

January 8, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, January 8, 2001 in the Council Chambers of the Municipal Building. The following council members were present: M. Fraser, C. Hannasch, D. Berndt, J. Otto-Arvizu, and R. Stobb. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the December 4, 2000 Truth in Taxation public hearing and the December 11, 2000 City Council meeting. Motion by Berndt, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

The City Administrator administered the Oath of Office to Council members: Mike Fraser, Dave Berndt, Robert Caron and Steve Ferrazzano.

Mayor Hannasch presented a framed certificate of appreciation to Marv Rialson for his years served on the City Council.

Hannasch asked for any additions or deletions to the agenda. Motion by Stobb, second by Fraser, to approve the agenda as written. All voted in favor of the motion.

Koopman reported that an agreement was reached with the LELS Union Steward regarding the police union contract covering the calendar years 2001 and 2002. The agreement includes an increase in the uniform allowance of \$25.00 per officer, increasing the total allowance to \$550.00 per year. Items covered by the uniform allowance are specified in the agreement. The LELS Union Agreement also provides for a pay increase of 3% per year for 2001 and 2002. Motion by Stobb, second by Berndt, to approve the LELS Union Agreement. All voted in favor of the motion.

A tobacco compliance check report was received from Chief Bryan Hillger. A juvenile was instructed to attempt to purchase a pack of cigarettes from the following area retailers: Cenex-Harvest States, Mediterranean Club, Food Pride, Food N Fuel, The Pool Hut, Amoco, Sanders' Eastside, Tracy Liquors and the Eagles Club. Sanders' Eastside was the only retailer who sold to the juvenile. According to City Code Section 5.50 a licensee in violation is to be fined \$75.00 for the first violation and \$200 for the second. Sanders' Eastside was also found in violation in November, 1998 and was fined \$75.00 at that time. Sanders' have since chosen not to renew their cigarette license for 2001. Koopman asked for a motion to impose a \$200.00 fine on Sanders' Eastside. Otto-Arvizu asked if it took a motion to set the fine. Koopman replied that since it is an administrative fine there should be a motion.

Stobb asked if since the time period between violations was a little over two years if a second violation could be imposed. According to the wording of the City Code the second offense would be imposed within a twenty-four month period. Koopman said she interpreted the code to mean within the two licensed year periods no matter when the compliance check was conducted. Stobb said he thought the second year would have expired in 1999. Otto-Arvizu said she was not opposed to administering the fine but she questioned if this could be considered a second offense within a 24 month period. Hannasch said since the retailer was licensed for the full year he felt it should be considered a second offense. Koopman suggested having the City Attorney address the issue to determine the status. Hannasch asked council members to table the issue until the next meeting. Stobb asked if there would be a problem since the council already approved Sanders' Eastside cigarette license. Koopman replied that the license was not issued and the license fee was returned.

Hannasch presented a resolution approving an increase of pledged securities at Tracy State Bank in the amount of \$500,000. Motion by Berndt, second by Fraser, to adopt said resolution. All voted in favor of the motion. (Res. No. 2001-1)

The Consent Calendar included the following: Economic Development Authority minutes for December 15, 2000; Cemetery Commission minutes for December 14, 2000; Monthly financial report; and Municipal Accounts Payable. Motion by Berndt, seconded by Fraser, to approve the above listed items. All voted in favor of the motion.

Koopman reported that at December's council meeting a resolution was adopted to enter into an agreement with Lyon County concerning assessments associated with judicial drainage ditches. Since then she discovered the County is planning to assess approximately \$8300 to property owners in order to conduct a study to re-determine the value of the ditch system. Koopman said she wasn't sure why the County decided to do this at this late date, especially since the redetermination of benefits was completed two years ago. She also spoke with the Lyon County Administrator who informed her the County wanted money in a maintenance account before they assumed responsibility for the ditches. Koopman said at this time the resolution is on hold and she has not presented the agreement to County Commissioners. She will further discuss the issue with the County Auditor and Administrator to find out the status. Otto-Arvizu said the council's motion was based on the fact that assessments were going to be brought to zero as of January 1, 2001. Koopman said she would look into that issue. Stobb asked if it turns out that assessments are at zero can they proceed without further action from the council. Koopman said they could and added she wasn't sure why the situation evolved at this point. Koopman will keep the council informed of any changes on the issue.

The Mayor appointed the following individuals to their respective positions:

| | |
|------------------------------------|-------------------|
| City Clerk/Administrator | Audrey Koopman |
| Public Works Director/Deputy Clerk | Don Polzine |
| Finance Director | David Spencer |
| City Attorney | Frank Nielsen |
| Assistant City Attorney | Jim Kerr |
| Fire Chief | Keith Engesser |
| Assistant Fire Chief | Dennis VanDeputte |
| Fire Marshal | John Judkins |
| Weed Inspector | Tom Greenfield |
| City Forester | Don Polzine |
| Building Inspector | Gary Garrels |
| City Assessor | Orlin Bruss |
| Civil Defense Director | Bryan Hillger |

Motion by Fraser, seconded by Ferrazzano to approve the above listed appointments.

Motion by Stobb, seconded by Fraser to approve the following appointments:

| | |
|--------------------------------|-----------------|
| President Pro-Tem | Russ Stobb |
| Community Ed Advisory Board | Russ Stobb |
| Planning Commission | Russ Stobb |
| Economic Development Authority | Jan Otto-Arvizu |
| | Robert Caron |
| Attorney meetings | Claire Hannasch |
| | Jan Otto-Arvizu |
| Hospital Advisory Board | Claire Hannasch |

All voted in favor of the motion.

Motion by Caron, seconded to Stobb, to establish the second and fourth Mondays of each month at 7:30 p.m. in the Council Chambers of the Municipal Building as the time and place for Council meetings. All voted in favor of the motion.

Motion by Berndt, seconded by Caron, to adopt Robert's Rules of Order and the standard agenda format as the rules and order of business for Council proceedings. All voted in favor of the motion.

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

Motion by Stobb, seconded by Fraser, to approve Tracy State Bank, 21st Century Bank, the 4-M Fund and Salomon Smith and Barney as the official municipal depositories. All voted in favor of the motion.

There being no further business motion by Caron, seconded by Fraser, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

January 22, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, January 22, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, D. Berndt, J. Otto-Arvizu, R. Caron and R. Stobb. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the January 8, 2001 City Council meeting. Motion by Berndt, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Koopman added (6.A.1) a request for the sale of an Eastview lot under the EDA report and Hannasch added (10.B.2) a letter received from Energy One under Mayor and Council Communications. Motion by Fraser, second by Caron, to approve the agenda as now written. All voted in favor of the motion.

Hannasch asked Nielsen if he had anything to add regarding his memo concerning the tobacco compliance violation by Sander's Eastside. Nielsen stated he had nothing to add but was open to questions. According to the wording of the City Code 5.50, Section 13, Subd. 1 in order to impose a fine for a second violation, the violation would have had to occur within a subsequent 24 month period. As written only a first violation penalty of \$75.00 could be imposed. Motion by Caron, second by Stobb, to impose a \$75.00 administrative fine upon Sander's Eastside. All voted in favor of the motion.

Koopman stated that if the council agrees that the Tobacco Compliance ordinance is worded too vaguely and should be amended they could choose to waive the first reading and hold the second reading along with a public hearing at the next meeting. She added that she believes the intent of the ordinance was to cover violations within two licensed year periods. Hannasch asked if it would have to be worded as three licensed years to cover the time frame. Nielsen suggested to include the balance of the existing period. Hannasch asked if the council could see an amendment in writing before taking further action on the issue.

The DM&E Railroad had a request from the Surface Transportation Board (STB) for a copy of each Partnership Agreement between the DM&E and all cities along the line. The STB made the request in order to incorporate the information into an Environmental Impact Statement and Order. The DM&E drew up an authorization form to release the Partnership Agreement information to the STB. Hannasch informed the council that of the 61 cities along the DM&E line only five have not signed an agreement. He added that he felt it would be in the best interest of the City to approve the authorization. Motion by Stobb, second by Fraser, for approval. All voted in favor of the motion.

Koopman reported that Harold Deal had submitted an application for the vacancy on the Cemetery Commission. Deal would be filling Devedah Maranell's expired term. Motion by Caron, second by Fraser, to approve the Cemetery Commission appointment. All voted in favor of the motion.

The EDA received a request to purchase Lot 6 and one-half of Lot 7 in the Eastview Addition. EDA Board members suggested rather than splitting Lot 7, which would leave an unusable 50 foot lot, to sell Lot 6 for \$9000 and Lot 7 for \$4500. Otto-Arvizu said it would be good to point out that Lot 7 does not have an improved road abutting it. Hannasch added that Sunrise Drive stops at Lot 6. Otto-Arvizu stated it seems there is more progress when the lot prices are reduced. For example the lots near the swimming pool took six to eight years to sell, but once the prices were reduced development increased. Otto-Arvizu said she felt it would be better to reduce prices to get more homes built and get them on the tax rolls. The money will eventually come back through property taxes. Motion by Fraser to allow the EDA to proceed with the reduced lot price. Ferrazzano seconded the motion and all voted in favor.

Hannasch reported that the EDA had made a motion at their January 19, 2001 meeting in favor of combining the EDA and Chamber of Commerce part-time positions into one full-time position. The issue had been brought up earlier but now the Chamber of Commerce position is open and a part-time position has been advertised. Hannasch said there has been some questions regarding the

legality of combining the positions. He talked to Nielsen about this but some research will need to be done. Hannasch said he would like to see the EDA and Chamber of Commerce positions combined but the Chamber needs to get their position filled and he would like to see some time taken to draw up the guidelines of a combined position. Hannasch suggested that the next time there is an opening in either the EDA or Chamber, the Council should look at combining with a prepared job description.

Caron had asked the issue be put on the agenda and asked the council for their input on combining the EDA and Chamber Director's position. He felt it would be good for the City and felt the job could include promoting the Prairie Pavilion. Otto-Arvizu asked if Caron was on the Chamber of Commerce Board. Caron replied that he was but isn't currently. Otto-Arvizu asked if he was familiar then with the financial and operational aspects of the Chamber. Caron said Koopman had brought the issue up to the Chamber about one and one-half months ago and they had been discussing the possibilities. Hannasch asked how the pay and other aspects would be structured. His concern was the Chamber currently has three viable applicants for the part-time job that was advertised. He said if there weren't he would be more in favor of acting quickly on the combination. Hannasch's suggestion was to look down the road and plan for the combination. Once one of the positions was open the other employee could apply for the combined job if they chose.

Caron's opinion was the combination shouldn't be that difficult since the jobs were combined two years ago. Otto-Arvizu said if the council was willing to make it a priority they could move quickly. Fraser asked what the Chamber felt about the situation. Hannasch said he spoke with Nicole Larson who said the Chamber is willing to support the combination but was not forcing a decision one way or the other. Berndt said at the December 7, 2000 Chamber of Commerce meeting a motion was made and passed to support the job combination if the City was interested. Ferrazzano asked if any of the part-time Chamber applicants were asked if they would consider the full-time combined position. Hannasch said he didn't believe any had been asked and added it's not often that several people apply for a part-time position.

Fraser asked how the combined position would be considered by the City, if it would still be considered part-time. Koopman said whoever would take the position would be a City employee and the City would be reimbursed by the Chamber. She added that a letter was received from the League of Minnesota Cities which stated the combined position should first be offered to the current EDA director. Nielsen said he had looked at the letter which was written more from a practical than a legal standpoint and would be a way to avoid conflict later. Koopman said she also contacted Labor Relations and according to them there is no law that says you have to offer or not offer to a current employee.

Caron asked if the job combination were to go through if a committee would have to be established. Koopman replied there would. Stobb asked who the person taking the combined job would report to. Koopman answered it was an issue that would have to be worked out. Hannasch said he thinks the council should take time to answer this and other questions. Admittedly he said it should have been looked at starting three years ago when the job was split. Caron said no matter how much time is taken in determining how to combine the positions there are going to be the same questions. Ferrazzano said the current debate is not how to combine the jobs but when. Hannasch said some guidelines need to be set since the Chamber is looking to hire. Caron asked Koopman how long she thought it would take to put a job description together. Koopman said she didn't think it would take long but it will depend on all parties getting involved to decide on the guidelines. She suggested deciding first if they want to combine the jobs and second when the deadline is. Caron made a motion to combine the part-time EDA and Chamber of Commerce jobs into one, Ferrazzano seconded the motion.

Stobb asked what they would do if they found the time spent between the jobs was 60% for one and 40% for the other, or 70% for one and 30% for the other and how they would compensate for the difference. Hannasch said the employee would have to put everything on a time table. Koopman said when the positions were originally combined the EDA and the Chamber each provided \$15,000 for salary. As time went on the City contributed more with benefits, etc. Otto-Arvizu thought a time log would be critical. She added that promotion of the Prairie Pavilion has fallen by the wayside and would like to see that part of the job. Hannasch said whether the positions are combined now, six

months down the road or later the Pavilion needs to be promoted more. Otto-Arvizu said they would need to identify what the needs are, if the employee would need to spend three hours per day with Chamber duties and one hour with Pavilion promotion and the remainder with EDA duties. Caron said to split the job fifty/fifty would be easier. Ferrazzano agreed that fifty/fifty would be an easier approach and added that a time log would be confusing. Otto-Arvizu felt a time log would be verification that the work was being done. Nielsen said six months down the road the log could be reviewed to see where the split in job duties is at. Otto-Arvizu added that without a log it would be difficult to see job accountability. Nielsen stated it may be difficult to differentiate some tasks that apply to both the EDA and Chamber. Caron said the employee could write down what they did and a committee could decide. All voted in favor of the motion to combine the EDA and Chamber of Commerce positions.

Hannasch asked for a motion for a time frame in which to combine the positions. Caron said it doesn't matter when you do it there are going to be the same questions. He suggested by March 1, 2001. Ferrazzano said he would like to know if the current applicants for the part-time Chamber position would be interested. Caron said the part-time position doesn't have anything to do with the combined position and applicants would have to reapply if they were interested.

Otto-Arvizu asked if the job would be offered first to the current EDA Director. Berndt felt the council should move forward on the issue. Caron asked how long it would take to draw up a job description. Koopman suggested setting a time line and working within it. It may be tight but if everyone makes it a priority it can be done. Hannasch said they may run into a gridlock over the issue. Berndt asked what was done before and asked if the position had always been combined. Koopman replied that it had first been combined about eight years ago. Berndt felt it was a good idea to get one full-time person focusing on promoting the City. Otto-Arvizu asked what the time line should be. Hannasch suggested if one of the applicants for the part-time Chamber position is qualified to go ahead and hire them and then wait until either the EDA or Chamber position opens down the road. Caron made a motion to have the position outlined and filled by April 1, 2001. Berndt seconded the motion. Hannasch asked if they wanted the motion to include offering the position first to the current EDA Director. The motion was amended to include that the position be offered to the current EDA Director. Otto-Arvizu asked if the motion should include the make-up of the committee. Koopman said that should be separate. All voted in favor of the motion.

Otto-Arvizu suggested establishing the size and representation of the committee. Hannasch suggested one member each from the EDA, the City Council and the Chamber of Commerce plus the City Administrator. Nielsen stated the council could suggest the number of representatives to the Chamber. Otto-Arvizu pointed out that anyone could submit concerns, questions or suggestions to the committee members. Hannasch stated that by giving an April deadline it will give time for all three groups to hold meetings to discuss any issues to bring to the committee. Caron volunteered to be the City Council representative. Hannasch suggested asking for a member of the EDA who is not on the City Council.

Koopman reported that a letter had been sent to Steve Almlie as head of the Tracy Softball Association. The association had agreed to pay \$2099.81 in the years 2000 and 2001 as repayment for the lights at the softball facilities. The City has not yet received the 2000 payment. Otto-Arvizu asked if they have a concession stand that they make money from. Caron said he thought they had a beer license as well. Koopman replied that they only for Labor Day weekend.

Otto-Arvizu excused herself from the meeting at 8:19 p.m.

Motion by Caron, seconded by Ferrazzano, that payment be made by the Tracy Softball Association by February 12, 2001. Caron asked what would be done if the payment was not received. Hannasch replied that they won't get to use the field. Caron asked if there was a signed agreement. Koopman replied there was. Stobb asked if the motion could state that payment must be received or a response as to the payment will be made by February 12. Caron and Ferrazzano amended the motion as such and all voted in favor.

Hannasch referred council members to a memo received from Koopman addressing some issues regarding the proposed aquatic center. It had been asked if there was money in the budget that could be used to offset some costs. Koopman stated the only money not designated for a specific purpose

is in the General Fund, but the amount is needed for cash flow purposes. If money was used from the General Fund the City would still have to levy in order to maintain the fund balance, thus defeating the purpose.

There are however some areas being looked at in order to save money and reduce the overall cost of the project. For instance using volunteer help to install various water features. Another suggestion was to remove the \$40,000 budgeted for a parking lot from the overall price and combine the parking lot with a future street project to reduce the cost. Other suggestions include securing donations and direct purchasing from suppliers. Hannasch said the aquatic center project bond absolutely can't exceed 1.5 million and everything will be done to keep costs as low as possible. If there are \$200,000 in pledges this amount will be applied to the cost of the project. He also said it is important to clarify that any tax increase includes interest. Stobb said the 1.5 million is showing the public the worst case scenario. Hannasch said the proposed aquatic center will have even more activities than the Pipestone facility for less money. He added that Springfield built a facility in 1994 and their mayor said it has been a great addition to that city.

The Consent Calendar included the following: Multi-Purpose Center minutes for January 8, 2001; Monthly financial report; Fireman's Relief Association minutes for January 2, 2001; and Municipal Accounts Payable. Motion by Berndt, seconded by Stobb, to adopt the above listed items. All voted in favor of the motion.

Koopman presented the Capital Improvements Budget and asked for any questions.

Hannasch informed the council that the Chamber of Commerce Banquet will be held on February 3, 2001. The City will pay for any council member's ticket but they will have to pay for their spouse. He asked anyone interested to let Koopman know by January 31, 2001.

Hannasch received a letter from Energy One regarding the high natural gas prices to inform the public that the high cost is coming directly from the wholesalers. Energy One does not profit from the higher prices. Understanding the difficulty some people will face due to the high energy bills Energy One has fronted \$140,000 to match contributions to low income energy assistance. They are in the process of taking regulatory and legislative action regarding natural gas pricing. Hannasch stated that on some well heads gas prices have gone up 400%. He said the senate is taking action but so far nothing has happened.

Motion by Caron, seconded by Fraser, to adjourn. Prior to voting Hannasch informed the council that the EDA voted to join Technology & Telecommunications (TNT), an organization of Southwest Minnesota cities working to attract new business to the area. There are currently 13 cities who belong. Caron asked if Tracy is a voting member of the organization. Hannasch replied yes. All voted in favor of the motion to adjourn.

ATTEST:

City Administrator

Mayor

February 7, 2001

A special meeting of the Tracy City Council was called to order at 12:00 p.m., Wednesday, February 7, 2001 in the Council Chambers of the Municipal Building. The following Council members were present: S. Ferrazzano, C. Hannasch, D. Berndt, R. Caron and R. Stobb. Members absent: M. Fraser and J. Otto-Arvizu. Also present: Koopman.

Motion by Berndt, seconded by Ferrazzano to adopt a resolution certifying that the Special Election was in all respects duly and legally conducted on February 7, 2001 and that the following results to authorize the sale of General Obligation Bonds in an amount not to exceed \$1,500,000 to provide funds to construct and equip a new aquatic center were canvassed and officially counted:

| YES | NO | TOTAL |
|------------|-----------|--------------|
| 501 | 165 | 666 |

The referendum for the sale of \$1,500,000 General Obligation Bonds is declared approved. All voted in favor of the motion. (Res. No. 2001-2)

There being no further business the meeting was adjourned.

ATTEST:

City Administrator

Mayor

February 12, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, February 12, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, D. Berndt, R. Caron and R. Stobb. Absent was J. Otto-Arvizu. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the January 22, 2001 City Council meeting and the February 7, 2001 special meeting. Motion by Berndt, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Motion by Caron, second by Fraser, to approve the agenda as written. All voted in favor of the motion.

A first reading was held of an ordinance amending Subd. 1 of Section 13 of Tracy City Code 5.50. Nielsen explained he had drawn up the amendment based on the discussion at the last Council meeting about the issue with the Sander's Eastside tobacco compliance violation. He added that the existing ordinance never comes right out and states a violation is a misdemeanor. Nielsen suggested amending the ordinance to reflect that. Hannasch said the proposed amendment would give a much clearer explanation. He asked for a motion to schedule the second reading and public hearing at the February 26th Council meeting. Fraser made a motion to that effect and set the time for 7:40 p.m. Stobb seconded the motion and all voted in favor.

Hannasch reported that there were complaints of garbage containers being hit and damaged by snow plows. He stated the Subd. 3 of the garbage ordinance states that containers must be placed in the alley or at the curb behind the property line. There was some discussion last summer about placing the containers behind the curb because the City had problems with street sweeping. There are more problems now with snow removal and the City often starts removal at 2:00 a.m. Hannasch said it should be up to the property owner to place the garbage containers correctly which will help with both garbage collection and City street sweeping or snow removal.

