjourned at 8:50 p.m.

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

## February 28, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 28, 2005 in the Council Chambers of the Municipal Building. The following Council members were present Mayor Ferrazzano, T. Byrne, S. Rettmer, J. Arvizu, B. Chukuske, and C. Snyder. Absent was R. Stobb. Also present was A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for a moment of silence in honor of Lt. Jason Timmerman who was killed last week in Iraq serving his country.

Mayor Ferrazzano asked for any corrections or additions to the minutes from February 14, 2005 City Council Meeting. Motion by Rettmer, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano requested any changes or additions to the agenda. Added to the agenda was 8b EDA 1-5 year plan and 8c Industrial Park Lot Sale; 8d Asbestos removal from vacant building next to the liquor store; and 9a Tax Abatement to fund the pool project. Motion by Byrne, seconded by Chukuske to approve the Agenda as revised. All voted in favor of the motion.

Mayor Ferrazzano indicated that he has ordered that tomorrow all the city offices will be closed at noon which includes City Hall, Liquor Store, Library and Senior Center. Lt. Timmerman's funeral is at 2:00 p.m. March 1, 2005 at Holy Redeemer Church in Marshall. He would like as many people as possible to attend. Mayor Ferrazzano voiced that he would like a committee formed to visit with the Timmerman family to commemorate Mr. Timmerman and other Veteran's that Tracy has lost over the years in the different conflicts that our country has been involved in. He would like this committee to look into and to talk with the Timmerman family and also the families of other Veteran's that have died in conflict, to discuss the possibly of changing the name of the Prairie Pavilion to something like the Veteran's Memorial Pavilion and if this is not feasible to explore other options for recognition of Veterans that have died in conflict. He would like representatives from the City Council, VFW and other community members who are interested in sitting on this committee and would like this formed as soon as possible and start working towards a project. Byrne and Ferrazzano volunteered and will meet with other representatives within the next week or two.

Mayor Ferrazzano indicated that he would like to end this meeting by approximately 7:15 p.m., so that the prayer service for Lt. Timmerman can be attended.

The Mayor opened the public hearing on Ordinance No. 292, an ordinance amending the Zoning Ordinance. There being no public testimony, the Mayor declared the hearing closed and referred to the Council for their consideration. Motion by Chukuske, seconded by Snyder to adopt Ordinance No. 292. All voted in favor of the motion.

Koopman indicated that Bernie Holm is not interested in continuing as City Gardener. It will be advertised so the position can be filled as soon as possible, hopefully by April. Once applications are received a committee will be interviewing the applicants.

Next on the agenda was Board and Commission appointments.

Motion by Byrne, seconded by Chukuske to appoint Marlene Buck to one of the two vacancies on the Library Board. All voted in favor of the motion.

Motion by Snyder, seconded by Byrne to appoint Netter Holm to the vacancy on the H.R.A. Board. All voted in favor of the motion.

Motion by Chukuske, seconded by Byrne to appoint Claire Hannasch to the vacancy on the E.D.A. Board. All voted in favor of the motion.

Motion by Snyder, seconded by Chukuske to appoint David Zwach as the Milroy representative and Robert Gervais as the Currie representative to the Hospital Community Board. All voted in favor

of the motion.

Motion by Byrne, seconded by Snyder to appoint Bernie Holm, Claire Hannasch, Marv VanAcker and Thad Lessman to the four vacancies on the Charter Commission. All voted in favor of the motion.

Mayor Ferrazzano asked for volunteers to do the interviewing for the one vacancy on the Police Commission and also the one vacancy on the Cemetery Commission. Rettmer and Snyder volunteered. Koopman will set up the interviews.

Robinson informed the Council that the Public Works Dept. was recently able to acquire three government surplus standby generators. Two 100 KW generators, one for the wells and one for the water plant; and one 30 KW generator for one of the lift stations were picked up at Hinckley, MN. Another 30 KW generator will be picked up for the other lift station. The three generators were new in about 1986 and have a value of about \$20,000-\$30,000 each. These generators were free on the condition that when the City can use them no longer, they must be given back to the government. Some minor repairs need to be done to them and they will need to be wired.

Gervais presented the EDA 1-2-5 Year Plan. This 1-5 year plan was reviewed and looked at by the EDA. The Corrections Facility continues to be a hot topic. He requested the Council to consider signing a petition which will be presented to all the Senators and Representatives in the State. The goal is 500 signatures. Gervais indicated that there is a bill introduced by Seifert in favor of the privatization and there is also a bill out there against it.

Gervais noted two questions that need to be answered regarding the industrial park are looking at developing new land or develop what is currently in the Industrial Park. Mr. Gervais also reviewed the need for a new housing addition. The Anderson property acquisition would be a great housing addition. There are four brief overviews of what the Anderson property could look like with a housing addition located there. There is only one lot left in the Eastview addition, there are five lots the hospital has an option on.

Gervais indicated that the EDA is still working on the Wellness Center and the Child Care Facility they met with last week with the architect and April 1<sup>st</sup> is the grant submission deadline. They are continuing to follow up with the SMSU group. There are no definite plans right now with anyone coming in.

The have met with Southwest MN. Housing Partnership regarding substandard housing demolition and they are in the process of contacting individuals and property owners of substandard housing.

Arvizu and Gervais are in a group that continues to look at broad band technology to help the community grow. In the business world today, infrastructure needs to be available. Blandin has broadband technology group and are planning a training session on Tuesday, April 19 from 6:30 p.m.-8:30 p.m. at the high school. This will be a broadband training to see how this can be applied to business, education, hospital or government.

Gervais indicated that at the last EDA meeting they recommended to the City Council to continue to pursue the sale of the south softball field for the building of a new funeral home. A map was included in the Council packets.

Rettmer asked if there was any history of what the lots that are occupied, what they sold for and where the Tracy Enterprise files are to know how much Northstar and Hoflock paid so they can determine how much this lot needs to be sold for.

Gervais indicated that the most recent one was the smaller LaVoy lot, lot 6 of that block. That was sold on sealed bid two years ago and the high bid was \$2200 to LaVoy. He did not look any further in the past for that. The EDA does not own these lots, the City owns them. Gervais indicated that it may have to be appraised.

Arvizu indicated that appraisal would be more relevant as the property value fluctuates when there

are many years time span involved

Rettmer wondered if that was considered when the lot was sold to LaVoy. If it was sealed bids, the City did not have to take those bids if they felt they were not reasonable for a property that has infrastructure. She was wondering if the City realized that when he bought that property, he would not be doing anything with it.

Arvizu indicated that the Council was aware that LaVoy was going to be using it as a place to store things.

Rettmer indicated that according to the Charter, the Council does not have to sell this property by sealed bids and the Council determines if this is done or not. She also asked how they would arrive at a property value. She asked if appraisal of the Wixon land for commercial property could be used as a basis so they do not have to go to the expense of appraisal.

Byrne suggested that they could send this back to the EDA and have them come up with a pricing structure for approval by the City Council.

Rettmer felt that going back and forth from City Council and EDA gets to be time consuming.

Chukuske felt that the first thing that needs to be done is to decide if they want to sell this property.

Koopman informed them that the only thing they can do tonight would be to call for a public hearing.

Motion by Rettmer, seconded by Chukuske to call for a public hearing to consider the sale of the Industrial Park lot on March 14, 2005 at 7:10 p.m.

Nielsen advised that it be referred to the Planning Commission also for review to see how this would coordinate with the comprehensiveness of the zoning plan.

After further discussion, all voted in favor of the motion to call for a public hearing.

Gervais also said that some things to consider would be for the Council to set lot prices out there similar to what they did in the Eastview addition with housing so if people do come in or the EDA is contacted, they could say what they are going for. That could speed up the procedure. The prices for the Eastview was set based on cost to acquire land and infrastructure. The original price for those lots were \$15,550, and were discounted down to \$9,000 with a rebate of \$1,000 from the City if they built something on that property within a year.

Koopman presented a quote from M.A.A.C., Inc. for removal of asbestos from the building next to the liquor store. The cost would be \$7,920 and the next step would be to proceed with the asbestos removal, or we could advertise to address both demolition and asbestos removal at the same time. This would come from the Enterprise fund and would not impact taxes. Motion to move forward with this and advertise for bids and coordinate the asbestos removal with the demolition with the removal of the asbestos done prior to demolition by Chukuske, seconded by Byrne. All voted in favor of the motion.

Mayor Ferrazzano presented the Resolution for Tax Abatement Bonds. Koopman indicated that the public hearing will be held on March 14, 2005 at 7:00 p.m. as required by law in order for the City to proceed with the Abatement Bonds. Motion by Snyder, seconded by Chukuske to adopt the resolution CALLING FOR A PUBLIC HEARING ON THE TAX ABATEMENT FOR CERTAIN PROPERTY IN THE CITY OF TRACY. All voted in favor of the motion, (Res. No. 2005-2)

The Consent Calendar included the following: Multi-Purpose Center minutes for February 9, 2005; Monthly Financial Report and Municipal Accounts Payable. Motion by Chukuske, seconded by Byrne to approve the Consent Calendar as printed. All voted in favor of the motion.

Koopman noted for the record that there was another bid for the City car that received. This was from Dennis Schroeder in the amount of \$302.26.

Kerr presented a new updated schedule for Design and Repair - RenovAction Repair Option for the Aquatic Center. There is also some information from Gremmer and Associates concerning three items. There was too much optimism in Myrtha design work being completed by 2/7/05. This design work is not completed yet. The new schedule indicates that the Preparation of Design and Construction Documents will be completed by 3/21/05 and the Substantial completion date of 11/01/05 which indicates that there will not be a pool season in 2005.

Dahms addressed the Splash Pool Alternate design. After discussion regarding the splash pool, it was recommended that due to the actual cost to repair the existing pool shell and the cost to completely replace it may be about the same or a little more, it should be completely replaced. Also the repair process is labor intensive and it would be easier, less risky and less expensive for them to replace the entire pool. This can still be accomplished using the Myrtha system

The next issue is regarding the pool surge tank/main drain re-design. The way the pool operates is the waste water taken from the pool come out through the main drains and goes to the pump suction. At the pump, the operator needs to balance the water from the main drain and surge tank which contains waste water from the pool surface. This could lead to premature wear and replacement of the pumps. The reason this could occur is that if the water in the pool is not overflowing into the gutter, which could happen when everyone leaves the pool, the surge tank water level could drop so that the pump pulls air into the system. To remedy this a tee could be placed into the main drain line and provide piping into the surge tank. This piping would have a float valve, which would also monitor the surge tank water levels and protect the pump.

Kerr suggested that be bid as an alternate so the Council would be aware of what the redesign would cost.

Arvizu asked Pashina if the possible date for completion will be late fall, the pool would not be able to be filled and they would not be able to test anything out until late spring in terms of leaking, etc.

Dahms then indicated that November would be the completion date and engineers would have all the function items taken care of. At that time the pool can be filled and the circulation checked to make sure everything is working correctly and there are no leaks. They would not be able to chemically treat and balance as in a typical start up. After that the pool would be drained down so the deep area of the pool is filled to take care of winter heaving issues, etc. The contractors could be required to come back in spring and help with start up and balance and make sure things are working and secondary training.

Chukuske asked if they then need to rescind the previous action of hiring life guard staff as all these people will not have to be hired.

Motion by Chukuske, seconded by Snyder to rescind the direction given to Engel to seek and hire employees for the pool and pay for the training provided they do not seek employment by another pool. Upon roll call, the following vote was recorded: voting aye: Arvizu, Byrne, Chukuske, Snyder, Stobb and Ferrazzano; voting nay: Rettmer. The motion carried.

Kerr presented a bid comparison and Delta was the lesser price of \$8,507.35 compared to the bid from Braun for \$9,450.00 for limited site investigation for the alleged contaminated soil by the aquatic center. Motion by Chukuske, seconded by Byrne to accept the bid from Delta for the Limited Site Investigation. Rettmer was concerned that there seems to some phantom person at the site taking samples, phantom fumes and phantom tank and this LSI still has to be done. She also voiced concern that if nothing is found, the Petro fund will not reimburse the 90% of the cost. Kerr indicated after reviewing the revised bid from Braun and the original bid from Delta, they already have applications for the reimbursement. After further discussion regarding the acceptance of the bid from Delta for the LSI, all voted in favor of the motion.

Motion by Byrne, seconded by Snyder to adjourn at 7:25 p.m. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

**March 14, 2005**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 14, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, T. Byrne, S. Rettmer, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from February 28, 2005 City Council Meeting. Motion by Rettmer, seconded by Stobb to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any changes or additions to the agenda. Additions included to (7a) Waterfowl Association request for gambling permit for raffle and (9e) Police Activity Report and Maintenance Log. Motion by Byrne, seconded by Snyder to approve the Agenda as revised. All voted in favor of the motion.

Mayor Ferrazzano indicated that Legal Services Agreement has been worked out with Kerr and Nielsen, and the Attorneys Committee including Mayor Ferrazzano, Arvizu and Koopman. They believe it to be a fair contract. Mayor Ferrazzano asked for any questions regarding this contract. Arvizu indicated that they worked very hard to come to an agreement in which the costs could be nailed down as best as possible. Nielsen and Kerr have agreed to do their services for a set amount, including work for the EDA, Hospital Board, etc. Nielsen and Kerr indicated that they would have to be watching how much time it actually takes, and if this becomes too much of a loss of time for them they would have to regroup for the contract next year. Byrne commented that if there were any questions, the Council would meet to decide whether it was inclusive to the contract or not. Motion by Byrne, seconded by Stobb to adopt the Legal Services Agreement with James E. Kerr and Associates. All voted in favor of the motion.

Next on the agenda was the Engineering Agreement for Airport Improvements. Koopman indicated that 95% of the \$19,700 can be reimbursed by the F.A.A. Robinson indicated that no further work could be done at the airport with Federal monies unless there was a new Airport Layout Master Plan. Robinson indicated there is a private party that wants to construct a hangar, so the ALMP was revised to include a place for the private hangar to go. By June 1, 2005 there is \$90,000 available that we take or leave. This is 95% grant. The ALMP indicates where new hangars can be constructed, but there is no funding right now to construct hangars themselves. The monies available are for the prep work. The last ALMP was done in 1964 and they recommend that these be done every 5 (five) years. Robinson received the plan on Friday and it was also sent to the F.A.A., as they have to approve this plan. The Airport Commission will be reviewing the plan this coming week. The new hangar that will be built by a private party and has a space for a single plane and also a small office area in the front. Koopman told the Council that the City cost for this agreement would cost the city \$985. Motion by Stobb, seconded by Byrne to approve the Engineering Agreement for Airport Improvements. All voted in favor of the motion.

R. Radke presented the Liquor Store February report. He indicated that he has talked to Nielsen and Chief Hillger regarding the possibility of testing individuals who agree to be tested in order to try and have an idea of where .08 is. In August of this year the legal blood alcohol level drops from .10 to .08. Details will be worked out at a later date. Stobb asked if this change in the law, would the dram insurance cost go up? Radke felt that this would not as there are not any companies out there, so the cost keeps going up. There needs to be some changes in the lawsuit availability to make it so other insurance companies would come in and bid for insurance. The way the law is now, anybody can sue anybody.

Chief Hillger presented the Police Activity Log and Maintenance Report. He indicated that the new vehicle is working out well. Chief Hillger reminded the Council regarding the tabletop Emergency Preparedness Meeting for March 22, 2005, 6:30 p.m. at the Fire Hall. Arvizu indicated that she has talked with the Red Cross regarding this meeting.

Robinson reported that there have been some control problems at the water plant and on Wednesday this week there will be some companies coming out to evaluate this system so that a scope of work can be put together and see what has to be done to correct this. He said that the problems started after the power outages and have continuously become worse. Stobb asked that if it was caused by the power outage, could it be covered by insurance? Robinson has put the City's insurance company on notice of a possible claim. This would have to be proved out. There are some circuit boards that are completely burnt out black and they cannot be replaced as they are no longer manufactured. These parts are proprietary parts. They will try and get away from that this next time. Arvizu wondered if having the generators in place, should help avoid this in the future. Robinson indicated that the generators that they have are not quick start and will not automatically fire, and will have to manually start them. There will be a short loss of power and then re-powering up. The new type of systems do have a battery back up. He indicated that there were portions of the control panel that has not worked for about 5 (five), some pieces have not worked, some of the charts have not worked. Since last January and February, more went out and went out faster. Robinson also indicated that the County is going to assist the City with engineering services for the storm water cross connections on Center Street.

Gervais indicated that the EDA has been working on a number of projects. He presented copies of the Small Community Block Grant progress report. Originally they were to do 25 owner occupied homes, 15 rental units and 10 commercial properties. Contacts made were 47 owner occupied homes, 8 rental properties and 22 commercial. The commercial stands out as 67% of the money is going to be paid by the property owner and this indicates promise in the future for Tracy. Some of the information may be misleading as in the housing portion, shows 3 (three) projects have been completed and there may be more actually completed, but have not been signed off yet. They have till September 2005 to complete this project. Gervais suggestion would be that in the Fall of 2006, that we actually look at doing another one of these programs. After talking with SW Mn. Housing and Western Community Action and other agencies, they feel very strongly that Tracy would have a good chance of getting another of these grants. Especially showing what the EDA is currently doing with program, with the applications in the commercial aspects and EDA trying to do the housing renovation and demolition program.

The EDA is currently working with some property owners on Highway 14 as far as acquisition and demolition to open up commercial property along this route. Todd Hagen has been talking to the EDA about tax increment finance and tax abatement and other options on some ideas that the EDA has.

Gervais had an opportunity to talk with Governor Pawlenty last Friday in Marshall to discuss the corrections facility. Gervais explained to the Governor that there would be a letter coming his way shortly, along with Senators and Representatives and that Gervais would like to spend some time with him in the next few weeks after that. The Governor indicated that he should make an appointment with him and he would allocate some time to spend to talk about the corrections facility. Gervais indicated to the Governor that Tracy is interested in a short term offender prison and using that terminology may help us. Gervais encourages the public to write letters to the Governor, Senators and Representatives as well on behalf of the project and what the City is trying to do. Once the signature pages are back in and the letters printed, Gervais is predicting that about two weeks after that would be a good time to visit the Capitol. This would be the end of March or the first part of April. Mayor Ferrazzano expressed interest in going with Gervais to meet with Governor Pawlenty.

Gervais reported that the house that the Industrial Trades class from the high school, along with Western Community Action, is coming along well. They are doing a good job and Western Community Action would like to do another house with them this next year if another house to renovate can be found.

Gervais indicated that any input on the Industrial Park would be appreciated by the EDA to go forward with that.

Koopman indicated that in her report she tried to highlight one of the more current bills that is pending, that is referred to as the Governor's Turbo-charged Truth-in-taxation proposal. This could have a major impact if this were to pass. The concept is basically when the property owners get their Truth-In-Taxation statement, this will include a survey and will be addressing a question that states "Are you satisfied with the proposed property tax levy for the City of Tracy?", and this can be answered "yes" or "no". If there is 20% of those returned with a "no" response, the City would have to hold a referendum on the levy increase and force the City into holding an election, which would be held the last Tuesday in January. This puts the City one month into the fiscal year. The City would also have to certify two levies to the County (one assuming the referendum is passed and one assuming the referendum failed). The problem is that this is basically giving the City Councils no authority to control the levy. Does not recognize any potential growth, any mandates from the state or any cuts from the state. This could put us in a difficult position and would cause the City to go back to the previous year's levy.

A public hearing was held at 7:00 p.m. on approving property tax abatement for certain property in the City. Mayor Ferrazzano said that he has been asked why there are only certain properties listed in the notice in the paper. Koopman explained that the properties chosen were those properties that actually purchased a season ticket to the Aquatic Center as they had to demonstrate benefit. She further explained that although these properties are identified for tax abatement purposes, all properties will be the tax burden if there is any. If the lawsuit is not 100% successful and there is a balance due on this bond, then they will have to levy for it, that levy would be spread over all taxable properties within the City.

Todd Hagen indicates that the tax abatement is a development tool. In this case, they are actually using the tax abatement to derive the benefit from those that use the Aquatic Center. Under state law in the notice of public hearing we have to derive a maximum amount of tax abatement and have to identify the parcels and these were identified by street address so people have an opportunity to respond. This method was used rather than going through a long report and paying individuals to go through a cost benefit analysis as in tax increment. In abatement this does not have to happen. The Bond Council felt this is the logical way to go. Everybody pays their taxes the same way that they always have done and we are identifying the parcels that if we need to levy a tax, the taxes off those parcels, will go to pay debt service on the bond issue, interest on the temporary bond if it goes into a long term bond, principal and interest on the bond. Worst case scenario if that there would be an increased levy. Hagen explained the plan on this is, is to issue a temporary bond because we do not have a \$1.1 million to start making the repairs this year to get the Aquatic Center going for next year, so we need to issue some interim bonds, some construction loan bond as on a house. The interest is capitalized for 2 (two) years. The interest will not be paid out of the levy in hopes that the settlement comes in time, within the 3 (three) year period to refinance or actually defies these bonds. If there is any bond left over, there is no settlement for the whole amount, we will have to use cash to take it out or issue a long term bond on a lesser amount. Hagen indicated that they are looking at 2 (two) years of the bond going on automatic and will not affect the property owners for this time. The third year are, under state law, maximum for a temporary bond. We want to make sure to stretch the bond out as far as possible and if by that time, there should be a settlement or can use some abatement to pay that year which would only be a small amount of interest only. Hagen explained that this is the financing tool to get the interim financing done to get the money to start paying the contractors to get it on line for next year. He indicated that this gives some wiggle room for the expense not to land on the taxpayers as it ultimately could. It is illegal for a municipality to go to a bank for a quick loan so a public process has to be gone through. If needed, the City would start collecting taxes in 2007 for this. Hagen indicated it is hard to say how much the taxes would go up as it depends on what is obtained from the settlement. If most of what is bonded for is returned, then taxes will not go up much, but if the City does not get anything back, then the taxes will go up more.

Hagen explained there is term limit on the tax abatement which is 15 year if the City just abates their portion of the taxes. They are asking for the school district and the County to decline so they can get the full 15 years. This is the maximum duration of tax abatement that they can get.

A resolution approving property tax abatement was introduced. The amended version was reviewed by Hagen. This included changes in Section 1, 1.04 added to the resolution.

Section 3.02 because if we plan the bonds to go out year 3 (three), the Council is approving the annual amount of 105% of the principal and interest payments due on the Bonds as determined by the City Administrator.

Section 3.02(b) Payable in 2006 changed to payable 2007; (through taxes payable in 2020) changed to (through taxes payable in 2021).

Section 3.02(e) added The City Administrator shall determine how much Abatement is necessary for the payment of principal and interest on the Bonds in each year and shall add such amount to the City's levy.

Motion by Snyder, seconded by Stobb to adopt the resolution approving property tax abatement for certain property in the City as amended. All voted in favor of the motion. (Res. No. 2005-3)

A public hearing was held to consider the sale of Industrial Park Lot 6, Block 1. Byrne indicated that the main gas line for the City goes through that property. The EDA was told the location was off a little bit and it is actually further out in the outfield that they were originally told. He said the cost to move this line would be quite expensive. Rettmer indicated that they are also waiting to see what the gas company set backs are. Depending on the size of building that the perspective buyer wants to put in, it may be that he could avoid the gas line. They did not know what the set backs were from the gas main itself. Superintendent Marlette asked if the property was for sale, the school district would be interested, and questioned if that was something that the Council would entertain. They would keep it as a softball park and no buildings would be put up there. Rettmer felt that the City needs to decide if the lots are for sale and if so, how much they will sell them for, and if it would be required for some type of building or industry to go on the property. She feels that these are some decisions that the Council needs to make before they can even address the issue of selling the property to the school. There is no price on these lots. She said it is an industrial park, not a recreational park. She questions if since that gas line runs through that south piece of land, unless the gas line is moved, it is probably not as valuable as an industrial lot.

Thad Lessman said his understanding was that line was put in the late 1960's before it was an industrial park. He indicated it runs along the south side of the property in the outfield of the south ball diamond. He did not know if the easement to put that in was up to date or not, and that could determine who would be responsible to move it. He indicated that there is also a two inch line that runs off that main and goes to the north to the highway department shop. It goes on the east side of the concession stand and runs up to the state shop and goes through the north field. Rettmer indicated that this did not come up until an inquiry was made to purchase the property. She felt there were people out there that knew this, but until someone asked about buying the property, then suddenly now we have all these issues again, where you cannot expect somebody to buy the property if they know that they have to put a large amount of money in moving a gas line. It makes that property less in value for an industrial project. Chukuske felt that they need to find out if the lines are moveable, what the cost is and who is responsible. They may find out there is no cost to move them if the proper easements were not obtained. Mayor Ferrazzano indicated that the issue that is being brought up here is how to determine the price of these lots. If there are different lots that go for different prices because of various problems, maybe that needs to be explored to find out what they are going to sell these properties for. Byrne feels that they should give this back to the EDA to come up with suggestions for approval. What they think the lots are worth and how they should be sold and have the Council approve that kind of suggestions. Koopman said they should check if in fact, there were easements and the exact location of the gas line and any other underground utilities. Byrne indicated that most people think of industry as manufacturing or parts place and they would not care where they are located as far as being on the highway or not. For Tracy, the industrial park is more retail to service companies such as plumbers. These companies would be invited to come in, but that is not what the City is going to get. Rettmer did not feel it is the City's responsibility to move the softball fields if they feel there is another need for this property. The city owns the land and makes the softball fields available. Marlette felt that if they could buy these softball fields for what they are selling other properties, they would be miles ahead buying those instead of constructing new diamonds. He told the Council that if there was a business coming into town that would bring in 40-50 jobs, give a boost to the town and school, he would be fired up to

help all the way. To move a business in there that is not going to do any of that, will not help the City or the school. It was discussed that the softball fields are both being used for all levels of softball and baseball. Motion by Rettmer, seconded by Byrne to refer the issue of the industrial park lots to the EDA to determine if the lots are for sale, the cost of the lots, and whether there would be a requirement to build on the lots. Mayor Ferrazzano suggested that the EDA evaluate this and if something has been done in the past in error, now is the time to correct it. There is no sense continuing on a path if it is continually wrong. He indicated that may they would come up with lots that are cheaper than other lots, there may be different uses for different lots. There needs to be direction. Nielsen suggested that on the last point, whether the Council was inclined to authorize the sale of those properties. If the properties are going to be sold one way or the other, to whomever on whatever terms, to salvage something from the cost of setting up the public hearing, maybe the Council would wish to actually authorize the sale and leave the details to be decided by the EDA and/or the Council at a later date. Otherwise the public hearing process will have to be done through again later to determine that they actually do want to sell the lots. The public hearing could also be continued if it is not going to be a lengthy time. After further discussion, all voted in favor of the motion by Rettmer.

Snyder felt the main thing to investigate is where the gas line actually runs and what it is going to cost to move it, it is better off to stay softball fields. This may save the EDA a lot of work also.

Motion by Snyder, seconded by Arvizu to continue the public hearing on April 11, 2005 at 6:45 p.m. All voted in favor of the motion.

Koopman indicated that there is another resolution to be adopted on the bond issue. The resolution adopted was the resolution approving the property tax abatement. A resolution also needs to be adopted providing for the sale of \$1.190 million temporary general obligation tax abatement bonds. Motion by Byrne, seconded by Arvizu to adopt a resolution to provide the sale of \$1.190 million temporary general obligation tax abatement bonds. All voted in favor of the motion. (Res. No. 2005-4)

Mayor Ferrazzano asked that the Mediterranean Club Building be placed on the agenda because most would agree that this business closing is not a good thing for the City and have a building right on Craig Ave. not being used. He also wanted to know from the EDA if there was anything that could be done with this building and if there was anything the EDA could have done to prevent this building from being vacant. He indicated he felt it was relative to discussions that the Council is having if they are talking about developing industrial parks and possibly getting more industrial park lots. Should they be trying to pursue more or whether they should be trying to maintain what there is. Mayor Ferrazzano also questioned if there were any plans for the Minntronix building. He wanted to know if the EDA has worked with the owners to see whether there is anything that can be done with those buildings or not. Byrne indicated that if the owners have asked for assistance, the EDA will do that. Gervais has directed a number of people to Salmons to talk to a possible sale to some individuals and did not work out. The Wellness Center and Daycare Center have both looked at both these buildings. Tom Morin voiced that he felt the community needs to support the businesses we have and it is particularly difficult in the food trade and he indicated that he has had issues over the years with the EDA using tax dollars to subsidize other restaurants to compete against him. There are two restaurants in Tracy that have benefitted from EDA dollars. He indicated that he borrowed money from EDA to develop a parking lot on the south end of the property and that parking lot is available for sale. Bremer is the financial organization that he has been working with on the property and they are very willing to work with anyone that wishes to purchase the building or to lease space. Morin had approached Sioux Valley about the wellness center, have come and measured the property and at one time indicated that they were interested and the facility would work for their needs and now they have changed their plans and are interested in getting involved with the daycare center. This property has the ability to be subdivided and have made overtures to different organizations to buy it and were close to sale about 3-4 weeks ago and the franchise that this gentleman is with, backed out of the agreement. He felt the building would be good for 2-3 small businesses under one roof and the Med could open again with limited staff and menu. The building involves 9000 square feet and the south lot is 175x500 feet. Morin explained that the situation can deteriorate further over the next 3-6 months, Bremer is going to want to make arrangements as they

become the property owner, they are going to want a return on their investment. There is a very limited time window and they are very open to any ideas. Mayor Ferrazzano asked Radke if he felt that the liquor store would not sell more if they were on Craig Ave. Radke felt that it may help the Off-Sale sales, but On-Sale would probably not increase. Off-Sale profit margins are so small that a large amount would have to be sold. Chukuske expressed that Gervais has been working very hard to bring in business and it is discussed at the EDA meetings of what they can do to generate interest to come here. He believes that they need to do a better job as a Council to communicate better with the Marshall Council for transit to get people moving. There is a need to market the City of Tracy to live here and work in Marshall. For example, he said that Mn. Southwest Housing would like to renovate more homes in Tracy, but they cannot sell them when they are done. Mayor Ferrazzano indicated that maybe they need to meet with the Marshall Council again if there are issues that need to be discussed. Arvizu stated that there was transit going back and forth at one time to a certain plant, but the amount of riders declined and that concept fell by the wayside. Rettmer voiced that she felt that before they can meet with Marshall they need to have their team building session so that the Council can get together and come up with a plan of action and set some goals. The facilitator needs to meet with Rettmer and Chukuske and that will be done this week, so he knows that they want to accomplish at the team building. This will be presented to the next Council meeting. Mayor Ferrazzano asked if there has ever been advertising budget. Arvizu indicated that the EDA did have a budget at one time for advertising but due to budget cuts it has not been enough to do a lot with it. Mayor Ferrazzano felt the first step to be talk about the team building at the next Council meeting to see what it is going to cost and see if they should invest in this. If they decide not to have the team building, these issues still need to be discussed with the Marshall City Council. Just to let them know that Tracy will be proactive in their town.

Mayor Ferrazzano asked Koopman to put the Downtown Revitalization Grant Funds on the agenda. He asked what funds have been used. Gervais indicated that the central business district and the housing area that was defined in his report. The amount remaining for the commercial was \$65,500, rental was \$52,800 and housing almost \$353,000. The amount of grant money received was \$934,750. About 0.5 of this amount has been used. This has to be used by September 2005. Gervais indicated that just because this money has not been allocated yet, does not mean that it has not been spent. This is just a report and Western Community Action has to sign off before it is actually considered to be done. There are applications that are not reflected on this report, so can be misleading to some degree. It has been recommended that Tracy look at writing another grant in the Fall of 2006 or 2007. There have been more applications, especially for commercial and home owners than could be done. One thing that could be looked at is if the Council would like to continue with the central business district or look at Highway 14. There are other areas of town that could use some help in the housing portion.

Gervais presented the EDA recommendation on property exchange. At the last meeting the EDA discussed two properties along Highway 14. In talking with one of the individuals, they have considered doing a property "swap" for the one on the corner of 8<sup>th</sup> and Harvey for some property in the Greenwood Addition. The idea being to take the two properties, demolish them and turning them into commercial development with Highway 14. The Planning Commission would then turn this area into a B1. It has also been discussed with the property owners for them to do the demolish work, rather than the city and then the sale would be incorporated into that. Koopman explained that this property was obtained by the City in a quit claim deed and there were no conditions attached to this acquisition. Stobb recommended that the continue to move forward with this, but before the "swap" occurs to approve this as a total package when all the details have been worked out. Nielsen also indicated that they need to consider that when they talk about "swapping", in his mind this is considered a sale. One piece of property is being "sold" for another piece of property in another location. Then they are back to the requirements discussed earlier, the planning commission may need to be involved in this and public hearing requirements. It was decided by consensus that they will continue to pursue this issue and decide at a future time what the final decision would be.

Motion by Chukuske, seconded by Snyder to approve the request by the Waterfowl Association for a gambling permit for a gun raffle at the Sportsmen Show on April 16, 2005. All voted in favor of the motion.

Mayor Ferrazzano presented a resolution approving a loan from the Medical Center Trust Fund. An additional loan of \$100,000 for total loan balance of \$500,000. Motion by Byrne, seconded by Stobb to adopt a resolution approving a loan from the Medical Center Trust Fund to the Aquatic Center Fund. All voted in favor of the motion. (Res. No. 2005-5)

The Consent Calendar included the following: Pool Litigation Report, Planning Commission minutes for February 7, 2005, Monthly Financial Report for February and the Municipal Accounts Payable. Motion by Byrne, seconded by Stobb to approve the Consent Calendar as printed. All voted in favor of the motion.

Greg Torkelson was on the agenda to talk about the Board and Commission appointments. He comes to the Council with a complaint. He indicated there was a Notice of Board and Commission Openings in the paper with applications to be received by February 21, 2005. He applied on February 18, 2005 as there were no other applicants for the positions on the Police Commission and Cemetery Commission. At the Council meeting on February 28, an interview committee was appointed for these two position. He questions the Council why an interview committee was considered when all applications had to be submitted by February 21. Mayor Ferrazzano asked the Council since they had a deadline printed, do they live by the deadline or let applications come in before the next meeting in spite of the deadline. Snyder felt that if a deadline is indicated, they should stand by that. Byrne stated that the Council was notified that these applications were received late and they chose to go ahead with it. He agreed that they should go by the deadline if that is decided. It was already approved, knowing that some applications were late. Arvizu has previously discussed this issue with Torkelson and feels that the responsibility is entirely on the Council as Koopman verbally made a statement to them, that there were some applications that came in late and the Council for some reason did not call attention to this. She felt that it is a good time to talk about this and how does the Council want to approach being more consistent on dealing with their business. Rettmer felt that they should deal with the issue regarding Torkelson before they decide what they are going to do the next time. Motion by Chukuske, seconded by Snyder to rescind the motion of accepting those late applications and appoint Greg Torkelson to the Police Commission and the Cemetery Commission. This motion was rescinded after further discussion.