Caron stated that he thinks the garbage service should take care of this issue directly with customers without the City's involvement. Hannasch indicated that Steve Larson had come to the Council with a request to inform the public of the situation. Hannasch sees it as part of a public service. Stobb asked if anyone remembers how far the arm of the garbage truck reaches out to collect containers. He thought he remembered 10 feet which would be plenty of length to place containers behind the curb. Hannasch said the biggest problem was a couple weeks ago when there was a lot of heavy, wet snow. Caron said he spotted at least 15 containers sitting out in the street after the garbage was already collected. Hannasch said a couple weeks ago most containers were hit prior to pick-up. Don Polzine said the problem is the containers are not being placed behind the curb. Hannasch said it will take the cooperation of the public and the garbage service to make sure they are placed properly.

Polzine said this problem didn't start in just the past couple weeks. Ever since the garbage containers were distributed there have been problems. Polzine stated this issue was addressed with Larson last summer but nothing was done. Hannasch said it is also the property owner's responsibility to get the containers put away soon after garbage pick-up. He sees many containers still sitting out late into the evening when pick-up is usually completed in the early morning hours. Ferrazzano asked if the whole discussion was to determine who is responsible for the containers if they are destroyed. His opinion is it would be impossible to prove. Polzine had spoken to a couple residents who had tags from the garbage service when their containers were set back too far and asked if the service could also tag containers that were set out too far. Polzine added that the previous Wednesday the City had plowed around 37 containers that would have been hit. Hannasch asked if it was after they were emptied. Polzine replied it was and added if the City has to keep going back to plow areas where they had to go around containers costs will increase. He added that not everyone moves their container back inside at the same time.

Caron said they will still have to determine who is responsible for the containers if they are hit when full. Hannasch said the wind can also blow the containers out into the street. Caron replied the containers are fairly heavy so it doesn't happen easily. Ferrazzano stated that a "mini trial" won't be

held every time a container is hit and someone says they are owed for the container. He added that the garbage man doesn't have to put the container back exactly where it's found. It is a give and take situation and if the service places the containers properly it may send a message to customers where to place them. Polzine stated that residents have to scoop snow out from around mail boxes and on sidewalks in order to get mail service so there shouldn't be any reason they can't scoop out an area for the garbage container.

Koopman asked for a motion to grant authority to the Community Development Committee to evaluate the job performance of the EDA/Chamber Director. Motion by Berndt, second by Fraser, to grant said authority. All voted in favor of the motion.

Hannasch presented a Library policy for on-line computer use which would require users to sign an agreement listing rules and responsibilities. Parents or guardians would be required to sign for children under 16 years. Stobb said it appears to be a reasonable policy and asked if there would be a list or a card issued for those who signed the agreement. Nielsen stated that library cards are being issued and there are currently books in the library that can't be checked out without a card. He added that eventually all library services will be tied into the library card. Stobb asked how the library will know who is signed up. Nielsen replied that a list of some sort will be kept. Motion by Stobb, second by Caron, to approve the Library on-line computer policy. All voted in favor of the motion.

Hannasch presented a special use permit request from the Tracy Ambulance Service to build a new ambulance garage in an R-1 residential district. Motion by Fraser, second by Ferrazzano to approve the special use permit. Hannasch asked Stobb if the Planning Commission had any concerns about granting the permit. Stobb replied that most everything was in the Planning Commission minutes and added that he thinks it will be an attractive building and look good on the lot plus it will be a better location for safety reasons. All voted in favor of the motion.

Ron Radke explained to the Council his reasons for presenting a resolution opposing the concept of allowing wine to be sold in grocery stores. There is currently legislation on the table proposing that wine sales be allowed in grocery stores and many cities are opposed to it. The Minnesota Municipal Beverage Association is concerned about the increase in youth access and the fact it won't help with enforcing D.U.I. laws. The reason municipal liquor stores were developed years ago is more control over liquor sales. Motion by Fraser, second by Stobb, to approve the resolution. Stobb said he had spoken with the manager of Food Pride who stated the store didn't want to get involved with wine sales due to the hassle with licenses and many on the staff being underage. Hannasch said the Council had previously discussed small businesses being able to stay afloat because of wine sales. His opinion was that by keeping it out of grocery stores will keep an even playing field between small stores and larger ones. All voted in favor of the motion. (Res. No. 2000-3)

Motion by Stobb, second by Berndt, to adopt a resolution approving a budgeted transfer from the General Fund to Code Enforcement in the amount of \$10,000. Ferrazzano asked what Code Enforcement entailed. Koopman replied that it was a fund maintained for legal fees relating to things like hazardous buildings and nuisance violations. She added that the fund currently had a negative balance and she requested that funds be transferred to it prior to needing to draw from the account. All voted in favor of the motion. (Res. No. 2000-4)

The Consent Calendar included the following: Economic Development Authority minuted for January 19, 2001; Municipal Accounts Payable; Fireman's Relief Association minutes for February 5, 2001. Motion by Berndt, seconded by Fraser, to adopt the above listed items. All voted in favor of the motion.

Hannasch informed the Council that last fall they had decided not to do a topographical survey of the swimming pool property until they found out if the pool referendum had passed. Since it passed the City engineers stated they would try to keep the cost of the survey as close as possible to the original quote of \$3400. Engineers will delay the survey a little while until some of the snow melts but it will be a little more difficult to conduct because of heavy snows this winter. Stobb made the motion the have the survey done, Ferrazzano seconded the motion. All voted in favor of the motion.

There being no further business motion by Caron, seconded by Fraser, to adjourn. All voted in favor

of the motion.

ATTEST:

City Administrator

Mayor

February 26, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, February 26, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, J. Otto-Arvizu, C. Hannasch, D. Berndt, R. Caron and R. Stobb. Absent was M. Fraser. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the February 12, 2001 City Council meeting. Motion by Berndt, second by Ferrazzano, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Deleted were items (6A) and (6B). Hannasch said he had some comments under New Business. Motion by Caron, second by Ferrazzano, to approve the agenda as now written. All voted in favor of the motion.

Hannasch stated there were several expired terms and vacancies on various boards and commissions. He listed the following vacancies and applicants:

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|----------------------|--|
| Planning Commission: | Two vacancies - no applications received |
| Library Board: | Three vacancies - no applications received |
| Police Commission: | One vacancy - no applications received |
| H.R.A. Board: | One vacancy - Alda Mae Brewster reappointed - term to expire 2006 |
| Senior Center Board: | Three vacancies - Alda Mae Brewster reappointed - term to expire 2004 Sheila Leonard appointed - term to expire 2004 No other applications received |
| E.D.A. Board: | Two vacancies - one term expires 2002, one expires 2006 Ivan Van Essen reappointed - term to expire 2006 Dean Salmon applied Dave Tiegs applied Sheila Leonard applied Neil Daniels applied |

Hannasch asked Russ Stobb, Dave Berndt and Steve Ferrazzano to establish a committee to select an EDA Board member from the four candidates. He requested council members not currently on the EDA Board. Stobb asked if it would be better to have a council member on the board to help with the selection. Hannasch replied he thought it would be better to have council members who are not involved with the EDA.

Hospital Community Board: Two vacancies -
 Dave Zwach - agreed to represent the Milroy area -
 term to expire 2002
 Chris Kamrud reappointed - term to expire 2003

Motion by Caron, seconded by Berndt, to approve the above listed appointments. All voted in favor of the motion.

Koopman reported that the TNT Consortium was requesting the submission of a letter of intention to apply for a grant from the Community Technology Centers Grant Program. The grant would be used for establishing a Community Technology Center (CTC). The City would be required to commit 150 square feet of building space, which would be set up in the library. The program would provide two computers. Over a three year period the City would be required to match requested funding at 30% the first year, 40% the second year and 50% the third year. It would be up to the community how many hours the CTC would be open.

Koopman explained the purpose of the CTC would be to provide training and access to information technology for children and adults. Currently software is available for Nursing and Early Childhood Education. People would normally have to go out of town for this training. Hannasch said he feels with the TNT Consortium and the downtown revitalization group working hand in hand, big improvements can be made through telecommunications. He added that since a grant would be received for the CTC program it would be foolish not to apply. Motion by Stobb to proceed with the grant application, second by Ferrazzano. All voted in favor of the motion.

Hannasch presented a resolution approving Change Order No. 4 for the sewer separation project. Motion by Berndt, seconded by Stobb, to adopt said resolution. All voted in favor of the motion. (Res. No. 2000-5)

Hannasch opened the public hearing at 7:40 p.m. on Ordinance No. 274 amending City Code Section 5.50, the sale of cigarette and cigarette papers. There being no public testimony the hearing was declared closed and referred to the Council for their consideration. Motion by Stobb, second by Caron, to approve Ordinance No. 274. Stobb said it made the City Code much clearer than before and felt it was an improvement. Hannasch stated that Nielsen did a good job answering the council's questions and clearing up the issue. All voted in favor of the motion.

Nicole Larson, of Kinner & Company Ltd., presented the City Audit Report for the year 2000. She stated that pages two and three show a report declaring the City of Tracy in compliance with all state and federal laws and regulations. She said this year's report is a little different due to the need for additional reporting of government funding for the sewer separation project. Larson informed the council that the City had a strong year in 2000. Page four shows the combined balance sheet with an increase in both Overall Assets and Equity. Page five reports Revenue & Expenditures for all funds, except those that earn profits, such as the Debt Service Fund and the EDA Fund. Page seven lists Revenues & Expenses for the profit earning funds such as the Liquor Store, O'Brien Court, 5th Street and Eastview Apartments and the Utility Funds. Larson said this year included the Medical Center Trust Fund established in 2000. Page 28 lists funds with a deficit fund balance such as the 1994 Storm Sewer Fund, the EDA Fund and the Code Enforcement Fund.

Otto-Arvizu asked how the EDA Fund could be negative. Larson replied that page 89 and 90 detail the EDA Fund and a good portion of the negative balance is due to the significant amount of loan advances in 2000. Otto-Arvizu asked if at some point in 2001 there will be funds transferred to cover the negative balance. Koopman stated there would be. Larson said that the balance is being covered in the General Fund and there is cash available. She added there were more debts than assets at the end of the year. Otto-Arvizu asked if the EDA should be coming to the City to get money. Larson stated the EDA Fund has gone to other funds to get money. Otto-Arvizu said it was her impression that the EDA was still ahead. Larson said the amounts due to different funds were from previous years and the debts have been sitting there for awhile. Koopman said Larson is planning to present the EDA's financial report to the board at a later date.

Larson referred to the loose pages at the back of the report, in particular the graph pages. She said

she liked to use the bar graphs because they will show any significant changes. The Revenues graph shows all revenues increasing in a fairly even manner with steady growth. The Expenditures graph shows for the most part that the changes are cyclical. There was a large change in 1998 due to a lot of debt service refinancing. David Spencer stated an FMHA bond and an assessment bond were both refinanced that same year. Larson referred to the Asset graphs which show a nice steady increase. On the Liability graph the only significant thing is that accounts payable decreased compare to the last few years. Larson asked council members to contact her if they had any questions.

The Consent Calendar included the following: Municipal Accounts Payable. Motion by Berndt, seconded by Caron, to approve the above listed item. All voted in favor of the motion.

Hannasch said he received a memo regarding a meeting of the Southwest Regional Development Commission to be held on Saturday, March 24 from 8:30 a.m. to 12:00 p.m. at the Pizza Ranch in Slayton. He stated he would like to see some council members attend.

Hannasch informed the council that the next City Council meeting to be held on March 12 would start at 6:30 to be followed by an evaluation training meeting at 7:30.

There being no further business motion by Caron, seconded by Ferrazzano, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

March 12, 2001

The regular meeting of the Tracy City Council was called to order at 7:00 p.m., Monday, March 12, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, J. Otto-Arvizu, C. Hannasch, D. Berndt, R. Caron and R. Stobb. Also present was staff member: A. Koopman.

Mayor Hannasch asked for any additions or corrections to the minutes from the February 26, 2001 City Council meeting. Motion by Berndt, second by Caron, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Added under Legal Issues was (4A) a presentation from Jim Kerr on the proposed judicial ditch agreement and added under Unfinished Business was (9A) the vacant lot next to the ECCO building. Motion by Stobb, second by Fraser, to approve the agenda as now written. All voted in favor of the motion.

Kerr referred council members to the memo distributed by him and Koopman which gave an overview of the conference they had with Lyon County Attorney Rick Maas and Lyon County Auditor/Treasurer Paula VanOverbeke. Kerr stated the City has been working on this issue since 1994. County Ditches #23 and #10 are at the center of the issue and #36 is also involved to a degree. All three of these ditches are within City limits. As of the first of the year there was a zero balance in the maintenance fund so it was an ideal time to work out a deal with Lyon County Commissioners for the City to take over financial responsibility for maintenance and repair of the portion of the judicial ditches within City limits. The City would then receive one yearly billing for its portion of the repairs from the County.

Kerr stated that Koopman had thought it would be a good idea to meet with county officials to finalize the agreement. It was then that Maas informed them they City would have to put \$14,000 into a maintenance fund up front and that the County Ditch Authority would make all decisions regarding repairs and improvements. Kerr said his conclusion is the City should be careful about entering into an agreement. The cost of maintenance and any improvements is an unknown and the City could potentially be responsible for a large portion of the cost. Maas and VanOverbeke said they wanted one annual billing to the City. Kerr said he thought Koopman had a great idea in looking at the present utility surcharge to residents for water lines, storm sewers and sanitary sewer lines. Koopman will consult with Don Polzine and come back with a recommendation about possibly reducing the surcharge for residents receiving the benefits of the judicial ditches. The surcharge could then be used to offset costs of maintenance and repair for the ditches.

Koopman said her biggest concern is if the City is to assume financial responsibility for the ditches, according to the County's terms the City would have little say in what repairs or improvements are made. The Ditch Authority would make those decisions and the City would have no more say than any of the landowners along the ditch system. These landowners could affect any decisions made in regard to improvements while not having to pay for those improvements. Kerr said the other concern is the County wants \$14,000 up front from the City for a maintenance fund. Stobb asked if this was a new requirement or if the County has required this before. Kerr said as of March 1, 2001 tax statements will include an amount assessed to property owners who receive benefits from the ditches.

Hannasch said that the previous year there was a lump sum assessment to bring the maintenance fund to a zero balance. At the time the City tentatively accepted an agreement with the County to accept financial responsibility for the ditch system. Nothing was said until the recent meeting about requiring \$14,000 up front. Ferrazzano asked what the \$14,000 represents. Kerr replied it was 4% of benefits received from the ditch system and was just an arbitrary figure. Ferrazzano said then it was just a pool of money in case repairs are needed. Kerr replied it was, and added that the County allows Todd Hammer, the Ditch Inspector, to spend a maximum of \$5000 without first receiving permission from County Commissioners and the overseers are allowed a maximum of \$1000.

Leroy Johnson, of 1041 Pine Street, asked if the 4% assessment was being levied to all the people along the ditch system. Koopman replied that on this system the County chose to levy 4% instead

of the usual 2%. Koopman said the state auditor recommended to the County to maintain a fund balance on this system because the County has been written up several times. She said that every year according to VanOverbeke the County holds a public hearing on the judicial ditches. Stobb asked if his tax statement is being prepared to include his portion of the \$14,000. Koopman replied it was. Otto-Arvizu asked how many residents along ditch #10 would be assessed. Koopman replied that there are six pages of names. Stobb asked if in future years if the assessment could be spread out over several years. Koopman said she assumed the current assessment would be for repairs and in the future assessments may be used for improvements. She added that because of the portion of the ditches within City limits the City of Tracy would be responsible for a very sizeable sum. Stobb asked if the City would have to be responsible if it is only asking for a change in how the ditches are assessed. Kerr replied that the City doesn't have that authority. Koopman said they City could do an adjustment on the utilities surcharge for those benefitting from judicial ditches.

Ferrazzano stated the County is getting \$14,000 this year and added that if the City has up to 80% to 90% of the ditch system within City limits then it should be responsible for that much of the cost. Koopman replied the problem is that the City would not have any control over what kind of repairs or improvements are made to the system. The County Commissioners would determine everything and the City's voice would be no stronger than any one landowner along the ditch system. Koopman added if the City could limit financial responsibilities to repairs alone and not any improvements costs, but the County says it's either all or nothing. Stobb said something was mentioned about an \$800,000 improvement to the ditch system and asked if the people benefitting from the system would be the ones to pay for it. Koopman replied she was assuming the \$800,000 improvement was for another system but the figure caught her attention. Her concern was the City would be obligating taxpayers to pay for something they would have little voice in.

Hannasch said the City has until the annual meeting in August or September to study this issue before making a ruling. The tax statements have already been prepared for 2001. He added when the City started discussing this agreement a couple years ago Kerr had talked about this very issue. Stobb said until he sees his property tax statement he wasn't sure where the issue is headed. Caron felt as soon as the City would agree to take responsibility the County would come in and say improvements need to be made and the City would be obligated to pay. Stobb asked if improvement projects are all paid for by local assessments or if they are financed through other means. Koopman replied she wasn't sure. Ferrazzano asked if any other cities have taken financial responsibility for judicial ditches. Koopman said not in the immediate area because both the County Attorney and Administrator said this situation was new to them. Johnson asked if it has ever been proposed to the County to abandon the judicial system. Hannasch said he didn't think it could be since part of it runs outside City limits. Johnson felt this spring they were going to see a lot of problems with flooding. He was concerned that the county assessing for a maintenance fund was comparable to the City assessing up front for a project. Johnson said the County is taking money and saying maybe we'll use it, maybe we won't. He asked if the County was doing this same thing with other ditches and said he can't understand why the County couldn't relinquish authority. There is a watershed on ditches #10 and #23 which can't be changed, it is already established.

Johnson said he would like to compliment the City regarding this situation. He thought the issue had been resolved but the City is taking the initiative to equalize the tax assessments. He added that drainage problems on the northeastern part of the City have been worked on but there will eventually be drainage problems in the southwest part of the City. Hannasch recommended forming a task force to get some answers to questions about this issue. Ferrazzano asked if the council already had the answers and just didn't like them. Koopman asked what answers did Hannasch want. He replied he would like to know how other ditches in Lyon County are assessed, if the City is on equal ground with everyone else and what is assessed on this year's tax statements. Stobb asked if the City gets a listing of everyone's tax statements. Koopman said she has never received one before but she could probably get a listing of the ditch assessments. Hannasch asked Stobb if he would like to be on the task force since he is affected by the assessment. Stobb replied he would. Kerr said that Todd Hammer, the County Ditch Inspector, was supposed to be at the meeting but he didn't show.

Hannasch listed the latest boards and commissions appointments:

Planning Commission: Dave Tiegs

Library Board: Goldie Wilking
Wanda Appearon
Diane Ferrazzano

E.D.A. Board: Neil Daniels

Hannasch stated the committee he appointed recommended Daniels for the EDA Board. Otto-Arvizu had a concern that since the EDA is looking at plans for spec homes for the Eastview Addition and Daniels works for North Star homes who has submitted plans if it would be a conflict of interest. Hannasch asked Kerr if Daniels abstained from voting if it would still be considered a conflict of interest. Kerr replied he would have to check. He said if Daniels files a disclosure statement of financial interest he may be okay. Kerr asked if the EDA has to come to the City for approval on projects. Koopman replied only where bonding is concerned. Kerr recommended making it a provisional appointment until he researched issue. He said Daniels may be giving up something by accepting the EDA Board position. Hannasch asked if Kerr could get the information before the EDA meeting on Friday, March 16. Motion by Berndt, second by Stobb, to approve the appointments. Ferrazzano abstained from voting for his wife's appointment to the Library Board. All voted in favor of the motion.

Hannasch presented a resolution approving a budgeted transfer in the amount of \$30,000 from the General Fund to the Economic Development Reserve. Ferrazzano asked if the EDA was in the hole. Koopman replied the amount being transferred is budgeted it's just that the fund is getting close to being in the hole. Normally the money is transferred at the end of the year. Stobb said it's not related to the budget issue discussed at the last council meeting. Motion by Stobb, seconded by Fraser, to approve the resolution. All voted in favor of the motion. (Res. No. 2000-6)

Hannasch presented a resolution approving Pay Estimate No. 6 in the amount of \$29,719.60 for work completed to date on the sewer separation project. Caron asked if this would be paid directly to Scott Olson Digging. Koopman replied it would and that she has received six lien waivers. She added that check would be held until all waivers are in place. Motion by Caron, seconded by Fraser, to approve the resolution. All voted in favor of the motion. (Res. No. 2000-7)

The Consent Calendar included the following: Fireman's Relief Association minutes for March 3, 2001; Multi-Purpose Center minutes for February 12, 2001; Economic Development Authority minutes for February 16 and 23, 2001; Municipal Accounts Payable; and Cemetery Commission minutes for February 15, 2001. Caron asked if there was a leak in the roof at the Senior Center. Koopman replied that it had been taken care of. Motion by Stobb, seconded by Caron, to adopt the above listed item. All voted in favor of the motion.

Hannasch said at the last council meeting they had discussed requesting another bid from Kathy Nelson for the lot south of the ECCO building. Hannasch also reported at the last Planning Commission meeting members had discussed waiting until after the meetings with the Sabongi Group before selling the lot to see what other uses the land may have. The City could be giving up a valuable property. Otto-Arvizu thought it would be a good idea to wait and see what ideas for improvement were discussed at the Sabongi meeting. She said another issue is that people want to make the Municipal Building and Prairie Pavilion more useful and wondered if the City wanted to give up a property established as a parking lot. Otto-Arvizu wasn't saying the City shouldn't sell the property to ECCO but they needed to weigh the decision.