Rettmer felt that if they rescind that motion, that means she feels that they cannot allow any of those appointments to be made to any of the other boards or commissions. Snyder brought to the attention of the Council that on his review of the applications, very few were complete and he feels that they should start over as he feels they need to complete the applications completely and they need to follow the deadline. Arvizu suggested that the next time they advertise that any vacant positions will accept applications until the positions are filled. They should also complete the applications so the Council has some idea if they are really interested in the position or not and have some information regarding the applicant. After further discussion regarding the application process and filing deadlines, there was a motion by Chukuske, seconded by Snyder to abide by the ad deadline and appoint Torkelson to the Police Commission and Cemetery Commission. Upon roll call, the following vote was recorded: voting aye: Byrne, Chukuske, Snyder, Stobb and Ferrazzano; voting nay: Rettmer. The motion carried.

Motion by Byrne, seconded by Arvizu for future advertisements for Board and Commission openings, applications will be accepted till the vacancies are filled. All voted in favor of the motion.

Koopman presented the issue of Board of Review. It came to her attention that there have always been 3 (three) Council Members serving on the Board of Review and never realized it was a problem nor did the Board, until they recognized that there is a 7 (seven) member Council. There has never been a quorum for the Board of Review to act legally. We need to call for a special Council meeting and have all Council members present at the Board of Review, which is scheduled for Tuesday, April 26, 2005 at 7:00 p.m. In addition there is a certain amount of training required to serve on the Board of Review. According to legislation enacted in 2003, they require Equalization Training of at least one voting member of the Council to attend and whoever does attend has to make sure that they attend the actual Board of Equalization. It would be wise to have two attend in case of emergencies. This training session is scheduled for March 30 and we have to confirm by March 25. Mayor Ferrazzano and Chukuske will attend this session.

Mayor Ferrazzano received a Thank you letter from the Southwest Minnesota Foundation thanking them for their contribution.

Motion by Chukuske, seconded by Snyder to adjourn the meeting at 8:45 p.m. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

**March 21, 2005**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 21, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, B. Chukuske, C. Snyder and R. Stobb. Absent was J. Arvizu. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from March 14, 2005 City Council Meeting. Motion by Chukuske, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any changes or additions to the agenda. Additions included 5A.(1) Multi-Purpose Center appointment; 10A (1) Bond sale hearing for March 29, 2005 at 6:30 p.m.; 10A (2) Board of Equalization meeting Wednesday, March 30, 2005 at 6:30 p.m.; and 10A(3) giving a Key to the City to the people doing the musical "Bye-Bye Birdie".

Motion by Byrne, seconded by Stobb to approve the agenda as revised. All voted in favor of the motion.

Mayor Ferrazzano presented Legal Issues which included an ordinance granting a non-exclusive cable television franchise to Charter Communications. Kerr indicated that tonight the Council needs to pass a motion to waive the first reading and set the second reading and public hearing for the next regular Council Meeting which would be April 11, 2005. At that time all will have had time to review the ordinance. Mr. Vose is the lead Council on this. Motion by Byrne, seconded by Snyder to waive the first reading and set the second reading and public hearing on April 11, 2005 at 6:45 p.m. Rettmer asked what a "recital" was the first four points were recitals and since this is an ordinance granting Charter Communications a franchise, and in the first recital, PrairieWave is mentioned. She questioned if this was for both franchises or just for Charter. Kerr indicated that this is the history of the franchises giving a background to the ordinance itself and more foreign than substance and gives background to the what the City is stating is going to be the ordinance. He indicated that this ordinance is just for Charter. He commented further that when these are drafted, they are on an equal playing field so they are talking about both Charter and Prairie Wave. Byrne said that they have a ordinance with Prairie Wave and they had issues to make sure they had an office here that was open two days a week during business hours with a phone number. Charter did not want to do that, but Prairie Wave does have an office open 2 days a week so that they are equal. Stobb questioned if they need to look at Prairie Wave again to make sure that they end up equal. Kerr said he felt that they should compare and see if there is anything different they are granting Charter versus Prairie Wave. After further discussion, all voted in favor of the motion to waive the first reading and having a public hearing on April 11, 2005 at 6:45 p.m.

Koopman indicated that Chukuske had sent her an E-mail stating that he has agreed to take a position on the Planning Commission. At this time there is no formal application, but Chukuske was requested to fill one out. These positions have been vacant for a long period of time. The question was raised on how many Council members can serve on the Planning Commission. Koopman stated there is a requirement that there be one Council member on the Commission, but does not state that there can be only one. Koopman indicated that there is still one position open on the Library Board, one on the Senior Center, and one on the Planning Commission. Mayor Ferrazzano urged the people of the community to get involved. This is a perfect opportunity to get involved in what is happening in their city as their input is vital and need the people to fill these positions. Maybe when we advertise for these different positions, say when those boards or commissions meet as for most there is not a large time commitment.

The Council reviewed an application received from Mr. Deslauriers for the position on the Multi-purpose Center Board. Motion by Stobb, seconded by Byrne to appoint Mr. Deslauriers to the Multi-purpose Center Board. All voted in favor of the motion.

License renewals included a Private Bottle Club license for the Tracy Eagles Club. Motion by Byrne, seconded by Snyder to approve the application from the Tracy Eagles Club. All voted in

favor of the motion.

Motion by Snyder, seconded by Byrne to approve the application from the Tracy Lanes for a set-up license. All voted in favor of the motion.

Motion by Byrne to approve the license for Sander's Eastside for a set up license contingent on receiving their application with payment. All voted in favor of the motion.

Rettmer reported on the setting up of the Team Building Session. She and Chukuske met with Jeff Cruise, a consultant who conducts team building for people in the workplace. The Council members at this time do not really know each other, what the individual goals are and do not have a concentrated plan as to what the goal for the City should be. The plan discussed is a plan called, "Stop, Start and Continue". The Council members would complete a survey that is confidential and indicating what methods, they would like to see stopped, started or continued. These surveys would be returned to Mr. Cruise by a deadline and he would combine the results. After that is completed, there would be a group meeting to discuss the comments submitted and work toward defining a way that the Council members need to work together for good leadership. Things that may presented would be interaction between the City Council and City Administrator, how agendas are laid out, how the meeting is managed and communication issues such as Council to Council or Council to Constituency. All would have to participate in the survey and attending the group session in order for this to be effective. It was anticipated that a good time for this meeting would be a Saturday from 10 a.m. until 2 p.m. with a break for lunch and this meeting to be held somewhere other than the Council chambers and would be open to the public. The fees for conducting this team building would be preparation time at \$75/hr with estimate of 2-5 hours; seminar time at \$150/hr and estimated at 4 hours; mileage and materials at this time would be unknown. The preparation time would depend on what pre-meeting or post-meeting activity there is. The maximum that would be charged would be estimated at \$900 to \$1,000, plus mileage and materials. A recommendation of \$1200 maximum expenditures would be needed. Chukuske and Rettmer felt that this would be an excellent step for the Council to take to help them work together and accomplish the goals the Council feels they want to reach for the City of Tracy. Chukuske indicated that Mr. Cruise is from Marshall and in the past he has worked with school boards, councils and private industries. Mayor Ferrazzano asked if there was any grant money available for this training. He was wondering if there was any League of Minnesota City money to encourage cities to do this. Rettmer wondered if it fell into the category as Education and/or Training if we have a budget for that. Chukuske indicated that when it is broken down that the cost would be about \$200/person. Stobb was wondering if this has been conducted with new boards and council in the past, as he is wondering since three of the Council members are relatively new if they have the perspective to know what should be stopped or why it is done that way He was wondering if it would be wise to wait until later to do this when the new members have had some experience on the council. Chukuske indicated that the benefit would be that there are mature members that have years of service and could be discussed as a group that just because it has always been done that way, does not necessarily mean we need to or if there is a reason that you can. It was brought up at the League of MN Cities conference that the city council really only has two years to do anything, because there is a new election coming up and if we wait too long, it could be to late. Koopman told the Council that there was \$500 budgeted for education and training but they could possibly use some monies from the Other Financial Use Fund. The \$500 has been depleted due to new Council members attending the Newly Elected Officials Conference in February. Mayor Ferrazzano asked if this could be done without a facilitator. Council members could ask that items be put on the agenda for discussion. As far as getting to know people, there could be a spot on the agenda and give background information about ourselves. He feels that if a Council members has a concern about something, to say we need to be on the same page, why not have a Council meeting that discusses such things as Goals for the City. Rettmer feels that members may be hesitant to say what they really feel, because of the fact that the meetings are televised and not inclined to indicate true feelings. Mayor Ferrazzano suggested that if people feel that way, maybe they should not be in this position. Chukuske indicated that this is an anonymous way of sending in comments and suggestions and having them compiled. It is intended only to try and work together more as a unit and work better with Administration and Department Heads and understand how each other operates. Byrne voiced that it should be done somewhere outside than where you work, as the council chambers is not as conducive to open discussion. Chukuske stated

that he has done this type of activity in the private sector and he feels personally that it is beneficial and would be willing to pay for his own share of this if it came to a budget issue. It has to be done altogether as a group, otherwise it is pointless to do it. Motion by Chukuske, seconded by Rettmer to approve an expenditure not exceeding \$1200 for the purpose of conducting a "Stop, Start and Continue" team building process. Chukuske indicated to the Council that through past experience with three other consultants in Marshall, Cruise has been the most reasonably priced and delivers a good product. This person has experience and understanding of how different groups function. Upon roll call, the following vote was recorded: voting aye: Byrne, Chukuske, Rettmer, Snyder and Stobb; voting nay: Ferrazzano. The motion carried.

Chukuske suggested there should be some time on the April 11, 2005 agenda for Jeff to hand out the surveys and explain what the process is and then on go from there to set up the meeting. On April 25, 2005, the Council would set a date to go through the results and do the session.

The Consent Calendar contained the EDA minutes for February 7 and February 18, 2005 and Tracy Public Library Board minutes for February 22, 2005. Motion by Byrne, seconded by Stobb to accept the Consent Calendar. All voted in favor of the motion.

Mayor and Council communications contained the sale of bonds for March 28, 2005 at 6:30 p.m. This will be a Special Council Meeting and a quorum is needed.

Mayor Ferrazzano will not be able to attend the Board of Equalization training scheduled for March 30, 2005 at 6:30 p.m. at the County Commissioner Room at the courthouse. Byrne will go to the training.

Mayor Ferrazzano stated that the community is doing a musical and in that musical there is a scene where the Mayor gives Conrad Birdie a key and thought it would be appropriate to see if the Council would agree to allowing him to give a Key to the City to the Mayor in the musical so they can use that as part of the production. He said he did not realize how much work went into the musical and this would be something that the Fine Arts Council can keep after the production as appreciation of their hard work.

Stobb indicated that as a member of the Fine Arts Council, they have no place to display it right now and questioned if it could be displayed in the Municipal Building.

Motion by Byrne, seconded by Rettmer to allow Mayor Ferrazzano to give the Key to the City to the Mayor of Sweet Apple in the musical "Bye Bye Birdie". All voted in favor of the motion.

Motion by Chukuske, seconded by Rettmer to adjourn the regular meeting at 7:30 to discuss pending litigation. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

**March 28, 2005**

A special meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 28, 2005 in the Council Chambers of the Municipal Building by ProTem Stobb. The following Council members were present: R. Stobb, S. Rettmer, T. Byrne, B. Chukuske and J. Arvizu. Absent were Mayor Ferrazzano and C. Snyder. Also present were Koopman and Nielsen.

ProTem Stobb asked for any additions or deletions to the agenda. Motion by Chukuske, seconded by Rettmer to approve the agenda as written. All voted in favor of the motion.

A resolution awarding the sale of approximately 1.1 million temporary general obligation tax abatement bonds was presented by Todd Hagen, Ehlers and Associates, Inc.

Hagen presented the results of the sale of bonds. Bids were taken until 11:00 a.m. and four bids were received. He noted that there were a lot of bond sales today and there was good interest in this sale. He received a call last Thursday from United Banker's Bank and walked them through the whole concept here of why you are issuing the debt and how the City intends to pay it back. They were the low bidder. The true interest rate of 3.282% was United Banker's Bank bid. The four bids included those from United Banker's Bank, Cronin & Company, Inc., Miller Johnson Stiechen Kinnard Investment Securities, Inc. and Piper Jaffray and Co. There was quite a big spread between the rates with 3% that the City will actually be paying for the three year term and went all the way to the bid of 3.75%. The short term rates are going up, so now it is the time for the City to sell bonds if they have to.

Hagen indicated that because of the 3% rate that was received today as opposed to the 2.75%, we included two years of capitalized interest which increased the bond by \$5,000 to give the City the \$1.1 million and some extra for the project cost. So that was increased but not the interest rate.

Hagen explained the Sources and Uses of Funds and showed how it plays out. The underwriter took \$7.40 per bond, so for every \$1,000 of bonds, he took \$7.40 which came to \$8,800. That gets your interest rate lower. The bond issue would be closing April 21, 2005 and that is when the funds will be received and the interest will start accrue. The bond extends until February 1, 2008 where it balloons and the \$1.195 million is due.

Hagen indicated the Details Costs of Issuance is about \$200 different than what he showed the Council the last time he was here. This is \$19,407.50.

Hagen presented a resolution from the Bond Council for the award of the bid to United Banker's Bank and set forth the terms and conditions of the bond issue with all the numbers filled in. There is a short call feature of 10 months that gives the flexibility if something comes in ten months, that they can start paying off some of these bonds.

Rettmer asked that if the City is successful with their lawsuit, then any monies can be used to pay this off after ten months have passed. Hagen assured the Council that this was correct.

Kerr asked what the Reoffering Yield of 3.1% was and why the others did not have anything listed other than United Banker's Bank.

Hagen indicated that the Reoffering Yield is the yield that the customers get. They will yield 3.1% on this, so really the United Banker's Bank is going to take a hit on that. They are giving the City 3.0% when the market is saying 3.1%.

Motion by Byrne, seconded by Arvizu to adopt the resolution Authorizing and Awarding the Sale of Temporary General Obligation Tax Abatement Bonds, Series 2005A to United Banker's Bank in Bloomington, Mn. All voted in favor of the motion (Res. No. 2005-.6)

ProTem Stobb asked Kerr to speak on the Paulson & Clark Engineering Agreement.

Kerr indicated this Paulson & Clark was doing the design for the electrical aspect and is \$5000 rather than the \$15,000 that was projected by Pashina and Dahms. This proposal is to provide an electrical drawing identifying the requirements for an extension of the existing pool bonding system and to provide a single site visit to verify the results of the system extension and witness testing procedures. New bonding points will be tested by the Contractor with an ohm meter to determine continuity and to verify connection to existing bonding system. Motion by Byrne, seconded by Rettmer to approve the agreement with Paulson & Clark Engineering, Inc. All voted in favor of the motion.

Kerr presented the Amendment 1 to the Gremmer and Associates Agreement. Modification one states the engineer shall perform the following additional services: Provide redesign of construction documents due to Southern Grouts and Mortars material warranty issue. Engineer shall provide documents to include Myrtha Pools products. This is because the original design that was in place and advertised for bids included the Diamond Bright which would have been a repair of the original constructions, which was Diamond Bright. We were then told by Southern Grouts and Mortars, who is a Diamond Bright representative, that they could not warrant a reinstall of their materials. Now there are additional costs from both engineers. Additional compensation due to this issue to Gremmer and Associates is \$19,750. This amount is to be added to the original proposed amount. Stobb asked if this is work that has already been done since they have the construction documents. Kerr felt that the failed to send out the documents. It was agreed upon, and was never put in a formal document. These are for modification to the original agreement in July 2004. The main change is the Myrtha pool products. His understanding it that there was a lot of work with Myrtha Pool to get their specifications acceptable to the State of Minnesota. Other than the cost of materials, there should be no further costs to Myrtha for the design work. Motion by Byrne, seconded by Arvizu to approve the Amendments to the Agreement to Gremmer and Associates. All voted in favor of the motion.

Kerr indicated that Brian Pashina of WJE is the one that puts together all the construction documents. Gremmer provides design and expertise. WJE is responsible for design services, construction documents and bidding and construction administration services. Pashina will be here for opening of the bids on April 14, 2005. On Monday, April 18, 2005 there will be a special meeting and Dahms will be here for that meeting as Pashina will be in New York, but will be available by phone. Kerr informed the Council that WJE proposed to perform the design, construction documents and bidding related services for a fixed fee of \$30,000. The cost of services by GAI is not included in WJE's fee. Kerr reaffirmed that this cost is due to the issue with Southern Grouts and Mortars and Diamond Bright. Motion by Rettmer, seconded by Arvizu to approve the proposal for repair design, Myrtha Liner Option with WJE. All voted in favor of the motion.

On 3/25/05 Koopman and Kerr received an E-mail from Pashina and a copy of this was given to the Council members. In the E-mail, Pashina indicated that on March 25 Gremmer faxed the ad for bid to the following contractors; Pool Construction, Inc., Aqua Logic, Wanzek, Pool-Tech, Associated, Badger Swim pools and Neuman Pools. Also an ad for bid was sent to a pool plasterer. A plan deposit from Pool-Tech Midwest as received last week and a plan set was sent to them. Pashina also indicated that the plans were printed on March 25 and three sets were sent to Koopman and one set was sent to John Markert. Pashina wrote that Delta will be drilling at the site on 4-6-05. He informed Estes that no work can begin on the retaining wall until June 1, 2005 to allow Delta to complete their work and determine the remedial action that may be needed in the event a Change Order to the Contract is needed.

ProTem introduced an application from Bill Chukuske for appointment to the Planning Commission. Motion by Byrne, seconded by Arvizu to accept the application from Bill Chukuske and appoint him to the Planning Commission. Chukuske abstained from the vote. All others voted in favor of the motion.

The next Council Meeting will be April 11, 2005 at 6:30 p.m. in the Council Chambers.

Motion by Byrne, seconded by Rettmer to adjourn the meeting at 7:45 to discuss labor negotiations.  
All voted in favor of the motion.

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

### April 11, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 11, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, J. Arvizu, B Chukuske, C. Snyder and R. Stobb. Absent were S. Rettmer and T. Byrne. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from March 21, 2005 and March 28, 2005. Motion by Stobb, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Deletion from the agenda was 5B. Attorney fees for pending lawsuit. Addition was 9E under the Consent Calendar of the :Police Activity Log and Police Maintenance Report. At the end of the meeting there will be a closed meeting to discuss pending litigation.

Chukuske asked if the term limits were presented to the Charter Commission. Koopman indicated that the Charter Commission has not met yet, and will be meeting in the very near future. The appointments made to the Commission were individuals who had reapplied. Motion by Chukuske, seconded by Stobb to approve the agenda as revised. All voted in favor of the motion.

Koopman indicated the only changes in the Groundskeeper's agreement is the amount per mowing was increased by 3%. The only other change that is required and has not been incorporated yet is a provision for a Letter of Credit and/or Performance Bond. The Cemetery Commission did review this agreement and recommended its approval. Motion by Stobb, seconded by Chukuske to approve the Groundskeeper's agreement contingent on receiving a Letter of Credit and/or Performance Bond. All voted in favor of the motion.

Jeff Kruse was present to answer any questions the Council may have regarding the team building session. Mayor Ferrazzano asked Kruse is there was any way of tracking the success of the session. Kruse indicated that the whole idea of this process is, through the Stop, Start and Continue part of this process, is for everyone to focused on a specific item and it may be, for example, to be the best elected government for the City of Tracy, what do they have to stop doing, start doing and continue doing as far as working as a team and working with constituents and employees. This information is all confidential and is sent back with no names attached. The information is all retyped and placed on paper and sent back so that everyone can read the responses. When the Council meets again, the information will be discussed. Kruse explained that this will allow the Council to discuss how they work as a group and is it working for everyone. After the session, the Council should be able to start some things, even simpl things such as agenda layout or meeting structure. Mayor Ferrazzano asked Kruse if he had done this before with City Councils. Kruse answered that he had worked with Marshall City Council. Stobb asked if goal setting was a part of the procedure. Kruse indicated that it is not so much as a goal planning as it is the human side of what the Council does. It is more strategic as how the Council works as a group and everyone is comfortable with it. When they are all done they will see that there are some things that the Council will want to do in the future. As far as getting started, the goal was to designate a time at the next Council meeting when they could meet for approximately four (4) hours. He will get the forms out a week to ten (10) days before the scheduled meeting. Once the forms are returned, he will get them out a couple days before the meeting. Chukuske indicated that the Council had decided to talk about setting up the session at the April 25 Council meeting.

A hearing was opened to public testimony on Ordinance 293, an ordinance granting a cable franchise to Charter Communications. Kerr told the Council that he and Koopman had met this afternoon and reviewed the proposed ordinance. He indicated that the Council needs to understand there are differences between the PrairieWave ordinance, which has already been adopted and this ordinance for Charter. There were unable to reach Vose today. Kerr informed the Council that one of the changes was in section 6.03. Vose indicated in his cover letter that Charter has several options to provide a "Character Generator" or equivalent capabilities. These options reflect the fact that Prairie Wave already provided a good quality character generator for the City's use. Changes made to 6.03

included: 6.03 **Character Generator**. The Grantee shall permit the insertion of character generated messages of local interest on at least one designated channel. ~~The City acknowledges that the Grantee has provided~~ **Grantee shall provide the City with the ability to insert character generated messages on the designated channel by: 1) providing to the City a high quality character generator with a minimum capacity of one hundred (100) pages of programmable information for this purpose, which is connected to Grantee's system, or 2) inserting text messages that are prepared by the City and forwarded to the Grantee, or 3) interconnecting Grantee's system with the City's existing character generator so as to permit the City to insert text messages on the designated channel.** Koopman believes that PrairieWave is aware that Charter is using their character generator. Kerr explained that Vose stated in his cover letter that Charter must provide the "Tracy Channel" on an analog channel unless the City approves transition of the channel to digital format. Changes to the wording in 6.04 included: The access channel shall be provided as ~~a six (6) Megahertz (MHz) portion of the analog electromagnetic frequency spectrum,~~ **an analog channel** unless the City expressly ~~agrees to~~ **approves of** provision of a digital channel **which approval shall not be unreasonably withheld.** Kerr feels that it is equal right now and they are both analog. Nielsen asked if the public access was free. Koopman indicated that if it is used for public service type announcements, it is free and it cannot be used for businesses to advertise specials, etc. Kerr read 6.04 A. where it states that: Grantee shall provide to each of its subscribers who receive some or all of the services offered on the System reception of at least one specially designated, non-access channel, known as "The Tracy Channel." The specially designated access channel may be used by the public, local educational authorities and local government on a first-come, first-served, nondiscriminatory basis. There was also a change to Section 8.09C.4. Vose indicated in his memo that the Charter franchise would not regulate the company's response to an individual subscriber complaint about a service outage. Kerr pointed out that they have totally eliminated 8.09.C.4 which PrairieWave has in. 4. Single subscriber outages are to be acted upon within twelve (12) hours and resolved no later than the next business day. Kerr brought to attention Section 8.13B., F. and G. Mr. Vose's letter indicated that Charter's franchise modifies obligations concerning a City-instituted evaluation of the company. Charter noted that the City has never conducted such an evaluation and there will be less need to do so in the future given competition. Charter's franchise would not require the company to perform a subscriber survey at the conclusion of an evaluation. They have totally deleted 8.13F which is any type of subscriber survey. Kerr indicated that if that is the case, they should delete G. At each regularly scheduled Periodic Review Session, Grantee shall report in writing what steps Grantee is taking to implement the findings of the poll.II. Charter also made revisions to Section 11.02B, indicating that Charter's franchise permits "Internal" transfers (one subsidiary to another) with City review. For Transactions the City must review and approve, Charter's reimbursement of City costs is limited to \$1000. Kerr pointed out that PrairieWave states that: The Grantee shall reimburse the City for all the legal, administrative, and consulting costs and fees associated with the City's review of any request to transfer. Kerr feels that this \$1000 is not sufficient to cover and associated costs and does not recall any discussion regarding this at the table. Kerr commented that he did not understand on the last page under 14.02C, Charter wishes to strike C. With its acceptance, Grantee also shall deliver to the City a certified resolution of Grantee evidencing its power and authority to accept the Franchise. Such documents shall also describe officers authorized to accept on behalf of Grantee. He has no idea why they are deleting this and feels that this is what is needed. At this time, Kerr does not recommend to the City Council to consider acting on this at this meeting. Mayor Ferrazzano felt that they should request Charter to sign what PrairieWave has signed.. Kerr feels that there are items such as the character generator and the \$1000 maximum, and the authority to poll. They should be discussed further. He feels that both companies should be on equal playing fields. Underneath the federal statutes they can request to have this reviewed by a third party, so they are trying to do some compromising. This can be costly to the losing party. He would like to have Mr. Vose address the Council in writing. Kerr told the Council because of this issue the public hearing should be continued at the next Council meeting. Stobb voiced that he assumed that Charter has missed the payment date of March 30, 2005 for the year 2004. He is concerned that Charter provides the City with the figures that tells them what the gross was. Motion by Stobb, seconded by Arvizu to continue the public hearing regarding the ordinance 293 on April 25, 2005 at 6:45 p.m. All voted in favor of the motion.

The hearing was continued from the last meeting on the sale of an Industrial Park lot. Koopman told the Council that she had talked with Bob Gervais regarding this issue and the EDA is not prepared to respond. This will be discussed Friday, April 15 at the EDA meeting. It was placed on the agenda as it was continued till tonight. Motion by Snyder, seconded by Arvizu to continue this public hearing on April 25, 2005 at 7:00 p.m. All voted in favor of the motion.

Daren Danielson was present to submit his proposal to acquire the property that is north of his address of 561 3<sup>rd</sup>. St. This is parcel R.31.104120.0 which is tax forfeited. Danielson is also requesting that the city waive the prior assessments of \$1,400 against the property. He would like to add this property to his current property and will be assuming the purchase price from Lyon County and all legal fees for abstract and title transfer. He would like to relieve the city of the cost of maintaining this vacant lot to expand his current residence onto this property which will increase his property value and the City's tax base. After further discussion, motion by Snyder, seconded by Chukuske to waive the prior assessments on the property and allow Danielson to go ahead with the purchase of this property. All voted in favor of the motion.

Mike Boedigheimer spoke to the Council regarding the Lyon County Enterprise Development Corporation. In 1990 people in Lyon County felt there should be a mechanism to get small businesses sited in Lyon County. In the past fourteen (14) years, they have helped 1200 people with the assistance of a facilitator. Not all chose to go into a business. He feels that a County organization is more advantageous than just a City organization. There would be one database that could help the communities of Lyon County work together. The same information would be given to any potential buyers. They have enough funds to hire the person to do this through the end of the year, but they are soliciting funds for the next year and beyond. He presented a proposed funding breakdown that is determined by population. They are indicating that Tracy's share would be about 9% and they would need someone about 10% of the time. Time is based on projects that are in the works. Boedigheimer indicated that some of the cities pay 50% of cost the first part of the year and then the other 50% at some other time. Arvizu indicated that they have hired a full time EDA director and the question is how much money can a community of our size pay for economic development. Chukuske voiced that he felt this was a very good concept and would like to recommend that since the City has a very good full time EDA director he would like to have the EDA Board take a look at this and maybe have someone from LCDEC come and speak to the board and see if within that budget there is something that can be done. He would like more dialogue there. One of his concerns is how they can work with other communities in Lyon County. Mayor Ferrazzano voiced that he believes this is a good concept and if there is some overlap, it is a positive. He believes that in general \$5400 is a small investment to make. Mark Johnson indicated to the Council that one of the key things for Tracy is that they will have a representation on the Council that is going to drive the direction for the EDA director and the facilitator. Housing is an issue in all communities. Balaton has given full commitment to this concept. Stobb brought to attention from the proposal that states "to manage the activities conducive to economic growth in Lyon County with an emphasis on the regional center of Marshall." Johnson clarified that 51% of the population is in Marshall but it is the board that indicates the main focuses and from time to time that focus is going to change to where it is needed. Motion by Chukuske, seconded by Arvizu to have the EDA and Director, Bob Gervais look at this further and come back with recommendation to the Council at the May 23 Council meeting. All voted in favor of the motion.

Boedigheimer also made a request to the Council regarding the airport in Marshall. The Southwest Minnesota Regional Airport has made an application to the Small Community Air Service Development Grant. They are asking other communities to address a letter to the Department of Transportation in Washington DC in support to this grant application. Motion by Stobb, seconded by Arvizu to send a letter of support to the Department of Transportation in support of the grant application of the Southwest Minnesota Regional Airport. All voted in favor of the motion.

The Tracy Area Chamber of Commerce and Tracy Area Sportsmen's Show Committee are requesting that Morgan St., between Third Street and Fourth Street, be closed from 4:00 p.m. Friday, April 16<sup>th</sup> through 8:00 p.m. Saturday, April 17<sup>th</sup> to allow for displays. They would also like the parking lot across from the Municipal Building be blocked off for a vendor tent. They asked on

behalf of the Business Partnership, that Third Street be closed to vehicle traffic from the intersection of Morgan and Third to the intersection of Third and South. Motion by Stobb, seconded by Chukuske to approve the request of the Tracy Area Chamber of Commerce Director, JoAnn Biren. All voted in favor of the motion.

Koopman told the Council that there have been no applications received for the Gardener's Position. She has spoken with Bernie Holm, who was the previous gardener, to see if he would reconsider and do it again this year. He has agreed to this if it is agreeable with the Council. She indicated to the Council that they need to get started on this if there are to be flowers this year. The pay is \$2500 for the season and he is agreeable to that. Motion by Stobb, seconded by Snyder to offer the position of Gardener to Bernie Holm under the present contract. All voted in favor of the motion.

Bob Gervais reported that in regards to the Industrial Lot it was discussed at the last EDA meeting on April 1 and a special meeting is set for April 23<sup>rd</sup> to discuss this. There are many things to discuss regarding the sale of those lots such as price or if there should be any type of incentive program to businesses that employ numbers of employees.

Gervais indicated they are moving forward on the housing renovation/demolition project. There is an interested developer in the Morgan street property. Letters have been sent to the first ten (10) property owners on the list to be considered. Some of those properties have been tax forfeited and this has been a problem. Two (2) of the homes along there are occupied and they are trying to work out a program with them. The developer that is interested in that project, already has a single family dwelling sold if that property can be cleared. The idea would be to take those lots, split them equally and bring in single family dwellings in that area.

Gervais informed the Council that last Wednesday he spent the day at the Capital. There he met with Cornell which is a private prison company. Cornell has more of the treatment rehab style of facility incorporated in their prison. In the afternoon they met with Commissioner Joan Fabian, Department of Correction Commissioner, Dennis Benson, Deputy Commissioner and Chuck Nornberg, who is the advisor to the Governor on corrections. Also there were Senator Vickerman, Senator Frederickson and Representative Siefert. Many ideas were thrown out and ideas were discussed to deal with drug and alcohol offenses and white collar crime. Meth is a huge issue in the part of the state. Seventy-five percent of those arrested for drug offenses involve meth. The Department of Correction's recommended they meet after the current legislative session is done and look and see what bills have been passed and how that will impact their forecast for beds. One of the concerns of the community was the type of prison that Tracy would have. Another concern is when they are released, where will they be released. It could be written into the contract that they would have to be released back to the original community where they were arrested or incarcerated. Gervais informed the Council that in the next two (2) years they are projected to have 1,640 new first time offenders and at this time there is only room for 1,100. Dealing with a specialized facility like this there will be many high paying jobs with counselors, psychologist, etc.

Police Chief Hillger presented the Police Activity Log and the Maintenance Log. He also told the Council that a party was observed illegally dumping at the compost site. This party was made to go in and pick up all the illegal items that were dumped. Chief Hillger indicated that there are several people from other communities using the tree dump. He indicated that no charges were brought.

Koopman told the Council that she has spent a lot of her time working on the Adult Use Ordinance and has attended numerous meetings. She attended the 1- ½ day annual Municipal Clerk's and Finance Officers conference in St. Cloud. Koopman presented the annual performance review for the Deputy Registrar's office and the staff received an "Excellent" rating. She felt that the staff needed to be commended for their work in that area. In her report she enclosed a copy of information by the League of MN Cities relating to the "Turbocharged Truth-in-Taxation" proposal.

Robinson reported that the month of March was very productive for the Public Works Department. They insulated the two City well houses with blue board. They have been working with the water plant controls. They plowed snow on March 18 and on March 21 they had two water main breaks to repair. He told the Council that the water main is in the same area where they have had problems

with breaks in the past. He said that water main was installed in the early 1900s and the pipe is severely deteriorated and replacing it about ten (10) feet at a time. He indicated that they are checking into pumps that would shut off the water gradually when the check valves close so that there is no water hammer which can damage old mains.

Robinson said that time has been spent getting the generators going. The filter plant project has been completed. This filter will be disinfected, samples will be taken and sent in and should be on line hopefully by Wednesday.

Robinson said on South Street there is a water main that varies from four (4) inches to six (6) inches and is old cast iron. This has anywhere from 3-6 water main breaks per year. It has cost \$10,000 to \$30,000 per year for repairs in this area. They have the valves pinched down so that the residents that get their water from this main, have just enough water. There is a newer main put in 1973 on the south side of South Street. They will be taking all the service lines that are attached to the old main and running them across the street to the newer main and abandoning the line that is breaking frequently. This would be from the Ambulance garage to 5<sup>th</sup> Street. The bid they have received from Heartland Mechanical and GH Plumbing is \$168,980. Because it is a County road they will have to use flowable fill. The Surcharge Fund has the money for this project. Robinson indicated that the County wants to seal coat this road starting June 1, 2005, so the water project needs to get started immediately. Motion by Stobb, seconded by Snyder to accept the bid from Heartland Mechanical and GH Plumbing for the South Street Water Project. Kerr asked if there were contracts, insurance and bonds in place and who will be observing the progress of this project. Robinson indicated that the Public Works Department will be doing the inspection. Heartland will be signing the contract. After further discussion, all voted in favor of the motion by Stobb.

Robinson said that they had received two bids for the Standby Generator project. One from G&R Electric for \$13, 979.30 and the other from Hebig Electric for \$13, 755. This is for the standby generators for the well sites, lift stations, and water plant. After this is done, the Public Works Department plans to put shelters with locks to prevent vandalism. This money will be coming from the Utility Fund. Motion by Chukuske, seconded by Arvizu to accept the bid of \$13,755 from Hebig Electric. All voted in favor of the motion.

Robinson presented a bid and plan from Greenwood Nursery of \$5,109.25 to landscape the Hollett Street bypass project. Mr. Erickson is satisfied with the plan. No other bids were requested. Motion by Stobb, seconded by Snyder to approve the bid from Greenwood Nursery to landscape the Hollett Street bypass project. All voted in favor of the motion.

Mayor Ferrazzano said the Memorial Committee met last Wednesday. This committee consisted of Mayor Ferrazzano, Darrell Janssen, Red Brekken, Gary Hippe, Ernie Surprenant, and Dale Klein. The idea was to present a way to honor the Veterans from the City of Tracy by a Memorial Project. The first idea was to change the name of the Prairie Pavilion to the Veteran's Memorial Center. At this center, where the old trophy case was for the Armory, they would do a display of personal effects and nameplates for Veterans who died in a war and were residents of the Tracy community from the date that Tracy was incorporated. Motion by Arvizu, seconded by Snyder to rename the Prairie Pavilion, the Veteran's Memorial Center. Nielsen indicated that they should have appropriate ceremonies for presentation of the new Memorial Center. This would give the impact of this project to the community the way the committee would want it to. Mayor Ferrazzano felt the importance of this display and Memorial is that there is a lot of traffic of adults and children through this building and he wants them to realize there was a heavy price paid by these soldiers for our freedom. All voted in favor of the motion to rename the Prairie Pavilion the Veteran's Memorial Center.