Koopman said she talked to Nelson but didn't discuss a dollar amount. Koopman said Sabongi felt even if the City could get \$15,000 for the lot it may be worth more to the City in another function and until they know what the plan is it may be best to wait. Koopman added that Nelson didn't know what their building plans are for sure. ECCO had built a 40'x60' addition in Tyler and they may do the same in Tracy. Koopman said another possibility is selling the property east of ECCO which is the same size as the south lot. Otto-Arvizu asked if ECCO had any immediacy to their time-line. Koopman said no and they don't know when they are building or have any definite plans.

Ferrazzano asked what the City anticipated with Sabongi's plan. Koopman replied there would be

a series of meetings, the first of which is April 3, 2001. Otto-Arvizu added that Sabongi doesn't tell the City what to do but asks for ideas and input and helps put the plan together. Hannasch said Sabongi recommended not to give any property away but to plan first and make decisions later. He added that if the City wants to expand use of the Prairie Pavilion the fastest way to lose business is to not have ample parking. Hannasch said the lot in question hasn't been used for parking as much as he thought it would be but it isn't paved and marked. Otto-Arvizu said it does have potential. Stobb said he thinks it's important to work with ECCO and keep the lines of communication open. He thought it would be a good idea to discuss the other available lot with them.

There being no further business motion by Caron, seconded by Stobb, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

March 26, 2001

The regular meeting of the Tracy City Council was called to order at 7:00 p.m., Monday, March 26 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, D. Berndt, J. Otto-Arvizu, R. Caron and R. Stobb. Also present was staff member: A. Koopman.

Mayor Hannasch asked for any additions or corrections to the minutes from the March 12, 2001 City Council meeting. Motion by Fraser, second by Berndt, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Added were (5B) A donation request from the Southwest MN Arts & Humanities Council; (5C) EDA Board appointment; and (7B) Development of a multi-purpose trail system. Motion by Berndt, second by Fraser, to approve the agenda as now written. All voted in favor of the motion.

Motion by Caron, seconded by Fraser, to approve a Private Bottle Club liquor license renewal to the following business:

Tracy Eagles Club

All voted in favor of the motion.

Motion by Berndt, seconded by Stobb, to approve a Set-Ups liquor license renewal to the following businesses:

Tracy Lanes
Sander's Eastside

All voted in favor of the motion.

Hannasch reported that the Southwest Minnesota Arts & Humanities Council requested a donation of \$100 from the City of Tracy. Ferrazzano asked what the council does. Koopman replied that they provide a lot of grants to various groups and projects in the area. Fraser added that grants have been received by people in Tracy. Motion by Ferrazzano, second by Caron, to approve the \$100 donation. All voted in favor of the motion.

Hannasch informed the Council that at the meeting they had provisionally appointed Neil Daniels to the EDA Board because there had been a question of possible conflict of interest since Daniels works for North Star Homes who submitted a bid for a spec home in the Eastview Addition. After hearing of the concern Daniels decided to withdraw his candidacy. Hannasch said the selection committee had listed Dave Tiegs as their second choice for the EDA Board position. Caron asked if Tiegs was going to serve on both the Planning Commission and the EDA. Hannasch replied that he would. Motion by Fraser, second by Ferrazzano, to appoint Tiegs to the EDA position. All voted in favor of the motion. Otto-Arvizu said Daniels withdrew but asked if it would have been a conflict of interest. Hannasch replied there was some question because one legal reading said yes and one said no. Hannasch said that they could have let legal counsel decide the issue but after Daniels read an article in the newspaper about the concerns he decided to withdraw.

Hannasch presented a resolution establishing an escrow/trust fund for a certain percentage of insurance proceeds for fire damaged property. He said he thought this would be a good thing to establish because it would protect the City from getting stuck with bills for cleaning up or demolishing fire damaged buildings. Hannasch added that he didn't know where the City would stand with buildings currently damaged by fire. Otto-Arvizu asked if the money would come from the homeowner's insurance policy. Hannasch replied it would. Ferrazzano said the resolution states the City would get money from the insurance company but asked how the City would know how much to get until the work was done. Hannasch replied that up to 25% of the insurance settlement would be set aside in an escrow/trust account to cover any costs of clean-up in case the owner doesn't take care of it.

Stobb said he can't say he read all the information word for word but his understanding is the insurance company would be responsible to see if a City has this resolution enforced. Ferrazzano said the state legislation was passed in 1995 and asked if there was any reason it wasn't looked at by the City before. Koopman said they weren't aware it was available until the state fire marshal faxed a copy to the City office. Ferrazzano asked if the City could make this retroactive and said he didn't think it would be fair to do so. Koopman said that is a question she is trying to get answered. Ferrazzano said he wouldn't vote for it if it was made retroactive. Hannasch said he thinks they need to try and make it retroactive because the City could get stuck with large costs for cleaning up these properties. Stobb asked what the purpose of the settlement money was, and asked if property owners were supposed to use it to clean-up or repair damaged property. Hannasch said they are but they could run off with the money. Ferrazzano said they could run off but the City doesn't know what will happen with this case. Koopman said there are currently three cases of fire damage in the City of Tracy and there has been strong evidence of arson in all three.

Berndt said he thinks the City needs to find out if the resolution can be made retroactive and proceed from there. Hannasch said the Council can pass the resolution for any future cases and it can be determined later if it can be made retroactive or not. At that time a motion can be made about retroactivity. Motion by Stobb, second by Fraser, to adopt the resolution establishing an escrow/trust fund for insurance proceeds in the case of fire damaged property. All voted in favor of the motion. (Res. No. 2000-8)

Hannasch said if homeowners are going to walk away and not clean-up their property the City needs to have a chance to collect money if it can. Ferrazzano said he didn't think it would be good policy for the City to try and go back to collect on cases already settled. Koopman suggested tabling the issue of retroactivity until she gets some more information and they can discuss it at the next meeting.

Hannasch presented a resolution supporting the development of a multi-purpose trail from Pipestone through the Lake Shetek area to Walnut Grove. He said the trail does not include Tracy but the City is looking to develop its own trails which could possibly link up with this system eventually. Otto-Arvizu asked if they are trying to obtain special funding. Hannasch replied they were. Motion by Otto-Arvizu, second by Caron, to approve the resolution. All voted in favor of the motion. (Res. No. 2000-9)

The Consent Calendar included the following: Cemetery Commission minutes for March 16, 2001; Municipal Accounts Payable; and February's Monthly Financial Report. Motion by Berndt, seconded by Fraser, to approve the above listed items. All voted in favor of the motion.

There being no further business motion by Caron, seconded by Fraser, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

April 9, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, April 9 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, D. Berndt, J. Otto-Arvizu, R. Caron and R. Stobb. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the March 26, 2001 City Council meeting. Motion by Fraser, second by Berndt, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Deleted was (5B) the Airport Improvement Project. More information is being gathered and the item will be on the next meeting agenda. Motion by Berndt, second by Stobb, to approve the agenda as now written. All voted in favor of the motion.

Hannasch introduced a resolution calling for the sale of 1.5 Million General Obligation Bonds for the Aquatic Center. Rusty Fifield, bond consultant with Ehler's & Associates informed the Council they were recommending to proceed with the sale of bonds now to lock in a low interest rate. The sale would take place on May 14, 2001 and the bond proceeds would be received in the first part of June. Fifield stated the City would levy taxes this year for taxes to be paid in 2003. Hannasch asked if Fifield felt the interest rates were as low as they were going to go. Fifield replied he felt they were generally as low as they were going to go but there may occasionally be a slight rise or fall. He added that interest rates are some of lowest seen in last decade.

Stobb asked if since there would be no expenses incurred until fall what would be the purpose of selling the bonds now. Hannasch said the City could bank the money and collect interest until then. Fifield stated they had put together several scenarios and this gave the City the best option. In the long term he said there wouldn't be a lot of difference in the different options available. Stobb said he just wanted reassurance that other options had been looked at. Motion by Otto-Arvizu, second by Ferrazzano, to adopt the resolution calling for the sale of 1.5 General Obligation Aquatic Center Bonds. All voted in favor of the motion. (Res. No. 2001-10)

Hannasch reported that Koopman and Don Polzine had been doing a lot of checking into finding a replacement for the Water and Wastewater Operator position. They tried to find someone currently employed to promote but the problem is no one is licensed. It would take three years to get someone trained and licensed for the position. Koopman introduced Paul Kelly, Rick Robinson and Lee Bundy with People's Service. Mr. Kelly informed the Council that they were formerly known as People's Natural Gas but in 1997 they wanted to get out of the wastewater business and PeopleService became an independent employee-owned business. Kelly said they currently have a total of 96 contracts with communities averaging the same size as Tracy.

Bundy stated he is the Western MN Regional Manager for People's Service. In their proposal People's would contract to manage the pond system, water plant, water distribution and meter work. They would also handle all paperwork, chemical feed and necessary water testing. When a capital improvement is required PeopleService would contact Polzine and Koopman to address the issue. Bundy stated that People's does not own any systems or any parts of a system. Neither do they set policy, but rather enforce a City's policy. Berndt asked if the price listed was for the length of the five year contract or for one year. Bundy replied the price listed was fixed for one year and after that the contract can be raised by Consumer Price Index (CPI) adjustment. He stated this is the only way to increase the contract price. Bundy stated that likewise if there is a decrease in CPI the contract price would decrease. Stobb said in the proposal it is listed as CPI-U and asked what the "U" stands for. Bundy replied it refers to an urban area. He added that 3.7 percent is the highest increase he has ever seen. For example the \$88,200 contract price multiplied by 3.7% could raise the contract by almost \$3000. Bundy said they try to hold growth down but there may be increases in cost of fuel, labor and chemicals. PeopleService looks at the CPI as the fairest way to raise a contract price.

Bundy stated in all contracts there is a maintenance fund. The proposed contract for Tracy would include a \$10,000 maintenance fund. If maintenance costs remain under \$10,000 the balance is

reimbursed. Anything over \$10,000 has to be pre-approved by the City Council. Stobb asked if the maintenance fund amount was based on age, condition and use of the water system. Bundy replied it was in addition to his company's experience and the City's previous costs. Koopman informed the Council that the entire proposal was within \$100 of what it currently costs to run the system. Stobb said PeopleService also provides their own vehicle and asked if an operator would be located in Tracy or close by. Bundy replied that all operators must be within a ten minute response time. The contract also specifies there would be 40 hours per week of service time with no additional billing. If there is any trouble with the water system and other operators have to be brought in there is no extra cost which is a big plus to customers. Fraser asked how vacations would be handled. Bundy replied there are five operators in the area and all are cross-trained to run each other's systems and so fill in for vacations. He added that the less they have to hire outside help the cheaper it is for the City. Bundy stated that he is also licensed.

Nielsen asked if PeopleService saw anything novel or out of the ordinary when inspecting Tracy's water works. Bundy replied the two cell pond system was not ordinary and the nine year old treatment plant looks like it was built yesterday and is very clean. Discharge can now be done from April 15 to June 15, the City used to have until June 30. Bundy said he didn't see any problem areas and knows if they enter into a contract there will be a period of adjustment. PeopleService is proposing a five year contract and hope to provide the type of service that will warrant a renewal of the contract. Bundy added that stability of operations is the best thing they can offer.

Otto-Arvizu said the proposal sounds very positive and asked for Polzine's input. Polzine said they searched for a replacement after Ron Thompson passed away. Bemidji and St. Cloud are the only two schools that train for wastewater management. There are six graduates from St. Cloud this year and five already have positions. Polzine said the City probably won't find someone at our starting wages and if someone is found they probably wouldn't stay long. If the City doesn't contract with PeopleService we will still need someone trained to do the work. Polzine said the trend over the last few years has been for small cities to contract. Bundy added another advantage is the price is fixed and you know what you're going to pay. Motion by Otto-Arvizu, second by Fraser, to adopt the resolution. Stobb said it seems like the clear way to go and he was impressed with the professional proposal. He asked Bundy if he thought residents would notice a difference. Bundy said he thought so, he couldn't promise water improvement but service should. Koopman said the motion should be to enter into agreement for a 56 month period to commence on May 1, 2001. Otto-Arvizu and Fraser amended their motion and all voted in favor. Paul Kelly said PeopleService will get a contract over to the City within the week.

Nielsen reported on the progress of the franchise agreement with Xcel Energy. The process began last summer with the NSP franchise to expire in October of 2000. Nielsen has been in contact with the legal staff from NSP and there have been many delays, one of which is the name change to Xcel Energy. In the last two versions Xcel stated they wanted no requirement to post bonds for excavation. However, Nielsen said, the City Ordinance in place already states that companies must post bonds. Xcel's legal staff's response was the City has the power to waive that requirement. Xcel has also stated they would not cover any legal fees incurred when renewing the franchise. Nielsen said if an agreement can't be reached he doesn't know what would happen. He doesn't know how they would resolve the issue if neither side will change their position.

Hannasch said he would like to see a report in writing before making any decisions. Nielsen said if the Council is in agreement he will do that. Stobb asked what exactly does the franchise allow Xcel. Nielsen replied it gives them rights to all public right-of-ways and bars any liability from disturbing right-of-ways. In case a utility line would need to be moved the franchise specifies how that is done, etc. Stobb said the bond issue seems to be a big hangup and asked the purpose of requiring a bond. Nielsen replied it is a way to insure that they dig properly and repair the right-of-way. Ferrazzano asked if Xcel explained why they wanted the bond waived other than not wanting to pay it. Nielson replied no. Hannasch said his fear would be setting precedence by waiving the bond.

Chris Hillard with American Media Group informed the council his company has signed an agreement to sell their system to Charter Communications. He said the contract has not closed because first all franchises must be approved to transfer to Charter Communications. Mr. Hillard said with the sale service and fees would not change. He referred to a two-page resolution at the end of

the report distributed to the Council. Hannasch said the Council had just received the large packet of information the previous Thursday and it was too much to review before the evening's meeting. Mr. Hillard said the information he was referring to is on the resolution. The thick report is the FCC docket. Ferrazzano asked if Charter had given any indication if they planned to keep the local office open. Mr. Hillard replied they have only indicated to American Media that they favor remaining local. They have not committed to any office space. Koopman asked Mr. Hillard if he was asking the Council to approve the transfer of the franchise. Mr. Hillard replied they would like approval and stated they were not asking for any changes to the franchise agreement. He added that Charter Communications is a \$54 billion dollar capital company.

Nielsen said there is a reference to Charter being a wholly owned subsidiary and asked who the parent company was. Mr. Hillard answered there is a holding company because cable systems are broken down into regions, Minnesota and Michigan being in one region. Nielsen said he seems to recall that difficulties arose when the City thought they were transferring to one company when it was actually going to a parent company. They had to do some backtracking in order to straighten out the situation. Mr. Hillard stated the City would definitely want to know what company is purchasing the franchise. He said the 3-ring binder that was issued has more information.

Ferrazzano asked if the Charter Communications representative would be attending the next Council meeting. Ferrazzano said he had received great service from American Media and would hate to see the line-up change. Mr. Hillard replied the Charter rep would be at the next meeting. He added the cable line-up would never drop, if anything it would increase. Mr. Hillard said American Media hated to sell but privately owned cable companies are becoming a thing of the past. Ferrazzano said as a consumer, he signed a three-year contract and asked if it would still be valid. Mr. Hillard stated it would continue to be honored. Hannasch said one of the concerns is keeping the office in Tracy. Stuart Gilbertson also with American Media stated that American Media had added channels, added digital service and since the other cable franchise came to Tracy they lost only 15% of their customer base. It was his opinion that American Media fulfilled their promise for improved service. Mr. Hillard said he would make sure Beth with Charter Communications would address the Tracy office issue.

Stobb said the last time they worked with a cable franchise the City got involved with a law firm with expertise in this area, Moss & Barnett. Nielsen said there are specialized legal and technical issues involved with a cable franchise. He said the Council would have to determine how to proceed. Otto-Arvizu said at the time Harmon Cable sold to American Media it was a whole new ball game. She felt that since the franchise was in place the Council would not be jeopardizing the City by not having a specialized law firm review the franchise. Mr. Hillard said in reference to Moss & Barnett, he frequently sees them involved when establishing new franchises but not so much with the transfer of franchises. Mr. Gilbertson said the franchise is due for renewal in two years. The City will still have control with the current franchise in place. It may be more helpful for the City to enlist Moss & Barnett in two years to review the franchise and look at changes. Stobb said something that was done last time was to look at the financial status of the purchasing company, but since a larger company is coming in finance is probably less of an issue. Otto-Arvizu said she didn't see a need to retain a specialist at this time. No action was taken.

Hannasch informed the Council that the resolution they passed to establish an escrow/trust fund in the case of fire damaged buildings cannot be made retroactive. But the resolution is in place now for any future instances. Nielsen said to make sure to get the resolution on record with the appropriate state officials.

Koopman referred to a possible hazardous building at 472 3rd Street, owned by Ger Xiong. She said the foundation is starting to fall and the gas company has refused to install a meter because of the condition of the building. Koopman recommended having it inspected by the fire marshal and the building inspector. Motion by Stobb, second by Fraser, to direct the Building Inspector and Fire Marshal to inspect said building. All voted in favor of the motion.

Koopman said the house and garage at 336 6th Street, owned by Jeffery Cauwels, have already been declared hazardous. The City can proceed with hiring a company to demolish them. Koopman recommended sending a final letter to Cauwels informing him of the date of demolition. She added

that she would contact contractors for bids. Stobb asked if the City can get any county assistance. Koopman replied they couldn't because it is not a tax-forfeited property. Otto-Arvizu stated she thought two weeks would be sufficient time for Cauwels to clean out any personal property. Hannasch suggested a target date of May 1, 2001. Motion by Caron, second by Stobb, to set a demolition date of May 2, 2001. Otto-Arvizu asked on an interim basis until the City is reimbursed, where the money to demolish would come from. Koopman replied the Code Enforcement fund. All voted in favor of the motion.

Hannasch stated that John Rokke had applied for the position on the Police Commission. Motion by Berndt, second by Fraser, to approve Rokke's appointment. All voted in favor of the motion.

Motion by Stobb, second by Caron, to appoint Fylla Paulsen to the Multi-Purpose Center Board. All voted in favor of the motion.

Hannasch said there is still one vacancy on the Planning Commission. He encouraged anyone interested to apply.

The Consent Calendar included the following: Fireman's Relief Association minutes for April 2, 2001; Economic Development Authority minutes for March 16, 2001; Multi-Purpose Center minutes for March 12, 2001; and Municipal Accounts Payable. Motion by Caron, seconded by Fraser, to approve the above listed items. All voted in favor of the motion.

Hannasch asked for three Council members to serve on the Board of Review which will take place on May 3, 2001 at 7:00 p.m. Caron, Fraser and Berndt volunteered to serve on the board.

There being no further business motion by Stobb, seconded by Caron, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

April 23, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, April 23, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, R. Caron and R. Stobb. Absent were D. Berndt and J. Otto-Arvizu. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the April 9, 2001 City Council meeting. Motion by Fraser, second by Caron, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Koopman added (6B) a report on the weekend rainfall problems. Motion by Stobb, second by Fraser, to approve the agenda as now written. All voted in favor of the motion.

Nielsen referred to the memo he sent to the Council regarding the Xcel Energy franchise renewal. He suggested the City should determine the position it wishes to take on legal expenses and posting bonds. Hannasch said he feels Xcel should not be exempt from posting a bond before doing excavation work. He said Xcel has really been dragging their feet on these issues. Hannasch also felt Xcel should be responsible for legal fees relating to the franchise renewal. Ferrazzano asked what the legal fees are up to this point. Nielsen replied there is currently 5 ½ to 6 hours. Hannasch said the Council has been working on this issue since July of 2000 and if the legal fees keep increasing it's Xcel's own fault.

Stobb asked if Xcel's liability would be affected whether they post a bond or not. Nielsen said it doesn't affect actual liability but it makes it easier to collect money if a problem develops. Ferrazzano asked if Xcel said whether any other cities had exempted them from posting a bond. Nielsen replied that he had not asked Xcel if there were others. Fraser asked if all utilities are required to post a bond. Nielsen replied they are and added that Xcel has posted bonds previously with no problem. Hannasch said last July when the franchise renewal was first discussed nothing was said about the bond issue. Caron said he didn't feel Xcel should be exempted. Stobb said being in a negotiating mode, maybe a vote from the council would get things in motion. Stobb made a motion to require Xcel to post a bond prior to excavation and to pay any legal fees relating to the franchise renewal. Ferrazzano seconded the motion and all voted in favor.

Nielsen stated that in a memo he made some suggestions regarding the cable television franchise transfer from American Media to Charter Communications. In particular he suggested looking at the language in a couple areas of the proposed resolution after he compared it to the 1999 resolution transferring the franchise from Harmon Cable to American Media. Hannasch said there are certain areas of the resolution that are left out compared to the 1999 resolution. In order to protect the City he said he would like to have Nielsen contact Charter with the changes he suggested. Hannasch said the Charter representative had planned to attend the council meeting but couldn't due to a family emergency. Hannasch said another option was to have Moss & Barnett look at the contract now and extend the length of the franchise which currently expires in 2003. Caron said the Council should have Moss & Barnett look at the franchise now.

Nielsen said the Council should be aware that there may be a 30 day period in which the council has to decide if they are going to accept the proposed franchise transfer or hold a public hearing to address issues about the transfer. He recommended taking action because the next meeting would be past the 30 day deadline and would indicate an acceptance of the resolution. Stobb asked if the Council made a determination by saying the proposal is not what the City wants. Hannasch said Charter Communications sent a large book of information but no one has had a chance to go through it fully. Stobb said by sending back the proposal saying the City doesn't agree with it, if that would serve as taking action within the 30 day limit. Nielsen replied he didn't think the City would want to take that action which would essentially be saying the City is denying the transfer. Koopman asked Nielsen if he was suggesting to hold a public hearing to be in compliance. Nielsen replied within the 30 day time frame the City would need to either accept the proposed resolution or hold a public hearing to discuss the changes the City wants.

Koopman asked if either the ordinance or state law requires a franchise to pay legal fees. Nielsen replied no and added the City had a similar situation when American Media bought the franchise and they agreed to pay legal fees. He suggested sending Charter a letter stating the City's need to investigate the franchise agreement. Nielsen said the City isn't asking for a blank check but it has always been the City's position that a franchise cover legal fees. He stated that he's not sure there is anything that legally says the City can ask the fees to be paid but the Council can notify the franchise of the City's position. Nielsen added the reasonable thing to do is get an expert's opinion in order to protect the City's interests.

Caron asked if the next step would be to hire Moss & Barnett. Koopman felt they should be hired. Stobb said the analysis by Moss & Barnett would not be specific to the City of Tracy. If another city has had an analysis done of Charter Communications by either Moss & Barnett or another similar business couldn't the letter request a recent analysis. Nielsen said he thought that was a fair assumption since Charter is such a large company. Hannasch said the City would then have to research to find an analysis report. Stobb said the Council could put that burden on Charter. Caron stated he thinks Moss & Barnett would have to be hired to investigate that issue. Stobb replied they probably aren't the only ones that specialize in cable franchises and a professional opinion could be received elsewhere. Ferrazzano said one way or another he thinks the City needs to contact Moss & Barnett and made a motion to contact Moss & Barnett. Caron seconded the motion.

Hannasch asked if it would be reasonable to request the approximate fees up front. Ferrazzano asked what it cost the last time the franchise was transferred. Koopman replied it was approximately \$6500 and American Media paid the full amount. Hannasch asked what kind of time frame there would be. Nielsen replied it depends on if Moss & Barnett has already done any analysis of Charter. American Media was brand new so it took some time to complete a report for them. Hannasch asked if it would be appropriate to hire Moss & Barnett and have them get back to the Council with some information to convey to Charter within the next three weeks. Nielsen said he was sure Moss & Barnett would contact the City and let the Council know whether to proceed or hold a public hearing. Fraser asked when the 30 day limit would expire. Nielsen believed it would be the 5th of May which falls on a Saturday so they would actually have until May 7. Hannasch asked if the City would need to get a letter back from Moss & Barnett within a week in order to contact Charter. Koopman said a phone call should be sufficient to get things started.

Hannasch asked to clarify if the motion was to hire Moss & Barnett to review the franchise transfer from American Media to Charter Communications. Koopman said Charter is also requesting a continuation of the franchise to the year 2014. Nielsen said this is beyond his expertise but in reading the letter the City's choices are to approve the transfer or to arrange a public hearing within the 30 days. Fraser asked if the Council should arrange now to hold a public hearing. Ferrazzano suggested setting the hearing for the next council meeting. Stobb asked if the Council was in agreement that Nielsen or the City staff should contact Moss & Barnett by letter. All voted in favor of the motion to hire Moss & Barnett.

Motion by Ferrazzano, second by Caron, to set a public hearing for the May 14, 2001 City Council meeting. Fraser asked if the City was going to contact Charter Communications to have someone available to answer questions at the next meeting. Hannasch replied the Charter representative would be there. All voted in favor of the above stated motion.

Koopman said the house and garage at 174 Center Street was originally inspected on September 7, 2001. Nielsen had sent a letter to Sandra Lund suggesting if she cleaned up the garage and secured it that would clear up the nuisance complaint. Nielsen stated the building was empty on and off through most of the winter. Someone has been living there lately and the condition of the garage has gotten worse. Hannasch asked if the City knows for sure who owns the property because he had heard it was sold. Chief Bryan Hillger said it wasn't known for sure. He knows one person who is currently living in the home. Hannasch said the City should find out for sure who owns the property and then proceed with taking care of the garage. Hillger said someone could file a nuisance complaint and he could take pictures of the property. Koopman said the Council could give a directive to have the property inspected. Motion by Fraser, second by Stobb, to have a nuisance inspection on the property at 174 Center Street. Fraser asked if it was just the garage that is the problem. Nielsen replied there are items in the yard but the garage is the main concern because it is

open with dangerous materials inside and there are a lot of kids in the neighborhood. All voted in favor of the above stated motion.

Dave Tiegs presented a proposal to hold a City-wide clean up day. Tiegs said he had made the suggestion to Koopman and Hannasch earlier this year. The proposal included a yard cleanup day on May 7, 2001 on which the City would pick up branches (not to exceed four feet) and bagged leaves and grass clippings at no charge to residents. Second would be an appliance pick up day on May 8, 2001. Koopman received a letter from Eagle Appliance Recycling stating at a cost of \$7.00 per item they will pick up old appliances ranging from refrigerators to televisions. Stickers can be purchased at City Hall. The third proposed item is assistance to those who are physically unable to do their own cleanup. Any individual can contact City Hall and Tiegs would arrange a volunteer group to assist them. Donations will be requested to cover expenses. Ferrazzano said he thought the spring cleanup was a great idea and said Tiegs did a great job organizing the event. Ferrazzano suggested making it an annual event. Tiegs said he was even thinking it could be semi-annual, with a fall leaf and brush pick up day.

Hannasch asked for a motion to appoint Jeanne Hillger to the Planning Commission. Motion by Stobb, second by Fraser, to appoint Hillger. All voted in favor of the motion.

Caron stated that at the recent Sabongi revitalization meeting that several people had talked about the bad condition of the City parks. Caron said there was \$15,000 budgeted to purchase a pickup for the Public Works Department that will not be used since the water department truck will be used instead. This money could be used instead to upgrade park equipment. Greenwood Park is in need of a new slide and seats for the swings. Koopman suggested that volunteer groups could be used to paint the equipment. Hannasch said that Dan Anderson and Caron had gone through the parks to determine what equipment needed updating. Koopman said the Planning Commission will be working on developing a five year park improvement plan. Motion by Ferrazzano, second by Caron, to use the extra budget money for parks. Stobb asked if the City crew would do to work. Koopman said they would take care of things like tightening bolts, replacing seats, etc. She added the Planning Commission could go over the details and their five year plan to prioritize the park upgrades. All voted in favor of the above stated motion.

Chief Hillger said he had made two attempts to contact Duane Heschen to help set up two mock disaster drills. One would be a table top drill where everyone would meet to discuss what the City would need to do in case of natural disaster. The second drill would be a hands-on mock disaster drill. Hillger said Duane Heschen is tied up with the flooding in the area and hasn't been able to get back to him. Hannasch said that Fire Chief Keith Engesser has tried to arrange a mock drill with the DM&E Railroad. Hillger said Engesser had it arranged a couple times and no one from the DM&E showed up. Koopman said the table top discussion would be a good starting point even if Duane Heschen isn't able to be there.

Hillger added one comment to the discussion of the City parks. He said he took a walk through Central Park and the band shell is deteriorating badly. Polzine said there was a problem with people taking bricks from the band shell that had broken loose.

Koopman reported that last year the City had developed Phase 1 and Phase 2 of the Airport Improvement Project. This year she found out the federal funding is available at 90% coverage of costs up to \$150,000. At a costs of \$166,366 a two inch overlay could be applied which would extend the life of the airport for 10 years. Last year the runway was patched and this year it was intended to be seal coated. Koopman recommended doing the overlay due to the federal funding that could be received. It has also been recommended to lay a paved taxiway from the hangar to the runway as those who rent hangars are unable to exit the hangar when the ground is too soft. A 15 foot taxiway was originally proposed but Dobson said 20 feet would be better due to the width of landing gear. The cost of a 20 foot taxiway would be \$35,000 with 60% of cost being covered by state funding leaving approximately \$19,000 balance.

Fraser asked if the City was guaranteed the federal funding. Koopman replied it was. She added that state funding would also be available next year but the federal funding is only available this year. Caron asked how many hangars are currently rented out. Koopman replied six and asked council

members to keep in mind the taxiway would be for the sole benefit of those renting hangars. She said the City could look at averaging out the cost over the next 10 years by increasing hangar rent. Fraser asked if the City has the funding now to do the taxiway. Caron said the City can probably get a better deal by combining the projects. Polzine said not necessarily because the taxiway can possibly be combined with a street project.

Homer Dobson asked Koopman if she had a chance to talk to anyone about the strip between the blacktop and the hangar. Koopman replied she had spoken with Dave Keebler who drew up the plans and said the blacktop would be right next to the hangar. Polzine said that would not work because once the planes exit the hangar they have to clear 24 feet to allow for the wing span to turn onto the runway. Dobson said his plane is the smallest and the wing span is 30 feet. Koopman said she had asked specifically about the distance needed for planes to exit the hangar but would ask again. She added that she has to request federal funding for the runway by May 1st. Motion by Stobb, second by Fraser, to approve the two inch overlay on the runway. All voted in favor of the motion.

Hannasch suggested doing more investigating on the taxiway. Stobb asked if engineering fees would be part of the funding. Koopman replied they would. Stobb asked if the overlay would make the runway ready for the GPS guidance system. Dobson said it would. Hannasch asked if a 15 foot driveway would be wide enough to get from the hangar to the taxiway. Dobson replied yes.

Polzine reported after the heavy weekend rains he had received several calls saying the new sewer system didn't do anything to handle the rainwater because many people had water backup in their basements. Polzine said the storm sewer worked great, within 15 minutes the water was gone. He said the problem was with the sanitary sewer which was full. Polzine said the City needs to educate the public again on emptying sump pumps into the street rather than into the sanitary sewer. Polzine said he drove through town and saw only two pumps emptying into the street. The City Council passed an ordinance in 1996 or 1997 stating that sump pumps must be emptied into the street after weather allows. Hannasch said he thought first the public needed to be reminded to discharge pumps into the street and second let people know those residing on the east end of town pay the price for those who discharge sump pumps into the sanitary sewer. He said one persons lawn is being ruined and another has raw sewage running onto their property.

Dobson asked what the time table is for switching pumps outdoors. Koopman said there is currently no designated date. She said maybe the City needs to designate April 1, although that may not be early enough. Polzine said it depends on the year and the conditions. Caron stated the City needs to set a date now for people to switch their pumps. Koopman said they would be notified by the evening's telecast of the meeting and in the paper. Hannasch said the public should have sumps pumps put out by the following Monday. Then the City will need to do an inspection and enforce the ordinance as needed. Polzine suggested charging \$10 per day for every day a resident's pump is not put out. Polzine suggested the City Council and City crew should also take a look at the Municipal building and other City owned buildings. All the water run-off from the roofs of these buildings goes directly into the sanitary sewer. He added a lot of the buildings downtown are the same way. Polzine said the Municipal building has a drain in the center of it that runs directly to the sanitary sewer.

Hannasch said if the City enforces the ordinance and people respond by next Monday we should see some results. Caron said it doesn't take a motion then, it's just enforcing the ordinance. Koopman said she would like a motion to set a deadline. Caron made a motion to set the deadline for April 30, 2001 for residents to discharge sump pumps to the street, then amended it for the 29th so the City crew could start inspections on Monday. Fraser seconded the motion and all voted in favor.

Koopman referred back to the airport improvement. The engineering fee is \$5400 which needs to be approved by the council. Motion by Stobb, second by Fraser, to approve said engineering fees. All voted in favor of the motion.

Hannasch presented a resolution establishing policies for the water department. The recommended policies include the following:

1. Requests for service will be done the following business day. Any service

requested after 5:00 p.m. or on Saturday or Sunday will be charged a minimum additional fee of \$35.00.

2. Shut-off notices due to non-payment will be sent out the 2nd of each month. Bills must be paid in full by the 10th of the month or water will be shut off.

3. Water will be shut off at the curb stop. If there is no curb stop or it is not functioning the owner will have 30 days to repair or replace it at their expense or the City will install one and costs billed to the property owner.

Motion by Fraser, second by Stobb, to adopt said resolution. Stobb asked if the curb stop will be a big issue involving a lot of homes. Polzine said they only run across one or two a year. Stobb asked if they are expensive to replace. Polzine replied they are. All voted in favor of the above stated motion. (Res. No. 2001-11)

The Consent Calendar included the following: Multi-Purpose Center minutes for April 9, 2001; Monthly Financial Report; and Municipal Accounts Payable. Motion by Ferrazzano, seconded by Fraser, to approve the above listed items. All voted in favor of the motion.

Koopman reported that the Tracy Softball Association had not yet paid the lease amount owed to the City. Someone had been to see her after the last council meeting and there have been several conversations back and forth since then. The balance is \$1099.88. Koopman said Steve Almlie had been in to pay today but she was unavailable and he couldn't wait. She added that some members have indicated there is no money to pay. Hannasch said they need to either pay by May 1, 2001 or put something in writing as to when the bill will be paid. Fraser asked how many payments are left after this one. Koopman said three are left. Ferrazzano asked if the softball association has said why they are having a problem paying. Koopman said they are down to two teams and they don't have a concession stand anymore. Stobb said he would like to be accommodating and try to work something out with them. Koopman replied she has tried to be accommodating but she doesn't get any response from them. Caron asked if someone from the Tracy Softball Association could be at the next meeting.

There being no further business motion by Ferrazzano, seconded by Caron, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

May 14, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, May 14, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, R. Caron, R. Stobb, D. Berndt and J. Otto-Arvizu. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the April 23, 2001 City Council meeting. Motion by Berndt, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Hannasch added (7A) a request for the building inspector and fire marshal to inspect a home at 136 State Street. Motion by Caron, second by Fraser, to approve the agenda as now written. All voted in favor of the motion.

Rusty Fifield of Ehler's & Associates presented a resolution awarding the sale of \$1,500,000 General Obligation Aquatic Center Bonds Series 2001A. Fifield informed the Council they received two bids, the lowest being 5.25%. There were originally six groups planning to bid for the bonds, but because of the meeting of the Federal Reserve scheduled for Tuesday, May 15 only two bids were submitted. The 5.25% interest rate would mean \$173,000 less in interest payments than originally planned for in the referendum. Fifield distributed a revised service schedule. He stated the bids were reviewed by legal counsel at Kennedy & Graven and the resolution was prepared by the same. Fifield recommended that the Council accept the bid. Motion by Otto-Arvizu, second by Caron, to adopt the resolution stated above. Nielsen asked about the pre-sale report at the top of the report. Fifield said it was the same bond sale report the Council saw last month.

Fraser asked if Fifield thought one more day would make a difference in the interest rates in lieu of the meeting at the Federal Reserve. Fifield didn't think they were going to lower interest rates again. His thought was they probably wouldn't have lowered them two weeks ago if they were going to lower them again. Otto-Arvizu said she felt it was a significant improvement from what the voters were told the rate and interest amounts would be. Fifield said he felt the City got good long term interest rates. All voted in favor of adopting the resolution. (Res. No. 2001-12) Fifield stated he would put together closing documents and the City should have the funds within four weeks.

Hannasch presented a resolution declaring property no longer needed for public purpose:

Building materials salvaged from the balcony in the Prairie Pavilion
 Four 30" tables
 Eight 24" X 42" tables
 Twenty-eight black stacking chairs
 Three double booths
 Two single booths

Motion by Caron, second by Fraser to adopt the above stated resolution. Stobb asked for the source of the items in addition to the salvage materials from the Pavilion. Koopman replied they came from the liquor store. Otto-Arvizu asked if the items would be bid on all together or by the piece. Koopman replied pieces would be bid individually. All voted in favor of the motion. (Res. No. 2001-13)

Hannasch reported an offer had been received from Todd Radke to purchase a piece of tax forfeited property on 2nd Street. Koopman stated there is still an outstanding assessment in the amount of \$4800. She stated the balance is \$2117.20 and if interest was added the total comes to \$2598.87. Koopman stated in 1996 the City adopted a resolution to reassess tax forfeited properties for previous street, sidewalk or utility improvements. Some of the conditions of reassessment are the age of the improvement, the condition of the improvement and the life of the improvement. Polzine said the condition of the improvement by the property in question was good. Hannasch said he felt Radke's offer is low, stating the property is only 25 feet but there may be some use for it. He said perhaps the Methodist Church would be interested in purchasing it for parking. Hannasch added if the property stays on the tax rolls the costs increase. He suggested the Council take a look at what

figure they would like to ask for the property.

Nielsen asked if the assessment figures include previous assessments or if they are only future assessments. Koopman said it does include the assessment already certified, and a 1/6 reduction based on that amount would total \$2383.11. Nielsen asked if future assessments would be Radke's if he purchased the property. Koopman replied they would. Hannasch asked if Radke was aware of the ongoing assessments of the property. Caron's opinion was the City would never get any money out of the property because it was too small to build on. Koopman suggested keeping in mind whatever action is taken on the property could impact the future sale of lots.

Hannasch tabled the discussion to open a public hearing to consider the transfer of the American Media cable franchise to Charter Communications. Nielsen reported that after the last Council meeting he contacted Brian Grogen of Moss & Barnett. Grogen advised that he had already received inquiries from several other cities about Charter Communications. He said he would put together a package deal to reduce the costs of researching the company. Nielsen said he sent Grogen some information out of the binder received from Charter Communications. A report from Moss & Barnett will be completed by the end of May or early June. Nielsen's recommendation was to start the public hearing and continue it at the first Council meeting in June when there is more information available. Hannasch asked if anyone from the public cared to speak about the franchise transfer. There being no one Hannasch closed the public hearing to be reopened on June 11 at 7:45 p.m.

Nielsen asked if the Council would be inclined to approve the transfer if there were any concerns about the current service Council members could bring up the issues before finalizing the transfer. Stobb said the local access channel that the school manages can't be broadcast by American Media. His understanding is it's an equipment problem. Hannasch asked Stobb if he could follow up on the problem. Stobb said he would and asked if the City was looking at extending the time frame of the franchise agreement. Nielsen replied they were only looking at the transfer at this time. Fraser asked if a Charter representative was supposed to be at the meeting. Koopman said she spoke with the rep who decided to wait and attend the meeting when the public hearing is continued.

Hannasch referred back to the offer from Radke to buy a tax forfeited property. Hannasch said he would like to table the issue and ask Radke to attend the next council meeting. Stobb said he felt it's important to sit and talk with Radke about the issue.

Nielsen informed the Council that he had advised Xcel of the Council's position regarding the franchise renewal and asked Xcel to get back to him. He has not received a reply. Nielsen indicated to Xcel the City was trying to handle the situation at the administrative level and also let them know the City Council took the position that bonds would be required and legal fees should be covered. Fraser asked what would happen if Xcel chose to continue ignoring the City. Nielsen replied he wasn't sure. Otto-Arvizu said she thought the Utilities Commission could be contacted with issues like this. Nielsen said he didn't think this was generally the function of the Commission. Hannasch asked if the City could give Xcel a deadline by the next Council meeting to respond. Nielsen said he could ask them to respond or the City will have to look at different avenues. Stobb asked if until a new franchise was signed if the City was under the conditions of the old franchise. Nielsen replied he believes that would be the case. Ferrazzano suggested asking Xcel to respond by the next meeting or the City will file a grievance. Motion by Ferrazzano, second by Otto-Arvizu, to that effect. All voted in favor of the motion.

Koopman reported she had received a complaint about the condition of a home at 136 State Street and asked the Council to approve a hazardous building inspection. There was a report of animals entering the home and unstable conditions. Koopman said the City has the consent of the owner and possession of the keys. Motion by Stobb, second by Fraser, to conduct a hazardous building inspection at 136 State Street. All voted in favor of the motion.

Hannasch opened a public hearing regarding a nuisance complaint at 174 Center Street. Michael Vogt, of 174 Center Street, addressed the Council stating he had just bought the property from Sandra Lund and that he has a limited income. He called to request a dumpster which would cost him \$300, but with a house payment of \$500 that doesn't leave much. Vogt asked to be given a chance to get his property cleaned up and said he removed the unlicensed pickup. Hannasch asked what kind

of time frame he was thinking about. Vogt asked for a couple weeks saying he has asked several friends to help but they haven't been able to. Stobb said it seems a reasonable request. Hannasch said if Vogt makes an effort to clean up the property and keep the garage closed and secure it would take care of the nuisance violation. Vogt said he would get the tree branches out of the yard. He put them out after the City did the yard waste pick up. Ferrazzano asked if June 11 was enough time for Vogt to clean up the property. Vogt said that would be enough time. Motion by Ferrazzano, second by Caron, to give Vogt an extension to June 11, 2001 to abate the nuisance violation. Stobb asked if that would give Chief Bryan Hillger enough time to inspect the property. Ferrazzano amended his motion to give a 9:00 a.m. deadline on June 11. All voted in favor of the motion.