The Consent Calendar contained the Monthly Financial Report, Hospital Board Minutes for February 16, 2005, Multi-Purpose Center Minutes for March 17, 2005, Municipal Accounts Payable, Police Activity Log and Police Maintenance Report. Motion by Arvizu, seconded by Chukuske to accept the Consent Calendar. All voted in favor of the motion.

Mayor Ferrazzano presented a letter from the American Lung Association for a resolution of Support for the Freedom to Breathe Act. They are trying to push the State Legislature for Freedom to Breathe

Act, which provides further protections for Minnesota workers, including bar and restaurant workers. It does not change anything locally. They say they are putting it on the website and just show the communities that are supporting this. Snyder voiced his opinion that it should be up to the individual business to decide to be smoke free and should not be dictated by legislation or City Council. There was no motion for Mayor Ferrazzano to sign the letter of support.

Hmong history update was given by Mayor Ferrazzano. There was a meeting at the high school with the Hmong Community Relations Committee. It was discussed that the community does not know the history of the Hmong people and they are trying to think of a way to let the community know what the history was. There is a movie that had been shown to the school employees and students that explains their history. The Committee is going to host and show the movie on April 28, 2005 at 7:00 p.m. at the Tracy High School. Mayor Ferrazzano urges the public to attend. Chukuske had viewed the movie and explained that it is a 50 minute documentary based off the murder of a young Hmong boy in Green Bay. It starts by explaining how the Hmong people got here, through the Viet Nam process. He indicated it was informative and educational as far as understanding the Hmong culture. Stobb suggested that they play the video over the cable channel if possible.

Mayor Ferrazzano suggested that they put something in the paper when it is going to be shown and where it is going to be shown in the school. He said that the group also discussed the distribution of an information pamphlet about the history of the Hmong culture. This would also be a good time to send out information about things going on in the City, such as garbage pickup, snow parking, etc. It could be a quarterly thing. Arvizu suggested that it be printed in three different language. Arvizu and Chukuske volunteered to be on the pamphlet committee. Mayor Ferrazzano asked if the water updates are required and if the City is paying postage on these. Robinson indicated that this Consumer report is required by the MN Dept. of Health and every year the public needs to be aware of what the water is tested for and if there any reported elevations of anything. The City's water supply does at times exceed the normal levels of copper and we are working on a plan now to raise the pH level of the City's water to make it less aggressive. The problems are the water in the older homes that have lead solder to solder the pipes with and if the water sits in these pipes long enough some of the lead and copper reaches out and is in the drinking water.

Koopman informed the Council that they are going to be looking at and recommending increases in water rates. They are raised 0.05 cents each year and they are looking at something a little more aggressive in order to accomplish some of the needed work. They are in the process of getting the information together and will be presented to the Council in the near future.

Mayor Ferrazzano would like to talk about the due date for water bills and any other issues regarding the water bills.

Mayor Ferrazzano asked if the Welcome Wagon was a City project and does not know when the last time the Welcome Wagon was operational. He feels that it is something that they should look at again to welcome people to the City of Tracy. He said that even though they don't have a Welcome Wagon person, that if someone moves to town, they have to come to the Municipal Building to sign up for water and it would be a time to give them something then. Arvizu felt that this is something that should be coordinated with the Chamber. When she moved to town there was someone that came to her door with coupons for businesses, introductory rates, etc. This could be included with a pamphlet with rules and regulations of the City. This would be the City's own in house project. If the Chamber does not want to send someone to the door of the new resident, it could be a packet that is handed out when they come in to sign up for water, etc.

Motion by Stobb, seconded by Chukuske to close the meeting at 8:45 p.m. to discuss pending litigation. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

### **April 18, 2005**

A special meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 18, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, T. Byrne, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Absent was S. Rettmer. Also present was A. Koopman. Absent was F. Nielson.

Mayor Ferrazzano asked for any changes to the Agenda. Motion by Byrne, seconded by Stobb to accept the agenda as written. All voted in favor of the motion.

The Ground Lease between Warren and Ronald Gramstad and the City of Tracy for purpose of snow disposal. This lease has been in effect since 1995 with no issues regarding the contents of the lease.

Kerr had a memo from Nielson with some concerns regarding this lease. In 2., second paragraph the dates should read December 1, 2005 and expire on November 30, 2006. Nielson's comments also included that the legal description of the land was no very specific, the proposed use of the ground was not described and concern that they need permission from the ditch authority regarding the water flow. Kerr's recommendation was to go through with the Ground Lease this term and changes can be discussed before the next renewal of this lease.

Motion by Byrne, seconded by Chukuske to accept the Ground Lease as written from December 1, 2005 through November 30, 2006. All voted in favor of the motion.

Koopman told the Council that it had been advertised for two weeks for proposals for demolition and removal of the building directly east of the Municipal Liquor Store. At that time no proposals were received. Letters were sent out again to local contractors to let them know that proposals would be received until 4:00 p.m. on April 15, 2005. At that time three (3) proposals were received.

Kerr informed the Council that according to the City Charter, this will have to be advertised again for bids even though no bids or proposals were received after the first advertisement.

Motion by Byrne, seconded by Snyder to advertise again for proposals for demolition and removal of the building east of the Municipal Liquor store by June 30,2005. All voted in favor of the motion.

A rebid for the pool repairs from Pool Construction, Inc. and Abhe & Svoboda, Inc. was reviewed. In a letter from Todd Johnson, CEO/Principal of Pool Construction Inc. he indicated that they would be engaging Pool Tech Midwest, Inc. of Cedar Rapids, Iowa for the installation of the Myrtha Product System. Also included in the letter were markups for any approved Changes in Work that may arise during the performance of the contract. Pashina had talked with Todd Johnson and it was negotiated to drop the Subcontract work in the Changes in Work from 15% to 7.5%

The base bid by Pool Construction, Inc. was \$787,800.00 with an Alternate 1 bid of \$66,000.00 and Alternate 2 bid of \$3,000.

Gremmer and Associates told the Council that Pool Construction, Inc. is rated in the top two contractors for pool construction and have always done quality work. He recommended to the Council to accept the bid from Pool Construction, Inc. excluding Alternate bid 1. He explained that this should be covered in the base bid.

Robinson expressed concern regarding the pool repair with heavy equipment in the area and also summer recreation programs being held. He felt that the contractors need to be aware of this so that extra precautions are taken. Robinson told the Council that he and Paul DeSmith had also discussed the bid by Pool Constructions, Inc. and also feel that they do not need Alternate bid 1, but recommend that they consider Alternate bid 2.

Robinson told the Council that they will be doing some video taping of the site, including roads, curbs, etc. before and after constructions as a way to document any damage that may happen.

Koopman said that she would discuss the construction and summer recreation issues with Bill Tauer.

Motion by Byrne, seconded by Arvizu to accept the bid from Pool Constructions Inc. and Abhe & Svoboda, Inc., excluding Alternate Bid 1. All voted in favor of the motion.

Mayor Ferrazzano reminded the Council the next regular meeting will be Monday, April 25, 2005 at 6:30 p.m. The Board of Equalization will be held on Tuesday, April 26, 2005 at 7:00 p.m.

Chukuske said the Board of Equalization is open to the public and it is a time when anyone in the community can bring questions or concerns regarding the assessed value of their property. He also indicated that in the future Board of Equalization can be held during a regular Council meeting.

Koopman told the Council that Orlin Bruss and Dean Champine will also be in attendance at the meeting.

Motion by Byrne, seconded by Chukuske to adjourn the meeting at 7:00 p.m. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

#### **APRIL 25, 2005**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 25, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present was A. Koopman. Absent was F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from April 11, 2005. Motion by Rettmer, seconded by Stobb to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. 10A Compost Violation was moved to 5A, Legal Issues. There was also an addition 7B. Sale of City Lots. Motion by Snyder, seconded by Byrne to approve the agenda as revised. All voted in favor of the motion.

Kerr told the Council that he discussed this matter with Koopman this afternoon and he was able to reach one of the Assistant Attorney Generals, Ann Cone. Someone was caught dumping non-yard waste at the compost site and they were instructed by the law enforcement to remove those articles. There was a discussion at the last council meeting that since the site is outside the city limits there could be no criminal prosecution and the county prosecutor would not give it much credence. Kerr agrees that it is a crime that has occurred outside the city limits so the county attorney would need to get involved and when the county attorney gets involved that involves state statutes. There is a civil method and criminal method. The more immediate method is the criminal method under Minnesota Statutes 115.071 Enforcement. It basically states that violations of laws, orders, permits, and rules provided for the compost facilities is 7035.2836 entitled Compost Facilities. Any permit issues and violation of compliance of the permit would be a misdemeanor. Kerr further explained the duty of the law officials has authority in the enforcement of the general and criminal laws to take all actions in the extent of their authority. He stated that the Council needs to decide if this is something they want to take to the County Attorney or review this material and decide on a policy to state what they want to do when there are violations out there. Mayor Ferrazzano stated that he

did not feel it was up to the Council to tell the police to file something with the County Attorney to prosecute. If the police feel it is out of their jurisdiction they can contact the Sheriff Department and have them investigate it and then the prosecutor will decide based on the report whether to prosecute. The Council is giving rewards that they have no right to do; it should be given by the County. Kerr stated what this Council has duty to do is to make sure that our permit for the yard waste is safeguarded. If violations of yard waste are ignored on a continuous basis the Pollution Control can take away the permit. This has been gone over before and ultimately the Council has jurisdiction over its own Police Department. This is part of the law and once the law officer of the state statute, the officer should put it in front of the appropriate authority for their discretion. Arvizu stated that she was the one that asked this to be put on the agenda as she was concerned after thinking about this, that charges were not brought when the Council has been very concerned about this and it could cost us our permit for the Compost site and had even put up a reward for problems out there. She thought that meant they would prosecute anybody or make the attempt and there was nothing done and wanted to know why that was. She had discussed this with Koopman and she indicated that Chief Hillger had shared with her they he could not do anything anyway as it was up to the County Attorney and Arvizu wondered why there were not made aware of this. Chief Hillger stated that this incident was outside the city law enforcement jurisdiction. Rettmer asked how they could make the rules for it, if it is out of their jurisdiction. If they can make the rules, then they have to prosecute if there is a fine involved. She feels that they should prosecute. She explained that they would not have these rules if the Council did not want law enforcement to do something about it. She feels that they have to protect they permit. Chief Hillger told the Council that there is more garbage out there now than there ever has been. The illegal dumping is not happening at night. People are taking bags of leaves and cardboard box with waste and throwing the bags and boxes out there. Kerr stated there is a problem with the property being located outside the city limit, the City cannot control this by Ordinance to make it a misdemeanor, they have to look at the Statutes that are involved here and the County Attorney has to prosecute. If it is given to the County Attorney, we can tell Pollution Control that we have done everything we can do and the permit should not be taken away, even though there is dumping of non-yard waste. Byrne stated that the camera was put out there because when they had limited hours, the community was not happy with the limited hours. It was also discussed to open in the morning and close at night. Mayor Ferrazzano indicated this discussion would continue after the public hearings.

Mayor Ferrazzano opened the continued hearing on Ordinance 293, AN ORDINANCE GRANTING A CABLE FRANCHISE TO CHARTER COMMUNICATIONS. There was no public testimony and the Mayor referred this matter to the Council for their consideration. He told the Council that the position he has is that if Charter does not accept what PrairieWave does, then that is what Charter needs to be told. Kerr indicated that he and Koopman had spoken to Robert Vose today. Vose indicated that if they take the Mayor's position, then the City would call for the Formal Renewal Process and that would go before an Administrative Law judge. Vose feels that the cost of this process should be paid by the Franchisee. Koopman says that Charter feels if they are going to pay any legal fees, they want it applied against the franchise fee. Vose indicated to Kerr that the classic "Formal" Renewal Process is that the City will list 20-30 points that the public would be interested in. Vose feels that the City does not need to do that, and just say everything is contained in PrairieWave that is in the public interest. Charter would respond to that and not agree and then they would go into the Administrative Law aspect. The Council needs to decide if they want to continue to negotiate with them or say no and go into the "Formal" Renewal Process. Kerr states that they have been at this for quite some time and it was thought that everything was worked out and then Charter comes back and always changing their position. Mayor Ferrazzano feels that Charter should accept what PrairieWave has accepted; otherwise they would have to renegotiate with PrairieWave. Arvizu hopes that anytime there is a franchise issued in the same area, that the deal is made in an equal and fair manner, otherwise there is no equity in the contracts. They have to have an equal playing field for it to be fair to both parties. She feels they need to be consistent with both. She asked that if they go through the renewal process, would they be incurring more legal fees? Kerr answered that it does mean more legal fees, but Vose is of the opinion that it should be part of the renewal cost and would be informed of that from the beginning. Koopman pointed out that in December 2004, she sent them a letter that itemized the amount of legal fees that had already be incurred, which at that point was \$9,695.63 and since that time there has been more legal fees as Vose is billing the City each time he talks to anyone and Kerr is incurring fees also. The City has

received no payment from Charter. Koopman felt that the changes that appear in Vose's letter, dated April 4, 2005, are very minor other than the \$1,000 reimbursement for legal fees if there is a transfer of ownership. She questioned if it would be beneficial if the City would change the Prairie Wave ordinance so it is the same as Charters, then this matter would be concluded. Kerr said that could be an option, but to keep in mind that the fees already incurred, Charter would like to apply them to the annual fees. Kerr is not so sure the verbiage is identical in some areas. This has to be clarified and would be a reason for the renewal process. Arvizu expressed concern about incurring large legal fees. If there is not a guaranteed outcome that the fees would be paid by someone, other than the City of Tracy, she is not interested in incurring more legal fees. She wants to do what is effective, but not going to cost the City more money. She feels that Charter is not playing by the rules and if the Renewal Process takes care of it and the City is not going to get stuck with more legal fees, then she can go with that. Mayor Ferrazzano feels that the City does not have a choice, and they cannot treat one franchise different than another franchise. Motion by Byrne, seconded by Stobb, to inform Charter that the City will agree to the same ordinance that was adopted and accepted by Prairie Wave and if they do not agree to the same terms, then the City will go to the Renewal Process. All voted in favor of the motion.

Mayor Ferrazzano opened the continued hearing on the sale of the Industrial Park lot. There was no one in attendance from the public with any concerns regarding this sale. Koopman told the Council the EDA will be meeting Thursday evening, April 28<sup>th</sup> to discuss this matter. The option would be to continue this hearing one more time till the next meeting and the EDA should have a recommendation. The original hearing was for the softball fields. Chukuske said the EDA has agreed that the softball lots would stay as they are, they would be discussing pricing, qualifications for other lots. If this is specific to the softball fields, that decision could be made tonight. Motion by Chukuske, seconded by Snyder to not sell the softball fields and leave them intact, as is at this time and the other issues with the lots will be addressed. All voted in favor of the motion.

Mayor Ferrazzano led discussion back to the compost site issues. Chukuske feels that the law officers have to have some sort of discretion, to say that everyone gets prosecuted. They need to have discretion as to what a serious violation is. Chief Hillger indicated that the individuals that were caught were not from Tracy, but helping someone that is a member of the community and he agrees with the discretion of the officer on duty regarding this issue. Mayor Ferrazzano feels that the discretion should be with the prosecutor because the police officer can write any report. His feelings are the police officer should write the report, and then it is the discretion of the prosecutor, whether to prosecute. Mayor Ferrazzano asked if it would be possible for the City to annex that property as part of the City and how the City would go about doing that. It is not up to our police to investigate because it is not in their jurisdiction. Koopman believes that the City does own that property. Mayor Ferrazzano suggested that they find out if they do own that property or just tenants. If they do not own it, they should go through the process of making it part of the City. They should find out costs of this procedure. Motions by Arvizu, seconded by Rettmer to have the police department refer the report to the Sheriff's Department to see if the County Attorney will prosecute for this particular offense. All voted in favor of the motion.

After discussion a motion by Arvizu, seconded by Byrne to have the compost site open from 8 am-8pm during the week and from 9 am-8pm on the weekends. All voted in favor of the motion.

Motion to instruct the public works department to put a sign on the post in front of the entrance that lists hours, what can and what cannot be dumped, and that the dump is under surveillance. All voted in favor of the motion.

Nicole Larson presented the annual audit report. She indicated that the reports are quite a bit different than the past. 2004 brought a new auditing standard that is called GASB 34. This changed the mode of governmental accounting and they are hoping to make it more user and reader friendly. None of the old reports were removed. Some of the changes include wording with governmental activities, business type activities, major funds, aggregate major funds, etc. They are still the types of funds the City has always had. There is a new report under the GASB34 that is called management discussion and analysis. It is recommended but not required and intended to be a synopsis of the year's activity from the perspective of the City. Larson called attention to page 5 of

the audit report; this is the Statement of Net Assets. In the For Profit world this would be the Balance Sheet. The big change here was making a Depreciation schedule. On page 148-149, that is the listing that is showing depreciation of all that property that have been acquired over the years and putting a depreciable value to it. Last year the total column showed \$23 million and this year it shows \$14 million and the main difference is that there was \$8 million worth of assets with no depreciation against it. Mayor Ferrazzano asked Koopman with the net assets, if that affects the formula of what they get in state aid? Koopman answered that this does not affect the state aid received. Page 6, the landscape page is the new way of looking at expenses and revenues and the top part is the governmental activities. Page 30 shows the capital assets for the governmental activities. The beginning of the year balance was \$7.4 million and the depreciation that was calculated was \$4.4 million. Page 32 is the Schedule of Debt and is pretty much the same the same schedule of debt, showing the beginning of the year balance, any issuances, retirements and end of the year balances. There is a new column that shows amounts dues in one year. Page 39 one note that was required is 17, Impairment of Capital Assets. With the swimming pool situation it shows that there is currently a \$1.8 million asset on the books that is heavily impaired and not able to be used for its intended use. Once it gets repaired, that note will go away. Larson referred to the handout. The first page is a synopsis of all the revenues from all the different types of funds. On the bottom is Agency Funds which is a GASB 34 change. Agency funds are no longer and have been recategorized into a special revenue fund. The first revenue graph is a bar graph that shows the history of the last five (5) years for each of the different types of major revenue categories. Local and County Revenue is up. There is a slight increase in Sales. Miscellaneous there is a slight decrease but nothing to be alarmed about. The City had collected \$4.8 million in revenues and there were expenditures and expenses of \$5.3 million, leaving a deficit of \$554,000 for 2004. A lot of the deficit comes from the pool activities right now. Larson explained the Summary of Expenditures by different fund types. Capital outlay there was a huge deduction from that and that was the pool project for those couple years. Operating expenses are down. The Asset graph shows the cash is down, but not alarmingly so, there were just a lot of expenditures in 2004, a few more receivables, the tax levy collections did not come in quite as good as normal and more delinquent taxes. Larson explained the Liability graph showed the accounts payable are up and they have gone up every year and that is timing with the late year payroll. Accrued salaries are basically the same. Larson commended the city office for all their help and the staff is very easy to work with. The audit went very smoothly due to the efficiency of the office staff especially with the new reporting system. David Spencer indicated that the management discussion and analysis when it does happen, will involve the department heads and some of the members of the Council. This is basically a synopsis that explains why they do what they do, why the decisions were made in a broad sense. If possible, this may be started this summer.

Rick Nordahl told the Council that there has been discussion over the past 6-8 months regarding a wellness center in Tracy. The purpose for his discussion tonight is so that the Council can maybe poll the public to determine what kind of support there would be in the community for a wellness center. The Tracy Area Medical Services has need for more room for their physical therapy department. In Westbrook and Slayton their wellness centers seem to be doing very well. They have been established for 1 ½ years in Slayton and 3 years in Westbrook. They have looked at 2-3 building options in Tracy and have found that the most reasonable thing to do is build new. With building new it is laid out the way that works the best, most energy efficient and the best utilization of space next to the hospital. Nordahl referred to the letter written by Mark Boerboom, Director of Rehab. Boerboom is asking if the city would be willing to give three lots south of the hospital to the project to provide space for the facility and parking. Nordahl felt that it needs to be established if this project would be beneficial for the city and then the hospital would like to lease some of that space. In Koopman's memo it is estimated that the cost for improvements to the parking lot, water, sewer, curb and gutter would cost between \$20,000 and \$25,000. The cost of the building would be approximately \$500,000 and the cost of equipment is about \$80,000. This would be about a \$600,000 to \$625,000 package price. This would be about 6,000 square feet to house the wellness center, physical therapy offices and conference room/rental space. Nordahl asked if the Council would consider entering into an agreement with Sioux Valley that would be longer than the 12 years that currently exists on the lease with the hospital. It has been determined that this type of facility cannot cash flow on a 12 years basis. Mayor Ferrazzano asked if they had looked at any of the available buildings downtown. Nordahl answered that they had looked at the P+ building. He

explained that the way they cash flow this type of facility is having it adjacent to the hospital, because physical therapists charge on a per fifteen minute increment and if they have to take fifteen minutes to come down to the PT off site downtown versus just walking across the street, there is some productivity lost. The adjacency to the hospital makes for a much more efficient physical therapy department. Byrne told the Council the EDA had looked at buying and renovating a building and to do the P+ building it would cost about \$350,000 and there would be less square feet and buying the Med and renovating would cost as much as a new facility. Nordahl indicated that they have not discussed this with Sioux Valley as they are only in the process of doing financial projections in house and what needs to be done is to find out who is available to fund it. Sioux Valley can be asked to build the building, as their philosophy right now that if they can do capital leases, they feel this is better for them, rather than tie in an ownership to a building. Nordahl also explained that the city can contract the building to be built through a leasing agency, and then there is no upfront capital outlay such as O'Brien Court. Snyder indicated that the trend now is for preventive medicine so it could be argued that a wellness center is preventive medicine. Nordahl indicated that there are insurance companies that are funding memberships to wellness centers but it is not direct medical care. The question is, do we take Sioux Valley's money and put it into a wellness center and the other side is, after the lease is up, does the City want to own the wellness center or do they want Sioux Valley to own the wellness center, or that property? The Westbrook Wellness Center if owned by the school. They manage the wellness center and Westbrook Health Center leases space from them for physical therapy. In Slayton, the county owns the hospital and wellness center and it is in the dental building with the ambulance garage and physical therapy. Nordahl told the Council that by having physical therapy in a different building, this would free up space at the hospital for outreach opportunities. For example on Wednesday when the cardiologist is seeing patients at the hospital, they are so heavily booked that there is no room for ultrasound, other outreach physicians to see patients, etc. Mayor Ferrazzano agrees that it is a good idea, but philosophically, can they afford it and finding out if Sioux Valley is going to contribute anything and they also need to find out whether they can work this leasing it from a leasing company and then leasing it to the hospital. Koopman felt that the primary intend for this discussion tonight, is that the public be made aware that this being considered and are they willing to support this idea. Is the public willing to support this type of an idea? Stobb asked if it would be possible to use Hospital Reserve Funds for this type of project, if they chose to. Koopman told the Council that it would be at their discretion to do that as those funds were intended to buy back the equipment. Those are city funds that were set aside at the time the lease with Sioux Valley was signed, for repurchasing equipment if the lease was going to be terminated at some time. This is one of the reasons that the Municipal lease had some attraction, as they City would not be tying up their money and they could lease it without putting money up. The problem is that the hospital lease with Sioux Valley expires in the year 2017, which is 8 years beyond the 20 year lease that they would anticipate this to go over. The Council and the community need to be aware there is no guarantee. Koopman feels that it is wise to throw these things out to the Council so they are aware and to get input from the public. Chukuske said that from his insurance perspective, with the new fitness center discounts that are now available, and you do not have a facility, Marshall is the closest. Anybody that carries Blue Cross/Blue Shield, Medica or any of the major companies, gets a discount and they cannot use it. That could make a difference also. Koopman suggested that they have a public hearing to allow the public to come to a meeting and share their input. This could be done verbally or they could submit something in writing. Mayor Ferrazzano indicated there would be a public hearing on the wellness center proposal on May 9, 2005 at 6:45 p.m. to get the public input and support.

Next the Council discussed the same of city lots. Koopman told the Council she has been approached by two individuals concerning lots the City had acquired through tax forfeiture that was bought in 1992. This is Lots 13 and 14, Block 5 in Cowles and Davis Addition. It is 100x140 on the corner of High and Monroe St. She has been asked if the City would be interested in selling them since all the City does in maintain them. Mayor Ferrazzano indicated that they would be interested in selling them and will hold a public hearing on May 9, 2005 at 6:35 p.m. that they are not longer needed for public purpose and the terms of selling it could be determined. The two parties that are interested should be contacted and informed of the public hearing.

The consent calendar contains Cemetery Commission minutes for March 24, 2005; Hospital Board minutes for March 16, 2005 and Municipal Accounts Payable. Motion by Snyder, seconded by

Byrne to accept the Consent Calendar. All voted in favor of the motion.

Mayor Ferrazzano said the Tracy EDA has met to decide if the City should fund an additional \$5500 over and above what they now contribute to the Lyon County EDA position. The Tracy EDA has advised not to fund this position. Chukuske told the Council that the EDA still has every intent to work hard with communicating with other EDAs and Tracy has committed to a full time EDA position, where other communities have not. That is why the EDA feels that their monies have already been committed. Arvizu commented that the City is now spending \$69,000 in EDA salaries and benefits between Gervais and Noomen. She indicated that if Lyon County would have come forward sooner, the city may have considered pairing with them instead of going with a full time director. Byrne indicated that the EDA was also concerned with the benefit they would have received from contributing to the county EDA. Mayor Ferrazzano asked the Council if they thought it would be better with two people looking at a particular issue as opposed to one and if it would be possible for Tracy to benefit from it. He does not feel that the \$5500 is not a considerable amount of money to pay. Motion by Byrne, seconded by Chukuske to accept the recommendations of the EDA to not provide additional funding for a County EDA position. Upon roll call, the following vote was recorded: voting aye: Arvizu, Bryne, Chukuske, Rettmer, Snyder, and Stobb; voting nay: Ferrazzano. The motion carried.

Chukuske distributed the questionnaires and mail back envelopes for the team building seminar. If the session is held on May 7, the questionnaires would be due back to Mr. Kruse on May 2, 2005 and if it is May 14, they would be due May 8 and if it is May 21 in which it would be due May 13. After further discussion, motion by Rettmer, seconded by Chukuske to have the team building session on May 7, 2005 from 10 am – 2 pm at a site to be determined. All voted in favor of the motion.

Mayor Ferrazzano communicated that the Hmong cultural film will be shown at the Media Center at the Tracy High School on April 28, 2005 at 7 pm. He would like as many as possible of the Council members and city employees to attend.

Mayor Ferrazzano also communicated that he was asked to write a letter of support for a musical project. Someone from the Metropolitan Fine Arts Council came to Tracy as part of her grant she received to look at 10 rural cities and see how they do with cultural events. She came to watch “Bye Bye Birdie” and walked away from interviewing the public and watching the play, very impressed. She is trying to pursue a grant for Tracy to write the music for a musical on the history of Tracy. He has written the letter of support and with the Council’s permission will send it out tomorrow.

Motion by Byrne, seconded by Snyder to adjourn the meeting at 8:30 p.m. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

**MAY 9, 2005**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 9, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, J. Arvizu, B. Chukuske and C. Snyder. Absent was R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any correction or additions to the minutes from April 25, 2005. Motion by Chukuske, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Legal Issues 5A, Mutual Aid agreement with Walnut Grove was deleted from the agenda. Additions to the agenda included: Reports, 6F Property Appraisal; New Business 12B-4. Marshall Pool Passes; and 12B-5. Charles Snyder receiving Para-Medic status. Motion by Rettmer, seconded by Snyder to approve agenda as revised. All voted in favor of the motion.

At 6:35 p.m. a public hearing was held to consider the sale of Lots 13 & 14, Block 5, Cowles & Davis Addition. Koopman told the Council that they needed to determine the property was not longer needed for public purpose and establish the conditions of sale. She explained that this property was acquired through tax forfeiture. The measurements of this property are 100 x 130 feet. Chukuske asked if this would be done by sealed bids. Arvizu felt that if this property is buildable, it would be best to get sealed bids and they should try to get the fairest price. John Domine indicated that he would like to purchase the property, plant trees around the perimeter to buffer the noise from the railroad. Tanya Nordsiden is also interested in the property and would like to expand her daycare business and have more room for the children to play. Arvizu asked if this should be referred to the Planning Commission for review to see if this property should be sold as a buildable lot. Rettmer said that now they have properties available but have no prices set. She feels they need to investigate and seek more information. She felt that there were issues that need to be decided and set some rules that the whole Council can agree on. Arvizu felt that they need to get this property back on the tax roll. Mayor Ferrazzano felt that they should deal with this situation now and then set up policies for future sales. He felt that it would be best to sell this property now through sealed bids. Motion by Snyder, seconded by Rettmer to offer this property for sale by sealed bids as it is no longer needed for public use. Chukuske asked what time period is needed for advertisement of this sale and it should advertise a date as to when the sealed bids need to be received by. It was decided by the Council that the bids must be received by June 10, 2005. Nielsen recommended that since this property is tax forfeited, the conveyance would be by Quiet Claim Deed. After further discussion all voted in favor of selling this property by sealed bids.

At 6:45 p.m. a public hearing was held to consider construction of a Wellness/Rehab Center. Con Rettmer told the Council that he was not against having a Wellness Center, but was against the nature of the proposal. He had knee surgery in January and used the therapy department in Tracy, so realizes how cramped they are for space. He voiced that he is against the proposal for \$625,000 to create this center. He feels that Sioux Valley is all take and no give. In additions to the cost of the building and equipment, the lots would cost an additional \$45,000. He believes that this facility should not be built in Eastview. When he worked for the EDA, he had approached the Council with the issue of building 4-plexes and single dwellings in that area. At that time the cost of the lots was \$14,000 each. This was arrived by adding up all costs, including cost of property, surveying, platting of lots, infrastructure and legal fees and this total was divided by the number of lots in Eastview. After the 4-plexes were built, the money that was borrowed was paid back to the City. He feels that now the EDA is discounting the lots and the tax payers are stuck to make up the difference. He feels that the Wellness Center does not belong in a residential area. Rettmer explained that there were covenants adopted and these were signed by all parties that purchased property in Eastview. He explained that a Wellness Center does not conform to this covenant. Even if the laws were changed, this would not be fair to taxpayers living there. He indicated that the residents of Eastview would have to approve of what is built there.

Dave Reese told the Council that he purchased the first house in the Eastview Addition and has two

lots. He has no problem with the Wellness Center, but there is a restrictive covenant and is not sure which lots are being discussed for this building. The lots 4, 5 and 6 of Block 2 are under the covenant and lots 7, 8 and 9 are not. He felt that there may be some restrictions as far as where the building would be and where the helipad for the hospital is and that a building in some of these lots may not be allowed.

Mark Boerboom, Director of Physical Therapy for Shetek Medical Services told the Council that he was very skeptical when approached Rick Nordahl regarding having the Physical Therapy Department with the Wellness Centers in Westbrook and Slayton. The fitness center is located in the old high school building in Westbrook and the results there exceeded his expectations and physical therapy clients have doubled in number. The Westbrook Wellness Center has approximately 180 members. Slayton has approximately 350 members to their wellness center with approximately 100 visits per day. He explained the wellness center and therapy department benefit from each other. For the physical therapy department in Tracy to function they need appropriate space and staff. Right now the physical therapy department in Tracy is very cramped for space and needs two full time therapists. Hiring new therapists is difficult if there is not a professional space for them to work. Boerboom has investigated several buildings in town and made measurements and drawings. It would be more efficient to have the center close to the hospital for staffing and patients. The physical therapy staff and clients would be close to the hospital in case of medical emergencies. When the staff has to run across town to the department, they have periods of down time for traveling. Also the therapy department uses a large amount of linens that would have to be transported back and forth from the laundry to the center. Boerboom has investigated projected costs for remodeling and that also gets very expensive. To renovate the P+ building downtown would cost well over \$300,000.

Dale Krog told the Council that he is not opposed to having the wellness center/physical therapy center but does have concerns regarding traffic and parking in the area of the hospital. With limited parking space, the scan trucks have trouble maneuvering in that area to get to their parking space. He feels that the City has some real financial problems ahead and should step back and take a look to see if the City can afford to construct a new building at this time. Krog expressed his concern with no guarantees of getting any money back from the pool litigation. There are also other projects such as street and lagoon maintenance that need to be addressed.

Boreboom read a letter from Carol Buyck, R.N., Cardiac Rehab Coordinator. She encourages the building of a wellness center. She surveyed graduating cardiac patients to see if they were continuing with routine exercise. She would like to see at least an overall 85% of the patients continue no matter how long a time has passed since they graduated from the program. She is told by patients they would continue routine exercise if they had a facility to go to. She felt that having the facility close to the hospital with easy parking availability for the elderly and would also provide closeness of emergency medical care.

Tony Peterson feels that the City has enough financial problems at this time and cannot subsidize this facility right now. He feels that the taxpayers do not need to pick up the cost for Sioux Valley. He is against it if supported by tax dollars.

Marlin Meyer voiced that he cannot make opinion since he does not know what type of equipments is used and the fees.

Boerboom explained that the equipment would be brand new equipment that is commercial grade. Memberships at Slayton are \$20 per month and a yearly membership is \$180. These prices are also what Westbrook charges. Both facilities have key card systems to keep track of visits and allow the public to exercise at their convenience. He explained that some insurance companies are also now paying up to \$20 each month for their insured to have a membership to a fitness center. Between the two facilities they are making good returns of funds. Also the hospitals lease space for their therapy departments.

Nordahl once again stressed the importance of this public hearing was to get input from the public as to whether they would like to have a facility that would be used for these purposes. No one is

committing any dollars and financials have not been fully investigated at this time.

Mayor Ferrazzano read a letter from Dean and Jeff Salmon. They would like to voice support for a wellness center and have some concerns regarding funding methods and location suggested. They wondered why there was a public hearing to find out if there is support for a center if the public has not been given any hard dollar figures regarding funding/management and ownership of the center. They feel that these issues need to be known before most can commit to the project. They have been told there would have to be a fundraiser to buy down the debt of a new building with the need for approximately \$200,000. Fundraiser projects for a taxpayer funded project would seem to be rather foolish since the taxpayers are funding the project in the first place. As taxpayers who themselves donated over \$5,000 to the swimming pool to keep the debt down, look what we and other contributors have gotten for our investments; a two year mess, no pool, no recourse on our part and so far no accountability for the mistake made on the City's part due to not hiring a general contractor for the project. They feel that the pool is very necessary to the growth and stability of the community – so get it fixed. They indicated that there are two buildings on the highway that could be used for a wellness/physical therapy center. They own the Minntronic building and they were asked a few months ago what it would cost to purchase this building. They indicated that they would be willing to sell the whole building or lease a portion of it and would be willing to help anyone at putting to the building to good use. They were not notified after meetings were held and never asked to participate in any of the meetings. They were asked the price of the building, and were thoughts that the proposed daycare center could also be put in the building and now that group is looking at a fundraiser to reduce debt of a new building. They also made suggestions of several other uses for the building depending on how much space was needed. Salmon feels that the location of the building on the highway with easy access and sufficient parking makes sense for a public center. When visiting with the management of Sioux Valley, they were told that Salmon's would be willing to lease enough space for a physical therapy office and would be willing to administer a wellness center, but the City of Tracy would have to guarantee the lease or own the building it was in. They indicated that they did not want to sound negative on this issue; however, as life long residents of the area and businessmen paying taxes in the community and contributing rather significantly to most fundraisers, they would like to see their tax dollars spent as wisely as possible.

Snyder felt that it needed to be clarified that the proposed daycare center is not a city funded project and there are people that believe that it is.

Rettmer commented that there have been two wellness centers in the City that have failed.

A member of the audience answered that those were privately owned centers and this is the first opportunity to have the physical therapy department with the wellness center and there are two very different situations.

Sherry Spencer also commented that she had worked at one of the fitness centers and she knows that she felt one of the biggest reasons that these clubs did not succeed, was that the membership fees were very high and people could not afford it. She feels that \$20 per month to exercise is very cheap.

Rettmer read some comments from the public regarding the wellness center/physical therapy center. Penny Peterson wrote that she lives in the country, but would like a fitness center. Marge Peterson stated that she is all for a fitness center by the hospital and would use it. Carol Whaley indicated that she is totally in favor of a center, but wonders why it is being considered to put up a new building when there are so many empty buildings in town. She states that Westbrook and Slayton are not next to the hospital. She misses the center they had. Paul and Arlene Knoblauch wrote they believe Tracy cannot afford any more debt. The City already has a \$3 million swimming pool to pay for and have hopes for a \$1.5 daycare center. They believe that Tracy has maxed out their credit cards. They are wondering why, if there is enough money, that money is always being passed between entities and they are wondering if it every gets paid back. Knoblauch's feel that the city needs to remove their rose colored glasses and try some common sense. Tom Morin feels that the community would benefit from a wellness center, but does not feel that investing \$650,000 of city money into a new building would be necessary when there are two buildings in town that would more than accommodate a new center at a much lower cost to the taxpayers. He gave two options that the City

could take. 1. The City could purchase the "Med" building with exception of the Subway location and existing kitchen equipment. Subway could pay \$1,000/month for space; this would total \$144,000 for a twelve year period. Estimate for remodeling the building for a wellness center, \$150,000 to \$200,000. The city could also rent space in the "Med" building for \$2,000/month. Over twelve years this would be \$288,000 cost to the City and with the remodeling costs; it would cost the City \$440,000 to \$490,000. He understands that Sioux Valley would like a new building next to the hospital, but the taxpayers need to be considered first. Snyder presented a document signed by 55 individuals that would support the idea of a new wellness center/rehab center. They are basically employees of the hospital.

Nordahl commented that he noticed that in the letters and communications, Sioux Valley is listed as the entity that wants to spend the community's money, and the whole idea of a wellness center came from the community to the hospital. He said this really a community thing that was brought to the hospital and he knows that the combination wellness center/rehab center works. They are looking for the best alternative to serve the community. Sioux Valley has not approved anything and knows nothing other than there is a community hearing and some figures regarding proposed remodels and new buildings and trying to find the best fit for the community. If Sioux Valley would decide to lease space that would be a good thing for the community.

Koopman pointed out what can be looked at, if in fact a new building would be constructed, would be a municipal leasing program. This would not involve any City capital, but a lease would be used to finance this facility. The lease would be channeled through the users of the building. She felt that the purpose of the meeting was to decide if this should be investigated further. Boerboom indicated that he has spoke with a company called Municipal Lease, that are very reputable and have worked with Morton Buildings on a number of projects and this allows them to build the building, lease it to the City and that would be linked to a lease from Sioux Valley. The City would be the conduit where the money would be passed through. Mayor Ferrazzano feels that there is enough interest and the community would like a wellness center in the City, but they want to know what it is going to cost and what are they going to get in the end. He asked if they work with a company such as Municipal Lease, could they refurbish a building or do they have to build new. Boerboom indicated that they would save the \$50,000 needed to hire an architect for design, if a Morton was selected because they have their own in-house architect. Boerboom feels that after seeing statistics from Westbrook and Slayton, this would work for Tracy and sees more hurdles with the renovation aspect vs. new construction. After further discussion it was decided to further investigate into the leasing program and the covenant of the lots that are being sought. Mayor Ferrazzano asked that Koopman investigate this and present any answers that she has at the June 13, 2005 Council meeting. The public hearing was closed at 7:55 p.m.

The first reading of Ordinance No. 293, AN ORDINANCE ESTABLISHING REGULATIONS INCLUDING ZONING FOR ADULT ORIENTED BUSINESSES IN THE CITY OF TRACY; PROVIDING FOR THE ISSUANCE OF LICENSES AND COLLECTION OF FEES THEREFORE; PROVIDING PENALTIES FOR THE VIOLATION THERE OF was held.

Koopman indicated that the Planning Commission has spent a considerable amount of time reviewing and putting this ordinance together. Tonight would be the first reading and the Planning Commission recommends the approval of it. She recommended that the Council waive the first reading and set the second reading and public hearing for the June 13, 2005 meeting. Motion by Chukuske, seconded by Byrne to waive the first reading of the ordinance and set the second reading and public hearing at 6:45 p.m. on June 13, 2005. All voted in favor of the motion.

Department Head Reports were given. Radke reported that bids for the demolition of the building next to the liquor store are higher than anticipated so this will be a two year project, rather than a one year project for completion. He budgeted \$30,000 for the whole project and the demolition is going to take a large part of that. The building can come down and the fences can go up, the door and windows can be put in and the walls painted. Utilizing the area will have to wait till next year.

Robinson reported that the water plant filter project is done and it went well with the employees doing the work and also lots of dollars were saved. The Center Street storm sewer project is about 95% completed. The South Street project of replacing the water main is in full progress and they

have run into some unknowns such as hitting old lines and not being able to find some of the lines. The employees have been working to get summer equipment ready for use and working on the storm water projects by Central Livestock.

Koopman indicated that she has been busy with meetings and especially meetings regarding the future of the hospital. Her focus has been on current legislation that impacts the city and corresponding with legislators regarding various bills. Gervais told the Council that he felt the visit by the Governor went very well and it is the first time he has heard the Governor mention a private prison facility being located in the state. He urges everyone at this point to write the Governor or call his office in support of it and he is planning another meeting in June or July once this session is done and should have a better handle on the bills passed as far as strengths and lengths of sentences.

Gervais told the Council that the EDA recommends to the Council to purchase Weather Alert Radios for part of the Storm Ready Application. They suggested that they purchase the Desktop Models for the City Office, Fire Department, City Shop and Police Department. They feel that the Police Department should also have two portable units. This would cost approximately \$200. This Storm Ready covers severe summer storms and tornados, hazardous winter weather and hazmat situations. Motion by Snyder, seconded by Byrne to purchase the four Desktop and two portable weather units. All voted in favor of the motion.

Gervais met with Dean Champine, County Assessor, and they went through the town to look at the properties on the tax forfeited list. Of the thirty-two properties in the county, twenty four of them are located in Tracy. Champine got aggressive on lowering the assessed values of these properties. These values will take place at the auction sometime in June or July. The EDA is asking that the Council review each property individually and lower or delete the Special Assessments as necessary so these can be sold. The auction has to be published for three weeks prior to the actual auction. After the Council acts on the Special Assessments, Gervais will contact the County and they will publish with the new assessed value and any special assessments that are out there. Gervais stated that the EDA is interested in some of these properties and requested the Council to consider either reducing or waiving the special assessments. On those properties that Gervais researched, the assessments include snow removal, demolition and legal fees. Koopman suggested that each individual property be reviewed on a case by case basis and if anyone is interested in attaining any property, they can come to the Council meeting and it can be discussed. The concern by the County was that the Special Assessments needs to be paid for at the time of the sale. Koopman indicated that the problem is with assessments such as ongoing street assessment that is still pending and there are past due amounts still there because the other residents on the street are still paying. Motion by Chukuske, seconded by Snyder to take the EDA's recommendation and look at the tax forfeited properties on a case by case basis as far as waiving or decreasing the Special Assessments. All voted in favor of the motion.

Gervais indicated that the EDA did have a motion and it did pass to set the price of Industrial Park lots at \$4,000/acre and there was a covenant added that if a lot did sell, construction would have to begin with one year and completion within two years. This does not include any infrastructure in this area. Chukuske voiced that it still leaves it open and it would have to be decided by the City Council as to under what conditions the infrastructure would be placed. Motion by Chukuske, seconded by Byrne to accept the EDA's recommendation to establish \$4,000/acre for the sale of Industrial Park lots. All voted in favor of the motion.

Mayor Ferrazzano told the Council that at the Board of Equalization meeting, Francis Gregoire talked about a water problem that she was having and was concerned that it was a City water leak. Robinson was asked to investigate this issue. Robinson said that they were aware of this problem last year and had Minnesota. Rural Water Association come in with leak detecting equipment and at that time, no leak was found. TDK Engineering was then hired to come in with more sophisticated leak detecting equipment and they performed a leak detection test in a six-block radius of the Gregoire residence at 207 3<sup>rd</sup> St. East. This cost \$800 and also found no leaks. G&H plumbing was hired by the resident to excavate the yard to look for leaks. They found an old farm tile line running through the yard. He capped off the tile line on the North and South ends of the

property and also did some other drainage work in the basement. Gary Hanson also feels that this is not City water and said that the house has a history of being wet. The City's water operator went back to the house today and took another water sample and no chlorine or fluoride was found in the sample. All technologies have been exhausted to find a leak.

Mayor Ferrazzano indicated that Mr. Chet Erickson was present at the Board of Equalization and wanted to get his property assessment decreased due to the cement slab that is on his property. There was an appraisal done prior to the work and it was decided that there would be an appraisal after the work and landscaping was done. In a letter, Steve Hammerschmidt, IFA indicates that he would not be able to do the appraisal because there are no comparable sales. Chukuske feels that the City has fulfilled their obligation and now it will be up to Mr. Erickson to present to the County with a copy of this letter.

Two bids were received for the demolition of the building next to the Liquor Store: M.A.A.C., Inc. for \$26,420 and Cooreman Contracting, Inc. for \$21,000. Motion by Chukuske, seconded by Byrne to accept the bid from Cooreman Contracting, Inc. for \$21,000. All voted in favor of the motion.

Koopman informed the Council that the Planning Commission held a public hearing regarding a variance request from Dan Rolling to put a new garage on the existing cement pad that his old garage sat on. There were no public comments and the Planning Commission made a recommendation to the Council to grant the variance. Motion by Byrne, seconded by Snyder to grant the variance to Dan Rolling. All voted in favor of the motion.

A resolution approving payment to Heartland Mechanical for work completed on the South Street water main service connections was presented. Motion by Chukuske, seconded by Rettmer to adopt said resolution and pay Heartland Mechanical \$68,295.50 for work completed to date. All voted in favor of the motion. (Res. No. 2005-7)

A resolution approving a increase in pledged securities at Minnwest Bank South was presented. Motion by Snyder, seconded by Byrne to adopt said resolution. All voted in favor of the motion. (Res. No. 2005-8)

The Consent Calendar contains EDA Minutes for March 4, March 21, April 1, April 15, and April 28, 2005; Multi-Purpose Center minutes for April 13, 2005; Firemen's Relief Association Minutes for April 4, 2005; Planning Commission minutes for April 4, 2005 and Municipal Accounts Payable. Motion by Byrne, seconded by Rettmer to approve the Consent Calendar. All voted in favor of the motion.

Arvizu presented issues regarding the Public Nuisance regulations. She feels that the public should be made aware of the expectations regarding these regulations as they are not aware until they are cited for violations. They should be given some idea of what constitutes a nuisance violation. She also encouraged the Council that every property in the community be inspected. Chukuske recommended that a committee of two or three individuals be formed to do the inspection as it is too big of a job for just one person. Koopman informed the Council the next meeting will include a Nuisance Ordinance for them to review.

Mayor Ferrazzano presented a proclamation in honor of National Hospital Week.

The date for the next City Council meeting was discussed.. The next regular Council Meeting is scheduled for Tuesday May 31, 2005 at 6:30 p.m.

Arvizu commented that the Tracy City Council has in the past, made a commitment to have dialog with the Marshall City Council and it has been over a year since this was last done. She had spoken with the Mayor of Marshall and he indicated that they are very willing to meet. Rettmer was hoping they could have their team building session before the meeting with the Marshall City Council so Tracy City Council would have some type of plan to present to Marshall. Chukuske suggested that the Council have an open meeting to discuss what they would like to do and how they can work with Marshall. Mayor Ferrazzano suggested that they meet with Marshall sometime the end of June.

Koopman will speak with the City Administrator of Marshall and see what can be arranged.

Arvizu told the Council that she was approached by the Mayor of Marshall and wanted to know if Tracy intended to request pool passes at the Marshall pool at Marshall resident rates. Byrne suggested that they also make requests to Slayton and Westbrook. Koopman will send letters of request.

Mayor Ferrazzano congratulated Charlie Snyder on passing the training to become a Para-Medic.

Mayor Ferrazzano said that he would be sending a letter thanking Governor Pawlenty for making a visit to Tracy in April. Koopman will also be sending a letter of thanks.

Diane Ferrazzano sent in questions for the Council's attention. She wants to know the procedure for getting a street sign for traffic to slow down due to children playing in the area of 4<sup>th</sup> St. Snyder commented that 4<sup>th</sup> St. is a county road and they will not put up a sign unless it is shown to be hazardous. Koopman suggested that it go to the Planning Commission and let them make recommendations to the County.

Diane Ferrazzano also asked what happened to the plans and ideas for putting lamp posts along the streets in the downtown area. Koopman said that this was a plan by the Revitalization Committee and they are in need of more funds to do this project. Also it has been noted that the wiring is in bad shape and the sidewalks would have to be torn up and redone to remedy the wiring deficiencies. This project is hoped to be done in the future. Koopman also told the Council that the Revitalization Committee is in need of more members.

There being no further discussion, motion by Chukuske, seconded by Byrne to adjourn the meeting at 9:00 p.m.

ATTEST:

---

City Administrator

---

Mayor

**May 31, 2005**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, May 31, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from May 9, 2005. Motion by Chukuske, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Added to the agenda were 5D Plumbing License Request; 9C Team Building Session; New Business, Control of Dogs in Parks by Arvizu; Consideration for Dr. Apostol's Retirement by Snyder; and the consolidation of 6B and 6D. Motion by Rettmer, seconded by Byrne to approve the agenda as revised. All voted in favor of the motion.

Tucker Carlson, representing Charter was present to answer any questions regarding the Charter Franchise Renewal. Carlson said there has been a lot of confusion that has been through this process. He explained in his letter dated May 17, 2005, Charter was disappointed to learn in the letter, dated April 27, 2005 from Mr. Vose, the City of Tracy had decided to reject the agreed upon franchise and start the formal renewal procedures. He indicated Charter is prepared to complete the franchise renewal on the terms as stated in the letter of January 28, 2005. Kerr stated Charter chose not to negotiate in good faith at the same time PrairieWave did, and now coming at a late date stating the changes they want. Kerr states he was directed by the Council to notify Charter that they must have a franchise that is identical in most respects to PrairieWave. If not, he was directed to go through the formal process and he has no idea why they are here tonight. Mayor Ferrazzano said he had asked this to be on the agenda so that everyone would be aware of the letter he received from Mr. Carlson. Mayor Ferrazzano asked Mr. Carlson if he was clear that the letter states it is unacceptable for Charter to have the exact same franchise agreement that PrairieWave has? Carlson answered that there are terms that PrairieWave has agreed to that Charter will not and this was made clear to Vose and Kerr in March of last year. Mayor Ferrazzano then questioned that Charter thought everything was okay until they got a letter from Vose that it was not okay. Byrne felt there were some minor language issues and the Council had felt the terms were acceptable. He felt the differences were more technical than substance. In his letter, Carlson wanted the Council to understand the agreements that Charter is operating under and the people they were dealing with were the empowered representatives for the City to negotiate this document. He also wanted the Council to understand the formal process is not going to address the concerns and the differences between PrairieWave and Charter documents and can be extremely expensive and for six (6) minor issues and the biggest being in regard to the legal fees and the sale of transfer aspect.

Arvizu stated the Council needs to be extremely mindful if the legal fees continue to grow it will fall back on the clients that have the service. Koopman told the Council that there are bills totaling \$9,600 and there have been legal fees incurred since that time. Carlson states Charter has agreed to front the legal fees and make it up and once the procedure has concluded, Charter will pay those legal fees and deduct that from the future franchise fees. Snyder stated he also has some hesitancy regarding racking up more legal fees and he asked what can be done to rectify the situation? Carlson feels it is up to the Council, Charter is still willing to accept the proposal that Vose gave them at the end of January, the one the terms were negotiated on. The differences primarily being the legal fees, he feels that Charter has shown some flexibility on that issue and if PrairieWave feels that the differences in those two (2) documents is significant, their right is to come and petition the Council to have those different provisions in their franchise altered. Rettmer asked if the formal process has been started. Kerr said that the process has not been started as they have been waiting for the answer from Charter. Since he has this now, he will have to wait for directive from the Council to go forward with this or not. Motion by Rettmer, seconded by Chukuske to not proceed with the formal review and accept the franchise as written in the January 28, 2005 letter from Vose.

Stobb feels this motion has been made because the City does not want to lose any more money.

Charter would also lose money. He wondered if Carlson had anything else he could throw out to them that would “sweeten the pot a little”, since if they would pass this motion it would also save Charter some money. Carlson responded that this was not the place to have this negotiation discussion, and feels the actions of the Council at the last meeting were very clear to Charter and Charter’s response has been very clear. In the past it has cost the company approximately \$100,000 to enter the formal process and these are proceedings that have not even gotten past the ascertainment hearings. Mayor Ferrazzano also stated if the formal process was done, the cost could also filter to the subscribers.

Kerr indicated the City has paid Vose for consulting and would like the Council to consider postponing any action until Vose can respond to this. There is no input from Vose and they were only getting Charter’s point of view.

Mayor Ferrazzano felt that part of the previous motion should be contacting PrairieWave and letting them know what the City is agreeing to with Charter as they have been great through this whole process and they deserve a head’s up to say the City has negotiated a franchise with someone else that has better terms than what we have with PrairieWave. Rettmer voiced she wanted to know exactly what the differences are in the agreements. Carlson stated Charter has a forward looking process as they are going through digital conversion, depending upon when Congress decides they want to do it, the stations will be handing back their analog spectrums and will be doing all digital format. After further discussion, Rettmer withdrew her previous motion and made a motion the Council have a special meeting and talk about these differences and get input from Vose so these issues can be resolved. Mayor Ferrazzano feels this needs to be looked at again and suggests they discuss this again at the meeting June 13, 2005. Koopman will get in contact with Vose and find out what he recommends and to be available by phone. Carlson told the Council the formal process starts in the hands of the City and they have to make the decision they want to go formal and then continue with the ascertainment proceedings and then give the formal proposal to Charter.

Mayor Ferrazzano presented the Mutual Aid Fire Department Agreement between the City of Tracy and the City of Walnut Grove. Motion by Snyder, seconded by Chukuske to accept this Mutual Aid Fire Department Agreement. All voted in favor of the motion.

Robinson indicated to the Council there is a party interested in purchasing the lot by the water tower. Koopman said a public hearing needs to be held to determine that the property is no longer needed for public use. Robinson felt that the lot should not be sold for less than \$2000 as that is the cost of constructing an area by the city shop that could be used to store items that are now stored on this lot. Motion by Byrne, seconded by Snyder to hold a public hearing on June 13, 2005 at 6:45 p.m. to determine that this property is not longer needed and also to discuss the terms of the sale of this property. All voted in favor of the motion.

Gary Hippe was present to request the use of the Veteran’s Memorial Center for a gun show that would coincide with the Sportsman Show being held April 22-23, 2006. They would also like to use the large store room and the room on the second floor above the Chamber office as overflow for vendors if they run out of room in the gym area. He informed the council that security would be coordinated with the Tracy Police Department and there will be 24 hour security for the gun show. An admission fee will be charged and any one age 12 and under must be accompanied with a paying adult. If someone buys a gun from a dealer, they will have to fill out a federal form and a background check will be performed. They will also be selling ammunition. Hippe also voiced that the committee needs to get started with this project as soon as possible so there is sufficient time for publication and advertising. Motion by Chukuske, seconded by Byrne to grant the request to have a gun show in the Veteran’s Memorial Center and also have Nielsen investigate any legal issues. Poll vote was taken with Rettmer voting against this motion. Motion carries.

Anthony Johnson from 350 4<sup>th</sup> St. was present to voice two community concerns. He told the Council that there has been some serious flooding in his yard and his neighbor’s yard. When there is a heavy rain, the water comes down 4<sup>th</sup> St. and runs into his alley and floods his front and back yards. The basement also floods and there is erosion of the foundation. Johnson indicated that he has been trying to repair the damages this flooding has caused. He has addressed this to the City

Maintenance Department on several occasions. Johnson explained that it not only destroys property, but it also gets deep enough that it is a hazard for children who could drown in it. Johnson second concern involves the cooperation of law enforcement personnel. He manages an apartment building across the street from where he lives. He said residents of the apartment have visitors that cause problems and they have a history of destroying property. Approximately one week ago there were visitors that were asked to leave and when they refused, Johnson called the police. Law enforcement told Johnson that there was nothing they could do to remove them because they were guests of the residents that live there. Johnson reported one of the visitors came back to Johnson's home with Officer Lichty and threatened Johnson's father. Then the visitor went back across the street with Officer Lichty and they visited and Johnson observed that the visitor, also a minor was drinking alcohol. Mayor Ferrazzano asked Robinson to investigate the flooding problem. Robinson said the yards are quite low in that area, but will research the situation and report back to the Council at the next meeting. On the second issue, Mayor Ferrazzano requested that Johnson return and discuss this situation with Chief Hillger.

Robinson presented a request for additional full time temporary help for the Public Works Department. Because one of the employees has suffered medical problems, this employee has several doctor ordered work restrictions. Robinson would like this temporary person to help until the restricted employee is able to return to work. This position would offer no benefits and would pay \$8.00/hr. Motion by Stobb, seconded by Arvizu to approve this request for temporary full time help for the Public Works Department. All voted in favor of the motion.

A plumbing license request by E.T. Heating and Cooling was presented. Motion by Stobb, seconded by Snyder to grant this plumbing license request. All voted in favor of the motion.

Gervais presented a list of tax forfeited properties in the City of Tracy. The County is waiting to see what the City wishes to do as far as Special Assessments are concerned on these properties so they can publish this information for three (3) weeks. Gervais indicated they have had quite a few inquiries on these properties and he recommends the Council review the list and see what can be done with some of the special assessments. Koopman asked if it could be advertised these assessments can be negotiated on a case by case basis. She feels that there should also be an opportunity to discuss requirements of certain standards be met concerning these properties. She suggested that the Council could consider past due street assessments be forgiven but present charges should not be forgiven. Gervais said they should have some flexibility to come to an agreement on these properties so they would be easier to sell. Motion by Byrne, seconded by Arvizu to waive past due street improvements, but require all current/on going assessments be the responsibility of the purchases and demolition charges will be reviewed on a case by case basis. All voted in favor of the motion. Motion by Stobb, seconded by Snyder to waive all mowing or snow removal assessments. All voted in favor of the motion.

Robinson presented a memo on the Judicial Ditch #23/Storm Sewer Project and the Central Livestock land. Robinson wants to keep the project moving forward for installation of storm sewer piping on 4<sup>th</sup> Street and an open ditch across Central Livestock. Koopman, Robinson and the project engineer have met with County officials to see if the City needs to petition this project and the County said they did not need a petition and has given the City the go ahead to proceed with this project. Robinson presented the next step in the project which is to get the Engineering process started and has given the Council copies of the Engineering proposal from the company SEH, Inc. This project involves an open ditch across Central Livestock and the ditch route to be determined. He has asked the Council to consider purchasing of Central Livestock property or what is needed for the project. This has been in the works for two (2) years and a Master Drainage Plan addressed this problem area. They know that to remedy this problem 100%, ponds needs to be constructed south and west of Tracy. This is a \$2 million project and the open ditch and piping is part of that plan. This is a start and better than what they have now.

Snyder asked if there is any County involvement in this project. Robinson indicated the County has given permission for the City to add on to the ditch to get the water there more quickly. Robinson said this would be strictly a City project. Nielsen said his understanding last fall when this was discussed they were trying to get individuals outside the City into this project to make the project

cost effective and it is too expensive for the City to do it by themselves. He indicated to Koopman what he thought the Council wanted to do at that time was to see how they could coordinate with the County about how the City could work with them on aspects of a project that might not normally be seen in a ditch system project. It would be a ditch system project handled by the County through the existing judicial ditch system and not a City project. Nielsen explained that before the City even thought about drainage improvements in that area that what he remembered as far as history there was a judicial ditch system that provided the drainage for that area. There is more to the system than the ditch; there is extensive system of tile. That has been in place for a long time before the City got involved in drainage in that area. The City has been a customer of that ditch system and the City receives a bill just as all the other property owners do in that area. Since there are flooding problems, there is could be some breakdown of the system that causes it not to work properly. Nielsen suggests that going ahead with the project that Robinson talked about, would now put two (2) providers of drainage services in this area and not two (2) providers that are going to work together. If the ditch system was petitioned to fix or improve or do something to the existing infrastructure, there would be one (1) system coordinating all the drainage in that area and the product would be better than two (2) trying to do the same job. There are three (3) County roads that border the area or go through the area where the flooding has occurred. The ditches, culverts and sewer plans are part of the solution and also the problem and the Storm Water report makes that clear. Those are things that the County has control over and the City does not, other than to talk with them about those issues. Sometimes it is not the answers you get but the questions asked and if the only question the City has asked the County, we want to do this project and how can you help us? He feels that there are properties that are not in the City limits that are part of this ditch system and they benefit from the improvements that are done on it. Nielsen's other concern is the idea of what the City is getting, by doing part of the project identified in the Master Plan. If the ditch is constructed without the ponds, the plan states there will not be a major reduction of flooding in the area and flooding could be expected every three (3) to five (5) years. Nielsen said the legal question that he needs to be concerned with is the financing of the project. Even if this small part of the project is done, in his consultations with Koopman tell him the City has to very strongly looking at special assessing part of that cost back to make it cost effective for the City to do this. He is concerned how it can be assessed back to a property owner that comes and says the report says that there is not going to be much benefit from the project, and now they are being made to pay for something that they were not going to benefit from.

Arvizu asked how long it would take from beginning to end, petitioning and getting it going, when would results be seen? Phil Nelson explained the County is just the referee, the ditch is owned by the people that benefit. If they want it cleaned, the County ditch person can pursue this or a petition could be started. If improvements are done to original specs, it has to go through a petition.

Nelson said Hwy 13 is scheduled to be regraded next year and the County engineer has suggested the grade be raised to a point where water can be channeled through to the ditch and the excess could go north on the west side of that and then turn east and come into the ditch east of the railroad tracks. He suggested the City replace the twelve (12) inch pipe with thirty-six (36).

Mayor Ferrazzano stressed that if the engineers stated in the report, it is not really going to help only doing part of the project. If someone is assessed for this project then City has to show this improvement is improving the properties. Koopman indicated the current assessment policy is that 50% would be assessed and the other 50% paid by the City. Koopman stated, SEH engineer has been involved directly in the meetings with Todd Hammer, County Attorney, Robinson and herself. The result of the meeting is Rick Maes did send a letter stating in his opinion that "Following the meeting on April 25, 2005, you requested that I send something in writing regarding my opinion that the City of Tracy would not be required to file a petition to proceed with this improvements, with its proposed drainage project out letting into Judicial Ditch #23. As I indicated at the conclusion of our meeting, I do not think a petition is required for three reasons:

1. The proposed project would essentially be a private drainage project constructed and paid for by the City of Tracy;
2. There would not be any new water brought into the existing system by the proposed project; and,
3. The City of Tracy has already assessed benefits for Judicial Ditch #23 and has an existing outlet into the system.

With that said, I also want to make one cautionary comment. While I do not believe a petition is necessary for the project from a legal standpoint, I certainly cannot speak for the other landowners on the system that may have concerns, therefore, it might to a good idea to attempt to alleviate any potential problems down the road by keeping your citizens well informed of your plans before you decide to proceed. In closing, I wish you the best of luck with the project, it sounds like several businesses as well as individual citizens will greatly benefit from its construction

Nielsen again stated if the question was never properly presented to the County Ditch Authority, this is not the answer to the question as it was never asked. This was a question that was asked in terms of a petition to be able to put water into the ditch system as apposed to a petition by landowners to ask the county engineer to devise a system that would improve the drainage in that area. The ditch across Central Livestock and the other improvements that "the City would do", a petition can be presented to the ditch authority asking for those same improvements or anything better that they might be able to devise, including regarding the road and diverting the water. Koopman referenced back to a meeting when the plan was first prepared, a meeting was set up with Anita Benson and Todd Hammer and the SEH engineer, where the entire project was discussed at length. At that time, Benson's position was there was not benefit received to the properties outside the City of Tracy. They may be creating the problem, but they are not experiencing the problem. Benson asked how do you justify having them be a part of this financially when they are not going to benefit. Then they tried to figure out what would be the second best course of action for the City to follow and that is how they came to the point they are now.

Robinson stated the total project with the pond and ditch was \$2.5 million. The pipe and ditching are part of it and work from there. They are looking at \$250,000 cost now and it is a doable project. Other costs involved in this project are SEH Engineering \$35,000 with additional options; Further storm piping to the West \$30,000; Purchase of Center property \$132,000; Demo of Central building \$100,000 and the amount for development of subdivision is not known at this time. Robinson's question to the Council is what is the next step and what would the Council like to do from here?

Arvizu feels this has gone on long enough and feels Robinson is right they need to take the next step and get moving. If in the future the County does the project with regarding the road, the combination of the two projects could help some. Koopman explained they are down to one of two options; either direct the property owners to submit a petition for this improvement, or the City would take the initiative and accept the feasibility report and call for a hearing on the improvement. Motion by Arvizu, seconded by Snyder for a resolution receiving the report and calling for a hearing on improvement to be held on June 27, 2005 at 6:35 p.m. All voted in favor of the motion. Letters will be sent out to all the affected property owners. (Res. No. 2005-9)

Robinson presented an estimate to perform work on Well #6. He indicated this is work that must be performed, and with the Council's approval, he will order such work to be done. Each year as part of the preventive maintenance inspection of the wells and pumps, they measure specific capacity. Since the construction of Well #6 in 1990 the specific capacity has remained rather static until 1995 and since then there has been about a 40% drop. This is due to build up of mineral scale on the well screen and the depositing of fines on the outside. After treatment with Muratic acid and chlorine the specific capacity will again be checked to report progress. This will take approximately 4-5 days to complete at a cost of \$11,000.00 to \$14,000.00. Robinson said this money would be taken from the Utility Fund. Motion by Stobb, seconded by Byrne to proceed with the work that needs to be done with Well #6. All voted in favor of the motion.

The Consent Calendar contains the Monthly Financial Report, Pool Litigation Report, Municipal Accounts Payable and Tracy Area Medical Services Board of Directors Minutes for April 20, 2005. Motion by Byrne, seconded by Chukuske to approve the Consent Calendar. All voted in favor of the motion.

Illegal dumping at the compost site was discussed. Nielsen reported the police report from the incident that was discussed at a previous Council meeting was presented to the County Attorney. He wrote back and he declined to prosecute the case due to the fact the party doing the illegal dumping was instructed by law enforcement to clean up what they had dumped and they would then

not be prosecuted. Koopman told the Council that Chief Hillger reported the camera was no good for finding violators. She feels the directive needs to be given to the Police Department that these rules need to be enforced and they need to be told what their responsibility in this matter is. They need to view the recording, eliminate what they can and investigate the rest. Robinson said the camera is on a three (3) day cycle, so any suspicious activity needs to be reported immediately so the tape can be reviewed before it starts to record over itself. Chukuske expressed that Chief Hillger, Robinson and Koopman need to have a discussion and find solutions to the problems. Mayor Ferrazzano felt that this is a priority according to the Council and resources will be supplied to get this done.

City nuisances and inspection was discussed. Arvizu feels that violators are given too much paper and the City is not doing a good job of letting them know what the City expects of them. Nielsen said the vast majority of violations are concerning cars not properly stored or licensed. On the complaint form, the common violations should be listed and then add Other: for the less common violations. It was decided that a committee, including Rettmer, Byrne and Arvizu, will be formed to determine standards and mechanics of the complaint form and procedures.

Rettmer, Chukuske and Jeff Kruse met and decided the team building session should be discontinued. This was decided as they are not into the swing of things and there has not been 100% cooperation with the preparatory work. Kruse should be paid his preparatory fee and this total is still being discussed. Mayor Ferrazzano feels they can use some of the responses submitted as far as what the Council wants to Start, Stop and Continue. Motion by Rettmer, seconded by Chukuske to discontinue the team building sessions and pay Kruse for the work he has already done. All voted in favor of the motion.

Koopman told the Council there will be a League of Minnesota Cities Regional Meeting in Cottonwood, MN on July 19, 2005 from 2:30 p.m. – 8:30 p.m. Council members that are able to attend should let Koopman know as soon as possible so fees can be sent in.

Arvizu said there has been a lack of control of dogs in the parks and had an encounter at Swift Lake Park. The ordinance reads dogs must be on a leash unless on private property and the owner has verbal control of the dog. Chukuske recommended a new sign to be posted in the parks and the ordinance should be enforced.

Snyder told the Council there will be a retirement reception for Dr. Apostal at the Med Club Ballroom on June 17, 2005. Mayor Ferrazzano asked Koopman to prepare a mayor proclamation that can be presented to Dr. Apostal at the next Council meeting.

Motion by Byrne, seconded to adjourn the regular meeting at 9:30 p.m. to hold a closed meeting to discuss pending litigation. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor Ferrazzano

**June 13, 2005**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 13, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from May 31, 2005. Motion by Byrne, seconded by Rettmer to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Added to the agenda was a closed meeting to discuss pending litigation for the Aquatic Center. Also added were 11A August meetings, Mayor/Council Communications Southwest Integration Collaborative by Chukuske and Unfinished Business Chester Erickson property. Motion by Rettmer, seconded by Snyder to approve the agenda as revised. All voted in favor of the motion.

Mayor Ferrazzano indicated that in a letter from Mr. Robert Vose regarding the Charter Franchise renewal, Vose stated, in his view, the City would be better served by approving the modified Charter franchise than initiating the formal renewal process. Mayor Ferrazzano re-opened the public hearing to adopt the Charter Franchise ordinance. There being no public testimony, the hearing was declared closed and referred to the Council for their consideration. Motion by Arvizu, seconded by Rettmer to adopt the Charter franchise ordinance. Stobb voiced that he is still bothered that Charter will not accept the same franchise as PrairieWave. Arvizu is concerned with the escalating attorney fees that are not recoverable. If the community is dissatisfied with the Charter franchise, they do have another option with PrairieWave. Rettmer does not understand why this matter has gone on so long since Vose has stated the differences consist primarily of "technical matters, language clarifications or other non-substantive changes." Mayor Ferrazzano feels since PrairieWave has been so above board and compliant with the request from the City of Tracy, they need to be notified of the franchise the City now has with Charter. After further discussion, all voted in favor of the motion previously made by Arvizu.