Dan Reiner, of the Tracy Hospital reported that approximately two months ago he shared a letter with the Tracy Area Medical Board of Directors received from the MN Department of Human Services. The letter stated that because of their computer system Human Services has been unable to determine what should be reimbursed for claims submitted. The Department of Human Services has a right to reimburse based on what is charged compared to expenses. Usually a hospital charges more than its expenditures. Tracy Hospital is one of more than 60 hospitals that had charges below costs due to the policy during the years 1994-1998. Now Medical Assistance is coming back saying Tracy Hospital owes them \$188,000. In 1997 Tracy Hospital entered into a contract with Sioux Valley so \$28,000 of the charges would be their responsibility. This still leaves \$166,000 which rests with the City of Tracy. Reiner said the Council received a copy of a letter which is the first part of an appeals process. Human Services gave Tracy Hospital 60 days to verify the charges. Reiner said he has verified that the calculations are technically correct and the audit from the previous year shows that costs exceeded charges by \$67,000.

Reiner said the Department of Human Services perpetuated the problem by not upgrading their computers. They didn't notify Tracy Hospital should increase costs seven years ago. Reiner stated if all appeals fail they are looking at 6 million dollars owed throughout the state. Westbrook, Slayton and Tracy combined would be about one-half million. Reiner directed attention to page two of the letter received from Human Services and the last paragraph which states if they don't hear from the hospital within 60 days they will assume the charges are accepted and they will be recovered by deducting from claims remittance. In this case the City of Tracy may own the building but it doesn't run the hospital. It would be up to Human Services to decide how they will collect.

Reiner said in the worst case scenario the City of Tracy will be sent a bill. Koopman added that a management agreement was signed with Sioux Valley in 1991, which would cover the time frame of this issue with the Department of Human Services. The hospital will need to determine if this will affect the situation. Reiner said he is hoping the hospital would be profitable this year, but previous debt obligations will prevent that. He added that he has not yet seen the management agreement but he will look it over to determine any responsibility. Ferrazzano asked how far along they were in the appeals process. Reiner said they sent the first appeal on April 14. He added that rural hospitals are affected the most. Some will argue that the State balanced the budget for the Human Services Department all those years but all of a sudden they are trying to collect money they say is owed. The legislation is trying to remedy the situation and Senator Vickerman has been involved. Fraser asked who hears the appeals. Reiner said he didn't know. Fraser stated the appeal was addressed to someone at the Department of Human Services and wondered if that meant another state agency would be hearing the appeals. Reiner said he wasn't sure. He added that he thought it would be most cost effective to use legal counsel through the Hospital League rather than get the City Attorney involved at this point.

Otto-Arvizu asked what Vickerman thought might be achieved through the legislation. Reiner replied that 10 million has been set aside for rural hospital improvements. If all appeals have been exhausted hospitals may be able to use up to 40% of grant program money to cover these costs. Reiner said they are aggressively trying to go after grant program monies through which they could also get matching funds. He said it would be regretful to have to use this money for that purpose so they will take every step they can to appeal.

Bob Gervais, Executive Director of the Economic Development Authority, presented a request for \$50,000 to be transferred to the revolving loan fund. The money would be used to help attract new businesses to Tracy as well as the Sabongi revitalization project. Gervais said he would also like to

attend a ground level class in Duluth for basic training in grant writing, etc. in July. The cost would be \$850. The current budget only allows \$150 for travels expenses. Gervais said the EDA had previously discussed borrowing money from the Utilities Fund or another fund and paying it back over the next five years. Koopman asked how they planned to pay it back. Gervais replied they would like to pull \$10,000 from the budgeted amount each year. Otto-Arvizu said the Council may ask why the EDA is asking for this amount addition to what was budgeted, but she said it is a critical time with the Revitalization Plan and the EDA is currently sitting with a low budget. Gervais said they have \$22,300 presently in the budget. Otto-Arvizu said they won't have any money to help with new businesses. Hannasch said the EDA budget was kept low in previous years. They didn't have a lot of things that urgently needed money. Now there are a lot more projects in the works. Caron said out of the \$30,000 budgeted this year \$10,000 went to the TNT organization. Gervais said the EDA is currently entertaining two business opportunities and is looking into a community daycare facility because present facilities are full. Ferrazzano asked how the EDA arrived at \$50,000 for a figure. Gervais said it is a ballpark figure based on what they currently need and extra for reserve. Ferrazzano said the reason he asked is if there may be a need for more. Otto-Arvizu said the \$50,000 is just to cover the remainder of the year. The EDA will budget more next year. Hannasch said they based the figure on projects over the remainder of the year. Stobb said assuming the EDA maintains a budget of \$30,000 that will leave only \$20,000 after the borrowed amount is paid back. Hannasch said they would look at increasing the budgeted amount at the end of the year. Motion by Stobb to approve a \$50,000 advance to the EDA Revolving Loan Fund, seconded by Fraser. Fraser asked if the amount would be taken from the Utility Fund. Koopman replied she would review with the Finance Officer before deciding. All voted in favor of the motion.

The Consent Calendar included the following: Economic Development Authority minutes for April 20, 2001 and Municipal Accounts Payable. Motion by Caron, seconded by Fraser, to adopt the above listed items. All voted in favor of the motion.

Koopman referred to the copy of the letter she sent to Steve Almlie in regard to the loan agreement with the Tracy Softball Association. She stated she had not heard back from Almlie. Koopman did speak with Brian Lanoue who said he would get in touch with Almlie regarding payment. Hannasch said the City should give them until May 29 to come up with the payment or they will not be allowed to use the softball field. Fraser asked if the Association has said if they don't have the money. Koopman stated she had been told they didn't have it so she said to give here something in writing to renegotiate the contract and the City could extend it to five years. Caron said he talked to a couple people who said the Association does have the money. Hannasch said it is up to the Softball Association to come up with an alternative since Almlie is not taking care of it. Koopman said the biggest thing that would hurt them is the Box Car Days Tournament which draws a lot of people. Ferrazzano suggested sending one more letter saying they must respond by May 29. Hannasch suggested making the deadline May 23, when the next meeting agenda is prepared.

Hillger reported that he contacted Duane Heschen about setting up a disaster drill. Heschen was out of town at the time and didn't have access to his schedule but he sounded enthusiastic about setting it up. Hillger said he would be on vacation June 7 through 17. Hannasch said he would be gone June 18 through 23. He asked if it could be set up Tuesday, June 5. Hillger said he would contact Heschen about that date.

Koopman said the lowest bid they received for the demolition of the house and garage at 336 6th Street was from D&G Excavating for \$5295. The demolition will be completed by June 14, 2001. Motion by Fraser, second by Stobb, to award the bid to D&G. All voted in favor of the motion. Hannasch said the City crew removed two dumpsters of debris from the house and five couches.

Hannasch appointed Otto-Arvizu, Ferrazzano and himself to an evaluation committee for the City Administrator employee evaluation. Hannasch asked for Council members to turn in their evaluation forms following the meeting and set the review date for Tuesday, May 22 at 6:15 p.m. The committee will meet at 5:30 to discuss the evaluations.

Hannasch announced the next Sabongi revitalization meeting would be held on Monday, May 21 with registration starting at 6:30. The meeting will be held from 7-9:00 p.m.

There being no further business motion by Ferrazzano, seconded by Caron, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

May 29, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Tuesday, May 29, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, R. Caron, R. Stobb, D. Berndt and J. Otto-Arvizu. Also present was staff member: A. Koopman.

Mayor Hannasch asked for any additions or corrections to the minutes from the May 14, 2001 City Council meeting. Motion by Berndt, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Hannasch deleted (5B) the Pool Hut request and added (5C) Tracy Ambulance property deed; (9A.3) a sump pump discharge report; and (9A.4) Tracy Softball Association. Otto-Arvizu asked if the Pool Hut was deleted because it was no longer an issue. Hannasch replied the owner was out of town so the issue was tabled until she was available. Motion by Caron, second by Berndt, to approve the agenda as now written. All voted in favor of the motion.

Nielsen arrived at 7:32 p.m.

Chuck Schwartz with RLK Kuusisto presented an engineering report to Council members. He stated last year for the storm sewer project two low interest loans were received, one from the Water Pollution Control Revolving Fund and one from the Drinking Water Revolving Fund. There is \$212,000 left over from last year's project. The loans have a low 2% interest rate. Schwartz said this past spring the City had wastewater bypassing occurring again so he is looking into what could be done. There was an attempt to televise the sewer lines to see what is going on. Schwartz said there is a line at Circle Drive where two-thirds of the community's waste water goes into a 12 inch line. The water comes to a manhole at 4th Street East and Circle Drive, and travels northeast to the ponds. The line couldn't be televised because of a blockage by a lamphole that sticks down into the sewer pipe. Schwartz felt the best way to use the additional funds was to increase the sewer line running from intersection of Circle Drive and 4th Street East, extending northeast past trunk highway 14. Eventually the City will need to replace the entire line to the ponds because the 12 inch pipe doesn't have the capacity that is needed. At Hollett Street East, there is a 36 inch pipe and a 24 inch pipe and then empties into the 12 inch pipe out to the ponds.

Otto-Arvizu asked if removing the lamphole pipes down into the flow would take care of the problem. Polzine said it was a single lamphole, which is a flushing site in the pipe. Caron asked why the lamphole wasn't taken care of last year during the sewer separation project. Polzine said this area wasn't involved in last year's project. The entire pipe replacement is included in the capital improvement plan. Polzine added he didn't realize there were funds leftover from the project. Schwartz said there was evidence of tree roots blocking the pipe as well. Schwartz has discussed the plans with the PFA and PCA to see if the City can use the funds from last year's project. RLK will need to nail down exactly what they will do, develop a cost estimate and get PCA approval. The PCA would amend approval to the PFA and then RLK would develop a detailed plan. Schwartz suggested that the City renegotiate the contract with Scott Olson Digging to do the project otherwise it will cost more to do up a bid package and bid out the project. Koopman said the City has verbal approval from the PFA and PCA. Hannasch asked if the pipe was 12 inches all the way through. Polzine said it was 12 inches all the way to the ponds. Koopman said the project would eliminate water and raw sewage from going through residential property. Caron said the City keeps spending more money on engineering but it doesn't eliminate the problem. Koopman said the way to solve the problem is to replace the line all the way but the City can't do it this year. It will be a \$600,000 to \$700,000 project. Schwartz said the ideal way is to get water to the ponds is by gravity. By replacing this stretch of pipe would greatly assist that. The City would be looking at replacing 5000 to 6000 feet of pipe. Otto-Arvizu asked if this would eliminate the problems with wastewater overflow. Schwartz said it would eliminate the problem in the Circle Drive area. He added that Scott Olson Digging has given a verbal agreement that they could do the project later in the summer. Otto-Arvizu asked what PFA stands for. Schwartz replied it is the Public Facilities Authority, the banking arm of the loan process. Otto-Arvizu asked if the City does the smaller project now and the full pipe replacement later would it be throwing away the \$212,000. Schwartz replied no, the project would

help with water flow and help determine what size pipe will eventually be installed. Otto-Arvizu asked if the project would be integrated. Schwartz replied that was correct.

Ferrazzano asked what the Council would need to do to get the ball rolling on the bigger project. Schwartz said they would need to put together a report and added there would always be low interest loans available for projects of this type. Whether or not the City can get grants for the project depends on the sewer charges collected by the City. Grants don't come into play until sewer charges equal 1.7% of the average household income. The City of Tracy would have to charge \$28 per month for sewer and \$28 per month for water before any grant money would be available. Polzine said most cities charge more for sewer than water. Stobb asked if that was because of costs incurred or to get available grants. Polzine replied for costs incurred. Hannasch asked what costs would be entailed. Schwartz said it was their intent to do a change order and he suggested paying hourly for the project. He estimated the engineering costs at \$12,300 but if Scott Olson Digging does it he didn't think costs would be that high. Schwartz said he is seeking authorization to go forward with the project. Hannasch asked for the estimate on the total project and asked if the \$212,000 would cover both RLK's and Scott Olson Digging's costs. Schwartz replied that should be more than enough and added if costs were approaching that fund amount they would look at some changes.

Caron asked if RLK's costs would include plans for going to the lagoons. Schwartz said they would figure in the necessary size of the pipework but those costs won't include those of the ultimate design for total pipe replacement. Hannasch said the bypass problem is something that has to be worked on, it won't go away by itself. Stobb asked if the project costs would include the street work. Koopman replied it was included. Russ asked Polzine if he thought this was the best use of the available money and wondered if the drainage from City buildings would be a higher priority. Polzine replied the money is available for the sewer line project and said the storm water problem has improved since sump pumps were put out to the street. Caron asked if the project would involve moving the manhole out of Mrs. Ruebsams' yard. Polzine replied they won't be moving the manhole. Caron asked if the City would know ahead of time if the project would take care of the bypass problems. Polzine replied there hasn't been a five inch rain before. The system hasn't had a problem handling the one inch rains now that the sump pumps are out to the street. Schwartz informed the Council the line from the ponds to trunk highway 14 has not been televised and there could be problems there. Stobb asked if it would make sense to televise that area. Schwartz replied they had considered trying to work the costs of televising into the sewer line project. Hannasch asked what it cost to televise. Schwartz replied he was guessing around \$6000. Polzine added they get \$150 per hour. Caron asked if there were any more lampholes. Polzine said this was the last one on that line.

Otto-Arvizu moved to proceed with increasing the sewer line size at the intersection of Circle Drive and 4th Street East since the project will work in conjunction with the total line replacement project and help eliminate problems for homeowners. Caron seconded the motion. Ferrazzano stated the City might as well get the ball rolling on the line replacement project and asked if a motion was needed to start the process. All voted in favor of proceeding with the Circle Drive and 4th Street East project.

Ferrazzano moved to start the total line replacement project. Schwartz asked if the Council would like him to draw up the scope and budget of the project. Stobb said it would be nice to get the current project done this year and see if it works. Ferrazzano stated he would withdraw his motion. Schwartz said he would put together the scope and costs of the project so the Council would have an idea what to expect.

Hannasch asked about the Roosevelt Street petition to pave and install curb and gutter and asked what percentage of property owners would be required to sign to make the project go. Koopman said if 35 percent agree it will go. Hannasch asked if the residents have been informed that the project would not start until next year. Koopman said with a project this small the cost would be quite high to bid it individually. The cost would be greatly reduced if rolled in with another project. Motion by Caron, seconded by Fraser, to adopt a resolution declaring adequacy of the Roosevelt Street petition and coordinate the preparation of the feasibility report with next year's street project. Koopman said 100 percent of costs would be assessed to property owners for both the paving and curb and gutter. She added that she informed the property owner who submitted the petition that the project wouldn't begin until next year.

Nielsen said he had spoken with Lawrence Thoma who was concerned because of his corner lot and therefore the amount of property he owns. Thoma was concerned about the amount he would be assessed and said he was going to talk to other property owners to seek an alternative. Caron said Thoma bought the property knowing there was a potential for street improvement. Koopman said Thoma will have an opportunity to speak at a public hearing. All voted in favor of the above stated motion (Res. No. 2001-14)

Koopman referred to discussions about the airport improvement project stating she has calculated the increases in hangar rent that would be required to cover the installation of driveways. She added that one hangar has a concrete driveway already so seven driveways would be required. With a 15 foot wide taxiway the increase in hangar rent would be \$19.35, increasing the rent to \$68 per month. The costs would be spread out over a ten year period. Homer Dobson, airport manager, said he had spoken two a couple other people who rent hangars who said they were thinking the increase would be between five and ten dollars per month in order to remain competitive with other hangars. Compared to Marshall's hangar they have electric doors and other modern features. Tracy's hangars aren't suitable for later model airplanes. Hannasch said the City does need to bill the costs of driveways back to those making use of the hangars since they don't benefit other Tracy residents.

Caron asked if all eight hangars should be done the same. Polzine asked if he meant tearing the concrete out of the one hangar adding the concrete was still in very good condition. Caron said the City should set the price and leave it up to renters if they want to pay. Koopman said the costs was broken down over ten years which is the same as assessments are applied. Stobb said the life of the driveways should be longer than that. Polzine stated the driveways would probably last only ten years. Schwartz said because the area is flat and there are no provisions for drainage the pavement is prone to cracking. Polzine said part of the reason for doing the taxiway project is to give year round access but if there is a lot of snow and the ground is soft underneath the City can't drive trucks on the runways to clear snow because it damages the pavement. Schwartz asked if a 15 foot taxiway would suffice. Dobson replied it would suffice, he said 20 foot would be better. Polzine asked how wide the landing gear is. Dobson said between nine and eleven feet. Caron asked if that would be wide enough to turn the planes. Polzine said they can turn about 90 degrees. Hannasch said they could give renters the cost options between the 15 foot and 20 foot taxiways and let them decide. Dobson asked how soon a decision would need to be made. Schwartz said he would present plans for the overlay as soon as a decision was made. Hannasch asked if Dobson could get an answer by June 11, 2001. Dobson replied he would.

Schwartz stated the landing strip and taxiway projects are a little different. MnDOT will pay 60 percent of the costs for the taxiway project. The FAA has another grant program for municipal airport improvements that will cover 90 percent of a project up to \$150,000 in costs. To put a two inch overlay and apron at the Tracy airport will come to \$160,000 and in two to three years the City would need to crack seal. Otto-Arvizu asked if there was anything that can be put over the cracks before the overlay is applied to help prevent the overlay from cracking in the same places. Schwartz replied there is a product called Petromat but it is very expensive. Otto-Arvizu said at one time the Council discussed doing something other than crack filling because the heat of the airplane tires upon landing could pick up the crack fill and peel it up. Polzine said they had been talking about filling the wide cracks but instead they cut out the wider cracks and filled them with bituminous. Schwartz said the City would have up to three years to spend the \$150,000 federal grant it is eligible for. He recommended doing the overlay this year and in two years the City should be able to utilize funds from the grant for crack sealing.

Otto-Arvizu said the City should maintain what it has. The airport was neglected for years and it ended up costing a lot to repair it. She made a motion to proceed. Caron seconded the motion. Koopman said the motion was to approve plans and specs. Schwartz said the Council should table the motion until they find out if the taxiway plans are to be included.

Schwartz informed the Council that as of Friday, June 1, 2001 his offices will be moving to the corporate office location in Minnetonka. The phone numbers will be changing but current phone numbers will work for a short time.

Hannasch asked if Todd Radke was planning to attend the Council meeting. Koopman said he told

her early last week he was planning to attend. Caron said Radke told him today he was not going to attend because \$1500 was his final offer. Radke said he wouldn't pay \$2300. Hannasch said he wishes Radke would have come to discuss the issue. The property is not sellable except maybe the Methodist Church would be interested for parking. Caron said Radke may still agree to purchase it if the City sold the lot for \$1500. Koopman asked if Radke was aware of the ongoing assessment of \$2117. Caron said Radke had told him he would purchase it for \$1500 with no assessments. Hannasch said he would like the chance to talk to Radke and said he would like Caron there as well.

Charlie Deschepper reported to the Council that Tracy Ambulance Service had obtained a grant to build a new ambulance bay and he was requesting the deed for the property on which it will be built be transferred to Tracy Ambulance Service. Hannasch asked if the grant would cover the costs of the whole project. Deschepper replied it would cover about one-third of the costs. Hannasch said if his information was correct it will be a \$300,000 project and he wanted some questions answered about how the project would be funded. Stobb said the Council already voted to transfer the deed contingent on TAS receiving a grant. Hannasch asked how much the grant was for. Deschepper replied between \$30,000 and \$40,000. Hannasch asked how the rest of the bill would be paid and asked if the City would end up paying for the building. Deschepper said the City wouldn't pay for anything. Stobb asked how the City could end up paying for anything when the City is not responsible for the ambulance service. Hannasch said he was with the understanding that the grant would cover all costs of construction. Otto-Arvizu said the motion didn't say anything about what percentage of costs the grant would have to cover. Koopman stated the only way the City would incur any costs is if the ambulance service was to increase the amount charged per capita. Deschepper added they were under a two year contract with the City at this time. Motion by Ferrazzano, second by Caron, to deed the property to Tracy Ambulance Service. All voted in favor of the motion.

Stobb reported a variance request was received from Gary Garrels for an addition to his home. After review by the Planning Commission they approved a front and side yard variance for a 14 x 18 foot addition. Stobb made a motion to approve the variance, seconded by Ferrazzano. All voted in favor of the motion.

Motion by Stobb, second by Fraser, to approve a tobacco license transfer from Avanti Holdings, Inc. to Twin Cities Stores, Inc., d.b.a. Food N Fuel. All voted in favor of the motion.

Motion by Caron, second by Fraser, to approve the transfer of a non-intoxicating malt liquor license from Avanti Holdings, Inc. to Twin Cities Stores, Inc. All voted in favor of the motion.

Polzine reported a couple years ago the City requested that citizens avoid blowing grass clippings from lawn mowers onto City streets. Today when Paul Desmith was sweeping streets people were mowing clippings into the street as fast as he could sweep them up. The problem is grass clippings clog the catch basins. Polzine said putting a notice in the paper just doesn't solve the problem. Desmith spent two hours sweeping and six people mowed into the streets after he passed. Otto-Arvizu asked without a fine at this point can the City post notices. She said people probably think because grass clippings are biodegradable it isn't a problem. Hillger said there is a state law in effect that states refuse cannot be deposited onto public streets. Otto-Arvizu said at the first offense the City could post a notice and if they are foolish enough to persist then the City could take further steps. Hannasch asked Hillger if he had a copy of the state law. Hillger said he would get a copy. Stobb asked if Hillger knew what the penalty was. Hillger said it would be like a traffic ticket offense. Ferrazzano said you would almost have to catch them in the act, people could say it isn't theirs or the wind blew the clippings. Polzine stated the City tried publishing the issue two years ago and it didn't do much good. Otto-Arvizu said just like the sump pump issue the City needs to remind residents. Hannasch said you can only lead people so far and after that they need to take responsibility on their own. Otto-Arvizu asked if merely finding clippings would be enough to penalize people. Hillger said it has been his experience that clippings don't blow around much from the curb.