Motion by Byrne, seconded by Rettmer to notify PrairieWave of the franchise the Council has approved with Charter. Koopman will send a copy of the ordinance to PrairieWave. Kerr told the Council it is not quite a done deal with Charter as the ordinance needs to be sent to them for their final approval. Mayor Ferrazzano advised they wait to send PrairieWave a copy until the ordinance is enacted with Charter. All voted in favor of the motion.

At 6:45 a public hearing was held regarding Ordinance 293; an ordinance establishing regulations including zoning for adult oriented businesses in the City of Tracy; providing for the issuance of licenses and collection of fees therefore; providing penalties for the violation thereof. Motion by Chukuske, seconded by Byrne to adopt said ordinance. All voted in favor of the motion.

Kerr told the Council the contract with Pool Construction has been signed and Pool Construction have supplied the required performance and payment bonds and have supplied insurance certificates including builder's risk that covers the investment in the materials from Myrtha. Construction is to commence June 20, 2005 with a preconstruction meeting at the pool with the engineers and Pool Construction. Some preconstruction work has been done and Kerr received an e-mail of submittals in testing. The Notice to Proceed was sent to the contractors in June and they responded to that with intentions to go forward. Chukuske asked if the materials have been delivered. Kerr told the Council that he had spoken to Pashina today and he indicated that he talked to Dahms this morning as when they will be delivered. The delivery of the materials will be coordinated with the progress of the construction. Stobb also reminded the public, this time around, the parties responsible for overseeing the project will do their duties. There are crucial times when review will be necessary such as the cold joint replacement. Kerr and Koopman will meet with Pashina and Dahms and agree when they should be here. They will be doing contract administration, not contract management. There will be AIA document that will outline their responsibilities.

Gervais recommended the Tracy City Council proceed with a “Hazardous Building” notification on the property at 58 Morgan St., Parcel #R31.100020.0 that is vacant and owned by Santos Pastrana. This property is one (1) year into three (3) year tax forfeiture. Gervais has sent letters to Pastrana in regard to the EDA Plan of acquiring substandard property and the letters have been returned with no known forwarding address. Gervais would like to have Gary Garrels inspect the property for structural stability and possible hazards. Nielsen explained that if it was found to be a hazard, a report would have to be brought to the City Council for final determination, that it is in fact, hazardous. There would then be a legal process to go through to either repair or demolish. There would be contact to have the owner do this, and since there has been no contact, Nielsen assumes the owner is not going to do anything. The City would then go to court to get permission to do it themselves. The demolition costs will then be attached to the property. Gervais indicated this would part of the project that the EDA has money dedicated to. Kerr told them they will need an administrative search warrant to go into the house for inspection. Motion by Stobb, seconded by Snyder to seek an administrative search warrant to have Gary Garrels, Building Inspector and Keith Engesser, Fire Chief to inspect this property to determine if it is a hazardous building. All voted in the favor of the motion.

Gervais told the Council he has spent a considerable amount of time getting the list of tax forfeited properties ready to go to the County. Many individuals have looked at several of the properties. The County is just about ready to publish the list, but the auctions was originally scheduled to be in July and now it looks like it will probably be September. County is looking at saving money in publishing and tying in this auction with another one.

Gervais has been in contact with individuals up at the State, and recently received a notice from Deputy Commissioner Benson; they are currently waiting to see what happens in the special session, as there are bills out there pending that could impact the outcome of incarceration of people and numbers. He told Benson the City is still interested in a corrections facility. Gervais has also been working with Western Community Action on this tax forfeited issues and other programs to clean up some of the housing. There is possibly a MURL house for Tracy that allows people with low to medium income to get into housing. WCA and Southwest Minnesota Housing have been working with Gervais to do some interpretation work with a couple of the homes they have with Hispanic population in the housing and the demolition project.

Police Chief Hillger asked if the Council had any questions regarding the activity reports and monthly patrol logs. Hillger told the Council, Nielsen is in the process of developing an administrative fine form. The legal advisory has been translated into the Hmong language and has given it to Nielsen. This form is for administrative violation or ordinance violation such as public nuisances, and very minor offences or first time offender. Nielsen explained that when the administrative fee ordinance was enacted it indicated how people would be told that they were being administratively cited. This revised form has blanks to fill in the offense and advises that if they do not pay the fine, the option is to refer it to the City Attorney’s office where it could end up in court. There are instances where others than Law Enforcement, such as the City Administrator or Fire Marshal can issue citations. Whoever writes the ticket needs to monitor to make sure the fine is paid within seven (7) days and there is a warning at the top of the backside in English, Spanish and Hmong that explains this is a important legal matter. It is up to the officer or person thinking about writing the citation whether they want to warn the offender and seek compliance that way or consider the nature of the circumstance and if repeat offender to cite them right on the spot. Chief Hillger indicated that they are going to the same places and dealing with issues over and over. It will be noted that this year the offender will be given warning to correct the problem and if the same thing comes back the next time, they will be immediately cited.

Koopman indicated in her Monthly Department Report that she is involved in a number of projects and one main area of focus is employee evaluation as well as reimbursement requests for various grants received, i.e. LAWCON, Highway 14 Beautification, Airport Light and Layout Plan, etc. Koopman thanked the Council for the opportunity to attend the IIMC Conference and found it to be a wonderful experience.

Robinson presented the Public Works Dept. report for May 2005. The South Street water works project has been completed and are now working the Center Street catch basin project. There has been a lot of grass mowing and have planted a living snow fence of dogwoods in Sebastian Park and oak trees were planted at Swift Lake Park. Planned upcoming activities include grading and graveling alleys, removing dead trees, painting of curbs and parking stalls, sweeping and mowing, along with installing cement pads for the standby generators and building shelters over them. Robinson explained the hydrants with the bags over them are inoperable. The hydrants are being evaluated and some are so old they will have to be pulled and replaced. Robinson will present a cost estimate to replace the hydrants at the next Council meeting. Robinson has also been talking with suppliers about water meter technology that is available right now.

Robinson presented a map of a proposed dog run or training area at Swift Lake Park. This area would be on the north side of the park and would start near the entrance and there could be a mowed path to the east till an open area near the water is reached. Fencing from the airport program is due in 2007. Nielsen asked what changes and responsibilities of owners towards their pets would be important in this area. Robinson indicated he had not investigated this area yet. An exception would have to be made to the leash ordinance in order for the dogs to be off leash in the dog run. This project would require the loss of about 1 (one) acre of tillable farm ground. Chukuske feels that until the fencing is installed, the leash law should be enforced at the city park. The dog run project will be reviewed again when the fencing is available in 2007.

Robinson investigated the flooding problem on properties on 4<sup>th</sup> Street. After preliminary survey work by the Public Works staff, they feel that by rerouting and adding a block of additional storm sewer piping on Rowland Street, the problem could be improved. Rough cost estimate from an engineer included: Estimate Engineering fee of \$5,000-\$10,000 and project construction estimation fee of \$50,000. There are six (6) catch basins there that all go into about a twenty (20) inch storm sewer line. Mayor Ferrazzano felt that if they are going to help some residents with their flooding problems; they need to help as many people as they can, especially if this has been a problem for years. Koopman reminded the Council there is a public hearing on June 27, 2005 and that is coming in much higher than originally anticipated and the plan was that it could be funded through a combination of assessments and surcharge. Funding may have to be reviewed again. Koopman agrees this needs to be addressed, and it may not be something they can do this year, but it is something that should be incorporated into the capital improvements budget and it can be addressed and the property owners can be assured the City is not ignoring them. Motion by Arvizu, seconded by Chukuske to place this project into the capital improvements budget with idea of completing it in 2006, unless there is bonding on the Judicial Ditch #23/Storm Sewer Project. All voted in favor of the motion.

One bid for \$1,500.00 and one bid for \$501.00 were received regarding the property R31.108031.0 Cowles & Davis Lots 13 & 14, Block 5. Snyder handed out a paper that he had received from a resident that wanted to point out that there were outstanding taxes due on property owned by one of the bidders and if this party was awarded the bid, would this pattern of not paying taxes continue. Stobb indicated that they have usually awarded the property to the highest bidder and no other conditions needed to be met. He would like to see the outstanding taxes paid and also would like to see the biggest and best improvement on that property. Motion by Rettmer, seconded by Byrne to postpone awarding until there is some further investigation of information is given to the Council and will have a response for the bidders by the next Council meeting. Mayor Ferrazzano asked if they have to legally accept the higher bid and do we have to give reasons for not accepting a particular bid. Nielsen indicated they do not have to accept the highest bid and they may have to explain why the bid is not accepted and another bid is accepted. Nielsen feels it would be worthwhile and in the public interest to try to get the maximum benefit back for the City and show how the City is getting the maximum benefit for their decision. Kevin Nordsiden, one of the bidders, presented what they were mailed regarding the sealed bid. It states "Information relating to the planned use of this property may be helpful in determining the successful bidder. The City reserves the right to reject any and all bids and to waive technicalities and irregularities." Chukuske suggested they have Koopman verify the information. There being no further discussion, all voted in favor of the motion by Rettmer.

A resolution approving payment to Heartland Mechanical for work completed on the South Street Water Main Service Connections was presented. Motion by Chukuske, seconded by Byrne to adopt said resolution. All voted in favor of the motion. (Res. No. 2005-9)

A resolution approving a loan from the Medical Center Trust Fund to the Aquatic Center Fund was presented. The loan is in the amount of \$200,000.00. Motion by Stobb, seconded by Byrne to adopt said resolution. All voted in favor of the motion. (Res. 2005-10)

The Consent Calendar contains the Monthly Financial Report, Pool Litigation Report, Planning Commission minutes for May 2, 2005, EDA Minutes for May 6 and 20, 2005 and Municipal Accounts Payable. Also included in the Consent Calendar was the report from Delta Environmental stating there was no soil contamination detected in any of the soil borings. Koopman will be submitting the bill for reimbursement. Also in a letter from Charter, they indicated they would be changing their office hours. Motion by Byrne, seconded by Stobb to approve the Consent Calendar. All voted in favor of the motion.

Chukuske had been asked by Mr. Chet Erickson to bring the issue of the bypass station to the Council. Chukuske feels the landscaping was not an acceptable job. One of the questions was in regards to upkeep, there is netting laying in the grass that got caught in his lawnmower, some of the plants are dead, some of the grass is dead and who should be doing the watering. Byrne indicated that if the landscaping was done by Greenwood Nursery the plants and grass are guaranteed the first year. Robinson will check with Greenwood about replacing the plants and seeding. Robinson explained there was an existing structure in Mr. Erickson's yard of approximately the same size as the one that was constructed there now. The one that was there before was about eight (8) foot diameter and this one is actually a little smaller. On the top of the old one, there was a typical twenty-four (24) inch manhole cover and the new one has a larger square cover because the gate that is put in there has to have a hatch to remove the gate if it needs to be replaced. The gate can not be removed through a manhole. The area was measured and it was found they could put this structure in the right of way and so they did and satisfied the MPCA. Mr. Erickson met with Mr. Farber three (3) times and went over a plan of what they would like in the yard and this included just the way it was landscaped. The edge of the cement structure is in the right of way and part of the landscaping is in Mr. Erickson's yard. Farber indicated to Robinson, this is the way Mr. Erickson wanted it.

Mayor Ferrazzano told the Council he had received responses regarding city rates for pool passes for Tracy residents. Westbrook's response is no, Tracy residents would have to pay non-city resident fee of \$60.00. Marshall indicated Tracy residents would have the same rate charged to them as the Marshall city residents. Slayton's response was no, Tracy residents would be charged non-city resident rates. Motion by Arvizu, seconded by Byrne to place an ad expressing our appreciation in both the *Headlight Herald* and *Independent*. All voted in favor of the motion.

Koopman indicated that she did advertise to hold a public hearing on the sale of property next to the water tower. It was scheduled for tonight at 6:45 also, but we can have the hearing because it has been advertised and it is just to determine whether or not to receive sealed bids and to determine the property is no longer needed for public purpose. Robinson indicated that it will cost approximately \$2,000 to move the debris there and build another facility to accommodate it. Public hearing was held at 7:55 p.m. Motion by Byrne, seconded by Snyder to determine the property is no longer needed for public purpose and set minimum bid \$2,000, sealed bids to be received by June 27, 2005. The advertisement should include improvement plans and timetable. All voted in favor of the motion.

Koopman has a conflict with the Council meeting on August 8, 2005 and because there are five (5) Mondays in August, if possible she would like to shift the meetings to be held on August 15 and 29, 2005. All agreed this would workable.

Chris Harris from Lyon County Enterprise Development Corporation told the Council that Bob Gervais, EDA director has been wonderful at sending people her way when there is someone coming into Tracy that wants to start a business. Presently, there are four (4) people that she is working with on getting a business started in Tracy or keeping a business here in Tracy. She gave the Council

copies of the last minutes from the LCEDC and also a statistics summary. She indicated that in 2004 10% of the clients were from Tracy and so far in 2005 it is running about the same.

Chukuske explained the Southwest Integration Collaborative is in addition to the school project that Chad Anderson has. The SIC is a grant-aided organization that consists of seven districts around the area and the mission is to provide all students, staff, and community members with opportunities for sharing, learning and growing together with one another by means of interaction, communication, and education.

Arvizu told the Council, the committee with Arvizu, Rettmer and Byrne have met regarding public nuisances and gathering information and streamlining. In one more meeting they hope to have things laid out for recommendations from the Council.

Motion by Chukuske, seconded by Byrne to close the regular meeting at 8:05 p.m. to hold a closed meeting regarding Pool Litigation. All voted in favor of the motion.

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

### June 27, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 27, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S Rettmer, T. Byrne, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from June 13, 2005. Motion by Chukuske, seconded by Rettmer to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Added to the agenda was a closed session to discuss pending litigation for the Aquatic Center. Also added were: Mayor and Council Communications, 11-A1. Letter from Southwest Minnesota Foundation requesting funds and 11-A2. personal comments by S. Rettmer. Motion by Byrne, seconded by Stobb to approve the agenda as revised. All voted in favor of the motion.

Rick Robinson presented a request for the Council to approve an Airport improvement project. This would consist of asphalt paving starting at the entrance to the hangars facing East and continuing to the tarmac and grass runway. The East side hangars would have asphalt in front of them, and the West side would not. The total project cost would be \$130,000 with an estimated 5% or \$6,500 cost to the City. The other 95% of the cost would be funded by federal monies. This amount came after the last City budget session, and was not budgeted. The Airport Commission met on June 24, 2005 to discuss the funding of the City's 5%. The Commission stated they would try to generate \$600-\$700 per year over a ten (10) year period to fund this project. If the charitable gaming money was not an option, the Commission would raise the Airport fuel price 0.25 cents per gallon to fund this project. At that time, the Airport Commission recommended to proceed with this project and a proposed bid opening date has been set for July 21, 2005.

Byrne asked if any there were any funds available for hangar construction. Robinson answered that there are no funds at this time for hangars. Rettmer asked if this \$6,500 could be assessed to the users of the hangars. Robinson replied that the Commission would rather fund this through the charitable gambling or fuel increase funds. Homer Dobson said this issue was discussed at great length two (2) years ago and it was decided not to proceed with this project. He indicated at that time the hangar rent was increased \$10 making the cost \$55 per month. This rent money goes to the General Fund to offset the cost to maintain the airport.

Arvizu expressed support for the airport as it is an important part of the community. Chukuske asked if this is something that needs to be done now. Robinson indicated at the present time, this area is turf and when it is wet, it is very difficult for the renters to get their planes to the tarmac.

Motion by Chukuske, seconded by Arvizu to approve the expenditure based on the gaming money availability or increase in price of fuel 0.25 cents per gallon. Upon roll call, the following vote was recorded: voting aye: Arvizu, Bryne, Chukuske, Snyder, Stobb and Ferrazzano; voting nay: Rettmer. The motion carried.

Motion by Chukuske, seconded by Stobb to adopt a resolution approving plans and specs and authorize the advertisement for bids for the Airport project. All voted in favor of the motion. (Res. No. 2005-12)

A public hearing was held at 6:45 p.m. regarding the Storm Sewer Project. Steve Robinson, SEH Engineering, was present to present an overview of the project. A master plan was put together for the storm water flood control and with funding issues and elements outside the city limits, the project was downscaled. The plan is to extend 42 inch storm sewer from the northeast corner of the High School property, north past intersection of 4<sup>th</sup> St. and Front St., running the culvert underneath the road from the High School onto the Elementary School property and running an open ditch from a position in the Anderson property over to Judicial Ditch #23, extending the 30 inch pipe west over

to Spring St. and picking up catch basins and running a couple laterals from that new pipe to pick up some of the low areas behind the nursery on the west side. The initial review looked at a 100 year storm plan, which is one that has 1% chance of occurring in any given year. Because of the cost of the 100 year protection they have looked at an alternate plan with a 10 year protection. Preliminary construction cost on this plan is \$330,000 with a total project cost of \$498,518. Byrne asked about the county looking at redoing Highline Road by raising it and doing something with the ditch. Robinson indicated this would help with the rain water that is coming in from the fields to the south and west of the school property. This plan is looking at conveying the water away faster. There may still be some flood events but not as significant as what has been occurring, but will last shorter in duration. Robinson indicated this cost is close to what was looked at when the extension was added to Spring Ave. and pick up some of that area. The initial cost was around \$267,000, and that was looking at storm sewer pipe just along 4<sup>th</sup> St, and open ditch across the Anderson property. This would all be done in the right of way, except the ditch. The main change from the previous estimate of \$677,000 was the storm sewer pipe. Koopman indicated that seven (7) acres of the Anderson property was included in the estimate. Jeff Farber encouraged the Council to pass this resolution and work with SEH to do this project. David Anderson felt that there was no benefit to the Central Livestock building and does not feel that there should be an assessment against it. Once the ditch is put in, he will not have access to the street or utilities.

Robinson explained that the cost estimate does not include property acquisition for the entire 30 acres nor the cost for demolition of existing buildings. The estimate does include the cost for seven (7) acres. Arvizu wanted to know if this was compatible with the desire for the potential purchase and development as a housing addition. Steve Robinson indicated the project could be started by this fall. Plans could be done in four to five weeks, typically a two week bid period and then often times two weeks after that before a contract can be awarded by the Council. Fall is a good time for this type of construction. The route of the ditch is not critical to SEH at this time. Mayor Ferrazzano stressed that what they are voting on is what the proposed resolution states. The Council would be making a determination that:

1. Such improvement is necessary cost effective, and feasible as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed in the council resolution adopted May 31, 2005.
3. SEH, Inc., Worthington, Minnesota is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement.
4. The City Council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of the tax exempt bond.

Motion by Snyder, seconded by Stobb to adopt a resolution ordering improvement and preparation of plans for the Greenwood Storm Sewer Project. All voted in favor of the motion (Res. No. 2005-13)

A Nuisance Committee Report was given by Rettmer. Rettmer, along with committee members Arvizu and Byrne proposed to instigate annual inspection of the properties in the City of Tracy to provide safety, morals and comfort of the public and also beautification of the City. Inspection of all property on thoroughfares and alleys will be done by Chief Hillger and appointed inspector, Shorty Engel. Pictures of any violations will be taken by Hillger and Engel and brought to the City Council for determination of violation of City Ordinance. If the property owner is in violation, they will be notified by mail and will have fourteen (14) days to correct the violation or appeal the issue to the City Council. If this is not done, a fine will be charged to the property owner. A list of possible violations will be published in the Headlight Herald and also will be televised on City cable television. These violations will also be translated to Hmong and Spanish. The inspections are to begin July 11, 2005 and finished no later than July 31, 2005. This will be an annual inspection and the public will be notified by publication two (2) weeks prior to the beginning of the inspection. The inspection for 2006 will begin on third Monday in May. Chukuske felt Hillger and Engel can make the decision if there is a violation and would not have to present pictures to the Council for determination of violation. This would speed up the process. Arvizu expressed concern that the elderly population or population with disabilities would not be able to complete the clean up and would like to see civic organizations come forward to help these individuals. Chukuske said the

Planning Commission had discussed also including commercial properties in this inspection. Motion by Chukuske, seconded by Byrne to accept the recommendations of the Nuisance Committee with the exception that Hillger and the appointed inspector can give a citation to violators without presenting to the City Council for approval. The Violators will be given fourteen (14) days to appeal to the Council. This will include residential as well as commercial property owners. All voted in favor of the motion.

Nancy Larson, Deputy Director of Southwest Regional Development Commission presented information regarding the services provided by SRDC. The SRDC works with the public and private sectors to provide assistance which will enhance development across the region and encompasses three (3) major categories within development:

1. Economic development
2. Local government infrastructure development and,
3. Land management

The thirty (30) Commission members meet monthly. SRDC serves twenty-seven (27) counties in southwest Minnesota. Mayor Ferrazzano asked that they consider the Casey Jones Bike Trail to go through Tracy. Larson will convey the message to the appropriate individuals and have them contact Bob Gervais.

Motion by Chukuske, seconded by Byrne to approve a variance request for Sunny Vue, 384 Rowland St., to add an enclosed deck/porch to the front of their home. Stobb indicated the Planning Commission recommended granting this variance for five (5) feet. All voted in favor of the motion.

Motion by Stobb, seconded by Chukuske to approve Off Sale 3.2 Malt Beverage license, contingent on receipt of proper applications and fees, to Food N Fuel, Tracy Eagles Club, Sander's Eastside and Amoco. All voted in favor of the motion.

Motion by Byrne, seconded by Snyder to approve On Sale 3.2 Malt Beverage license, contingent on receipt of proper applications and fees, to Tracy Eagles Club, Sander's Eastside, Tracy Lanes and the Pit Stop. All voted in favor of the motion.

Motion by Snyder, seconded by Chukuske to approve the requests by the Tracy Area Chamber of Commerce for street closures, admission of the Midwest Rides and Expositions from Golden Valley, MN for carnival midway September 2-5, 2005 and waive the license fee, use of City parking lot for the Beer Garden September 2-5, 2006, use of Central Park for a "Kid's Day" September 3, 2005 and a liquor license for the sale of non-intoxicating malt liquors from September 3-5, 2005 for the Softball Complex. All voted in favor of the motion.

The Consent Calendar contains Planning Commission minutes for June 6, 2005, Multi-Purpose Center minutes for June 8, 2005, Cemetery Commission minutes for May 12, 2005, Hospital Board minutes for May 18, 2005 and Municipal Accounts Payable. Motion by Chukuske, seconded by Arvizu to approve the Consent Calendar. All voted in favor of the motion.

Motion by Byrne, seconded by Stobb to accept the Planning Commission minutes to add commercial as well as residential nuisances to the City Ordinance. All voted in favor of the motion.

Lot Sale bids for Lots 13 and 14, Block 5, Cowles & Davis Addition were reviewed. There was a concern raised at the last council meeting regarding non-payment of taxes by one of the bidders on this property. Koopman verified that taxes on their property have been paid. Based on the information provided by the County Auditor's office, all property owned by John and Joni Domine has been paid. Motion by Chukuske, seconded by Snyder to accept the bid of \$1,500.00 (One Thousand Five Hundred Dollars) from John and Joni Domine. All voted in favor of the motion.

No bids have been received for the sale of the lot by the water tower. Anyone interested may still submit a minimum bid of \$2,000.00 (Two Thousand Dollars).

Mayor Ferrazzano received a letter from the Southwest Minnesota Foundation in regards to the annual appropriation of the City of Tracy for \$1,250.00 (One Thousand Two Hundred Fifty Dollars).

Motion by Chukuske, seconded by Byrne to incorporate the appropriation of \$1,250.00 to the Southwest Minnesota Foundation into the 2006 budget. All voted in favor of the motion.

Rettmer presented a letter of personal concerns regarding the recent actions of Chester Erickson in regards to the Hollett Street Bypass Project. She indicated this individual went to the Lyon County of Appeals and Equalization to request that his property assessment be reduced because of the inappropriate action by the City of Tracy. She indicated that the past several weeks the Council has discussed and reviewed the repair and replacement of a storm sewer connection that unfortunately is located on Erickson's boulevard. The City has gone to great lengths and spent a great deal of money to appease Mr. Erickson and restored the boulevard to his satisfaction. This is what he told the County Board of Review, "The City of Tracy placed a cement slab in his front yard for electric hook ups, tore down trees in his front yard. The City of Tracy did not compensate him for the removal of trees or placing the cement slab in his front yard. Hammerschmidt did an appraisal before any work had been done and the value was \$110,000. Hammerschmidt declined doing another appraisal after the work had been done as he had no comparables. Mr. Erickson passed pictures around for the board to see the changes. The current value for 2005 is \$91,300. The City of Tracy did not make changes at its Board of Review. Phil Nelson moved and it was seconded by Mr. Fenske to lower the Erickson property to \$85,000. The entire board voted in favor of this." As a result of the inaccuracy of Mr. Erickson's report, the Board of Review chose to lower his assessed valuation. This Council as well as past Councils have tried and are trying to do the best for the City residents and we do not deserve to get a bad rap like this. What we need is support from our citizens and not always the complaints. We welcome your suggestions as well as constructive criticism. We need the residents to come forward with ideas if they have them, bearing in mind that our focus is to please the majority of the citizens and not just the individuals."

Motion by Stobb, seconded by Snyder to adjourn the regular meeting at 7:40 p.m. to hold a closed meeting regarding pending litigation for the Aquatic Center. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

### July 11, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 11, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, B. Chukuske, and R. Stobb. Absent were T. Byrne, J. Arvizu and C. Snyder. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from June 27, 2005. Motion by Chukuske, seconded by Rettmer to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Additions included: 4 D. Aquatic Center Issues, 5 A. Liquor Store Patio Improvement, 11 A. Pending Litigation for the Aquatic Center, and New Business – 10.B Flowers gardens. Deleted was 6 A. Riding ATV's within City limits. Motion by Stobb, seconded by Chukuske to approve the agenda as revised. All voted in favor of the motion.

Kerr told the Council the Engineering Agreement for the Greenwood Storm Sewer: Project consisted of three (3) parts. Kerr recommends the Council to accept 1. Design, Construction and Bid Documents with SEH performing this on an hourly basis for a fee not to exceed \$35,200.00 (Thirty-five Thousand Two Hundred Dollars) with the understanding that the agreement include an AIA document, B 141.1997. This is a standard agreement between the owner and architect. This will also cover construction administration. 2. Construction Administration and Construction Observation states SEH will perform limited construction observation in conjunction with the City staff. This work will be performed as needed and at the direction of the Public Works Director. This will be performed by SEH on an hourly basis for an estimated fee of \$15,000.00 (Fifteen Thousand Dollars) and will not exceed this amount unless given written authorization from the City of Tracy. Kerr recommends that this be delayed because the City is now in the process of doing a similar type of document or agreement with WJE and Gremmer for the pool. This is not finalized as yet because the City will be receiving sequence of construction, construction schedule for that. Kerr feels the Subdivision Plan is premature. This states that in addition to the work, if requested by the City, SEH will prepare a preliminary commercial/residential subdivision plan for the Anderson Farm site on a time and material basis for a fee not to exceed \$5000.00 (Five Thousand Dollars). SEH will perform this work upon authorization from the City of Tracy.

Rettmer asked how the Subdivision Plan got in this when at the last meeting the Council had only ordered the improvement and preparation for the Greenwood Storm Sewer Project. Robinson answered that the document they have tonight was actually made out months ago when the City was looking at the whole water problem in the beginning. SEH had already done the Master Plan. Stobb wondered if the data that the prior engineering firm had, was available to the City to avoid duplicate work. Koopman thought they would have access to that material and would question whether SEH would use that material because they have to rely on that being accurate. Stobb felt they should get the information if possible as it may be beneficial in the future.

Motion by Stobb, seconded by Rettmer to enter in the agreement with only Design, Construction and Bid Documents specifying the City will receive an AIA document and the fee not to exceed \$35,200.00 (Thirty-five Thousand Two Hundred Dollars). All voted in favor of the motion.

The total legal fees incurred while renewing the cable TV franchises for both PrairieWave and Charter were \$16,614.17 (Sixteen Thousand, Six Hundred Fourteen Dollars and Seventeen Cents). The fees to Kennedy & Gavin for Bob Vose's services were \$9,288.02 (Nine Thousand Two Hundred Eighty-Eight Dollars and Two Cents) and fees to Kerr were \$7,326.15 (Seven Thousand, Three Hundred Twenty-Six Dollars and Fifteen Cents). PrairieWave reimbursed the City \$5,526.87 (Five Thousand, Five Hundred Twenty-Six Dollars and Eighty-Seven Cents) for their share of the legal fees. A total of \$11,087.30 (Eleven Thousand, Eighty-seven Dollars and Thirty Cents) will be billed to Charter. Rettmer asked Kerr that it was her understanding that Kennedy & Graven were hired as they are cable franchise experts and wanted to know if he was doing research and documentation for Kennedy & Graven, why is the City paying Kerr and not Kennedy & Graven

paying him. Kerr responded that he was not doing work for Kennedy and Graven; he was doing work for the City of Tracy and was not a duplicate effort. Kerr had done numerous extensions at the request of Koopman so the franchise would remain in effect during negotiations. Stobb asked if Kerr would copy his billing and put it in the next Council packet.

Mayor Ferrazzano presented Ordinance No. 294, an ordinance rezoning Lots 7 – 11, Block 2, Eastview Addition. Stobb stated this relates to the proposed Physical Therapy/Wellness Center. This area is now and R-1 and the Planning Commission recommend rezoning that to an R-2 and this would make the Physical Therapy/Wellness Center an allowable use. Koopman told the Council that Physical Therapy/Wellness Center still needs to be defined in the ordinance and this is one of the definitions that would be included. Motion by Chukuske, seconded by Stobb to waive the first reading and set the second reading at a Public Hearing for rezoning and definition of Physical Therapy/Wellness Center. The hearing would be held July 25, 2005 at 6:35 pm. All voted in favor of the motion.

Kerr told the Council that last Wednesday, July 6, 2005, he and Robinson were at the Aquatic Center at the time of demolition. Mitchell, the demolition contractor, pointed out an area in the center of splash pool that had been excavated, which had black organic soil in it and he comments that this type of substance should never be found in a construction site. Kerr and Robinson contacted Brian Pashina and John Markert. Pashina directed the City staff to take a sample of that dirt and photographs. Chief Hillger took the samples to the evidence locker and signed off on it. Pashina thought there should be more definitive work done in investigating this soil stability. American Engineering Testing was contacted and Tom James came and looked at it, talked with his supervisor and yesterday Pashina sent a fax that the City should be doing some core samples through the concrete. This will cost \$1,200.00 (One Thousand, Two Hundred Dollars). Kerr feels that if they find more deficiencies, this could help the lawsuit. Motion by Chukuske, seconded by Stobb to approve the expenditure of \$1,200.00 to have American Engineering Testing do the soil sampling. All voted in favor of the motion.

Robinson told the Council there is going to be times with the pool project where situations like the soil sampling are going to come up. They talked about if Koopman could have the authority to approve expenditures for things like this as they come up and not have to wait until the next Council meeting. Waiting causes delays unless they want to have special meetings where decisions need to be made by vote. Kerr recommended Koopman be able to approve expenditures up to \$10,000.00 (Ten Thousand Dollars). This would not hamper construction and these costs would be presented for ratification at the Council at the next meeting. Motion by Chukuske, seconded by Stobb to authorize the expenditure of any unforeseen expenses with the Council to ratify it after the fact of up to \$10,000 (Ten Thousand Dollars) total. If the expenses exceed this amount, the Council can be polled by phone. All voted in favor of the motion.

Kerr indicated that last week there were many E-mails for payment of the balance for the Myrtha materials. An assurance was given that the materials would be leaving Italy on July 18, 2005 and with that Koopman cut a check for \$269,020.00 (Two Hundred Sixty-Nine Thousand Twenty Dollars) and this was sent by FedEx to Sarasota, Florida this last week. The materials will be arriving the first part of August and they should be ready to be installed shortly after that. Robinson told the Council they have received some supplies already from Myrtha and they are in the secured fence. The larger supplies will go to the west of the two utility sheds and this will be fenced in.

Chief Hillger asked for any questions regarding his activity reports. Steve Louwagie's last day will be July 13, 2005. Motion by Chukuske, seconded by Stobb to authorize Chief Hillger to advertise for an officer replacement. All voted in favor of the motion.

Hillger reported they have 50% of the inspections completed and there are 30 (Thirty) violations at this point. This includes everything east of Center St. and everything from 4<sup>th</sup> St. to 2<sup>nd</sup> St.

Gervais reported the EDA office has been working on numerous projects. The Physical Therapy/Wellness Center is being negotiated between Sioux Valley and the Gramstad's. There has been an offer on 100 Elm St., the city had purchased about 8-9 years ago and will have a public

hearing on this on July 22, 2005 to discuss the sale of that property and if it goes through it will be sold for \$25,000.00 (Twenty-five Thousand Dollars). Gervais is still receiving numerous calls on the tax forfeited property and no date has been set for the sale. Champine indicated to Gervais, this will be sometime in September. He is in the process of working on a grant, Innovations in American Government Awards Grant worth \$100,000 (One Hundred Thousand Dollars) and this is dealing with substandard housing. Southwest Minnesota Housing Partnership passed the information to Gervais and though our plan to acquire substandard housing and demolish it and improve it for new housing was worth writing this grant. The EDA recently made a loan to the Tracy Growth and Development Corporation for the bakery purchase and the paperwork is being worked on. EDA is working on a marketing plan for Tracy with radio, television, newspaper and billboards. Gervais and Chukuske met with John Glaser, Jr. about his property and looking at another housing addition, either the Glaser or Anderson property. Gervais received an update on the progress report for the Block Grant. At this time the owner occupied housing goal was 25 (Twenty-five) and there were 47 (Forty-seven) applicants. Of the 25 (Twenty-five), 11 (Eleven) of those projects have been completed. For rental property the goal was 15 (Fifteen) and none of those have been completed yet. The Commercial property the goal was 10 (Ten) and there were 23 (Twenty-three) applications and 7 (Seven) of those projects have been completed. The time frame is to be done by September 30, 2005. The housing part may be a concern in the future with the lead base paint and asbestos abatement and getting that work completed by September 30, 2005. Jeff Gladis felt comfortable if it was not completed, they could get an extension until the end of the year. Casey's has received approval from the MPCA to move forward with the project and Garrels has issued a building permit.

Robinson reported that in June the Public Works has worked on the proposed dog run project, mowing, spraying weeds in streets, asphalt patching, jet vac cleaning of catch basins, painting of street markings and assisted with the library air conditioning replacement and clean up the tower lot. They are also working on the standby generator project and they are constructing the buildings that will house the generators. Demolition has been started on an old well site on South Street. A new cam shaft was put in the squad and an intake on the salt truck. Robinson is also working on the South side water project, Airport project, Pool project and Liquor Store outdoor patio project. There has also been work on the hydrant replacement. Pool repair was started June 29 and Robinson has been keeping a logbook of daily activities at the pool. Projects that are planned in the near future are mosquito spraying, disease elm tree inspections and removal and other general public works operations. Chukuske said he noticed by St. Mary's there is water coming up in that intersection. Robinson told the Council the problem is a main line gate valve and he plans to bring a proposal for repairs to the Council.

Chukuske wonders if there would be any way the outdoor patio at the liquor store can be utilized for Box Car Days. Robinson indicated that they would not be pouring any cement right now because the basement was dug out and fill put in there. It would be best for it to go through a freeze/thaw cycle for settling. They plan to fix both walls and put in the door opening before winter. Let the ground settle over winter and do the floor next year. Mayor Ferrazzano asked what type of legal question they would have to deal with if the liquor store property allows people to drink outside on the patio. The plans do include that customers have to enter and leave the patio through the liquor store. Rettmer feels this area should be blocked off for the Labor Day weekend because the Beer Garden is right there and they do not need to be drifting out of the liquor store with drinks in hand until it is ready for them to do that.

Stobb asked Robinson if the well site that he mentioned, if it was a sealed well there or does something need to be done with that. Robinson indicated that it is sealed. Robinson has talked with the Department of Health and he has been given the rules on how to dismantle the well.

Koopman wanted to make sure it was clear in everyone's mind as far as responsibilities that Robinson will assume when he is documenting things in the log book for the pool. His responsibilities are strictly observation and will not be responsible for the actual inspections. Kerr indicated Pashina and the staff are preparing an actual description of his responsibilities, their responsibilities and the contractors responsibilities.

Koopman indicated in her monthly report that she has completed the pay request for reimbursement on the Highway 14 Beautification project and the LAWCON grant. She will be working to complete requests for reimbursement for the Airport Layout Plan and the Airport Lighting Project, as well as performance evaluations.

Chukuske told the Council the Planning Commission met on April 5, 2005 and discussed the need for acquiring property for housing development. The Commission encourages the City Council to pursue and acquisition of the Glaser property and if they are unable to acquire this property, then pursue the acquisition of the Anderson property. He said that he and Gervais met with John Glaser Jr. this week and there are 4 (Four) family members that need to be contacted and he does not believe they are interested at all in selling this property.

Koopman did receive a bid from G&R Electric for the land by the water tower. Their bid was \$500.00 (Five Hundred Dollars). There was a minimum bid set by the Council of \$2,000.00 (Two Thousand Dollars). In conversation with the City Attorney he indicated that until there actually is a sincere offer for the property, he did not want to waste his time developing language. Chukuske indicated that it had come to the Planning and Zoning Commission that there is nothing that could be done with that land and the Commission's position is that they want to be told how they can make it happen. Motion by Rettmer, seconded by Stobb to reject the \$500.00 (Five Hundred Dollars) as the minimum was set at \$2,000.00 (Two Thousand Dollars) and the property is still for sale. All voted in favor of the motion.

Rettmer indicated that when the committee met with Engel and Chief Hillger regarding the inspections, it was unclear what the process was for commercial properties. It was decided at the last Council meeting that commercial properties would be included in the inspection.

Mayor Ferrazzano presented a resolution promoting Intrastate Mutual – Aid Agreements. Chief Hillger told the Council that he received these resolutions from Tammy VanOverbeke, the County Emergency Manager. It is stating that every entity that has a civil defense program must adopt these resolutions or may be in danger of not getting FEMA funds if there is an emergency. Motion by Chukuske, seconded by Rettmer to approve the resolution promoting Intrastate Mutual – Aid Agreements. All voted in favor of the motion. (Res. No. 2005-14)

Mayor Ferrazzano presented a resolution Adopting the National Incident Management System (NIMS). Motion by Chukuske seconded by Rettmer to approve the Resolution Adopting the National Incident Management System (NIMS). All voted in favor of the motion. (Res. NO. 2005-15)

The Consent Calendar contains the Firemen's Relief Association minutes for January 3, February 7, March 7, April 4, and May 2, 2005 and the Municipal Accounts Payable. Motion by Stobb, seconded by Chukuske to approve the Consent Calendar. Rettmer asked that next time it would be beneficial if they could identify who the individuals are in the minutes. Mayor Ferrazzano will bring this to their attention. All voted in favor of the motion.

Chukuske asked who was in charge of making sure the flower gardens around town are weed less, watered, and taken care of. Stobb indicated this was Bernie Holm and Koopman is the person that supervises his activities. She has had discussions with Holm as the weeds were getting excessive and he did spray the new flower beds that have the brick. On the East side of town, those are going to be replaced as the rose bushes did not make it through the winter. Koopman indicated that they did not get any applications for this position and Holm agreed to do this job after being requested. Chukuske wondered if the Council has ever discussed adopt a flower bed program. Koopman indicated that years ago the Flower Clubs were responsible for this, and then as time has progressed the members have reached an age where it is difficult for them to do it anymore. The needs have been expanded with the Highway 14 Beautification Project and the Downtown Revitalization Project. It is a large undertaking and volunteers are fine if they volunteer and actually do it, but through experience, that requires more effort. Koopman indicated that this year has been difficult for anybody to do gardening and stay ahead of it due to the rains and has been overwhelming. Hopefully by the end of this week, things will be on schedule again.

Motion by Stobb, seconded by Chukuske to close the regular meeting to discuss pending litigation and labor negotiations. All voted in favor of the motion. Meeting closed at 7:45 p.m.

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

### July 25, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 25, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from July 11, 2005. Nielsen asked that the minutes be changed to reflect that he was not present at the July 11, 2005 City Council Meeting. Motion by Snyder, seconded by Stobb to approve minutes as corrected. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Additions included: 7 B. Nuisance Committee Report, 6 B. Change order for the Aquatic Center, and 12 A. Performance Evaluation. Motion by Rettmer, seconded by Snyder to approve the agenda as revised. All voted in favor of the motion.

A public hearing on Ordinance No. 294, an ordinance rezoning Lots 7-11, Block 2, Eastview Addition was held. Koopman said the public hearing needs to be continued to allow notices to be sent to the residents within 150 feet of these lots. The public hearing will be held on August 15, 2005 at 6:35 p.m.

The following bids were received for the Airport Improvement Project:

Central Specialties	\$146,321.00
Rupp Construction	\$159,340.00
Duininck Brothers, Inc.	\$161,676.80

Robinson said Central Specialties has done work for the City in the past. Koopman told the Council \$7,316.05 of the bid would be the City's responsibility. Motion by Chukuske, seconded by Snyder to adopt a resolution accepting the bid from Central Specialties in the amount of \$146,321.00. All voted in favor of the motion. (Res. No. 2005-16)

Kerr told the Council he has reviewed the Engineering Agreement, AIA Document B141-1997 Part 1, for the Greenwood Storm Sewer Project and Nielsen then, reviewed his work. Upon review of this proposed Owner and Engineer document, Kerr suggested the following changes be made.

1. Article 1.3.7 Miscellaneous Provisions: Section 1.3.7.1 states "this agreement shall be governed by the law of the principal place of business of the Engineer." The Owner should require Minnesota law governing this agreement which should be stated in Section 1.4.2 Special Terms and Conditions.
2. Section 1.3.9.2 Reimbursable Expenses addresses in .6 expense of professional liability insurance. Kerr said that since such insurance should not be dedicated exclusively to the Owner's project and so there should be no additional cost. What should be required by the Engineer is a certificate of current professional liability insurance specifically covering design and construction administration services with limits not less than \$1 million dollars.
3. Article 1.4.1.2 Standard Form of Engineer's Services: Design and Contract Administration is noted, but has not been supplied by the Engineer. The relevant articles in that document for the first phase for "design-bid" should be all Article 2 Provisions which deal with "design-bid" services. This will need to be clarified between the Owner and the Engineer.
4. Section 1.4.2 Special Terms and Conditions includes additional language by the Engineer in regard to change orders. The term "soft costs" should be clarified.

5. Section 1.5.2 (Compensation) states “Hourly: see attached rates schedule. There was no schedule provided.
6. Section 1.5.3 In the event of a change in services, Kerr is questioning why there is a multiple of one and one-tenth for the amounts billed to the engineer by its consultants.
7. Section 1.5.7 relating to initial payment upon execution is presently blank and “NONE” is the term that should be inserted there.
8. Section 1.5.9 Kerr is questioning why this agreement is limited to a completion date of six months from the 20<sup>th</sup> of July, 2005.

Kerr’s recommendation to the Council is they accept the contract for bid design only if the Engineer makes the above changes and provide the information for liability insurance. Motion by Byrne, seconded by Rettmer to accept the AIA Document B141 - 1997 Part 1 with the changes as recommended by Kerr. Stobb asked if they would for sure makes these changes or would it become a back and forth situation that would end up taking more time than they had to get this completed. Kerr indicated that these are points the Engineer would leave as is unless someone caught it. Koopman told the Council that she faxed these changes to the Engineer contingent that the Council approves these changes. After this discussion, all voted in favor of the motion.

Kerr presented to the Council, Brian Pashina’s general description and details of work with a request for a cost estimate from the contractor and Todd Johnson’s (PCI) response for pricing regarding Change Order No. 1. Brian explained in his memo that while the \$66,000.00 is the same price as the bid for Alternate 1, PCI could have requested additional sums for the original demolition and geometrical cutting together with the required remobilization of the demolition subcontractor and the \$66,000.00 is for the additional demolition and other worked required for a complete replacement of the splash pool. In the proposed pricing list, items Two (2) and Three (3) assume 400 cubic yards. The total amount per cubic yard for removal and hauling would be \$43.05 times 400 cubic yards or \$17,220.00. It was recommended the Council approve Change Order No. 1 in the amount of \$83,220.00. Kerr will then advise Pashina of the approval and he will prepare and sign, as Engineer, Change Order No.1 in triplicate, forward it to Todd Johnson for signature, who will then send the change order for Koopman’s signature and she will then distribute the three copies. Chukuske asked where they would be hauling the material they remove. Robinson they would be using it on the east end of the runway to make the grass pad longer. Robinson asked if the \$43.05 included new materials and compacting of these materials. Kerr indicated the new materials should be included in the \$66,000.00. Motion by Arvizu, seconded by Snyder to approve the proposal for Change Order No. 1. All voted in favor of the motion.

Gervais told the Council that they are waiting for financial arrangements to be completed in the sale of 100 Elm St. property. A purchase agreement has been signed and Gervais does not foresee any problems with the financial arrangements. Gervais indicated there is \$27,516.00 owed to the Utility Fund. They have agreed to sell the property for \$25,000.00 with 6% commission on that brings it down to \$23,500.00. This leaves approximately \$4,000.00 that needs to be made up to reimburse the Utility Fund. It came up at the EDA meeting whose responsibility it would be to make this up. If it is the responsibility of the EDA it will need to come from the Revolving Loan Fund and if not, where the City would pull those funds from. Arvizu indicated that the thing that concerns her is they, the Council, told the EDA they had to do this she does not think the EDA should eat this money and feels it is the responsibility of the Council to come up with money. Gervais said they had the property listed at \$33,000.00, there was an offer for \$23,500.00 and EDA counter offered at \$27,500.00 and met in the middle at \$25,000.00. Chukuske agreed with Arvizu and asked where the funds would come from and asked if there were any legal issues that needed to be resolved regarding this sale. Koopman indicated the sale could go through; it is just a matter of what the Council would like to do from an administrative standpoint. Koopman indicated they could choose to forget the loan, or take it from Other Financial Use and transfer from the General Fund into the Utility Fund. Motion by Stobb, seconded by Chukuske to forgive this money and revisit it again at the end of the year if there is money from the other funds available. All voted in favor of the motion.

Rettmer presented a Nuisance Committee report. The personal property inspections have been completed and the Committee has gone through the documentation and pictures and then directed Hillger and Engel to get the letters of violation ready to be mailed. Along with those mailings the Nuisance Committee will compile a list of resources that people can either call or go to dispose of the types of items the inspectors have found. This includes tires, appliances, yard waste, vehicles, batteries, motors, paint cans, mattresses, beds, etc. Upon receipt of certified return requested receipt of this notification and 14 days from that time, if it has not been cleaned up, then fines will be administered in the amount of \$75.00. A re-inspection will be done and if the fine is not paid and the violation corrected in an additional 14 days then this violation will be filed in District Court. If they want to contest it, they have to contact the City office and then they will not be levied the fine until after the City Council has heard their case. Mayor Ferrazzano asked if the City ever had any clean-up day where residents could put out articles to be picked up. Koopman said they used to do that, but because of cost this was discontinued. Mayor Ferrazzano suggested they try to coordinate something with people that would come and pick these articles up for in the future. Arvizu indicated they have slated the third Monday in May that inspections would start, then it should be coordinated for the week before the inspections start. Rettmer told the Council the inspectors have been instructed to now do the commercial property, bearing in mind the nature of the businesses involved.

JoAnn Biren, Chamber Director submitted a letter requesting Third Street be closed from South Street to the alley before the bank on July 30, 2005 between the hours of 7:00 a.m. and 5:00 p.m. to accommodate the stores and vendors for Crazy Days. Motion by Byrne, seconded by Stobb to approve this request. All voted in favor of the motion.

The Consent Calendar contains the Firemen's Relief Association minutes, Economic Development minutes for June 17 and 24, 2005, Municipal Accounts Payable and Planning Commission Minutes for July 5, 2005. Rettmer asked who presented the conceptual drawings of the housing project to the Planning Commission without the EDA Authority's approval. Gervais told the Council that he and Koopman had reviewed land use for the Anderson property and it was presented to the Planning Commission as an idea for this property and not as something for the Planning Commission to approve or disapprove. Stobb also agreed that this was presented to the Commission as reference to where they should be directing their attention in the future. Motion by Snyder, seconded by Byrne to approve the Consent Calendar. All voted in favor of the motion.

Koopman told the Council that her performance evaluation in the past has been done by the Council in a closed session. She asked if this was their preference again this year and if it could be done by August 15, 2005. It was decided by the Council that they would do the performance evaluation on August 15, 2005 in a closed session.

Mayor Ferrazzano asked Gervais what the delay is in the construction of the Casey's Fuel and Convenience Store. Gervais indicated that it is an issue with MNDOT regarding the access from Highway 14.

Motion by Byrne, seconded by Chukuske to adjourn the meeting at 7:15 p.m. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

### August 15, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday August 15, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, J. Arvizu, B. Chukuske, C Snyder and R. Stobb. Absent was T. Byrne. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from July 25, 2005. Motion by Snyder, seconded by Stobb to approve said minutes. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Additions included: 5 C. Ordinance 293 and 5 D. Pool Taping. Deleted was 7 B. Tealwood Presentation. Motion by Stobb, seconded by Chukuske to approve the agenda as revised. All voted in favor of the motion.

A public hearing was held on Ordinance No. 294, an ordinance rezoning Lots 7 - 11, Block 2, Eastview Addition. Motion by Stobb, seconded by Snyder to adopt Ordinance No. 294. All voted in favor of the motion.

Nielsen informed the Council and easement agreement is needed between Casey's Retail Company, Kenneth and Brenda Hagert and the City of Tracy regarding a single direct access to Highway 14. Nielsen indicated there are a couple areas in the agreement that need to be clarified. These are issues relating to damage and repair to the easement area. Rettmer asked if approval of this easement is urgent and if it could wait until these issues were clarified. Chuck Tweet, representing Casey's, indicated that they would like to get this easement approved so that construction can begin. Motion by Stobb, seconded by Chukuske to approve the easement agreement pending clarification of the agreement. All voted in favor of the motion.

Motion by Chukuske, seconded Snyder to approve the agreement between Minnwest Bank South and the City outlining responsibilities for commencing direct payroll deposits. All voted in favor of the motion.

Motion by Stobb, seconded by Chukuske to approve ordinance summary of Ordinance No. 293, an ordinance relating to adult oriented businesses in the City of Tracy, Minnesota. All voted in favor of the motion.

Kerr presented a request for the Council to allow WJE to hire Shorty Engel to videotape construction progress at the Tracy Aquatic Center. This would be at a rate of \$25.00 per hour. Kerr had conferred with Coleman regarding this and Coleman feels this documentation would be very helpful in showing the jury what had to be done to repair the pool. Engel indicated he would go to the site 2-3 times per day and this would take approximately 30-45 minutes per day. Kerr indicated the taping would include narration. This would be recoverable expenses billed through WJE. The construction schedule would be reviewed to determine at what times the taping is essential. Motion by Stobb, seconded by Snyder to hire Engel to video and narrate construction progress at the Aquatic Center at a rate of \$25.00 per hour. All voted in favor of the motion.

Bernie Holm Superintendent of the Tracy City Cemetery was present to give an update report on the progress of the fencing project. This project was started in 1999. Holm indicated at the annual meeting in February 2004 it was indicated there was a goal of completing the entire fence in 2005 and they are relying on volunteer help to get this accomplished. Snyder suggested to the public that if they had a great concern about completing this project, their volunteer help would be greatly appreciated. Ferrazzano felt that it is taking more time with volunteer help. If anyone feels that help should be hired to do this project, then this is the time it should be put into the budget. Robinson suggested the use of community service people or extending part time help in the City Maintenance Department. Stobb has had no complaints presented to him and feels there are a few individuals that are using the City Council for a personal vendetta and if there are individuals that feel there are problems or if they have legitimate complaints, these complaints should be taken to the Cemetery Commission for review. Rettmer agreed that these complaints should go to the Cemetery Commission or Koopman. She also commended Holm on his many years of service to the

community.

Radke presented the Liquor Store report. Robinson indicated that they have inspected the walls of the buildings adjacent to the proposed patio and found no loose material that could fall and the fence that is there now could be taken down if needed. Rettmer felt the fence should remain as it would be a place to throw garbage if people were allowed to walk through there.

Chief Hillger asked the Council if there were any questions regarding the Police Activity Reports. He indicated there are in the hiring process for an officer. They are reviewing nine applications. Hillger told the Council that they would not have anyone hired by Labor Day weekend, but is in the process of getting assistance for that weekend. Two incidents of illegal dumping at the compost site have occurred and are in the court process. Hillger indicated Robinson and his staff is documenting costs of pick up and disposal of the illegal dump items. Hillger and Engel will begin nuisance inspections for commercial properties next week.

Gervais told the Council regarding the Block Grant; eleven commercial properties have been completed to date. Owner occupies housing still has fourteen left to complete. These were to be completed by September 1, 2005, but this has been extended to the end of the month. It has been recommended to Gervais the City of Tracy should look to reapply for this grant in the fall 2006 for the grant to be awarded in 2007. The vacancies in the apartment houses have been filled. Representative Siefert is looking to set up a time with the Department of Corrections to continue to pursue the construction of a prison facility in Tracy.

Robinson indicated the Public Works Department has been busy with several projects. Robinson has had to spend considerable time on the pool project. The department has painted street markings, spraying for mosquitoes, dead trees have been removed, and diseased elms have been marked and will begin removal approximately August 10<sup>th</sup>. The MN Pollution Control Agency has inspected the Hollett Street bypass station and has given their approval of the project and will remove the compliance stipulation from the permit.

Koopman reported meeting with the County Engineer regarding improvements to Highline Road and the continuation of the bike trail. She indicated the partial reimbursement request has been completed for the Airport Layout Plan. The Project Closeout Report and final reimbursement request for the airport light project has also been completed. She will be meeting with the individual employees to complete their performance evaluations and also give the employees information regarding a Worksite Wellness screening which has been rescheduled for September. The focus from this point will be on the preparation of the 2006 budget.

Greg Frederickson from Mace's was present to request an extension of Mace's liquor license for Box Car Days weekend. It was discussed that it would not be possible to block off that alley as that would be a route for the fire department or ambulance if needed. It was agreed that Frederickson could fence off an area of cement that is attached to his building, leaving the alley open for any emergency vehicles, for a back alley barbecue with ribs and also to sell alcoholic beverages. Motion by Stobb, seconded by Arvizu to grant Frederickson an extension of his liquor license from September 2-September 5, allowing him to fence off a cement area behind Mace's and not blocking the alley for an outdoor barbecue. Upon roll call, the following vote was recorded: voting aye: Arvizu, Byrne, Chukuske, Snyder, Stobb and Ferrazzano; voting nay: Rettmer. The motion carried..

Motion by Stobb seconded by Snyder to adopt a resolution approving increase in pledged securities at Minnwest Bank South. All voted in favor of the motion. (Res. No. 2005-17)

Motion by Stobb, seconded by Rettmer to adopt a resolution approving payment to Pool Construction / Abhe & Svoboda for work completed on the aquatic center. All voted in favor of the motion. (Res. No. 2005-18)

The Consent Calendar contains the Municipal Accounts Payable, Monthly Police Activity Report and Multi-Purpose Center minutes for July 22, 2005. Motion by Stobb, seconded by Chukuske to approve the Consent Calendar. All voted in favor of the motion.

Department Heads, Koopman, Gervais, Robinson, Hillger and Peterson presented the Department Head 2006 Budget Requests. Koopman will compile numbers so that a revised budget can be presented at the next regular Council meeting on August 29, 2005.

It was discussed that due to the late hour, the Council will delay the performance evaluation for Koopman until the next meeting. Motion by Chukuske, seconded by Snyder to adjourn the regular meeting at 9:15 p.m. to hold a closed meeting to discuss labor negotiations. All voted in favor of the motion.

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

**August 24, 2005**

A special emergency meeting of the Tracy City Council was called to order at 7:30 a.m., Wednesday, August 24, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: S. Ferrazzano, T. Byrne, C. Snyder and R. Stobb. Members absent: S. Rettmer, J. Arvizu and B. Chukuske. Also present: A. Koopman.

The purpose of the meeting was to consider the adoption of a resolution accepting an offer extended by the Federal Aviation Administration for and on behalf of the United States in connection with Airport Development Project No. 3-27-0102-04-05 and authorizing the Mayor of the City of Tracy to sign an acceptance of said offer as contained in the grant agreement pertaining thereto. Motion by Byrne, seconded by Snyder to adopt said resolution. All voted in favor of the motion. (Res. 2005-19)

There being no further business, Bryne moved and Snyder seconded to adjourn. All voted in favor of the motion.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator

## August 29, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 a.m., Monday August 29, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from August 15, 2005 and August 24, 2005. Motion by Rettmer, seconded by Stobb to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Additions included: 4 B. Aquatic Center Update and 6 C. Gas Bids. Motion by Stobb, seconded by Snyder to approve the agenda as revised. All voted in favor of the motion.

Dale Johnson III from the Tracy Fire Department was present to ask for a permit to sell beer at the Truck Mud Races in the south east corner of County Rd. 11 and County Rd. 14. Koopman explained the City cannot grant the temporary permit to sell beer as the races are taking place outside the City limits. The City can only allow the Fire Department to have the races as they are a department of the City. Rettmer asked if they would be having this under the Box Car Days events through the Chamber of Commerce. Johnson indicated they would be under the Chamber for this event. Nielsen said the County or the Township would have to grant the request to sell beer. Motion by Stobb, seconded by Snyder to approve the concept of the Truck Races providing there is clearance with the proper authorities and proper insurance is provided. All voted in favor of the motion.

Kerr told the Council a construction matter came to attention today regarding the splash pool. Pool Construction, Inc. asked that rather than use shotcrete for the pool, they could do cast in place concrete. That was put into writing to Pashina and Dahms and they responded. The reason PCI has made this request is:

1. Better control of finishing and dimensional tolerances.
2. Better control of gutter elevations.

WJE takes no exception to this proposed change. They see no foreseeable disadvantages to the city for this change and agree with the contractor's assessment there is a benefit to the cast in place concrete. Since the pool will be lined with the Myrtha system, the proposed construction will have no significant impact to the new pool. The cast in place concrete will also result in lower risk of workmanship related errors. WJE has also discussed this with Gremmer and they take no exception to this charge. The cast in place alternate will result in no change in the contract sum or contract time. Kerr indicated that this change does not need a change order.

Kerr gave some background on the litigation as there were three motions pending before Judge Harrelson. Two of these were by insurance companies: the Evanston Company which is the professional liability insurer for USA; and Westfield Insurance which is the general liability insurer for Olympic. Westfield they talked about being allowed to come in on a limited basis for some input on the special jury verdict form before we get that far. They have submitted a complaint of intervention and asking the court to allow them to try their policy before the jury that the City would be trying the construction issues on. Evanston saw this and they wanted to get in as well because they also have coverage questions. Two motions was argued on August 15, 2005, with the same issue that Olympic and USA moved to strike any evidence of defects that were found in the pool, because there was "spoilage of evidence." They contended that the City never gave them enough or no notice and on October 22, 2003 that was the first time they had been noticed and October 21, Graham had proceeded to remove the Diamond Bright. Kerr had given them notice on October 7, 8 and 14, 2003. The court recognized that and the court denied both motions today and basically the judge indicated the City had given them plenty of notice.

Mayor Ferrazzano asked if there have been people at the work site overseeing the constructions. Robinson indicated that Pashina has been here at least once a week for the whole day. Kerr felt that they would be here more in future as they get into the actual repair.

Howard Groff from Tealwood gave a presentation regarding Prairie View Health Care Center and long term care. An Advisory Committee was formed and their task was to look at the future of long term care. Over the past seven years there has been a decline in census and also staffing decline that coincides with the census changes. As prepared by the Minnesota Department of Health, nursing home care is now a last resort and the average length of stay is 40 (Forty) days. Eighty-four percent (84%) of people admitted to the PVHCC Medicare unit return to their homes. Groff said in 2001, they met with individuals from Tracy Area Medical Services and looked at a master plan for shared benefits. He indicated there were more roadblocks than solutions. He has asked the TAMS Administrator to once again, take a look at the master plan. Koopman indicated one of the major roadblocks was the fact that one nursing home is for profit and the other for non-profit. She felt the two nursing homes have to get together before any consolidation can take place. From a political standpoint, she felt it would be difficult for the Council and TAMS to take action until the Tracy Nursing Home and Prairie View Health Care Center can come together. Arvizu felt concern that both sides are waiting for one to give in and Tealwood has made significant effort it is not to the advantage of the community to wait till both sides are on the edge of collapse before anything can be accomplished. It was decided that Mayor Ferrazzano and Councilman Chukuske would be members of the Advisory Committee along with representatives from Tracy Nursing Home, Prairie View Health Care Center and Tracy Area Medical Services. They will meet to discuss issues regarding long term care for the community. A meeting will be set up in the near future.

Rick Robinson told the Council Charles DeShepper has requested City water service to his new home on Highline Road which is not in City limits. Red Rock Rural Water System has denied service as indicated in a letter from RRRW. RRRWS will install the water service line for DeShepper and handle all permits required from Lyon County. They will perform the construction to comply with City of Tracy specifications. The two inch service line will be considered DeSchepper's responsibility from the City's main to his house with is approximately 600 feet. Robinson's request of the Council was to approve or deny service to DeSchepper and consider raising the water rate to services outside City limits to one and one half times the regular rate. Robinson recommended approval of service to DeSchepper and raise the rate to the rural customers as they are not subject to past or present water system improvement assessments. Nielson's recommendation was the Council consider entering into an agreement with who live outside the City and receive City water service outlining responsibilities and rates. Motion by Snyder, seconded by Byrne to approve water service to DeSchepper. All voted in favor of the motion.

Motion by Stobb, seconded by Chukuske to enter a service agreement with water services outside the City limits for increase in rates to one and one half times the regular rate. This would exclude Denny Campbell as the current well site property was purchased and an agreement made that the Denny Campbell property would always pay a standard city water rate. All voted in favor of the motion.

Robinson asked for the Council's approval for a track to operate radio controlled cars. Dave Vogel has asked for a place to operate these cars that are about 12 (Twelve) to 18 (Eighteen) inches long and 10 (Ten) inches wide. Robinson suggested the southwest corner of the compost site lot. Vogel would build and maintain this track and would be used only for practice and not for events. Robinson stated Tom Rignell, who handles the City's insurance, called the LMC and they had no problem with this track being on City property. Motion by Byrne, seconded by Snyder to approve use of the property for a track with agreement to vacate within 60 days if the City needs to use this property and there be no liability to the City. Upon roll call, the following vote was recorded: voting aye: Arvizu, Byrne, Chukuske, Snyder, Stobb and Ferrazzano; voting nay: Rettmer. The motion carried.

Chief Hillger received a letter from Nicole Springstead, Assistant Lyon County Attorney stating the City dump is outside the City limits and violators of the rules cannot be prosecuted with a City

Ordinance. She believes the best option would be to have the defendant clean up the debris. If the violator does not agree with this, Springstead should be notified and she will determine if there is anything else that can be done. Nielsen encouraged the Council to look at other regulatory tools available to allow prosecution to occur. Mayor Ferrazzano asked that this issue be placed on the next agenda to talk about annexation of compost site and also the cemetery to avoid problems like this in the future.

Robinson had at the request of the Council, looked into fuel pricing options for City vehicles. He felt the best option is to request a bid discount per gallon on each type of posted fuel price from each fuel station. Robinson was instructed by the Council to pursue these bids.

Motion by Stobb, seconded by Chukuske to adopt a resolution approving budgeted transfers of \$32,313.00 from the General Fund to the Senior Center Operating Fund. All voted in favor of the motion. (Res. No. 2005-20)

The Consent Calendar contains the Cemetery Commission minutes for July 21, 2005, Pool Litigation Report, Monthly Financial Report and Municipal Accounts Payable. Motion by Snyder, seconded by Stobb to approve the Consent Calendar as presented. All voted in favor of the motion.

Koopman presented the 2006 Budget. She asked the Mayor and Council members if they had any questions regarding her summary included in the packet. Koopman indicated that she does not have reference to the revenues in her memo and wanted to briefly mention the General Fund Tax Levy as currently proposed would increase by 8.2%. The amount under Special Assessments shows an increase because this year special assessments collected for tree removal will go to the General Fund rather than Shade Tree Fund which was closed. The Franchise Taxes were increased because the franchises are based on 5% of gross revenues versus a flat rate of \$2500.00. The one positive in the budget this year is Local Government Aid as there was a 10.5% increase compared to 2005. The aids Police and Fire are basically in/out. The other noticeable change is under Refunds and Reimbursements as this is intended to collect the tree removal bills that do not get certified.

One of the departments that the most time was spent on was the Fire Department because of the 84.3% increase they requested. Koopman recommended an increase of 27.7%. She met with Chief Engesser and discussed this at length. He indicated they could live with most of the changes as long as they are able to purchase turn out gear. She combined the amounts under transfer out and recommended that it be increased to \$25,000.00. This has to do with the depreciation schedule. There were two different depreciation schedules that were worked from and wonder if either actually represents the needs of the department. Dave prepared a depreciation schedule that reflected the original cost and spread them over the life of the equipment. The problem that is faced now and will be faced in the future is as new equipment is added, the council needs to be aware that once it is acquired, that means it now has to be insured, maintain it and financed for replacement.

The Street and Parks budget includes \$25,000.00 for a bathroom in Sebastian Park. Koopman feels this facility is needed because of the LAWCON grant. The last two years, the pool has not been in operation and port-a-potties have been used. If LAWCON comes and inspects the grant, which they will be doing, it is difficult to know what they will do if they see that the City is not in compliance. A bathroom in this park is very important with the activities at the ball fields and playground equipment.

She indicated the question that is needed to address prior to certifying the levy at the September 12, 2005 meeting, is what percentage increase should we certify for our preliminary levy. The advantages in certifying a little higher percentage is so that adjustments can be made. The preliminary levy can be reduced, but cannot be increased after September 15, 2005. The final levy will be certified in late December, so this will allow time to set the priorities for 2006. She has set the overall levy increase at 5.6% and this does not reflect the amounts for the acoustics at the Veterans Memorial Center. If that were included it would be a 6.5% increase. This would give the Council time to review these numbers and make any adjustments they feel necessary.

Mayor Ferrazzano asked for any questions to Koopman regarding the budget. Snyder felt that she

had done a very good job in preparing the budget.

Byrne commented that some cities do not include the Fireman Retirement Fund and that could be why some cities are getting larger grants. Koopman stated that she is not really sure what they need to submit. She feels they could submit the Capital Improvement Budget that does not show the operational cost. Johnson said the grant they filled out this year, they used the actual Operating Budget.

Mayor Ferrazzano felt the wisest thing to do would be to set the preliminary levy at 6.5% and the acoustics could then be discussed. Koopman indicated that if they did that, she would not have to make any changes, but if they are looking at something less than that, then she would need to know now so she can make those adjustments before the September 12<sup>th</sup> meeting.

Arvizu asked if the acoustics improvement were done, could the entire project be done by borrowing the money, then budgeting \$7,000 annually to pay back the loan. Koopman stated if they go ahead with this project, they would like to have an acoustic consultant come out and take a look at the facility and determine if this plan would work. Mayor Ferrazzano feels that if improvements were made to the facility it would be utilized more. It was agreed by consensus to leave the preliminary levy at 6.5%.

Mayor Ferrazzano asked if the Charter Commission has been meeting. Koopman indicated it is on her agenda to get that scheduled. The reason she has not pushed hard is they are not holding an election this year. Term limits will be one of the items they will be discussing.

Johnson from the Fire Department indicated that the Equipment and Improvement Budget has been at \$8500 for years and last year went to zero. That is the money that is used for turn out gear (rubber boots, gloves, insulated pants and jackets, hood and helmets) that is needed for them to do their job. It is felt that if money is tight, then maybe money needs to be transferred out of their wages. A set of turn out gear costs \$1800 (Eighteen Hundred Dollars) per fireman. Koopman indicated that Equipment and Improvement was down to zero because that moved into the amount budgeted in transfer out in Equipment Replacement where the gear was to be purchased from. In 2005 this was increased \$4,000 from 2004. It was increased to \$25,000 this year. She and Dave will be working out an updated depreciation schedule that shows exactly what the needs are. There is no question that they will have enough funds to purchase the needed gear because the fund balance will be about \$80,000 by the end of this year. They try to replace three to four sets of gear each year. Arvizu feels there is a strong commitment on the part of the Council that the fire department always has the safety equipment they need to do their jobs. One way or the other when equipment is needed the City will try to do whatever they have to obtain the necessary equipment.

Motion by Byrne, seconded by Chukuske to close the meeting at 8:15 p.m. to conduct a performance evaluation. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

### September 12, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday September 12, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Absent was T. Byrne. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from August 28, 2005. Motion by Chukuske, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Motion by Rettmer, seconded by Stobb to approve the agenda as written. All voted in favor of the motion.

Radke reported the Liquor Store had a slight increase in sales over Box Car Days from last year. He did report Monday was down about \$500.00 from last year.

Robinson reported the pool project has taken the majority of his time. He feels the pool project is going well and every aspect is being watched very close. He also attended meetings on the High Line Road project and Airport Improvement project. Water well #6 was rehabbed in August but is not on line yet but will be within this week. The crew is about half done with diseased Elm tree removal. In three of the parks the safety pea rock around the play equipment has been replaced to meet safety requirements. The generators are ready for wiring when the switch gear arrives.

Chief Hillger presented the police activity report and asked the Council for any questions. He indicated the coverage from the County over Box Car Days was sufficient. Psyche evaluations and physical exams for police officer candidates will be done tomorrow. Rettmer asked if the commercial nuisance inspection could be done later in the day when Engel is available. Chief Hillger indicated they could and will be sending out citations to the residential nuisances this week.

Stobb told the Council he had noticed the property at 641 Greenwood Ave. is vacant and has broken windows and open doors. He was concerned about the unsecured status of this property. Rettmer questioned having Garrels inspect this property from a hazardous standpoint. Koopman said the Street or Police Department can secure this property from the public. Arvizu encouraged reporting to Garrels if there is a hazard at this property and reporting to the Street or Police Department if it needs to be secured. Koopman indicated Gervais has a list of properties that should be inspected by Garrels and demolished if need be. Robinson indicated the street department would secure the property at 641 Greenwood Ave.