The Consent Calendar included the following: Monthly Financial Report; Economic Development Authority minutes for May 7, 15 and 18, 2001; Cemetery Commission minutes for April 26, 2001; Fireman's Relief Association minutes for May 7, 2001; Municipal Accounts Payable; and Planning

Commission minutes for May 7, 2001. Caron asked about the Cemetery Commission's request for the City crew to install fence posts. He asked if the crew had time to do it. Polzine said he had told them it would be done when time was available. Caron asked if someone could be hired to do the work. Koopman replied there was only \$15,000 budgeted to install the gates and fencing. Polzine said they only need the posts pulled and straightened. Motion by Caron, seconded by Stobb, to adopt the above listed items. All voted in favor of the motion.

Hannasch informed the Council the Southwest Minnesota Foundation Annual Banquet would be held on Thursday, June 21, 2001 at the Jackpot Junction Conference Center. The fee per person is \$10. Hannasch stated the City would pay the Council Member's fee. Anyone interested in going should contact Koopman.

Koopman reported the start of the annual nuisance inspection. Hillger will be doing the inspections and reporting them to Koopman. She will issue notices and give a specified time for abatement.

Polzine reported there were six homes that were not in compliance for sump pump discharge. There are three houses he was unable to get into to verify and the other three are still connected to the sanitary sewer. Hannasch asked if there were people living in the homes Polzine couldn't access. Polzine replied they are occupied. Otto-Arvizu asked if they could be sent a certified letter. Polzine suggested fining them and letting them prove they are in compliance. Hannasch asked if the fine is \$50. Koopman replied it is. Caron made a motion to fine those not in compliance. Polzine said he checked the report previously done by Don Christensen which states these homes do have sump pumps. Fraser seconded the motion. Otto-Arvizu asked what happens if the fine is not paid. Koopman said the City can eventually assess the fines to the property taxes. The fines can be added to the utility bill but the water can't be shut off for non-compliance. Koopman added the utility bills for June were already printed but a bill could be added in. Fraser asked if the fine was \$50 for each month not in compliance. Koopman replied that was correct. All voted in favor of the above stated motion.

Koopman informed the Council that the Tracy Softball Association paid their contract fee for the year 2000. They will be billed for the 2001 fee this year.

There being no further business motion by Caron, seconded by Fraser, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

June 11, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, June 11, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, R. Caron, R. Stobb, D. Berndt and J. Otto-Arvizu. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the May 29, 2001 City Council meeting. Motion by Berndt, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Hannasch added (4D) the deed for the ambulance garage property; and tabled (6A) On and Off Sale Liquor License renewal until the next Council meeting. Motion by Fraser, second by Berndt, to approve the agenda as now written. All voted in favor of the motion. Otto-Arvizu said she thought the Council took care of the ambulance deed at the last meeting. Hannasch replied the issue is regarding legal fees for the transfer of the deed.

Hannasch introduced Brenda Beck, owner of the Pool Hut, who is proposing some additions to her business. Beck informed the Council she would like to add a volleyball court and horseshoe pits behind her building and had some questions concerning the additions. Hannasch asked if the facilities would be enclosed. Beck replied there would be a fence and there would be a waiter or waitress on staff to serve the area and she was planning on setting up a portable bar and bathroom facilities. Fraser asked if the area would be connected to the building. Beck replied that it wouldn't be possible because the building is paved all the way around, the drive-through is at the back of the building, and delivery people pull up to the back door. Her plan is to put the area behind the building on a partially paved area. Stobb asked if food would be available. Beck replied she would offer the same menu as inside. Hannasch asked how large would the area be. Beck said plans were for an 87 x 95 foot area.

Hannasch said he had no problem with Beck's proposal saying it would be a good addition and give people new activities in Tracy, especially with if it's set up with bathrooms and a full menu. Nielsen stated that in his memo he addressed everything that Beck listed in her letter to the City Council. He said if the Council was inclined they could have Beck submit a revised liquor license along with detailed plans. Then the Council can decide what will be required. Hannasch said the Council would review the proposal tonight and should have the specifics by the next Council meeting. Beck asked if she should fill out another liquor application. Koopman said she thought they could revise the original form.

Beck said she couldn't afford the electrical connections for live entertainment at this time but for future reference she wondered what kind of noise limitations there would be. Where the Pool Hut is located there are residences across the highway. She said another concern is that an elaborate fence is not in her budget. She wondered if a solid fence would be required or if a corral type fence like at the front of her building would suffice. Nielsen said if they were talking about delineating an area for serving alcohol Beck may want to talk to the City Building Inspector for some ideas. Beck said she has seen different types of fencing in other towns, some even use orange snow block fencing. Hannasch said that would be more appropriate for a temporary situation. Otto-Arvizu asked if minors would be allowed in the area. Beck said she doesn't want to allow minors but if she has requests from minors to use the area she would put it at a different time frame. Beck said she would check if there were regulations requiring that she hire someone to watch minors for liability reasons. Her plans now are that patrons would have to be 21 or older to be in the area.

Hannasch said he had spoken to Todd Radke about his offer of \$1500 to purchase a tax forfeited lot abutting his property. Hannasch said the City's options were either to accept Radke's bid or to wait five years to see if anything happens. He said the Methodist Church is not interested in the lot. Nielsen said he had talked with Koopman and the City had set policy years ago so that all bidders were treated equally. Nielsen had Koopman make a copy of the criteria and the only thing he could suggest is the Council look at the policy criteria when making a decision. Hannasch stated the lot is only 25 feet and has no value to any other person except Radke. The City currently has to take care

of mowing.

Stobb said looking at items six and seven of the criteria, Radke is not going to benefit anything from acquiring the lot. Hannasch added the lot will be kept mowed. Caron stated at the last Council meeting he was supposed to meet with Hannasch and Radke about the lot. Hannasch said it was his mistake that Caron was not there. He asked Caron if he had any problems with what he was proposing. Caron replied he had tried to propose the same thing at the last two meetings. Hannasch said he didn't feel the Council was setting any precedence in accepting Radke's offer. Otto-Arvizu stated the City was forgiving past assessments but what about future improvements. Hannasch said any future assessments would be Radke's responsibility. Fraser asked what previous assessments would be forgiven. Koopman said the 1996 assessment would be forgiven. She added the previous owner didn't want to pay for corner lot assessments so he gave up the 25 feet of property. Caron asked if there was any way to add the lot back to the original property so it doesn't happen again. Nielsen said there is no way to guarantee it won't happen again and there is no way to force Radke to add the lot back, but the Council can look at changing policy about splitting lots. Nielsen said he and Koopman have been discussing some options and can talk to the County Auditor about what the City can or can't do to prevent future incidents. Koopman said in order to change City Code the Council can give Nielsen and her the directive to draw up proposed changes to policy.

Stobb asked if the City could assess the property owner at the time of the improvement instead of the property. Nielsen replied the assessment should be against the property to make sure it gets paid. Nielsen said in looking at policy changes if a property owner tries to split a property after receiving first notice that their property may be assessed for an improvement, the City will have a much better argument in saying you are doing this only to avoid paying the assessment. Nielsen replied he didn't know all the details of the situation that occurred with the property in question. Koopman gave the Council details saying it is a situation that leaves the door open for the City to be left responsible for assessments. A property owner can split his lot into two taxable properties and choose to pay taxes on one and not on the other. When the property in question was split the former owner deeded the property to his attorney who deeded it back to him minus the 25 feet. Hannasch asked if the Council would consider changing policy so a property owner could not split off a parcel less than 75 feet. Koopman said a lot is going to hinge on how cooperative the county is going to be. They are the body that governs transfer of property. Motion by Fraser to have the City Administrator and City Attorney investigate the prevention of property owners splitting off small unusable lots. Caron seconded the motion. All voted in favor.

Motion by Stobb to sell the 25 foot lot to Radke for \$1500. Berndt seconded the motion. Otto-Arvizu asked for clarification of who would pay for the legal fees. Nielsen said as he understands the City does not own the lot and Radke will have to handle transferring the deed himself. Nielsen added that the \$1500 offer is to excuse the previous assessments. Stobb asked if his motion should be to accept the \$1500 bid in lieu of the assessments. Koopman said the motion should be to reassess the property for \$1500 instead of the \$4000 original assessment. All voted in favor of the motion.

Nielsen stated that no one was present for the public hearing to consider the transfer of the American Media cable franchise to Charter Communications. Hannasch said the public hearing will be tabled until the next meeting after the report has been received. Ferrazzano asked if someone from Charter Communications will be at the next meeting. Koopman said Charter was notified of the public hearing.

Hannasch said the hazardous building inspection at 136 State Street was received with a recommendation to fix or raze the home. Garrels distributed pictures he took of the inside of the house. There is ceiling damage in some rooms but he felt the damage was done before the home was re-shingled eight or nine years ago. Garrels said upstairs there are places where plaster has fallen off the ceiling. He said one wall is falling in the basement and referred to a picture showing the foundation falling down. On the south side of the house another picture outside shows where a concrete wall was poured next to the foundation to hold it up. Garrels said this is a water trap that leads to deterioration of the foundation. He said he doesn't know that it will fall in within the next year but it will eventually. Hannasch asked Garrels if in his estimation the house was a marketable piece of property and feasible to renovate. Garrels replied that in his own opinion he didn't think it would be feasible and the condition of the house is only going to get worse. He added that water

service was removed a couple years ago because of leaks.

Hannasch asked if the owners should be notified to raze the house. Koopman said the City usually give 90 days. Nielsen said the owner or owner's family should be contacted and asked if they plan to do something about the house. If a satisfactory answer is not received within 30 days the City can proceed with hazardous building proceedings at that time giving them a certain number of days to resolve the matter. Nielsen said the house has some potential nuisance problems because it is an unsecured building with the potential for people moving in with no water service. A nuisance could be filed to show the owners the City is serious about getting something done with the house. Hannasch said a letter could be sent giving them 120 days to make sure the matter is resolved before fall. Fraser said the Council could initially give them 30 days to respond. Hannasch said then they would have 90 days to fix or raze the house. Caron made a motion to give the owners 30 days to respond then 90 days to fix or raze the house at 136 State Street. Fraser seconded the motion. Otto-Arvizu asked if the City would be asking the owners to raze the house or would the City take responsibility. Nielsen said it would be the owner's choice to fix or raze the house. Otto-Arvizu said it would then be the owner's financial responsibility then. All voted in favor of the motion.

Hannasch proposed that since there will be legal costs in transferring the deed for the ambulance since townships as well as the City that will benefitting from the ambulance service he was wondering if the legal fees should be paid by the ambulance service. Caron asked how much the legal fees would be. Hannasch replied that Nielsen had estimated \$75 for the transfer and \$20 for an assessment fee. Koopman said it was roughly \$20 for the state deed tax. Caron said he thought the City should donate the legal fees and made a motion to that effect. Otto-Arvizu seconded the motion and all voted in favor.

Lee Bundy, Regional Manager with PeopleService introduced Joel Adelman, the operator who was placed in Tracy to manage the City's water and sewer facilities. Adelman referred to his report that was distributed to Council members and asked if anyone had any questions or problems. Stobb said it was a very thorough report and remarked it was the first time he had seen a report about the City's system. Stobb asked about the total potable water versus the water output to the ponds. There were 2.5 million gallons difference and he assumed part of the difference was sump pump output. Stobb also asked if the report covered the period in which Tracy had five inches of rain. Adelman replied that would show up on the next report and there would be an even greater difference seen. Otto-Arvizu asked if there is a meter that measures the output of water to the ponds. Adelman replied there is a meter in Swift Lake that shows the number of gallons running through. He added that Dave Spencer downloads information onto a computer and prints out a report taken from meter readings. Stobb asked if there are many water meters that he reads. Polzine said there are 10 City building meters are read along with readings for installs and disconnects.

Ferrazzano asked if everything with the system looked all right and is functioning properly since Adelman started. Adelman said there was a problem mid-May with an alarm at the water plant constantly going off but he had someone out to fix it. He said there was an electrical problem, a time delay problem with the filter would suck down to fill the water tower it would go too far and the alarm would go off. Adelman would have to reset the pump every time. It was working properly and more a nuisance than anything. Polzine added the control panel and the filter panel were put in by two different companies and the timing on one would act against the other. Polzine said there were two alarms for the same thing working against each other.

Adelman said he would be flushing the hydrants the following week. He will place notifications in the newspaper, on the radio and on cable access. Adelman said he has started to locate curb stops around the City and he has checked about 120 residences so far. He hoped to be finished by the end of the year. Adelman asked if the Council would like him to report to them on a monthly or quarterly basis. Ferrazzano asked if it was difficult for him to print out a report every month. Adelman replied the monthly written report would be mandatory. Hannasch said a quarterly report should be sufficient.

Hannasch presented a resolution approving plans and specifications and advertising for bids for the aquatic center. He said some Council members had requested a copy of the specs but they are too large to copy. Stobb asked Koopman if she had found anything out about the start date for

construction. Koopman replied that she understood the date he saw listed was an alternate. Hannasch said if a bid comes in low enough they may start on August 1. Stobb made a motion to adopt the resolution to advertise for bids. Ferrazzano seconded the motion and all voted in favor. (Res. No. 2001-15)

Koopman presented a resolution appointing the Commissioner of Transportation to act on behalf of the City for the Airport Improvement Project. She said they Council would need a separate motion accepting the terms and conditions of the improvement grants. Ferrazzano asked if there was a reason the City couldn't apply for the grant itself. Koopman said the State of Minnesota acts as an administrator for the federal grants. Motion by Ferrazzano, second by Fraser, to adopt the above stated resolution. All voted in favor of the motion. (Res. No. 2001-16)

Motion by Ferrazzano, second by Caron, to accept the terms and conditions of the Airport Improvement Program Grants. All voted in favor of the motion. Caron referred back to the improvement plans asking if Homer Dobson was supposed to be present. Hannasch said those renting the hangars voted not to put in the driveways. Koopman apologized stating she had prepared a memo and forgot to include it with the agenda. Koopman said four of the six renters didn't feel they could afford the increase in rent to cover costs and one will only be renting until the end of June. Caron asked if the City could look at covering the costs for driveways. Koopman said the driveways are not eligible to be covered by grants and since only those renting hangars would benefit from them it would be unfair to use taxpayer dollars.

Fraser asked if in order to keep renters or get new ones would the City benefit by making the hangars usable throughout the year. Koopman said the taxiways wouldn't necessarily be usable throughout the year because the City crew can't always clear away snow with heavy equipment. Caron said less heavy equipment like a bobcat could be used. Polzine said it was his personal opinion that the City should look at eventually building a new hangar closer to the taxiway, right off the apron. The hangar is currently 300 feet away and not in good shape anymore. Hannasch said the City may be able to get funding for a new hangar in the future. Polzine said a few years ago a 40% City paid, 60% state paid grant was available. Koopman said the best thing to do would be to talk to MnDOT first and to include costs in the capital improvement budget. Ferrazzano asked if the Council could go ahead with that. Koopman said the capital improvement budget was recently submitted so it will be awhile before another will be done. Caron asked if all eight hangars are rented. Hannasch replied that six are currently being rented.

Motion by Stobb, second by Caron, to adopt a resolution transferring \$50,000 from the General Fund reserves to the Economic Development Authority. All voted in favor of the motion. Otto-Arvizu asked if since the money was coming from the General Fund if it was a transfer instead of a loan. Koopman said since it is a transfer the EDA would not have to pay it pay. (Res. No. 2001-17)

Motion by Stobb, second by Fraser, to adopt a resolution approving an increase in pledged securities at Tracy State Bank. All voted in favor of the motion. (Res. No. 2001-18)

The Consent Calendar included the following: Cemetery Commission minutes for May 17, 2001; Multi-Purpose Center minutes for May 14, 2001; Fireman's Relief Association minutes for June 4, 2001; and Municipal Accounts Payable. Motion by Caron, seconded by Stobb, to adopt the above listed items. Otto-Arvizu said there was an issue in the Cemetery minutes regarding who would lock the cemetery gates and asked if it had been resolved. Koopman said when it was being done by the police there were times when it didn't get locked because of other priorities. She said that Holm has been taking responsibility. Otto-Arvizu asked if that will become part of his duties. Koopman replied that Holm is very conscientious and takes a lot of pride in his duties. For him it's easier if he knows it's being done. Fraser asked if the cemetery was open from dawn until dusk. Koopman replied it's opened in the morning and closed at night. Stobb remarked that he thinks the City is getting its money's worth from Holm's services.

Otto-Arvizu asked about the Multi-Purpose Center roof leaking again. Koopman said they were waiting for a quote from Bob Buysse about roof repairs. Fraser asked if it had been fixed before. Koopman said it was the raised portion of the roof that is causing problems. If the wind comes from the right direction the roof leaks and it's difficult to find the source as the water must travel before

leaking in. All voted in favor of approving the Consent Calendar.

Koopman requested a motion to proceed with the engineering agreement for the Circle Drive Sanitary Sewer Project. Engineering costs will be \$12,327. Koopman feels it's wise to have the fees in writing so she asked RLK to prepare a signed agreement. Otto-Arvizu to her recollection Scott Olson Digging had received final payment. Koopman said the City still has the retainage amount. Polzine said the 5% retaining fee would be kept for a year for warranty. Otto-Arvizu asked about re-seeding of yards and boulevards. Polzine said Olson was in Tracy on Friday, June 8 and did some of the re-seeding. Polzine added that re-seeding was on the punchlist and Olson also received a letter stating he wouldn't get paid the remaining amount until it was done. Motion by Fraser, second by Stobb, to enter into an engineering agreement for the Circle Drive project. All voted in favor of the motion.

There being no further business motion by Caron, seconded by Ferrazzano, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

June 25, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, June 11, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, R. Caron, R. Stobb, and D. Berndt. Absent was J. Otto-Arvizu. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the June 11, 2001 City Council meeting. Motion by Ferrazzano, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Hannasch continued (4) a public hearing to consider the transfer of the American Media cable franchise to Charter Communications until July 9, 2001; and added (6C) picnic tables and (11B.1) Southwest Regional Development Commission annual meeting.

J. Otto-Arvizu arrived at 7:32 p.m.

Stobb said he had a question about the cable franchises. Hannasch added it under (11B.2) mayor and council communications. Motion by Berndt, second by Caron, to approve the agenda as now written. All voted in favor of the motion.

Hannasch referred to the drawing that Brenda Beck, owner of the Pool Hut, submitted showing her plans for an addition of an outdoor fenced area. Hannasch informed Beck that he had received a call from a concerned citizen who lives near the Pool Hut asking how late volleyball and horseshoe competitions would be played. The citizen said she would like to see if competition could be over by 9:30 p.m. because of the noise level at a late hour. Hannasch asked Beck if she had made any plans about the hours of competition. Beck replied that she imagined the games would be finished by dark. Hannasch said the citizen he talked to was very much in favor of Beck adding the volleyball and horseshoe area she was only concerned about the noise after dark. Beck asked if they were talking about closing the outside area at 9:30. Hannasch said no, just the competitions which is where most of the noise would be. He added that most people he has talked to are in favor of the addition.

Hannasch asked Beck if she had checked into the costs of the various fencing options. Beck said she hadn't and was waiting to see if the Council had any preferences. Hannasch said he thought six feet was a good height. Ferrazzano said he didn't care what type of fencing was used, whatever was most cost effective for Beck. Stobb said a more solid fence would help with the noise level. Beck said if it was too expensive to put a solid fence all the way around she might just make it solid on the south side to help with noise since there is only an open field to the north. Motion by Ferrazzano, second by Caron, to approve Beck's revisions to her liquor license for the addition. Stobb asked if all the paperwork had been completed. Hannasch replied everything had been turned in. All voted in favor of the motion above.

Hannasch presented a variance request from Roger Kiihn for an addition to his home. Hannasch said the Planning Commission recommended approving the variance. Motion by Caron, second by Berndt, to approve the variance request. Stobb said Kiihn wants to build closer to the street but it will be no closer than any of the other houses on that block. Fraser asked if there was any objection from neighbors. Stobb said there wasn't. All voted in favor of the motion above.

Motion by Stobb, second by Fraser, to approve 2001-2002 license applications for the Off Sale of Non-Intoxicating Malt Liquor for the following businesses:

Food N Fuel
Tracy Eagles Club
Sander's Eastside
Amoco

All voted in favor of the motion.

Motion by Caron, second by Stobb, to approve 2001-2002 license applications for the On Sale of Non-Intoxicating Malt Liquor for the following businesses:

Tracy Eagles Club
Sander's Eastside
Tracy Lanes

All voted in favor of the motion.

Hannasch said a proposal had been made for the rental of picnic tables out of City parks. The proposed charge would be \$5.00 per table and the money would go into a special fund for the repair or replacement of tables. Hannasch said tables get damaged from moving them so it would be nice to have the fund for replacement. Stobb said the City currently holds a deposit for the tables. He asked if the proposal would be to charge \$5.00 per table, per day. Koopman replied that was correct. Stobb made a motion to that effect and Fraser seconded the motion. All voted in favor of the motion.