Gervais reported the tax forfeiture properties will be auctioned off September 27, 2005 at the courthouse in Marshall. He has received many calls from the public asking to look at these properties, but does not have access to most of them. He has recommended to the EDA purchase 174 Center St. This home would be demolished and then sell it to Western Community Action and they would build a new home at this location. The City does not have a clear title to the property at 354 South St., but the City would be able to purchase this lot for \$50.00 for a quit claim deed. EDA has approved loans to Tracy Growth and Development Inc. and Tracy Computer & Office Supply. Rettmer asked if these properties had been investigated thoroughly to prevent the City from having to spend more money acquiring these properties. Nielsen will be checking court house records for this information. Gervais said all the townhouses and apartments are rented at this time. Stobb asked if Gervais was still working with the Glaser family regarding purchase of the 53 acres they own. Gervais indicated that they would like to sell the whole property as one. Motion by Chukuske, seconded by Stobb to purchase the 354 South St. property for \$50.00. All voted in favor of the motion.

Koopman indicated in her report the main focus for her has been the 2006 budget. She has also had meetings with engineers regarding the proposed extension of the bike trail on Highline Road, Hospital Advisory Board meeting, Cemetery Commission, Revitalization Committee, HAVA (elections), Appletree Insurance annual meeting and Council Meetings. She helped conduct police

officer interviews and met with the LELS union.

Gervais received a letter from Governor Pawlenty asking for an inventory of available housing units for sale or rent and also the job market in this area to help the Hurricane Katrina victims. Gervais reports there are no rentals available at this time but there are 34 homes for sale. Prairie View has up to 17 rooms available. The largest employers in this area are Schwan's, Hi-Rel and the turkey plants. Rettmer asked if any of the 34 properties that are for sale, if any would be willing to rent to individuals to come in on a temporary basis. Gervais said the property owner's would have to be contacted. Koopman said there is a local person who was willing to give a family affected by the Hurricane \$100.00 per month to help with expenses. Mayor Ferrazzano asked if there was any way to contact individuals that are interested in coming to Tracy. Koopman said those individuals need to first go through FEMA so there is a way of tracking where individuals from that area can be found.

Donald and Caroline Engelkes were present to discuss the proposed raise in their water rates. They produced a copy of a signed Perpetual Easement between themselves and the City of Tracy relating to the Red Rooster and Water pant properties. This easement indicated the City would provide and install a one-inch water service line to the Engelkes homestead site. The property owners would be required to install a water meter and backflow prevention device to be provided by the City. All piping from the meter would be at the expense of the property owners and they should maintain and be responsible for all the piping on the property. The property owners would read the meter and be billed at the prevailing City water rates monthly. James Kerr, Assistant City Attorney was able to produce documents:

1. May 9, 1988 Council Meeting minutes
2. May 23, 1988 Perpetual Easement recorded March 20, 1989
3. May 23, 1988 Release of Easement recorded March 20, 2989
4. May 23, 1988 Memorandum of Agreements.

The Council Meeting minutes reflected the negotiations between the parties which were approved by Resolution No. 1988-15. Motion by Chukuske, seconded by Arvizu to rescind the previous motion of raising the water rates for the Engelkes property. All voted in favor of the motion.

The Consent Calendar contains the Planning commission minutes for September 6, 2005, Cemetery Commission minutes for August 18, 2005 and the Municipal Accounts Payable. Motion by Stobb, seconded by Chukuske to approve the Consent Calendar as presented. All voted in favor of the motion.

Motion by Rettmer, seconded by Chukuske to approve a variance from Shelly Tome to replace the front porch on her property at 78 South St. as recommended by the Planning Commission. All voted in favor of the motion.

Mayor Ferrazzano presented a letter received from the Lyon County Enterprise Development Corp. asking to the City to contribute \$5,500.00. He asked the Council if there was any interest to revive this request that they had voted not to contribute to at the April 15, 2005 City Council Meeting. Chukuske felt they had voted on this once and does not believe the opinion of the Council has changed. Rettmer suggested maybe this would be more economical to go with this plan than to employ a full time EDA Director and the budget should be reviewed keeping this request in mind and a letter should be drafted to LCEDC that indicates this. Stobb agrees that the decision the City made previously has not changed. Mayor Ferrazzano will draft a letter indicating to LCEDC this will be again discussed in the future by the City Council.

Koopman received a letter from Jeanette Bach, League of Minnesota Cities considering changes to the League's legislative policy on smoking bans that would support a statewide smoking ban. They are asking for input from cities unable to participate in the regular policy committee. The Council feels it is up to the individual business owners and Stobb stated a statewide ban puts businesses at a disadvantage and feels the state government is passing the buck to the communities for a decision.

The Tracy Growth and Development, Inc. made a request to the Planning Commission to make the alley between the Tracy Dental Health building and the P+ building into a one-way alley to allow them to have a drive up window for the new bakery business. The Planning Commission recommended approving this request providing the bakery business supplies a mirror and signage for the safety of pedestrians. Deb Schenkoske, Secretary for the Tracy Growth & Development, Inc. indicated they would pay for these precautions. Motion by Chukuske, seconded by Snyder to approve making this alley one way with necessary signage. All voted in favor of the motion.

Motion by Snyder, seconded by Arvizu to adopt a resolution adopting the proposed property tax levy for 2005 collectible in 2006. The following amounts were levied:

General Fund	\$441,424
Permanent Improvement	\$ 15,000
Debt Service	<u>\$331,500</u>
 TOTAL LEVY	 \$787,924

All voted in favor of the motion. (Res. No. 2005-21)

Koopman presented a copy of information regarding annexation of the compost cite and city cemetery. According to the information this would not be possible in regards to the cemetery. Joe Dahl, Lyon County Sheriff indicated that he has no problem with Chief Hillger doing investigation of violations at the compost site. Nielsen felt the County Attorney needs to understand the compost site is an important part of the city. The City could lose their permit if enforcement is not carried out for illegal dumping. Hopefully, action for prosecution can be taken. Nielsen will investigate if violations of the compost site can be prosecuted under state statutes regarding littering and public nuisance. If there is no recourse that can be taken by the County Attorney, there would be no other choice but to annex the site. It was recommended by the County Attorney to have Chief Hillger make violators remove the material that was dumped illegally, but feel that something a little stricter is needed.

Koopman presented material regarding the 2005 Annual Conference and Marketplace. After discussion regarding financing the conference, Koopman, Mayor Ferrazzano and Council members Snyder and Rettmer will be attending.

Motion by Chukuske, seconded by Snyder to adjourn the meeting at 7:50 p.m. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

### September 26, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 26, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from September 12, 2005. Motion by Chukuske, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions to the agenda. Additions included: 4 B. Engineering Contracts for the Aquatic Center; 6 B. Announcements of Jaime Verdeck as Head Librarian and Sheila Leonard as Multi Purpose Center Director; 10 A1. Proclamation for Red Ribbon Week; and Closed Session regarding Pending Litigation. Motion by Rettmer, seconded by Byrne to approve the agenda as revised. All voted in favor of the motion.

Mark Priegnitz was present to request a release or decrease of assessments on tax forfeited property 336 6<sup>th</sup> Street. He wanted to know what the status was before he went to the County sale and tried to purchase that property. His intent for the property is to try and take his home from where it currently is and move it to that side so a garage could be constructed. Gervais indicated it is smaller than a buildable lot and it is a long and narrow lot. Priegnitz also indicated there are two potential properties on the other side that may at some time become available and another one south that he would investigate trying to purchase. The assessments on the 336 6<sup>th</sup> Street property are approximately Nine Thousand Seven Hundred Dollars (\$9,700.00) for demolition of the house that was located on this property plus legal fees. Mayor Ferrazzano asked what the highest amount the city has ever waived in the past. This was unknown at this time. Koopman suggested that if they considered waiving the entire amount, a condition could be attached that if he is intending to move his house, it could be done in a specified period of time and if not done in that time period, then the entire amount would come due. Kerr suggested that Nielsen may want to address that waiving assessments before a sale may not be prudent. Nielsen indicated that he could not, but he could understand Priegnitz's position that he may not want to buy it if the assessments go with it and from a legal standpoint what the order would be. Chukuske reminded the Council that they had agreed in the past that each case would be looked at individually prior to buying. Mayor Ferrazzano suggested they postpone any decisions until they find out if he can move his house to that lot and also the specifics of the lot size. Motion by Byrne, seconded by Chukuske to table this issue until the October 10, 2005 City Council meeting and will then look at lowering or releasing assessments at that time. All voted in favor of the motion.

Kerr was present to discuss the engineering contracts for the Tracy Aquatic Center. Kerr required that WJE and supply the City with an AIA document. It is not completed yet and Kerr also required they present him with a copy of their professional liability policy. Kerr indicated he would like the Council to consider approving the contract with both WJE and Gremmer contingent upon final approval of the contract and providing adequate insurance information. Pashina e-mailed to Kerr "based on my telephone conversation with you this afternoon, WJE will include \$1,000 for Engel's services should he decide to bill for those services. We will invoice the City of Tracy for these services with no mark up. When the \$1,000 fee is included the new total with the cost not to exceed for WJE becomes \$64,000. The total fees incurred today for WJE's construction administration services are \$36,800." Both Gremmer and WJE originally presented Kerr only with the schedule as what their hourly fee was for each particular project manager. The total of \$63,000 includes fifteen site inspections, one final inspection, 10% contingencies, and five hours per week for construction administration services over the next eight weeks. Pashina indicated that when he performs a site visit, the City is only being charged for an eight hour day, regardless of how much time is spent on the site and traveling to and from the project. Kerr told the Council that WJE has been on the site a lot and they have to be as they are the concrete experts. Kerr felt that this cost was included in the project total the Council voted on before the project began and there was an estimated amount for contract administration. Rettmer did not feel comfortable approving this without knowing if this is included in the original price or if this is over and above that amount. Arvizu felt she would

appreciate having this signed assurance that they are accepting the kinds of responsibilities they appear to be accepting. Kerr suggested they approve this contract contingent on the contract and we provide that information regarding bid amounts to the Council. Mayor Ferrazzano felt that either they sign the contract or we wait to check and then they could stop work or continue to bill whether there is a signed contract or not and by the time they get around to checking, they have incurred the \$64,000 of billing anyway. They could possibly even bill past the \$64,000 without a signed contract. Motion by Stobb, seconded by Arvizu to approve the contract with WJE for their contract construction supervision, contingent on signing a contract that is acceptable to the City and provide the insurance information. Upon roll call the following vote was recorded: voting aye, Byrne, Ferrazzano, Arvizu, Chukuske, Snyder and Stobb: voting nay was Rettmer. The motion carried.

Kerr indicated that Dahms had informed him about one week ago that he is leaving Gremmer and Associates and Gremmer is winding up its pool consulting services. Dahms did assure him that he would stay with the project and litigation. Gremmer also has a contract not to exceed \$55,000. He is problematic to deal with due to his travels and is hard to get in contact with. He will be working with WaterTech, an international company that deals in the same business and located in Beaver Dam, Wisconsin. WaterTech, Gremmer and he were going to meet to decide where he would be employed at for this particular project. Kerr requested something in writing regarding this. Adam Sallow, is also going to be out of a job and Dahms is trying to get him on with WaterTech. Dahms will get his liability policy to Kerr and this has not been received yet. He did send information to work on the B141 and should be finalized shortly. Kerr is asking the Council to consider accepting the not to exceed figure of \$55,000 from Gremmer. They are involved in work in the mechanical room and the Myrtha product and they will just begin their work. Mayor Ferrazzano asked if they provided information of what is included in the \$55,000. Kerr does not have the amount of visits needed. Kerr does have certificate of insurance from Gremmer but does not have the policy yet. It was decided unanimously to wait with signing the contract until the necessary information regarding what is included in the \$55,000 and also the insurance policy.

Koopman told the Council that Robinson, David Spencer and she met to discuss needed improvements to the utility system and financing for these improvements. She suggested they delay discussion of these issues until the October 10, 2005 meeting when Robinson would be present to explain the details of these needs, except for discussion of acquisition of property belonging to Dave Anderson. The Council needs to decide if they are going to purchase the entire 30+ acres or only the seven acres needed for the storm sewer project. This decision needs to be made so the project can continue. At this time the engineers have been unable to complete their design because it is unknown where the crossing on Anderson's property will take place and according to engineers crossing the Anderson property is the only way to access the ditch without using pipes which would greatly increase the cost of the project. Arvizu asked if the EDA was still pursuing a housing development in that area. Byrne said that if Anderson is not willing to sell the seven acres, they may be better off buying the whole 30+ acres. Motion by Chukuske, seconded by Snyder to have Robinson and Gervais discuss with Anderson the sale of seven acres and if he does not want to sell just the seven acres, then discuss the sale of the whole 30+ acres. The need for buildable lots that are big enough to satisfy the owners was discussed. Kerr indicated there is the option to pursue eminent domain, which Koopman indicated can be very costly and politically unacceptable. After further discussion, all voted in favor of the motion by Chukuske.

Koopman told the Council she and Robinson have had several meetings with the Lyon County Engineering department regarding the improvements to Highline Road. The County plans to proceed with this project in 2006 and contacted the City to see if there were any improvements they would like to incorporate in this project. The City had planned to include Highline Road as part of the bike path to connect Pine Street and Highway 14. Because of the width of Highline Road, this was not possible. The County is now planning to widen this street allowing for a bike trail. The estimated cost for the City to pave the shoulders would be \$50,000. Two issues raised are that the City has already certified the preliminary levy for 2006 and it was discussed with the City Attorney if the City funds can be used on an improvement that is outside the city limits (west one-half of Highline Road). After lengthy discussions with Anita Benson, Lyon County Engineer, her suggestion was to write a letter to the County Commissioners and request them to delay this project until 2007, giving the City time to develop and coordinate drainage improvements and secure necessary financing for the

bike trail. If the County would delay the project, a better bid price could be received as the County plans to make improvements to County Roads 11 and 14 in 2007. Benson thought the City could then budget one-half in 2006 and second half in 2007 and payments would be in 2007 and 2008. This would be easier on the budget; the project could be completed in a timely manner and would be a nice addition to the bike trails already in place. Motion by Chukuske, seconded by Byrne to have Koopman submit a letter to the County Commissioners requesting them to delay this project until 2007. All voted in favor of the motion.

Koopman attended meetings with a Chamber of Commerce representative and the Downtown Revitalization Committee regarding Christmas Decorations. The present decorations were purchased used and are in dire need of replacement. In order to replace 48 total decorations, the City, Chamber and Revitalization Committee would have to share in the cost of replacing the decorations. The total cost with a 25% discount from the company, would be \$13,500 divided by 3 equals \$4,500 per entity. Both the Chamber and Downtown Revitalization Committee have agreed to commit \$4,500 towards the purchase of new Christmas decorations. Since the telephone system for the city would cost much less than initially estimated, the city would have sufficient funds to pay their share of the cost. A sales representative will be present on September 30<sup>th</sup> at 11:00 a.m. with samples of decorations. Motion by Snyder, seconded by Rettmer to approve \$4,500 towards new Christmas decorations. All voted in favor of the motion.

Motion by Stobb, seconded by Chukuske to approve a plumbing license for Ellingson Plumbing, Heating and A/C from Alexandria, Minnesota. All voted in favor of the motion.

Mayor Ferrazzano announced that Jamie Verdeck has accepted the position of Head Librarian and Sheila Leonard has accepted the position of Multi-Purpose Center Director.

Motion by Byrne, seconded by Stobb to adopt a resolution approving the Tracy Eagles Club application for a gambling permit. All voted in favor of the motion. (Res. No. 2005-22)

Motion by Arvizu, seconded by Stobb to adopt a resolution approving payment to Pool Construction/ABHE & Svoboda for work completed on the aquatic center. This payment totals \$289,984.12 . All voted in favor of the motion. (Res. No. 2005-23)

Kerr presented information regarding a change order on the Aquatic Center project. It was discovered by the engineer and Robinson the water main was not covered by the required six feet of material and needs to be repositioned. The cost to do this will be \$13,437.90.

This includes costs:

G&H Plumbing	\$9,172.00	
PCI 7.5% markup	\$ 687.90	
PCI	<u>\$3,578.00</u>	(includes replace retaining wall, increase depth of manhole, trenching and compaction)
<b>TOTAL</b>	<b>\$13,437.90</b>	

Kerr also explained since this change order is due to improper design or construction, they will be looking for reimbursement of this cost. Motion by Snyder, seconded by Byrne to adopt a resolution approving a change order on the Aquatic Center for these repairs. All voted in favor of the motion. (Res. No. 2005-24)

The Consent Calendar contains the Municipal Accounts Payable and Monthly Financial Report. Rettmer asked for an explanation of a payment to Avera Marshall Regional Medical Center for \$1,165.30 for prisoner medical attention. Snyder explained the custodial entity is responsible for this medical treatment cost for a prisoner. Motion by Byrne, seconded by Chukuske to approve the Consent Calendar as presented. All voted in favor of the motion.

Koopman asked if there were any questions regarding the 2006 Budget. If there are any issues they

will need to be discussed between now and the December 5, 2005 Council Meeting.

Gervais presented a List of Accomplishments as requested by Council member Rettmer. Rettmer said she requested this list so she could evaluate this position as she feels that a full-time EDA director is not needed for the City of Tracy. Mayor Ferrazzano, Chukuske and Byrne voiced opinions that this request should have first gone through Koopman to make the decision for that direction. This should not have been an individual request. Arvizu voiced her concern in having a full time EDA director, but felt the Council had made a commitment to give this position at least two years to give them time and effort for the prison project. Rettmer felt that housing should not be a part of the EDA. Gervais told the Council that his direction on projects has come on the advisement of the City Council and EDA Board.

Koopman informed the Council members that based on estimates it would cost approximately \$600 per person to attend the League of Minnesota Cities Conference, and this would include conference fees, hotel, food and mileage. Mayor Ferrazzano felt Koopman should attend. Chukuske felt the individuals attending should have clear goals regarding the conference, bring back and evaluation if this is something that should be attended again in the future and be able to bring back positive information to share. Motion by Byrne, seconded by Arvizu to limit attendance to two individuals, Koopman and Rettmer. Upon roll call, the following vote was recorded: voting aye: Rettmer, Byrne, Arvizu, Chukuske, Snyder and Stobb; voting nay: Mayor Ferrazzano. The motion carried. Mayor Ferrazzano also asked that they take the city vehicle as separate mileage will not be paid.

Mayor Ferrazzano received a proclamation proclaiming October 22 through October 30, 2005 as "RED RIBBON WEEK" in Tracy. This is to urge all citizens to join in the week's activities and to work all year long to protect the community from the dangers of alcohol and other drugs. It was voted unanimously to have the Mayor sign the proclamation.

Motion by Byrne, seconded by Snyder to close the meeting at 8:15 p.m. to discuss pending litigation. All voted in favor of the motion

ATTEST:

---

City Administrator

---

Mayor

### October 10, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 10, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, B. Chukuske, C. Snyder and R. Stobb. Absent was J. Arvizu. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from September 26, 2005. Motion by Byrne, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda. Motion by Snyder, seconded by Stobb to approve the agenda as written. All voted in favor of the motion.

Koopman presented a memorandum regarding Evanston Insurance Company vs. USAquatics and the City of Tracy. Motion by Byrne, seconded by Snyder to recognize and appoint Coleman, Hull and Van Vliet and James E. Kerr and Associates as legal council for this issue. All voted in favor of the motion.

Antonio Trejo was present to request the Council to waive the special assessments of \$2,394.85 on a tax forfeited property that he wishes to purchase for \$500 at 451 5<sup>th</sup> St. This property has been vacant for seven years. Trejo wishes to construct a two car garage on this property. Motion by Byrne, seconded by Snyder to waive total assessments contingent that Trejo purchase the property, demolish and then build a garage within a three year time frame. All voted in favor of the motion.

Cookie Cooreman representing the Tracy Area Chamber of Commerce Board of Directors, read a letter from them in regards to having a full time EDA Director. The Chamber commended Gervais on his confidence, his major impact to start or improve businesses in Tracy and building a stronger business community along with renovation of the residential properties. The felt with the County EDA effort they are not assured of the amount of time they will spend helping the community and Tracy is not guaranteed anything or assured anything. The Chamber commended the City Council in their courage and confidence to invest in a two year tenure for a full time EDA Director and on behalf of the Chamber of Commerce, Cooreman asked the Council to allow Gervais to do his job. If the Community works together Tracy can be a better place to work and live, as with change comes progress.

Koopman presented a request for a Split Liquor License from the Shetek Bend Banquet, Bar and Grill. She said the proper paperwork has been completed. Motion by Snyder, seconded by Byrne to approve a Split Liquor License for the Shetek Bend Banquet, Bar and Grill. All voted in favor of the motion.

Robinson presented a request for full-time temporary employee for the Public Works Department to get them through the fall season. The cost to do this would be approximately \$4,000.00. The department is operating with 50% of the regular staff. The primary concern is snow removal. In the future there may be a need for one or possibly two individuals capable of operating snow removal equipment. Motion by Byrne, seconded by Stobb to approve the hiring of a full-time temporary employee for the fall season. All voted in favor of the motion.

Robinson gave his department head report. The past month has been busy with mowing, time at the pool, the airport project has been started, cleaning out a hangar through an eviction notice and now has that completed. The department has also completed the diseased elm tree removal. They are now working on the storm sewer project, liquor store project and utility work. Robinson told the Council that they will have to seek a different area for a snowfield because the one they used in the past is no longer available. They need an area that is about five to seven acres and also close to downtown to cut back on the use of fuel.

Fire Chief Engesser was present to inform the Council the Fire Department had applied for a grant

last year and have been awarded \$75,000.00. This will be used to purchase all new turn out gear, including coats, hats, boots, bottles and air packs. The department will use \$4,000 to \$5,000 of their own funds to do this.

Radke reported upcoming events at the Liquor Store include karaoke and a Halloween Party on October 31, 2005. There will be a Holiday Wine Tasting on Saturday, November 19. This will be held at Mace's and tickets must be purchased in advance at \$25.00 for chamber members and \$30.00 for non-chamber members. Starting October 12 a bar menu will be available at the liquor store on Wednesdays through Saturdays. The orders will be taken and Mace's will deliver.

Police Chief Hillger asked for any questions regarding his activity reports. A new officer, Edison Dengler, has been hired and will start full-time solo this week.

Gervais told the Council the EDA purchased the tax forfeited property at 174 Center St. They hope to demolish the house and deed it to Western Community Action and they have a plan to construct a three bedroom Rambler with a double garage. The City purchased the Stassen building and Gervais has shown the property five times since the purchase. He has received numerous calls regarding photos that are probably still in the building. Judkins was sent a certified letter and has 60 days to remove the property from the building and if he does not, anything left there will become the property of the city. The City also purchased the lot next to the liquor store. Gervais included a map regarding the property that Mark Priegnitz has considered purchasing to show the layout of the property that he is considering purchasing. A marketing plan is in the works and the committee is keeping the train as the logo and possibly change the slogan or add to it. This group is also working on an incentive program for realtors to sell homes in Tracy. At the meeting on Friday, the EDA Board voted to get out of the Minnesota Community Capital Fund. A total of \$25,000.00 will be received out of that fund. It was felt the money could be used better locally. Gervais had contacted John Glaser regarding housing property and he did inform Gervais today they are interested in selling all of that property and he informed Glaser the property would have to be appraised if the City chose to purchase this property. Gervais has also been contacted by Dave Daniels, he owns the property along Highway 7 east of Center Street. This area is about 450 feet wide and probably a quarter mile in length. He would be interested in selling part of this property. He told the Council the property east of the Elementary School is presently owned by a number of owners. Morgan Street appraisals have been received and the EDA board has tabled those till the upcoming meeting on October 21 to decide whether to move forward with those properties. He reported on Prairie net Cluster consisting of Marshall, Ghent, Minneota and Tracy. This is on a technology based discussion. They are taking requests for proposals and that has been extended till Wednesday, October 19, 2005 at 4:30 p.m. in Marshall. This is an opportunity for a business to get a \$1,000 grant to help them with high-speed broadband internet service. There will be a class for this on Mondays, November 7, 21 and 28 from 6:00 p.m. – 9:00 p.m. at the high school computer lab. Wednesday October 12<sup>th</sup> Gervais will be attending an Energizing Entrepreneur and Hometown Competitive Conference in Willmar and then October 18 he and Jason Swanson, the Chamber Director will be attending a Business Retention/Expansion workshop in Redwood Falls.

Koopman told the Council the new Christmas decorations have been ordered and should be here in time for the Old Fashioned Christmas. At that time they will be looking to have a lighting ceremony of some kind. She reported the Worksite Wellness Screenings were held on September 27 and went well. Two projects that were time consuming and are now complete was accumulating all the information needed to request reimbursement for the legal fees on Charter Communications and the League of Minnesota Cities.

Koopman informed the Council the City of Tracy as been put on notice by the Minnesota Pollution Control Agency regarding issues from an inspection of the Wastewater Treatments Facility conducted on September 27, 2005 and need to respond back to them within 30 days as to the City's intent regarding these issues that were addressed in 2000 when the Sewer Separation Project was done. At that time, our engineers prepared a list of things that were to be done and these have not been done. There are still problems with the Infiltration/Inflow. Most of this is in the downtown area where the roof drains are connected into the sanitary sewer. Koopman's recommendation at this time is to do an RFP for engineering services and she can notify MPCA in the 30 day period that the

City is in the process of trying to secure an engineer to assist in developing a plan to address the deficiencies. Mayor Ferrazzano asked if there would be any grant money for these projects. Koopman answered there are probably no grants for these types of projects but there probably could be some funds through Wastewater Infrastructure Financing (WIF). Mayor Ferrazzano asked if there were any deficiencies that the Utility Department would be able to do themselves. Robinson explained the list of deficiencies. He said there are still I/I problems that come from different places. The Utility Department has been tracking these down and where the railroad shop is, there is a constant flow of water coming from there, 200-300 gallons/minute and this is going into the sanitary sewer system and taking up room there. If the roof drain problem downtown was removed from the sanitary sewer, the water would have to travel over the street to get to a storm sewer intake. There are always sump pump problems and drain problems. In 2001 RLK engineering did the 2002 Storm Sewer Separation Project which should have eliminated problems like this, but one spot in town, they made the problem worse, so a lot of these bypasses were actually caused by a mistake of the engineer. The Facility was bypassed 17 times during the review period and since the Hollett Street Bypass project was completed, there were only three by-passes. Robinson said the leaking of the slide gates is easy to fix. There is substantial erosion and shelving around the primary ponds. Those ponds when originally put in, were sod ponds. Rip wrap was added later. Robinson said the City had ten TSS effluent violations during the twenty-four month period and these were all when Peoples Service was here and there have been no violations since they have been gone. Koopman said a Water Balance Study was done, but more needs to be done. Motion by Byrne, seconded by Chukuske to seek proposals from engineering firms. All voted in favor of the motion. Koopman will prepare the letter for Mayor Ferrazzano to sign.

Koopman indicated there needs to be some clarification of what is considered a commercial nuisance. Rettmer said the committee felt it should be the same as for residential but keeping in mind that what looks like a nuisance to the inspector, could be a part of the business. Stobb stated the Planning Commission had looked at some guidelines from Worthington. There was no action by the Planning Commission and Stobb was not sure if anything was going to be done.

Motion by Byrne, seconded by Snyder to adopt a resolution ratifying a change order for the airport project. All voted in favor of the motion. (Res. No. 2005-25)

The Consent Calendar contains the EDA minutes for August 19, September 2 and 16, 2005, Police Activity Report, Hospital Board Minutes for August 17, 2005, Planning Commission minutes for September 6 and October 3, 2005, Library Board minutes for September 27, 2005 and the Municipal Accounts Payable. Stobb asked if there was still discussion regarding a Wellness Center. Koopman said they are working on a strategic plan and it is still in the making. No agreements have been reached and there are still negotiations in progress with the interested parties. They are looking at starting construction in the spring 2006. Motion by Stobb, seconded by Byrne to approve the Consent Calendar as presented. All voted in favor of the motion.

Koopman indicated at the last Council meeting the utility projects discussion was delayed due to the absence of Robinson. Stobb had questioned the water loss of 35.5% and the accuracy of the meters running at 85-90%. He suggested using the money to solve the leaking issues. Koopman felt the meter replacement program should go hand in hand with a leak detection survey. The city water is very aggressive and so the longer a meter operates the slower it becomes. If the meters were replaced, they would have a better idea how much water is lost through leaks and then a leak detection survey could be done. There are meters that are 30 years old. Radio controlled meters would cost \$40.00 more per meter. The benefits are they can be read easily and the residents would not have to read their own meter. Robinson contacted LMC and other cities to get their opinion regarding the radio-controlled meters. He received 20 positive responses. It is still recommended to raise rates since they do no fund depreciation. Improvements need to be done at the lagoon and the MPCA has given the city 30 days to respond to the Infiltration/Inflow problems, which is storm water entering into the sanitary sewer. Koopman said the City was notified that the level of copper in the water exceeds 2.0 mg/L and will now need to follow corrosion control treatment. In the past the City was able to meet requirements by using public education as an alternative copper corrosion control program. After further discussion, motion by Snyder, seconded by Byrne to adopt utility project Greenwood Storm Water Open Ditch Project, Water Plant Controls and Hydrant

Replacement, Meter Replacement Program and Main Line Valve Replacement and secure financing for these projects. All voted in favor of the motion.

Motion by Snyder, seconded by Byrne to waive the first reading and set the second reading and public hearing for October 24, 2005 at 6:45 p.m. in regards to increase of \$2.00 in the service charges and \$.20 increase in the unit cost of water and sewer. All voted in favor of the motion.

Mayor Ferrazzano also suggested they look into moving the due date for water bills past 10 days and make the due date later in the month.

Motion by Stobb, seconded by Snyder to approve corrosion control and tower cleaning to be incorporated in the operating budget. All voted in favor of the motion.

Motion by Chukuske, seconded by Snyder to increase fee for meter readings from \$5.00 to \$10.00. This would become moot if radio read meters were installed, but the installation process will take between two to three years. This will require an ordinance amendment. All voted in favor of the motion.

Motion by Byrne, seconded by Chukuske to increase hook-up fees for residents outside the City limits from \$140 to \$500. This also requires an ordinance amendment. All voted in favor of the motion.

There were no questions regarding the 2006 Budget.

Stobb suggested they invite Mark Priegnitz to the next Council meeting to discuss his request for the Council to decrease or release assessments on property that Priegnitz wishes to purchase at 336 6<sup>th</sup> St. Koopman will contact Priegnitz.

Motion by Byrne, seconded by Chukuske to close the meeting at 7:30 p.m. to discuss acquisition of property. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

### **October 24, 2005**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 24, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, J. Arvizu, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections or additions to the minutes from October 10, 2005. Rettmer asked for correction of date on Page 96, second paragraph, to read October 24, 2005 and not October 25, 2005. Motion by Byrne, seconded by Stobb to approve said minutes as corrected. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda for October 24, 2005. An addition under Petitions, Request, Communications was 5 C, Pool Drain Pipe. Motion by Stobb, seconded by Rettmer to approve the agenda as revised. All voted in favor of the motion.

Amy Wilde, Meeker County Commissioner and representative from the Southwest Minnesota Foundation was present to give a report of a survey of Tracy Senior Citizens for the Minnesota Living Well Project. This survey was to find out how the Senior Citizens rated the City of Tracy as a Senior Friendly Community. Wilde explained that statistics show more and more elderly people are living longer. The majority of this population is female. 14.5% of residents of Lyon County are age 65+ and 26% of residents of Tracy are age 65+.

At 6:45 p.m. a public hearing was held regarding Ordinance No. 295, an ordinance amending City Code Section 6.12, WATER AND SEWER HOOK-UP and Section 6.14, WATER AND SEWER USAGES RATES.

Marvin VanAcker feels the Council should wait till the Aquatic Center is repaired before they try to secure financing for the major Utility Projects. He believes the day to day maintenance should continue. He questioned how much was in the surcharge fund. Koopman indicated the balance of the surcharge fund is \$145,778. She indicated that this fund is intended for repair and replacement of city-owned underground utilities.

Paul Knoblauch told the Council he did not intend to challenge the rates increases, because he feels it is needed. His concern is how the Surcharge Fund is used. Money from this fund has been used in the past to start the Eastview project. He is concerned if the money that is borrowed, is paid back to the fund as intended. Knoblauch also feels the money in the Surcharge Fund should be used for repair and replacement of utilities.

Koopman reported that there is \$145,778.00 in the City's utility surcharge fund and \$217,000.00 was used from this fund last year with \$168,000.00 being used for the water main project on South Street. Also this money was spent for disconnecting storm water catch basins from the sanitary sewer.

Mayor Ferrazzano stressed the need to do something as the projects have been put off for a long time.

After further discussion, Byrne moved and Snyder seconded the motion to adopt Ordinance No. 295. Koopman indicated the earliest the new rates would be applied is December because the ordinance does not become effective until 30 days after publication. Residents should see an increase of about \$5.40 per month based on seven units of water used. This would include an increase of 20 cents per unit for water and sewer and \$2.00 monthly increase in both the monthly sewer and water base service fees. They would see this increase in the February billing. The rate increase would generate \$75,000.00 annually which would be needed to pay the annual debt obligation. All voted in favor of the motion to adopt Ordinance No. 295.

Wilde continued her presentation with data and a summary of the survey. City of Tracy Seniors rated well the city infrastructure, the Multi-Purpose Center, readable street signs, parking, the

availability of having home delivered meals, groceries and medications. Seniors felt house numbers were not easy to read and felt sidewalks needed maintenance and repair in some areas. They indicated they needed help with seasonal chores and a phone buddy program was needed. Wilde stressed the need for the Council to recognize the needs of the Senior Citizens when planning developments for the city. They also need to have a positive attitude about the elderly. Wilde then presented a certificate to the Mayor and Council designating the City of Tracy as a Minnesota Living Well Community.

Mark Priegnitz was present to discuss the decrease or release of assessments of \$9,700.00 on the property at 336 6<sup>th</sup> Street. His plans would be to move his house or add to the house where it presently sits. By adding a garage to his home, would eat up his present yard and the lots he is looking at to purchase would become his yard. Motion by Byrne, seconded by Stobb to forgive the assessments if progress has been made within three years. This would be specific to the Priegnitz family only. All voted in favor of the motion.

Robinson reported the 156-foot pool drain pipe was installed incorrectly and dips in one area. This should be on the grade so the water flows down the pipe correctly. They have made a video of where this dip is and this will need to be replaced to avoid freezing of water in the drain pipe. The cause of this will not be known until the excavation is done. The cost of this replacement is estimated to be Five Thousand Four Hundred and Sixty Dollars (\$5,460.00). The City will also need to construct a second pipe to carry the Pool's backwash water to the sanitary sewer. At this time the backwash water goes into a storm sewer which does not meet the regulations of the Minnesota Pollution Control regulations. Robinson will be receiving an estimated cost of this project in the few days. A change order needs to be approved by the Council for this replacement. Kerr told the Council they are making determinations for responsibility of this problem and it could be a recoverable expense.

Kerr presented a meeting memo from October 13, 2005 that was attended by:

1. James Kerr
2. Audrey Koopman
3. Rick Robinson
4. Todd Johnson, PCI/AS
5. Jody Dahms
6. Brian Pashina

The project schedule was discussed. The revised project milestone dates were agreed upon, pending approval by the City Council. The following milestone dates will be used for calculation of liquidated damages as indicated in the Project Manual:

October 28, 2005	Completion of concrete pool decks and concrete stairway along new retaining wall.
November 18, 2005	Substantial completion, excluding painting of play features if necessary, placement of concrete service slab on north side of retaining wall, and site restoration and landscape repairs
December 2, 2005	Final completion, excluding placement of concrete service slab at bottom of retaining wall, site restoration and landscape repairs, and any punch list items that are weather dependent and must be postponed until Spring 2006. Remaining work to be completed by May 1, 2006.

After approval of this schedule by the City Council, written acknowledgment of these dates by the City of Tracy, PCI/AS, Gremmer and WJE will be required.

Kerr told the Council he had discussed the reasons for the extension with Mr. Johnson and the engineers. Reasons given were:

1. Due to the organic soils under the splash pool, the splash pool had to be completely removed and replaced.

2. Weather conditions
3. Pool Tech and Myrtha ran into some unique issues regarding the fit to the pool.

Kerr stated he had received an E-mail today that stated Myrtha and the Pool Tech installer would begin the installation of the Myrtha liner on October 25, 2005. Dahms was here today and will return on Thursday. Pashina will also be coming to check on the concrete work. Robinson said the testing on the pool will begin this fall and the pool will be filled three-fourths full all winter. Kerr told the Council May 1, 2006 will be the absolute final date for completion.

Motion by Arvizu, seconded by Byrne to approve the revised construction schedule and completion dates. All voted in favor of the motion.

The Consent Calendar contains the Multi-Purpose Center minutes for September 13, 2005, Monthly Financial Report and Municipal Accounts Payable. Motion by Snyder, seconded by Stobb to approve the Consent Calendar as presented. All voted in favor of the motion.

Robinson stated he had earlier estimated the rehab to the water plant controls to cost about \$50,000.00 and after receiving more accurate figures from the water plant control vendor and engineer, the new estimated cost is \$85,500.00. At this time, more controls have failed and they are proprietary controls and cannot be replaced or repaired. Stobb asked if they need to advertise for bids for this project. Robinson indicated he would like to use Dakota Supply Group from Sioux Falls, S.D. as they are the closest company for this work and will get an agreement from them to provide immediate help when there is an emergency. The money to pay for this project would come from the Utility Fund as it is part of the Utility Projects approved by the Council at the October 10, 2005 meeting. Motion by Byrne, seconded by Arvizu to approve the expenditure of \$85,500.00 for the Water Plant Control project. All voted in favor of the motion.

Koopman told the Council she would be preparing a memo to show the financial impact of various areas from the previous memos regarding the 2006 Budget. Rettmer asked if they should have consideration of time at a regular meeting or have a special meeting to discuss the budget. The Council decided to set a special meeting for November 3, 2005 at 6:00 p.m. in the Council Chambers to discuss the 2006 Budget. Rettmer asked if the Fire Department request could be lowered due to them receiving a grant to help pay for turn out gear. Koopman will investigate this.

Mayor Ferrazzano suggested changing the due dates for the garbage and water billing from the 10<sup>th</sup> day of each month to the 15<sup>th</sup> day of the month. It is felt with the price increases it would give people more time to get their bill paid. Motion by Snyder, seconded by Stobb to adopt a resolution to change the due date to the 15<sup>th</sup> day of the month effective as soon as possible. All voted in favor of the motion. (Res. No. 2005-26)

Motion by Byrne, seconded by Stobb to close the meeting at 8:00 p.m. to discuss Acquisition of Property, Pending Litigation and Union Negotiations. All voted in favor of the motion.

ATTEST:

---

City Administrator

---

Mayor

**November 3, 2005**

A special meeting of the Tracy City Council was called to order at 6:00 p.m., Thursday, November 3, 2005 in the Council Chambers of the Municipal Building. Council members present were: Mayor Ferrazzano, S. Rettmer, B. Chukuske, C. Snyder and R. Stobb. Absent were T. Byrne and J. Arvizu. Also present was A. Koopman.

A resolution approving payment to Pool Construction / Abhe & Svoboda for work completed on the aquatic center was presented by Koopman. Motion by Stobb, seconded by Chukuske to adopt this resolution to pay Pool Construction / ABHE & Svoboda \$184,112.05 for work completed on the Aquatic Center. All voted in favor of the motion. (Res. No. 2005-27)

Koopman indicated in order to reduce the overall levy to approximately 3% from the existing 6.5%, \$28,000 would need to be cut from the proposed budget. She offered the following recommendations for the Council's consideration.

Koopman talked with Paula VanOverbeke, Lyon County Auditor to verify the amount needed for the new election equipment required for the 2006 election. VanOverbeke indicated \$2,000.00 would be sufficient. There are a number of townships combining precincts and the amount of grant funds per precinct has been increased. Koopman explained there would be two machines, one regular and one for handicapped individuals. The ballot of placed in the machine and it verifies if the ballot is correct. It automatically tallies the votes and hand counting is not necessary unless there is write in votes. The county will house the machines, maintain them and also insure them. The proposed budget had \$6,000.00 included and this would reduce the budget request to \$4,000.00. Motion by Chukuske, seconded by Snyder to reduce the amount for Equipment and Improvements for Elections to \$2,000.00. All voted in favor of the motion.

Koopman recommended reducing the amount in Administration by \$4,000.00. The proposed budget included \$14,000.00 for a new telephone system and based on research of a new system the cost to replace the present one is \$5,500.00. She explained that \$4,500.00 has been committed for Christmas decorations. Motion by Stobb, seconded by Chukuske to reduce Administration's Equipment and Improvements to \$10,000.00. All voted in favor of the motion.

Motion by Snyder, seconded by Stobb to reduce the base attorney's contractual amount to 3% versus the requested 5%. This would reduce \$700.00. All voted in favor of the motion.

Koopman explained the administrative assistant position for Economic Development was created in 2002 to assist the EDA director whose time was shared between the EDA and the Chamber of Commerce. In January 2005, the EDA Director's position became full-time and the need for an assistant was reduced. The Assistant's time now has been primarily concentrated with the Kid's World. Koopman discussed this with Gervais and since the bulk of this project has been completed, he feels he could do his duties without an assistant. Chukuske told the Council he felt that before the assistant position is eliminated, it should be verified that doing this would not jeopardize the future of Kid's World. Mayor Ferrazzano suggested having Gervais come to the next Council meeting to discuss this. If the assistant position was eliminated, this would reduce the budget for Economic Development by \$14,730.00. This was tabled until the next City Council meeting.

Koopman said that when the preliminary levy was approved, \$7,000.00 was included for acoustics in the Veteran's Memorial Center. She recommended seeking an evaluation by an acoustic consultant to determine what would be needed to improve the acoustics. This would cost approximately \$4,000.00. Motion by Stobb, seconded by Snyder to approve the reduction of \$3,000.00 and obtain an acoustic consultation. All voted in favor of the motion.

Motion by Snyder, seconded by Chukuske to reduce the Community Education budget by \$1,000.00. There was \$60,000.00 budgeted to cover any operating loss of the Aquatic Center. At this time it is unknown what the operating loss will be and Koopman has recommended this reduction. All voted in favor of the motion.

With the change in Senior Center Director, there was a slight variance in the salary with a reduction of \$181.00. Motion by Stobb, seconded by Rettmer to approve this recommendation. All voted in favor of the motion.

Koopman told the Council all of the above items relate to a reduction in expenditures. The only change in the revenues is increasing the transfer out of licensing. Motion by Stobb, seconded by Chukuske to increase transfer in other funds (General Fund) by \$1,000.00. All voted in favor of the motion.

Mayor Ferrazzano said that he appreciated the work done by Koopman on the 2006 Budget and he also appreciates having this meeting to discuss the changes. He asked if anyone had any questions regarding the budget.

Chukuske wondered if the increase in Robinson's salary would set a precedence with other employees. Koopman stated that the pay scale was developed with the assistance of Labor Relations. When someone is hired in a pay range it is based on the employee's responsibility. When the contract was terminated with Peoples Service, Robinson was given additional responsibility with the wastewater department. In order to have a salary adjusted, the responsibilities have to change.

Snyder made a recommendation that the wages for Councilpersons not be increased and this money be allocated to Other Financial Use Fund. Motion by Snyder, seconded by Chukuske to allocate \$820.00 to Other Financial Use. All voted in favor of the motion.

Snyder questioned the amount for utilities for the ambulance garage were doubled and then one-half times the 2005 amount. Koopman clarified this was for the old ambulance garage attached to the fire hall and not the new ambulance garage.

Koopman explained the amount of \$6,250.00 in the Printing and Publishing for the Library, is for books. It is listed there versus under the Equipment and Improvement has to do with capitalizing. Anything less than \$1,000.00 cannot be capitalized.

Snyder asked to have clarification of Infrastructure. Koopman explained that is the Permanent Improvement Fund, which is one of the three categories that comprises our levy; General Fund, Permanent Improvement and Debt Service. This year the Permanent Improvement was increased by \$5,000.00 for a total of \$15,000.00 that is used to cover the preliminary cost on a project, such as hiring an engineer to do a feasibility study to determine if a project should proceed before bonding can be done. This also covers seal coating for the Street Department and the \$127,000.00 represents the Airport Improvement Project. Ninety-five percent is coming back to the City, but the full amount has to be shown.

Snyder had some questions regarding the Liquor Store Operating. Koopman indicated that under Regular Wages would be Ron Radke and Sandy Lau's salary. Lau was hired as a full time employee last year. Snyder questioned the \$200.00 increase in Travel, Conferences and Schooling. Koopman explained that Radke was previously has been on the liquor board and now he will have to pay for those conferences that he attended before at no cost.

Rettmer had questions regarding the increase Motor Fuels & Lubricants for the Police Dept. and was wondering if there was a way the mileage could be cut down that the officers drive. Koopman indicated that she has talked to Chief Hillger regarding this issue and asked him to prepare a plan. He returned a Memo to her that indicated they are going to restrict the miles per shift to more than 50 - 55 miles. Rettmer asked if there was a restriction in that the officers should not be going outside the city limits on patrol such as out to the Country Club and should be going out there only when they are called. There was a policy that they were not to go outside the city limits unless it was to the dog pound or to court and it was to be documented if they did and there has been no follow up on that for many years. The policy can be something that states no travel out the city excluding the cemetery and the dump. Stobb indicated that if it is a concern, it would not be hard to enter into a log when they have to travel outside the city limits and for what purpose. Koopman indicated that she will discuss this with Chief Hillger and see what solution they can come up with.

Rettmer questioned the duplicate accounts for the cemetery. Koopman indicated that one is the Operating Fund and the other is for the Cemetery Memorial Fund.

Rettmer wanted clarification on the Economic Development Temporary Loans of \$32,200.00. Koopman said this is monies for the Revolving Loan Funds. This is what would be anticipated as loans be issued out as a temporary loan. Koopman will check to make sure on this.

Rettmer had questions on Building Inspection, Other Contractual Services. In the 2005 Budget there was \$20,000.00 budgeted for demolition of dilapidated buildings. This \$20,500.00 is intended also for removal of dilapidated buildings, primarily on Morgan Street. Koopman will check on this and report back on the City Council meeting on November 14, 2005.

Rettmer indicated the EDA has withdrawn from the Minnesota Capital Fund investment and was wondering where the \$25,000.00 would go back to. Koopman said it would go back into the Economic Development Reserve Fund and was returned in 2005 and would not be in this budget.

Rettmer questioned how assessments forgiven on the tax forfeited properties are handled and is this taken into consideration. Koopman indicated those represent Bond funds and will not appear in the General Fund budget. The Debt Service levy balances out the annual bond payment due. If a property goes tax forfeited with an assessment due, the loss of that amount will be made up through the tax levy.

Rettmer asked if the water and sewer rate increase was included in the proposed budget. Koopman responded that the increase is nor reflected in the utility budget, however, the levy is not impacted by these increases. When we sell bonds for the utility improvements, the bond will be paid off with revenues generated from the Utility Fund.

Mayor Ferrazzano indicated there is a Minnesota Mayors Press Conference in Minneapolis on November 7<sup>th</sup> that is for Suicide Awareness. The letter asks if the Mayor would like to be joined on the list of Mayors who indicate they are going to make a commitment to help prevent suicides. They suggested having a press release that basically states that the City of Tracy has made a commitment to meet the challenge and will work with other community members to implement city wide suicide prevention efforts. The Council agreed unanimously to have Mayor Ferrazzano's name put on the list and have a press release to the paper.

Motion by Chukuske, seconded by Stobb to adjourn the meeting at 7:10 p.m.

Stobb asked if there was a dollar amount available yet for the second line that is needed for the backwash project. Koopman said that they have received a price of \$35.00 per foot and right now and the closest visible point would be 460 feet. They are trying to locate another sewer which according to the maps indicates there is one closer, but they have been unable to find it yet. Koopman and Robinson talked about that today and what they are going to do. The \$35.00 per foot does not take into account having to go through frost and the weather is getting to the point where that will be an issue. It is going to be hooked back into the storm sewer this fall and then next spring we will look at finding a closer route.

All voted in favor of the motion to adjourn.

ATTEST:

---

City Administrator

---

Mayor

### November 14, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 14, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, J. Arvizu, C. Snyder and R. Stobb. Absent was B. Chukuske. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections to the minutes from October 24, 2005 and November 3, 2005. Motion by Stobb, seconded by Snyder to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda for November 14, 2005. Motion by Byrne, seconded by Stobb to approve the agenda as presented. All voted in favor of the motion.

Eugene Hook from the Charter Commission was present to introduce the proposed Charter amendments.

#### Section 203 CITY COUNCIL COMPOSITION AND ELECTION

The City Council shall be composed of a Mayor and six (6) Councilpersons who ~~as~~ are qualified electors shall ~~to~~ be elected at large. The Mayor and each Council person shall ~~serve~~ be elected for a term of four (4) years and until his/her successor is elected and qualifies. No Mayor or Councilperson shall serve for more than three (3) consecutive terms.

#### Section 6.04 CONTRACT TRANSACTIONS AND BONDS

All Municipal instruments of whatsoever nature including but not limited to contracts and bonds shall be executed by Mayor and City Clerk ~~upon approval of the~~ subsequent to City Council approval. ~~Every successful bidder awarded a municipal contract shall provide a contractors' bond with a corporate surety licensed to do business in the State of Minnesota to guarantee performance and payment for labor and materials as required under statutory law.~~ Upon award of a municipal contract the City Council shall determine and approve any necessary guarantees for performance and payment for labor and materials including sufficient bonds and/or letters of credit as authorized under Minnesota Statutes.

Motion by Byrne, seconded by Rettmer to waive the first reading and set the second reading and public hearing at 6:45 PM, November 28, 2005. All voted in favor of the motion.

Rick Nordahl, Administrator/CEO of Tracy Area Medical Services proposed to the Council to change the name of the health facility to "Sioux Valley Tracy Medical Center". The hospital board has been involved in a strategic planning process to ensure that the hospital and clinic are presented as a quality organization to the patient base. He feels the change in name will bring greater recognition to the Sioux Valley Physicians of the facility and bring credibility and quality to their marketing program. The Sioux Valley logo needs to be used as a benefit to the hospital and clinic. Mayor Ferrazzano voiced support of this concept and Sioux Valley is recognized nationally and would be happy to be part of that system and he hoped the Council agreed. Motion by Stobb, seconded by Byrne to change the name of TAMS to Sioux Valley Tracy Medical Center. Upon roll call, the following vote was recorded: voting aye: Byrne, Ferrazzano, Arvizu and Stobb; voting nay: Rettmer and Snyder. The motion carried.

Nordahl told the Council that an overall facility update was obtained by an engineering firm that contains approximately \$800,000.00 of mechanical, electrical, heating and air conditioning issues that were addressed. It is felt the priority issue is the surgery project with the cost approximately \$160,000.00 to \$180,000.00. Nordahl asked for approval of up to \$180,000.00 for this project. Nielsen and Kerr will be involved in contract negotiations and AIA documents put together by TSP, the engineering firm from Sioux Falls. Motion by Stobb, seconded by Byrne to approve up to \$180,000.00 for completion of the surgery project. All voted in favor of the motion.

Stobb asked if there is any information for the public regarding the Wellness Center. Nordahl said there are positive discussions being held and after the end of this year, more information may be available.

Gervais informed the Council that he has been having discussion with Jill Houseman regarding the uninhabitable condition of 174 Center Street. The goal for this property is to demolish the present house and start construction in Spring 2006 of a \$120,000.00 rambler style home. On December 15, 2005 a contractors Open House will be held.

Enterprise Network System was introduced by Gervais. "Clusters" are being made around regional hub cities and Marshall is one of the hub cities. There will be one meeting a month for the next three months. The first meeting Cameron Mock from DEED will include an overview on the Tracy area regarding industry, wages, etc. and how those are ranked in our area. The second meeting these findings will be reviewed and ranked and identify targeted industries and the third meeting they will discuss where to go from there with the results.

Gervais met with Representative Seifert, Tom Hanson and Chuck Norenberg from the Governor's office, Joan Favian, Department of Corrections and Deputy Commissioner Benson, Department of Corrections regarding the construction of a corrections facility in Tracy. Numbers projected have come in higher than anticipated and not as many offenders are being incarcerated. This may be a glitch in the reporting system as the national numbers are skyrocketing. Meetings will held in April and Gervais was told that Tracy is the only community that is pushing for a corrections facility. The Federal Department of Corrections is looking to put a facility in Minnesota. This may be another approach to take. Gervais has sent out some correspondence to Senator Coleman, Representative Gutknecht, and Federal Bureau of Prisons.

Gervais reported sealed bids will be received regarding the purchase of the Stassen building. He also indicated that he has had contact with a large retail chain store that may be interested in coming to Tracy. He will be able to furnish more information as it becomes available in the future.

David Schiller is in China with Governor Pawlenty. He urges all to go to the website [www.minnesota/china.com/education](http://www.minnesota/china.com/education). He keeps a daily diary and it is very interesting.

Police Chief Hillger asked for any questions regarding the department's activity reports. He told the Council that over the weekend, the transmission went out on the Intrepid. They are checking into having it repaired or replaced.

Hillger said there was another dumping incident at the compost site. The violator has been identified and admitted to doing the dumping. The information will be forwarded to the Sheriff Department and County Attorney offices. It was discovered that the camera does not function properly at temperatures below fifty (50) degrees. When the tape was being reviewed, there were segments with no video. Robinson is looking for a heater to put in the box with the camera. Stobb asked if the violator was responsible for picking up the illegally dumped items so others do not go out there and add to it. Hillger and Nielsen felt this may hinder chances or prosecution if this was done. Robinson said they Public Works Department does not have time to go out and do this and a garbage hauler will be called to do this. Mayor Ferrazzano felt it should be cleaned up before any officials would happen to inspect the site and the City could lose their permit to have the compost site.

A public hearing was held regarding Small Cities Development Program Close Out. Tracy applied for and received funds from Minnesota Department of Employment and Economic Development for a Comprehensive Project which included housing rehabilitation, rental rehabilitation and mixed-use rental rehabilitation, and commercial rehabilitation. A Nine Hundred Thirty-four Thousand Seven Hundred Fifty Dollar (\$934,750.00) grant and \$341,500.00 contributed through other funds, for a total of \$1,276,250.00 was received.

The funds were used as follows:

1. 47 owner-occupied housing applications were taken, 25 projects completed, using \$14,633.00 grant funds and average of \$12,489.00 per project in matching funds.

2. 22 commercial applications taken, 13 completed (exceeded goal by 3 using an average of \$19,004.00 of grant funds; an average of \$23,565.00 used on each project; and an additional \$5,520.00 in program income.

3. 19 rental/mixed-use rental rehabilitation applications taken, 15 units completed with an average of \$13,242.00 in grant funds and an average match of \$3,778.00 on each project.

Jeff Gladis explained a yearly report is due to Department of Employment and Economic Development in October of each year to report what program income has been received, spent and what it was used for. If during the reporting year (October 1 through September 30), \$25,000.00 or more is received by a grantee after grant closeout, it is considered by HUD to be federal funds, regardless of when it is actually spent. The City is to use these funds to help with future housing, rental and commercial needs within the City of Tracy and incorporated areas of the City of Tracy. Gladis indicated this money is to be spent on projects that have been previously approved by the Department of Employment and Economic Development. It can also be used to hire an outside agency such as Western Community Action to help with qualification of applicants and working with applicants to prepare scope of work and bid packets for potential contractors. Mayor Ferrazzano asked if this money could be used for demolition. Gladis indicated that there would have to be a very good reason for this. He told the Council that each community has Policies and Procedures to follow. Arvizu asked if a copy could be obtained for the City to have for reference. Gladis will get that prepared for the City. Gladis explained the applicants would need to go through the application project. This is for low to moderate income individuals and if funds were received last time, they can not apply again. Gladis stated the officials like to see an impact on a specific area and odds of receiving another grant are better if a certain area is targeted for improvement. These funds do not cover new construction.

Robinson reported the parks have been winterized, leaves in the park mulched and weeds sprayed. Fifty (50) trees were moved from the tree farm to the bike trail. Shelters and Swift Lake bathroom was stained and City crews assisted in renovation of Horseshoe Park. Sweeping leaves has taken a considerable amount of time and new Christmas decorations will be put up this week. Robinson said there were two water main breaks, one on 5<sup>th</sup> St. and one in front of the Fire Hall. The airport project is complete except for the electrical wiring. The black dirt from the airport was hauled to the stock piles. Robinson gave a pool report and indicated that another tent has been constructed to maintain the temperature for installation of the Myrtha liner. The flume pool liner has been completed and the will now be working on the lap pool and plunge pool. The cement work has been completed except for the service slab and that will be done next spring. They are hoping to be able to put water in the pool by the end of this week.

Nielsen asked what has been happening with the wildflower area by the bike trail. Robinson said that the prairie grass was overtaken with thistles and that has been sprayed, so hope to see improvement there next year.

Robinson indicated they are placing a fence around the gravel and dirt piles in hopes that it will alleviate problems with missing dirt and gravel. This will hopefully keep equipment out and there will be a chained gate.

Stobb asked what activity was going on in the Broad Acres area. Robinson indicated that a new house will be under construction. Due to utility work, a section of the street there needed to be removed and this will be repaired in the spring.

Mayor Ferrazzano asked Koopman what issues were discussed in her meetings with the Wrestling Coaches. Koopman said the coaches were in need of space for the weight equipment and they were going to work with Western Community Action to take their clothing drive area and then find a new area for the clothing center. Koopman said they were trying to correct issues before they get started.

Koopman reported that she has been involved in meetings with the Hospital Advisory Board, Planning Commission, Hospital meetings to review proposed renovation plans, Appletree/Medicare

meeting, Community Education, LELS Union negotiations, Cemetery Commission, HR Basic for Supervisors, meeting with engineering firm to discuss RFP for engineering services along with spending two (2) days in the Cities at Jeff Coleman's office preparing and giving another deposition.

Koopman also said that the Old Fashioned Christmas will be held November 20, 2005 with a lighting ceremony of the new Christmas decorations and lights. Mayor Ferrazzano will be speaking for the ceremony.

Arvizu had requested a Memo regarding depreciation and maintenance for the EDA housing. In a Memo from David Spencer he indicated the City of Tracy does not carry separate depreciation or maintenance accounts for any of the housing units that it owns as they are combined with the Fund Balances for each separate housing project. He also indicated that until the debt is paid off in each fund, the funds cannot be intermingled.

Koopman presented a sample policy for Out of State Travel that has been prepared by the League. During the last legislative session our legislators adopted MN Stat. 471.661. She told the Council some cities are adopting a policy that applies to all personnel, not just elected officials. This must be adopted by January 2006. She told the Council if they did not feel comfortable tonight to approve this policy, they could contact her with any additions or deletions. After review of the policy, motion by Stobb, seconded by Snyder to adopt the Out of State Travel Policy as presented. All voted in favor of the motion.

Motion by Stobb, seconded by Snyder to adopt a resolution extending the appreciation of the city council for the services of Fylla Paulsen on the Tracy Public Library Board; a resolution extending the appreciation of the City Council for the services of Marlene Buck on the Tracy Public Library Board; and a resolution extending the appreciation of the City Council for the services of Victoria Olson as Librarian for the Tracy Public Library. All voted in favor of the motion. (Res. No. 2005-28)

Motion by Stobb, seconded by Snyder to adopt a resolution providing authorization to execute Minnesota Department of Transportation grant agreement for airport maintenance and operation. All voted in favor of the motion. (Res. No. 2005-29)

The Consent Calendar contains the Pool Litigation Report, EDA minutes for October 7 and 21, 2005, Hospital Advisory Board minutes for September 27, 2005 and the Municipal Accounts Payable. Motion by Snyder, seconded by Stobb to approve the Consent Calendar as presented. All voted in favor of the motion.

The 2006 Budget was discussed. Mayor Ferrazzano indicated the Attorney Advisory Committee had suggested the City Attorney's Contract for in office hours for legal services not covered by the flat fee be increased \$10.00 to \$135.00 and out of office hours for litigation not covered by the flat fee be increased by \$10.00 to \$160.00. Koopman said these fees were not increased last year and these increases are not part of the tax levy. Motion by Byrne, seconded by Stobb to approve the increases in fees to \$135.00 for in office hours for legal services not covered by the flat fee and \$160.00 for out of office hours for litigation not covered by the flat fee. All voted in favor of the motion.

Gervais told the Council that he was unsure what the impact there would be on Kid's World if Louise Noomen's position were to be cut. He felt he could handle the day to day activities of the office. The Kid's World is governed by a Board and they have a non-profit status so there are no funds to hire someone to complete the work. Noomen has been writing grants for funding. Gervais's suggestion would be to have Kid's World apply for a grant from the EDA to help pay for Noomen's services. The more grants that are received for outside enhances the chances for more grants. Arvizu asked how much time is spent per week doing this work. Gervais said it takes about Eighteen (18) hours per week which includes attending meetings. The majority of the grants should be completed by the end of this year. Arvizu suggested the EDA to help with funds on a month to month basis. Motion by Byrne, seconded by Arvizu to cut the position of administrative assistant position for the EDA as of January 1, 2006. All voted in favor of the motion.

Motion by Byrne, seconded by Snyder to adjourn the meeting at 7:50 p.m. All voted in favor of the motion.

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

### December 12, 2005

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, December 12, 2005 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Byrne, J. Arvizu, C. Snyder and R. Stobb. Also present were A. Koopman and F. Nielsen.

Mayor Ferrazzano asked for any corrections to the minutes from November 14, 2005. Motion by Byrne, seconded by Stobb to approve said minutes as written. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or deletions to the agenda for December 12, 2005. Motion by Rettmer, seconded by Snyder to approve the agenda as presented. All voted in favor of the motion.

Mark Priegnitz, Chairperson for the Tracy Kid's World was presented to request use of office space in the old council chambers located upstairs in the Municipal Building and the use of the computer that is currently being used by the EDA Administrative Assistant. This would be on a temporary basis and they request the use of this space and equipment at no cost. Tracy Kid's World presented a grant application to the Tracy EDA on November 18, 2005. This request was approved for Eight Thousand Dollars (\$8,000.00) to cover the time line of January 1, 2006 through June 30, 2006. Byrne added that if any grant dollars come in that would pay for this position, it would be taken from the grant and not the EDA dollars. Arvizu asked if the grant approved by the EDA was done according to guidelines that have been established for the EDA. Gervais indicated there is nothing in the guidelines regarding grants, but will check into this further. Motion by Chukuske, seconded by Byrne to approve the request of office space and equipment for this position. All voted in favor of the motion.

Motion by Byrne, seconded by Chukuske to approve renewal of Cigarette licenses to the following businesses:

Swen's Fuel Inc., Tracy Food Pride, Eagles Club, Food N Fuel Inc., Amoco and Tracy Liquor Store. All voted in favor of the motion.

Motion by Stobb, seconded by Byrne to approve renewal of Plumber's license to the following businesses:

Christianson Plumbing, GH Plumbing & Heating, Heartland Mechanical, Jenniges Plumbing & Heating, Olson Hardware, Sahlstrom Heating, Cooling & Refrigeration, Sanderson Mechanical, Swish's Plumbing & Heating, Weedman Service Co., and Wood's Plumbing. All voted in favor of the motion.

Motion by Snyder, seconded by Stobb to approve renewal of Split Liquor license to the following businesses:

Mace's Dining Hall and Saloon and Shetek Bend Banquet, Bar & Grill. All voted in favor of the motion.

Motion by Snyder, seconded by Byrne to approve renewal of Sunday Liquor license to the following businesses:

Mace's Dining Hall and Saloon and Shetek Bend Banquet, Bar & Grill. All voted in favor of the motion.

Gervais told the Council that this Friday the first Enterprise Network System meeting will be held in Marshall. The goal of this system is to become more fine tuned and create industry and jobs for this area. Gervais has had contact with the U.S. Marshall's office and the Federal Bureau of Prisons. They feel that they have enough beds at this time as does the State. The Federal Bureau indicated they would use the facility if it was here, but most private prison officials would prefer to have a contract

in hand before they build. Gervais indicated there have been fewer incarcerations than the State anticipated. Benson said this is the first time the numbers have come in lower than projected, but feels this may be a one year glitch in the numbers and the numbers will be back up next year. Gervais reported the 174 Center St. project is moving along and Thursday will be an open house for local contractors to review the plans for the home to be built on this property. He also reported that the apartments are full at this time and will be working on certification of rent. Gervais will be taking over receipt of rent payments and loan payments. This will help alleviate the missed late payment fees, as Gervais will know right away when their payments are late. The Stassen building did not sell on the auction and the EDA board will be relisting this property in February. As of today, the contents left in the building belong to the City.

At 6:45 p.m. a public hearing was held regarding Ordinance No. 296, AN ORDINANCE AMENDING TRACY CITY CHARTER SECTION 2.03 CITY COUNCIL COMPOSITION AND ELECTION AND SECTION 6.04 TRANSACTIONS AND BONDS. There being no comments from the public, the hearing was closed. Byrne said he felt the community should be able to vote for whom they want to serve and the Council should not set term limits. Arvizu commented that the public can speak through the ballot box. She feels there should be a balance on the Council and feels there is a place for someone with history, but also feels it is imperative to have new faces. She feels that adversity is productive and healthy for a City Council. Mayor Ferrazzano feels it is vital to have new members and feels that some individuals are discouraged from running, feeling they can not compete with those that have been on the Council for many terms. Rettmer agreed with this concept that others will be discouraged from running if they feel they can not compete. Rettmer feels that twelve (12) years is sufficient time for someone to serve and is in favor of the term limits.

Motion by Chukuske, seconded by Rettmer to adopt an Ordinance amending Tracy City Charter Section 2.03. Upon roll call, the following vote was taken, voting aye: Mayor Ferrazzano, Rettmer, Chukuske, Snyder and Stobb; voting nay: Byrne and Arvizu. The motion carried.

Motion by Byrne, seconded by Stobb to adopt an Ordinance amending Tracy City Charter Section 6.04. All voted in favor of the motion.

Radke told the Council the Holiday Wine Tasting event went very well. Snyder commented that he also heard positive comments regarding this event. He reported that this year's receipts are up about \$28,000.00 from last year's receipts.

Chief Hillger asked the Council for any comments regarding his activity reports. Hillger reported there was a break in at the airport and weather equipment was stolen. The Police Department is investigating the break-in.

Robinson reported the Public Works Department has been busy with snow removal and the Christmas decorations and banners have been put up. Swift Lake Park is closed for the winter. A water main break on 3<sup>rd</sup> Street East was repaired on 12/06/2005. Robinson has met with the Engineering firm regarding projects for 2006 and there will be some electrical wiring that will be installed in the hangers this month. At the Aquatic Center both pools have been run and there are some things that will need to be completed in the Spring 2006. This includes power vent replacement, installation of security fence around the mechanical building, gauges replaced, play feature adjustment and permanent fencing needs to be installed. There is also some landscaping that needs to be completed.

Koopman reported that she has attended meetings of the Charter Commission, Planning Commission, HAVA, Pool Committee, City Attorney meeting, Two City Council meetings, Hospital Advisory Board, Cemetery Commission and a Hospital Performance Improvement meeting. She has spent time reviewing the budget and submitting recommended changes. Time has also been spent updating personnel records and trying to finalize negotiations with the police union.

Motion by Snyder, seconded by Stobb to adopt a resolution approving budgeted transfers equaling \$469,860.00. All voted in favor of the motion. (Res. No. 2005-30)

The Consent Calendar included the following: Multi-Purpose Center minutes for October 13, 2005; Charter Commission minutes for November 1, 2005; Cemetery Commission minutes for October 27, 2005; Monthly Financial Report; Hospital Board minutes for October 19, 2005; Planning Commission minutes for November 7, 2005; Municipal Accounts Payable and Police Activity Report. Motion by Chukuske, seconded by Snyder to approve the Consent Calendar as presented. All voted in favor of the motion.

Motion by Snyder, seconded by Stobb to ratify adoption of Resolution No. 2005-31 a resolution approving payment estimate number 1 for the airport improvement project and Resolution No 2005-32 a resolution approving payment to pool construction/abhe & svoboda work completed on the aquatic center. All voted in favor of the motion.

Motion by Byrne, seconded by Snyder to adopt a resolution approving 2005 tax levy, collectable in 2006. This included:

Debt Service	\$331,500
Permanent Improvement	\$ 15,000
General Fund	<u>\$412,813</u>
TOTAL LEVY	\$759,313

All voted in favor of the motion. (Res. No. 2005-33)

Motion by Snyder, seconded by Rettmer to adopt a resolution adopting the 2006 budget for the City of Tracy, Minnesota:

General Fund	\$1,783,983
Public Enterprise	\$3,090,682
Debt Service and Bond Funds	\$ 672,492
Other	<u>\$ 302,105</u>
TOTAL ALL FUNDS	\$5,849,262

All voted in favor of the motion. (Res. No. 2005-34)

Mayor Ferrazzano presented copies of a letter from Gayle Bofferding outlining what funding commitment the Lyon County Enterprise Development Corp. has received for their program promoting economic development in Lyon County.

Koopman told the Council that \$100 was received from the Lion’s Club to help pay for the new Christmas decorations. A thank-you will be sent to the Club.

Stobb asked what the cost is to have the Christmas light on during the daytime. Koopman estimated \$800.00 a year. Because it is difficult to find someone to turn them off on a regular basis, it was decided to leave them on. Robinson indicated he would have the Public Works Department turn them on, but someone would have to be found to turn them off. After further discussion Mayor Ferrazzano suggested that they be left on.

Rettmer expressed thanks for the opportunity to attend the conference in Rochester. She said it was very informative and enjoyable and looks forward to the opportunity to attend this type of conference again.

Mayor Ferrazzano wished everyone a Merry Christmas and Happy New Year.

Motion by Byrne, seconded by Rettmer to close the regular meeting at 7:20 p.m. to discuss pending litigation. All voted in favor of the motion.

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