Hannasch presented a resolution for the sale of two computer desks no longer needed for public purpose. Motion by Caron, second by Stobb, to adopt this resolution. All voted in favor of the motion. (Res. No. 2001-19)

The Consent Calendar included the following: Monthly Financial Report for May; Municipal Accounts Payable; and Planning Commission minutes for June 4, 2001. Motion by Ferrazzano, seconded by Caron, to approve the above listed items. All voted in favor of the motion.

In a memo received from Chief Bryan Hillger regarding illegal dumping in the City's compost site. Hillger stated he had instructed officers to begin locking the compost site at dusk and re-open it in the morning. Because of the continuing problem Hillger recommended limiting the hours to Wednesdays and Saturday afternoons. Hannasch said since the memo was issued there has been more illegal dumping. A sink, a vanity, a large amount of carpeting, lumber and sheetrock was found in the dump. Caron asked if it happened just this weekend. Otto-Arvizu asked if it could be traced to anyone. Hannasch replied that Hillger is investigating the case. Hannasch said the biggest concern is a large fine the City could receive if these materials are found in the compost site. Either Walnut Grove or Lambertson was fined \$10,000 for illegal materials in their dump. Hannasch asked if it would be wise to set a \$500 reward for turning in the offender. He said he thinks it's only one or two people who are dumping and he doesn't want to restrict the dump hours at this time, but he would hate to see the dump closed down because of illegal materials. Otto-Arvizu concurred saying the current hours give people more flexibility in disposing of yard wastes, but she is very disappointed that people would take advantage of the dump in this way. Polzine said the offenders know they are dumping illegally because the items were covered up with tree branches. He added that carpet was completely covered. Caron suggested locking the dump up earlier. Hillger said their instructions were to lock up at dusk. Hannasch said earlier discussions had been to keep the dump open from dawn until dusk and he would like it to remain that way. He hopes that someone will come forward and give a name of the person or persons doing the dumping. He added that a \$500 reward is cheaper than a \$10,000 fine, but if the problem continues the City will have no choice but to limit the hours and provide supervision at the dump.

Stobb asked how much it will cost to dispose of the materials. Polzine replied \$200-300, but it could be more since carpet costs \$2.00 per year to dispose of at the landfill. Fraser asked if the materials dumped all came from the same person. Ferrazzano asked if the carpeting was all the same color. Polzine said it different colors of carpeting. Berndt asked what the risk was in being caught. Polzine said either Walnut Grove or Lambertson was fined and closed for 4 or 5 years, they can't even burn. Otto-Arvizu asked if they might have been allowing the dumping. Polzine said it's possible and he didn't know the whole story. But he said the dump is periodically checked. Polzine said it is unfair that taxpayers are paying for the violations of one or two individuals. Hannasch stated if anyone has an idea of who is doing the dumping he requested them to come forward. The illegal dumping is a violation against all taxpayers.

Ferrazzano asked if cities have permits for dumps other than yard waste sites. Polzine replied some have demolition sites and added that the state has been stricter on dump regulations lately. He said

a city can get a one year permit site but then it has to be filled and covered and another site found. Koopman asked if they also have to have a certified operator. Polzine said that is correct. Ferrazzano asked if there were any cities close by that have a demolition site. Polzine said in Lyon County landfill is the only county site that he is aware of. Otto-Arvizu asked if there is an ordinance whereby the City can prosecute an offender. Hillger said we as a City cannot have an ordinance for something outside City limits. Koopman said the compost site is licensed by the DNR and she thought there would be laws set of for this type of thing. Otto-Arvizu said since the list of items that can be dumped is posted by the entrance they could not plead ignorance. Polzine said he doesn't even know if its someone from the community. It could be someone from out of town as he has seen people from the country bring yard waste to the compost side. Hannasch said it was definitely someone who knew what they were doing.

Polzine said there has been seven or eight instances of illegal dumping already this spring. Hannasch said the Council needs to get the word out and asked if the City needs to start charging people to use the dump in order to cover costs incurred from illegal dumping. Caron asked if the Council wanted to post a reward. Otto-Arvizu made a motion to post a \$500 reward for information leading to the conviction of anyone illegally dumping. Ferrazzano asked who would prosecute. Hillger replied the county attorney would. Ferrazzano asked what would happen if five different people came forward saying it was one person. Otto-Arvizu said it should go to the first person to report it. Ferrazzano asked about the other instances of illegal dumping. Otto-Arvizu said the other instances haven't been as flagrant as this. Ferrazzano said he thinks the Council should ask people to cooperate with the police. He felt if a bounty was set it could lead to confusion if there were several people and instances involved and felt a reward should be used as a last resort. Koopman asked if it really mattered if more than one person was turned in. Otto-Arvizu asked what if five different people came forward with five different names. Koopman said she felt \$3000 for five convictions would be worth it in order to prevent the costs of removing illegal materials from the dump. Berndt asked if there would be any way to go back to previous instances since the proof is gone. The present case has photographs to support it. Polzine said after tomorrow the items in the photographs won't be there either. Otto-Arvizu asked if the photos are sufficient evidence. Hillger replied they are. Berndt seconded the motion to post a \$500 reward and all voted in favor.

Hannasch informed the Council the Southwest Regional Development Commission's annual meeting would be held on Thursday, July 12, 2001 at 4:00 p.m. at Southwest State University. He said the cost is \$12.50 per person and the City would pay for Council members to attend. Otto-Arvizu said she thinks the meetings are very educational and they bring issues relevant to this area. They also allow networking with people from other communities. Stobb said he attended last year and it was a real eye-opener. Fraser asked who the speaker was last year. Stobb replied it was someone from the governor's office. Fraser said he wouldn't be able to attend but he said it would be very interesting to hear Mary Kiffmeyer speak. Hannasch said Council members would need to let Koopman know by Thursday if they are planning to attend.

Stobb said he has a questions about the cable franchises, stating in American Media's cable contract they have to have an office in Tracy. Since McLeod has the same contract he wondered why they don't have an office in Tracy. Koopman said she would get some information together and bring it to the next meeting. Stobb's concern was that if McLeod was given an exception to having an office if Charter Communications would be entitled to the same exemption. Koopman said McLeod does have until the end of 2001 to have their franchise established. Hannasch said McLeod does have a technician in town with an office in George Hebig's building. Otto-Arvizu said people can't pay bills there but McLeod does have an 800 telephone number to call for problems. Koopman said she will have more information on this issue at the next meeting.

There being no further business motion by Stobb, seconded by Caron, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

July 9, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, July 9, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, C. Hannasch, R. Caron, R. Stobb, and D. Berndt. Absent were M. Fraser and J. Otto-Arvizu. Also present were staff members: A. Koopman and F. Nielsen.

Mayor Hannasch asked for any additions or corrections to the minutes from the June 25, 2001 City Council meeting. Motion by Berndt, second by Caron, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked for any additions or deletions to the agenda. Hannasch added (11B) a letter from School District 417; and Dave Berndt requested to add (11C) an issue under Mayor and Council Communications. Motion by Ferrazzano, second by Stobb, to approve the agenda as now written. All voted in favor of the motion.

The Capital Equipment issue was tabled until Dan Reiner arrived.

The Circle Drive bypass issue was tabled until the City engineers arrived.

Nielsen presented a request for an easement release saying it was a similar situation to when Dick Maertens sold his house. A blanket easement was granted in 1912 for a large parcel of land that has since been sold off in smaller parcels. As each parcel comes to the attention of the City, a check must be done with Don Polzine for water and sewer lines and then a release of the old easement is done. Motion by Stobb, second by Berndt, to approve the partial release of easement. Stobb asked if there were other lots subject to an easement release and if a blanket release could be done. Nielsen replied that it wasn't necessarily a good idea to do all of them at once because there would be a lot of time involved in checking all the lots for sewer and water lines. Nielsen felt it would be easier to do each lot as it came up. All voted in favor of the above stated motion.

Otto-Arvizu arrived at 7:34.

Bob Gervais presented a Box Car Days request from the Chamber of Commerce for the normal street closures for the dance, parade and parade line-up starting on August 31 through September 3, 2001. The Chamber was also requesting a temporary liquor license for the beer tent. Motion by Berndt, second by Stobb, to approve the request. All voted in favor of the motion.

Gervais had a second request for the 75th anniversary of Box Car Days which will take place in 2002. The Chamber felt they should do something bigger and better for the anniversary celebration. Gervais said Denny Morgan agreed to be the grand marshal for next year's event and with his contacts he may be able to line up a big name for entertainment. The Chamber of Commerce has set aside \$20,000 for entertainment and is planning fire works and possibly a rodeo. Gervais said the request doesn't list a specific amount needed for the anniversary event but he said he believes Box Car Days is a City event, not just a Chamber event. He suggested if the Council was in favor they could look at figuring some money into the budget for the event. Otto-Arvizu asked if the Chamber was thinking of holding a paid admission concert event. Gervais replied that was the plan. He added that he had spoken to several individuals around the area about holding a concert, one of whom works at Jackpot Junction and books concert events there. They said the band Styx cost \$75,000 for a one and one-half hour show. Gervais said it would be hard to find a big name for under \$20,000. In talking with Denny Morgan he was not in favor of a street dance event with a big name because of the acoustics. The Chamber has discussed possibly holding the event at the Pavilion, the Mediterranean or the High School. Gervais said he wasn't sure about the Pavilion because of the acoustics. Stobb said he wondered, depending on a group's sound equipment if the Pavilion would be so bad. Gervais agreed it may sound better with good equipment.

Dan Reiner presented a request for funds for capital equipment for Tracy Area Medical Services. Reiner said in preparation for the request he had done a slight modification because some issues had been raised. Recently legislative funds were approved in the last session. The legislation appropriated 1.7 million for small hospitals with less than 50 beds. The only hesitation in finalizing the request

is that in September the federal government gets involved with the state health department in deciding how the funds are appropriated.

Reiner said what he was recommending was that the City grant the hospital sufficient funds to pay for a sterilizer at a cost of up to \$25,000 which would be paid back on a depreciating scale over 15 years. The \$25,000 is divided by 15 years and the lease payment is adjusted by that amount of money. The current sterilizer is about 30 years old .

Hannasch tabled discussion to open a public hearing at 7:45 p.m. to consider the transfer of the American Media Group Cable TV Franchise to Charter Communications, Inc. Beth Engel with Charter Communications took the podium to answer questions. Engel informed the Council that Charter was the fourth largest cable chain in the area. Their plans are to have the transfer completed in late August or early September. Engel said she has been involved with Charter for 20 years and is currently based in St. Cloud. She had one comment regarding the resolution developed by Moss & Barnett, stating that Charter's legal representatives felt the corporate guarantor should be listed as CC VIII, LLC instead of Charter Communications Holding Company, LLC. Nielsen said he was not an expert in franchise agreements but he felt the resolution was intentionally written this way so the holding company would be the guarantor. Engel replied that she would recheck with her legal department.

Ferrazzano asked what Charter intended to do about the office in Tracy. Engel replied the franchise requires an office to remain in Tracy. Ferrazzano asked if they plan to keep the current staff. Engel said she didn't know the service history of Tracy but there weren't any plans to change the staff, but she couldn't guarantee what the future would bring. Ferrazzano asked if residents could continue to pay their bills at the office. Engel replied that Charter typically has local payment centers and often drop boxes in various locations. Stobb asked if the drop boxes were in place of an office. Engel replied they were in addition to the office. Stobb said Tracy has grown accustomed to the service it receives from American Media. Engel stated that Charter strives for decentralization and opts for local office locations. She added they may eventually have a centralized call center for 24 hour service with the ability to correct some problems over the cable line. Stobb said he has called before and gotten an out of state office. Engel replied he had gotten the answering service for after hours calls. Ferrazzano asked if all the same channels will be available because the Charter line-up in Marshall is different. Engel replied that they haven't done a comparison yet but she didn't imagine there would be any channels lost.

Hannasch closed the public hearing. Koopman said she had met with Charter and American Media representatives briefly before the meeting and discussed a concern on page three of the resolution. American Media's concern is the dollar amount of reimbursement to the City of Tracy for legal and other costs surrounding the transfer. Koopman suggested making the amount of reimbursement contingent on reaching mutual agreement. Stobb said if his memory was correct Moss & Barnett were doing the report on Charter Communications for a number of communities and the cost would be shared. Motion by Caron, second by Berndt, to adopt the amended resolution. Stobb said he feared the guarantor issue would come back to haunt them. He asked if Charter had received a copy of the resolution. Engel replied that they had received a copy the previous Friday so haven't had a lot of time to review it. She said she was not versed enough in corporate structure but when it was forwarded to Charter's legal staff they didn't feel the holding company should be the guarantor. Nielsen said it makes no sense to him to have the guarantee signed by the same people who have already promised to provide the services laid out in the franchise. The purpose of a guarantee is to have a third party who would be responsible should Charter fail to provide the services that were agreed to. Berndt asked if the Council could approve the resolution as written. Nielsen replied they could and they may have to backtrack and amend the resolution at a later date. All voted in favor of adopting the resolution. (Res. No. 2001-20)

Discussion returned to the capital equipment request for Tracy Hospital. Reiner stated his first request was for funds for a sterilizer and his second request was for a new fuel oil tank. He said the current tank has been in the ground as long as the hospital has been standing and the general life span of a fuel tank is 25 years. Reiner said he is requesting \$25,000 although he recently got a bid for \$17,000. He wanted to have a cushion in case they run into problems when digging the old tank up.

Reiner said he wanted to give the Council a heads up that the legislation appropriated 4 million for capital equipment statewide. Tracy Hospital received between \$60,000 and \$70,000 last year when available funding was 2.5 million. So available funding doubled. Reiner said he was going to request funding for a patient call system and handicapped doors but if he doesn't get the grant money he may come back to the City for funding. The patient call system is as old as the building and they can no longer get parts to do repairs.

Reiner asked the Council to approve \$50,000 for the sterilizer and the fuel oil tank. Hannasch asked if the request was for \$50,000 or \$45,000 because the budget worksheet listed \$20,000 for the fuel oil tank. Reiner replied that he would like to seek \$50,000 total to cover any unforeseen costs. He added that within 15 years the City would be completely reimbursed. Ferrazzano asked if the money was available. Koopman replied it was. Motion by Ferrazzano, second by Stobb, to approve the funding request. Nielsen asked if the fuel oil was for heating. Reiner replied that the heating system goes back and forth between natural gas and fuel oil. Caron asked if the hospital would also be using clean up funds to remove the old oil tank. Reiner replied if needed they would.

Ferrazzano said assuming since the back-up sterilizer is broken there is another functioning sterilizer. Reiner replied the hospital spent \$70,000 last year on a new sterilizer. There was insurance on the previous one and something electrical went wrong with it so most of the cost was covered by insurance money. Stobb asked about the priority ranking numbers saying there were numbers missing. He asked if those missing numbers were items not pertaining to the City. Reiner said that was correct, he is required to give a report to Sioux Valley and the other items are portable equipment that would be supplied by Sioux Valley. All voted in favor of the motion to approve Tracy Hospital's funding request for \$50,000.

Hannasch opened a public hearing to consider and award bids for the Tracy Aquatic Center. Koopman informed the Council that USAquatics is recommending to award the bids to four primary contractors. Originally they had discussed awarding the bid to one contractor, Salonek Concrete and Construction, Inc., but the City can save \$16,500 by awarding it to the four contractors. The total cost of construction will be \$1,300,033.00. The bond was issued for 1.5 million leaving approximately \$200,000 left to work with. Koopman said play amenities will cost more than \$200,000 so alternative funding will need to be found. She said Sioux Valley has committed to \$50,000 and Lyon County has pledged \$10,000 in 2002, 2003 and 2004, and in 2005 they will give another \$10,000 if the school district matches it with \$10,000.

Koopman said plans are to close the pool on July 29 in order to begin construction. Hannasch said the pool committee will be putting together requests from larger corporations to purchase some of the larger amenities. He said as long as we are doing the project we want to build a unique facility. Ferrazzano asked if there were any real benefits in breaking the project up between four contractors. Koopman said the savings are actually \$33,000 but some of that cost savings goes back to USAquatics who would increase their fees to work with four different companies on the project. Ferrazzano asked if anyone else thought it would be easier to work with just one contractor. He said his thinking is if something goes wrong it would be easier to hold one contractor accountable instead of four. Koopman replied the accountability would lie on USAquatics' shoulders.

Stobb asked if anyone ever threw out a figure of how much the City is saving by closing the pool a month early. Koopman said prior to the bids she was told they could save \$100,000. Otto-Arvizu said she thought the project was going to be bid both ways. Koopman said she thought so too but when the bid request was advertised it stated construction would start August 1, 2001. Koopman added that there are 15 other pool projects scheduled to start September 1, 2001 across Minnesota so chances are better to get a lower bid with the earlier start date. She said she would try to get Community Education to work with the Slayton pool and take a bus over a couple times a week. Berndt said he had quite a few calls from parents concerned about the early closing of the pool, and wondered if the City was going to come up with some alternative options. Berndt said this was the topic he had requested to add to the agenda. Stobb moved to accept USAquatics' recommendation, and Otto-Arvizu seconded to accept the following bids:

Bid packages #1, #2 & #3 to Salonek Concrete and Construction in the amount of \$512,900.00 for demolition work, site work and bathhouse, concession and mechanical room

work.

Bid package #4 to Fulda Electric, Inc. in the amount of \$62,732.00 for electrical work

Bid package #5 to Heartland Mechanical, Inc. in the amount of \$139,573.00 for mechanical and plumbing work

Bid package \$6 to Olympic Pools, Inc. in the amount of \$584,828.00 for pool construction work.

Total for bid packages #1 through #6 is \$1,300,033.00.

. All voted in favor of the motion.

The City will be purchasing play amenities directly from the manufactures in order to save money. Prices will be available within the next 20 days.

Hannasch opened a public hearing to discuss 2001 nuisance violations. Chief Bryan Hillger said of the 28 original nuisances, nine that he re-surveyed today were not in compliance. Koopman said the abated nuisances can be taken care of in one motion, but the Council will need to take action individually on those not in compliance. Nuisances were abated at the following properties

828 Rowland Street
 325 8th Street
 200 9th Street
 449 6th Street
 174 5th Street
 479 Morgan Street
 449 Morgan Street
 484 Emory Street
 384 Harvey Street
 361 2nd Street
 33 Morgan Street
 224 E. Morgan Street
 236 Union Street
 161 2nd Street
 680 Greenwood Avenue
 641 Greenwood Avenue
 461 S. 4th Street

Caron asked if they should add the nuisance from 174 Center Street to the abated list. Koopman said that was a good idea, the garage and yard have been cleaned up. Motion by Ferrazzano, second by Berndt, to declare the above listed nuisances abated. All voted in favor of the motion.

Hillger passed around photos from each nuisance violation and gave details of each offense. He stated at 348 8th Street there was still an unregistered motor vehicle, auto bodies and refuse around the yard. Hannasch said there is an advertisement out for someone who will come and haul junk cars away and pay for them. So if there are people saying they can't afford to get rid of an old vehicle this is one solution.

Hillger said 284 7th Street has two vehicles without current registration, an unlicensed trailer and debris. At 142 6th Street there is a continuing problem with unmown grass and a brush pile that has not been cleared. Otto-Arvizu asked if that home is still occupied. Hannasch said he didn't think there was anyone living there now.

Hillger said 524 Harvey Street still has garbage and refuse around the yard and 548 Harvey Street has accumulated two more items since he first inspected. At 70 Morgan Street most of the materials have been cleaned up but a Corvair with a 1998 expired license is still there. Hillger said the owner could put collector plates on the vehicle if they wanted to. At 72 Morgan Street there is still a red

Oldsmobile with expired registration up on blocks that looks to have no engine or transmission. A resident at 72 Morgan addressed the council and informed them that they have been trying to put an engine put into the vehicle but it was hard to locate a replacement engine. She said they have to get the car mobile before they can get insurance and license. The resident said the vehicle will be moved out by next week. Hannasch thanked her for coming to the public hearing to discuss her situation.

At 200 E. Morgan Street most of the items have been removed but there is still an Oldsmobile and a trailer with expired registration. Hillger said there were originally three vehicles with expired licenses but now there are just two. At 440 Greenwood Avenue there is a white Datsun with expired license and a brush pile that has not been removed.

Ferrazzano asked about the new mess at 149 Emory Street listed in Hillger's memo. Hillger replied they had cleaned up the items he originally cited them for but now there are various items in the front and side yard so he may have to file another nuisance against them.

Hannasch closed the public hearing and said the council will now have to take action on each nuisance individually. Stobb said since there is someone present regarding the nuisance at 72 Morgan he recommended doing that one first. Hannasch said if the car can be removed within a week he felt the Council should allow that. The resident said they were planning to have it done last Saturday but her brother and brother-in-law had to work construction over the weekend because of the holiday off on July 4th. Caron said he thought they should give the resident until the next Council meeting to have to car removed and made a motion as such. Berndt seconded the motion. Koopman said that would be by July 23 and all voted in favor of the motion.

Motion by Stobb, second by Berndt, to proceed with the nuisance process at 348 8th Street. Otto-Arvizu asked when the City continues with the nuisance process how the residents are notified. Koopman said she issues an order of abatement giving them 60 days to abate the nuisance. Otto-Arvizu asked if anything had been filed in court yet. Koopman replied nothing is filed until the expiration of the period of abatement. Otto-Arvizu said she thinks that a lot of people don't realize that they will be responsible for all the legal fees if a nuisance goes to court. Koopman said once the 60 day period has expired and the case is filed in court a resident doesn't receive any further notice from the City. Hillger said he wanted to state for the TV audience that in the cases that have gone to court the resident has had to pay \$1000 to \$1500 in legal fees. The court has ruled in favor of the City in all cases. Otto-Arvizu said she would like to see it stated in the order of abatement letter that the resident may have to pay legal costs if it goes to court. Ferrazzano said he agreed. Nielsen said he could modify the abatement letter. The nuisances are based on hazardous building procedures which has a paragraph in it about legal costs. All voted in favor of proceeding with the nuisance at 348 8th Street.

Motion by Berndt, second by Caron, to proceed with the nuisance at 284 7th Street. All voted in favor of the motion.

Motion by Ferrazzano, second by Stobb, to proceed with the nuisance at 142 6th Street. All voted in favor of the motion.

Motion by Ferrazzano, second by Caron, to proceed with the nuisance at 524 Harvey Street. All voted in favor of the motion.

Motion by Caron, second by Ferrazzano, to proceed with the nuisance at 548 Harvey Street. All voted in favor of the motion.

Motion by Stobb, second by Caron, to proceed with the nuisance at 70 Morgan Street. All voted in favor of the motion.

Motion by Ferrazzano, second by Caron, to proceed with the nuisance at 200 E. Morgan Street. All voted in favor of the motion.

Motion by Caron, second by Stobb, to proceed with the nuisance at 440 Greenwood Avenue. All voted in favor of the motion.

Koopman referred to the monthly water and wastewater report asking if anyone had any questions. Otto-Arvizu asked if the report could be listed under the Consent Calendar on the agenda. Koopman replied that is where it will be listed from now on.

Chuck Schwartz informed the Council that after eight and one-half years with RLK Kuusisto he has given his two week notice. Gary Brown, Branch Manager for RLK, said he has been Schwartz's boss and that Schwartz will be missed. Brown stated he will be using a search firm to locate a replacement for Schwartz and wanted to reassure the Council that several other engineers have worked with Tracy in the past who will be available and Schwartz is only a phone call away. Brown said he wanted the Council to know that he is experienced in working with small cities and he is currently the City Engineer for New Prague. Brown said he and Schwartz have been working for the past couple days reviewing Tracy's projects. Ferrazzano asked if it is a buyer's or seller's market for hiring engineers. Brown replied it is certainly a seller's market right now, stating there are a restricted number of licensed, experienced engineers. To get someone with experience and a good background is difficult. Ferrazzano asked if RLK is going to be able to cover Tracy's projects. Brown replied yes and said if needed he would come down himself. Schwartz said he would like to reiterate it has been a pleasure working with Tracy. He said Koopman, Brown and he sat down earlier in the day to review current projects. Pat Winler and Rick Siefert are also aware of Tracy's projects.

Schwartz gave a progress update on the Circle Drive project and showed a map outlining the work to be done. Schwartz said where a 12 inch pipe and a 10 inch pipe meet at 4th Street and Circle Drive the project will divert water to an 18 inch pipe that will run under Highway 14 and out beyond the softball fields. A controlled bypass will be installed where it will intersect with the existing sewer line. If there is a need to bypass in the future the City will be able to on the north side of the softball fields. Schwartz said he has connections with Joann Remely at the PCA so hopefully the Circle Drive project will be approved by the end of this week. He said the City still has a low interest loan at two percent available in the amount of \$212,000, but on the flip side the project cost will be \$246,000. RLK's recommendation is to use surcharge funds for the funding gap.

Ferrazzano asked if Schwartz was recommending alternative project number one. Schwartz replied that alternative number two would only replace the line to just north of Highway 14 and he felt it would be beneficial to extend it further. He said there is still \$8,000 retained from Scott Olson Digging for seeding. Olson has two weeks to give the City a schedule of when he is going to reseed, otherwise he forfeits the money. Stobb asked if Scott Olson has been approached about this project. Schwartz replied it was considered but because of the scope of the project and Olson's history of problems paying subcontractors it was decided the project should be bid out. Caron asked if the project could be done this year. Schwartz said it would be pushing it and the City can get better bids over the winter. Otto-Arvizu asked if this is money the City is in possession of or can it be drawn down. Koopman replied it would be drawn down.

Stobb asked if this project would be a final solution to the storm water problems. Schwartz replied it won't be a cure-all because there will be water going from an 18 inch pipe into a 12 inch pipe that was installed in 1967, but bypassing will be less frequent. Otto-Arvizu asked if this was a natural step in the process to correct problems, not just a band-aid approach. Polzine said it would work in conjunction with the long term correction. Caron said at least if it backs up and blows a manhole cover, the sewage won't be in Mrs. Ruebsam's backyard. Polzine said it is a good start to the long term project and increasing the pipe size will handle a lot more water. Schwartz said every two inch increase in pipe size doubles the capacity. He said ultimately an 18 inch pipe should be installed all the way to the ponds.

Schwartz stated he had presented plans and specs for a two inch overlay at the airport which had been delayed due to the status of the taxiway. Now that the taxiway issue has been determined the City can hold a bid letting on August 9, with bids to be approved by the Council on August 13, 2001. When planning the two inch overlay they failed to take into account the level of the grass runways when they intersect the hard surface runway. Some turf work will need to be done. Schwartz didn't expect it to add more than \$1,000 to the project. Motion by Ferrazzano, second by Stobb, to adopt the resolution to approving plans a specifications and ordering advertisement for bids for the airport improvement project. All voted in favor of the motion. (Res. No. 2001-21)

Schwartz reported that work was needed to be done at the swimming pool parking lot. Two catch basins that go to a manhole structure heading north are part of a sanitary sewer line from the pool bath house that empties into the storm sewer system. The City will need to divert the two catch basins at Elm Street over to 3rd Street. The project cost will be \$20,000 but it is work that needs to be done in conjunction with the new aquatic center. His proposal is to install a new service line where the aquatic center ends and extend the sanitary sewer line. The cost will be \$1,575.00 to survey, develop plans and specs and go through the approval process. RLK will also help with the bidding process. Nielsen asked what this sanitary line services. Polzine replied just the pool and added that there is no street work involved. Caron asked if the work would run through the baseball fields. Polzine said it wouldn't. Schwartz said the estimated cost will be \$24,134.00 which excludes storm sewer work. Brown said the sanitary sewer work requires an engineer's approval in order for the PCA to approve it. The storm sewer is the City's call and doesn't require an engineer's involvement. Brown said Polzine would have to get a couple quotes for the storm sewer work. Schwartz said the storm sewer project will be less than \$20,000 but that work needs to be done before the sanitary sewer work can be done. Ferrazzano stated that both projects would then to be done at the same time. Otto-Arvizu moved to proceed with both projects, funding to be taken from the surcharge fund. Ferrazzano seconded the motion and all voted in favor. Hannasch thanked Schwartz for all the work he had done with Tracy and wished him good luck.

The Consent Calendar included the following: Cemetery Commission minutes for June 21, 2001; Economic Development Authority minutes for May 29 and June 22, 2001; Municipal Accounts Payable; and Fireman's Relief Association minutes for July 2, 2001. Motion by Ferrazzano, seconded by Caron, to adopt the above listed items. All voted in favor of the motion.

Hannasch reported that a letter was received from Tracy Area Public Schools to notify the City of its intention to terminate participation in the swimming pool portion of the Community Education Services. Plans are to set up a meeting between the School Board and the City Council to discuss the issue. Koopman said the Community Education Advisory Board will also have to meet about the issue. Caron said he was told that Community Education went \$10,000 over budget. Koopman said there should be no reason why community ed classes aren't self-sustaining. There used to be a budget surplus. Caron asked if the City has an agreement that details community education's responsibility. Koopman replied there is a joint powers agreement which is not completely detailed but it does list basic responsibilities. Hannasch said this is for the Council's information and there is no action to be taken on the issue. Koopman said she would keep the Council posted.

There being no further business motion by Ferrazzano, seconded by Caron, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

July 23, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, July 23, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, R. Caron, and R. Stobb. Absent were C. Hannasch, D. Berndt and J. Otto-Arvizu. Also present was staff member: A. Koopman.

President Pro-Tem Stobb asked for any additions or corrections to the minutes from the July 9, 2001 City Council meeting. Motion by Ferrazzano, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Stobb asked if there were any additions or deletions to the agenda. There being none, motion by Ferrazzano, second by Caron, to approve the agenda as written. All voted in favor of the motion.

ECCO met with Koopman on Thursday, July 19 concerning the purchase of a piece of tax forfeited property south of their existing building.

Otto-Arvizu arrived at 7:00 p.m.

Koopman said Cathy Nelson and two board members were present at tonight's meeting to answer questions. She asked Nelson if she had seen the memo regarding their meeting. Nelson said she hadn't. Koopman said the memo was just an overview of their discussion concerning the 75' x 100' piece of property appraised at \$4500. ECCO has suggested purchasing a 20' x 75' strip of the property. The group discussed the purchase price being determined by the appraised value which calculates out to \$.60 per square foot for a total of \$900. An ECCO Board Member said he had spoken to an attorney and the concern was that the property had a tax forfeited title, not a clear title. The only thing they can get is a quit claim deed and would need to clear title. He said it could cost them \$6-700 to get a clear title plus other legal fees and if it cost another \$900 to purchase 20 feet it would be too costly. Stobb said his recollection of practices in the past is that the buyer is responsible for all costs surrounding the transfer of tax forfeited property. The board member said ECCO is an economic benefit to the City and it was their intention of offering one dollar to buy the property in turn for expanding their business. Stobb said the City certainly wants to keep ECCO's business. His impression from the memo was that there was an agreement reached. Koopman replied there was no agreement, just items that were discussed.

Ferrazzano asked if ECCO was suggesting they buy the property for one dollar. The board member replied that a lot of deeds are done that way when a property is divided. He added that they badly need additional parking too. Otto-Arvizu asked if he was referring to the lots east of their building. The board member replied he was talking about property to the south. Otto-Arvizu asked if ECCO would just use the property for parking. She added at one time the City discussed with ECCO obtaining the land east of the building for an addition. Nelson said they looked at that possibility but didn't feel it was feasible with their clientele. She added they don't want the access in the alley. The board member said the expansion could be an economic boon to Tracy. Plans are to add a department which could mean more clients and possibly more employees. Stobb said the City is in the middle of a study for downtown revitalization and hasn't yet fully determined the needs and uses of available property in the downtown area. He said he was hoping the 20' x 75' of property would be sufficient for ECCO. A second board member said the property will be sufficient at the present time but later they would have to look where to get more. Stobb said if they were further along with the study the City would have a better idea of land use. Nelson said it puts them in a bad situation because they need more space and they need time to develop plans and secure a contractor which will probably take a year.

Otto-Arvizu said she would like time to think about it. She asked when the next Sabongi meeting was scheduled. Koopman replied it was set for August 6. Otto-Arvizu asked if land use was on the agenda. Koopman said she was not sure of the agenda yet. Caron said even if it is discussed they are looking at a five year project. Otto-Arvizu replied the land use plans could be developed so the City knows what the needs are. Caron said this topic has been on the agenda since this spring. He felt the Council was dragging its feet and either they want to approve it or they don't. Stobb said he would like to see how the revitalization study develops before making a decision. Caron said the City could

be sitting on this same property 20 years from now. He asked if the Council gave ECCO the property what it would actually cost the City. Koopman said it wouldn't cost anything now but money was already invested in the property. Caron made a motion to sell the 20' x 75' feet of property for one dollar, with ECCO responsible for all legal and closing costs. Fraser seconded the motion. Ferrazzano said he thought it was the best thing to do to promote business in town. All voted in favor of the motion.

Stobb presented a proposed ordinance mandating functioning curb stops on all private property. He asked if was a big problem and how many were bring found. Don Polzine said there were not a lot of properties without them but there are some that don't work. Polzine said so far Joel Adelman has found five or six properties without curb stops. He added there are some where the lot was split and a second house built so water was run from the first house to the second. In these cases there is no curb stop for the second house. It can be a problem in the case of a delinquent bill, a service problem or if someone is gone for the winter and you have to shut off both houses in order to shut off one. Otto-Arvizu asked if it was typical of other cities to require curb stops. Polzine replied as far as he knows most communities have this requirement. Otto-Arvizu asked if the City has required curb stops before. Polzine replied the City enforces the requirement now but it isn't written in stone. When any new homes are built they are required to install a curb stop. Koopman said in the past the City has required by resolution that curb stops be installed prior to making improvements. If the City makes the property owner responsible for installing a curb stop the ordinance will give the City legal recourse to get reimbursed if the property owner refuses to pay. Motion by Otto-Arvizu, second by Caron, to waive the first reading and set the second reading and public hearing at 7:45 on August 13, 2001. All voted in favor of the motion.

Stobb presented a resolution to create the G.O. Swimming Bond 2001 Fund and authorize a transfer of funds. Koopman informed Council members the purpose was for capitalized interest to make the first interest payment. Motion by Fraser, second by Ferrazzano, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-22)

The Consent Calendar included the following: Multi-Purpose Center minutes for July 9, 2001; the Monthly Financial Report for June; and Municipal Accounts Payable. Motion by Ferrazzano, seconded by Fraser, to adopt the above listed items. All voted in favor of the motion.

There being no further business motion by Ferrazzano, seconded by Caron, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

August 13, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, August 13, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, J. Otto-Arvizu, R. Caron, and R. Stobb. Absent was: D. Berndt. Also present were staff members: A. Koopman and F. Nielsen.

Hannasch asked for any additions or corrections to the minutes from the July 23, 2001 City Council meeting. Motion by Fraser, second by Caron, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked if there were any additions or deletions to the agenda. He added (8B) a declaration of property no longer needed for public purpose. Motion by Stobb, second by Fraser, to approve the agenda as now written. All voted in favor of the motion.

Nielsen reported that in August of 2000 the City Council approved to sell a lot to the Bakker family for \$250.00. Neil Daniels with North Star Modular Homes had been involved with helping to arrange the purchase of the lot. Nielsen had been in correspondence with the Bakkers and Daniels and then hadn't heard anything for several months. Nielsen said he was ready to close his file when the family contacted him and needed to close the deal in a hurry. Because the Council had reviewed the situation extensively last fall Nielsen and Koopman decided to proceed with the sale and do things more or less in reverse order. Payment has already been made and now the Council will need to hold a public hearing and pass a resolution after the fact. Hannasch said last fall the City advertised to see if anyone else was interested in the lot. He asked for a motion to set a public hearing at 7:45 p.m. at the August 27 Council meeting. Motion by Fraser, second by Otto-Arvizu, to schedule the public hearing. All voted in favor of the motion.

Hannasch reported the bids for the Airport Improvement Project had been tabulated and were much lower than expected. McLaughlin & Schultz, Inc. bid \$125,509.00 and Duininck Bros., Inc. bid \$99,091.00. RLK Kuusisto recommended that the Duininck Bros, Inc. be accepted and to offer them a contract for the project. Motion by Stobb, second by Otto-Arvizu to adopt a resolution awarding the bid to Duininck Bros., Inc. in the amount of \$99,091.00. Fraser asked if the project had been estimated at \$165,000. Don Polzine said that the bid included laying asphalt for \$27 per ton. He said the City has never seen a price that low. Polzine thought Duininck Bros. were short on work and have some other projects in the area which contributed to their low bid. All voted in favor of the above stated motion. (Res. No. 2001-23)

Shorty Engel had planned to attend tonight's Council meeting regarding the Aquatic Center building permit fee but was unable to. Koopman informed the Council that the building permit fee for the Aquatic Center is \$1185.50. With the bids coming in so high the Council has the option to waive the fee or extra funds will have to be raised to cover the cost. The Swimming Pool Committee was requesting that the Council waive the building permit fee. Motion by Otto-Arvizu to waive the fee, second by Caron. All voted in favor of the motion.

Koopman informed the Council that USAquatics works with contractors to determine if materials other than those in the original specs can be used in order to reduce costs. Koopman referred to the preliminary review list the Council had received stating the dollar figures in bold were the changes the engineers had recommended the City accept. Koopman said the City will save \$9264.00 by accepting the recommended changes. Motion by Ferrazzano, second by Stobb, to approve the changes. All voted in favor of approving the recommended changes.

Hannasch presented a resolution to approve the following budget adjustments:

Transfer of \$15,000 from the Equipment Replacement Fund to the General Fund, Street and Parks Department for updating park equipment

Transfer of \$7,500 from the General Fund Reserves to the General Fund, Administration Department for costs associated with preparing performance evaluations

Motion by Caron, second by Stobb, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-24)

Hannasch presented a resolution declaring property no longer needed for public use. The following items are included:

- Swimming Pool Deck Material - lumber
- Air Compressor
- Swimming Pool Filters and Piping
- 40 foot Antenna Tower

Motion by Ferrazzano, second by Fraser, to adopt the above stated resolution. All voted in favor of the motion. (Res. No. 2001-25)

Polzine reported that as streets around the City deteriorate and manholes become exposed the City crew has had problems with the snow plows hitting the manholes. Polzine received a bid to heat treat a five foot by seven foot area around the manholes and to build the area up to help eliminate the snow plow problem. Polzine requested approval to do ten manholes at \$150.00 a piece and if the process works he would like to get more done later. The City could get a reduced cost due to volume if more are done. Hannasch asked if they would be done in the near future. Polzine replied he would like to do them within the next month while the weather is good. He added that funding would come out of Utilities. Motion by Fraser, second by Ferrazzano, to approve the project. All voted in favor of the motion.

The Consent Calendar included the following: Cemetery Commission minutes for July 19, 2001; Economic Development Authority minutes for August 3, 2001; Municipal Accounts Payable; and the Monthly Water & Wastewater Report for July. Motion by Caron, seconded by Stobb, to adopt the above listed items. All voted in favor of the motion.

Hannasch opened a public hearing at 7:45 p.m. to discuss Ordinance No. 275 mandating the installation of curb stops for all private properties. Koopman informed the Council that she had distributed a revised copy of the ordinance which adds that curb stops shall be installed and maintained in a functional manner. In addition a question was raised as to how to deal with community or joint service lines. Koopman asked if the City will require that separate water lines be installed. She said if one curb stop regulates all the homes on a line then if one home needs the water shut off at the curb stop for repairs then all the homes will be affected. The other issue is cost. Koopman asked Polzine if \$200 to \$300 was the correct price to install a curb stop. Polzine replied it depends on the distance a line has to be run. To fix an existing curb stop will probably cost \$200 to \$300. To install a brand new curb stop will probably cost \$1000. Hannasch asked how many need to be installed or replaced. Polzine said there are 10 to 15 properties without curb stops but he doesn't know how many are not functioning.

Hannasch said Koopman and he discussed continuing the public hearing at the next meeting to give time to get the public informed about the issue. He said they also discussed that paying for installing or repairing a curb stop may be a hardship for some, so there is the possibility of adding a monthly payment to a resident's utility bill until the bill is paid. Stobb said he thinks it's important to look at payment options. Otto-Arvizu felt that people aren't going to come to a public hearing because most aren't going to know whether they have a functioning curb stop or not. Hannasch asked if the City has a list of who needs curb stops. Polzine said he thinks it will take two to three years to find them all. Koopman said she has a list of five people right now. Otto-Arvizu said she would bet 99% of the people don't know if they have functioning curb stops. She asked if they have to call the City to find out. Polzine said that a curb stop belongs to the property owner. Otto-Arvizu asked if they would have to contact a private party to find out. Polzine said the ordinance has been in effect since day one. He said any new construction has a curb stop installed. Polzine also added that during any street project that is done, water service is stubbed in so streets won't have to be dug up later in case of the need for repairs.

Stobb asked if there would be a problem if the ordinance is adopted but not made retroactive. Polzine said the biggest problem for the City is non-payment of utility bills. He said this winter he and Bryan

Hillger went to a house to remove the water meter for non-payment. The resident then installed a straight pipe directly to the water line and was stealing water from the City. Another situation was in a vacant house where the water line was broken between the street and house and since there was no curb stop to shut off the basement flooded. The curb stop is a safety valve for homeowners more so than beneficial to the City. Hannasch said he believed if the City gets a notice in the newspaper word will get around about the ordinance. Stobb said all people have to do is look for a round metal disc in their yard. Hannasch asked for a motion to continue the public hearing. Motion by Stobb, second by Fraser, to continue the public hearing until August 27th at 8:10 p.m. All voted in favor of the motion.

Chief Hillger reported that a week or so ago there were more illegal materials dumped in the City Dump. He said it had been pretty good for about three to four weeks. Fraser asked if there has been any other instances than shown in the photo that was distributed. Hillger replied there hasn't. Hannasch asked if there were any clues as to who was dumping. Hillger said there wasn't. Hannasch felt that if the City were to restrict the dump hours they would be penalizing the entire City for one person's stupidity. He added that he hoped if anyone has any information regarding who was doing the dumping they would come forward. Hillger said he tries to check the dump as often as possible and said he checks as often as three to four times per day during his shift. Stobb asked if the dump was being locked at night. Hillger replied it was. Fraser asked if it was helping. Hillger said it appears the dumping is occurring during the day. He said what is being dumped is on purpose because it's being hidden under brush. Stobb asked if it was strictly a permit issue, because the materials being dumped would be no more harmful to burn than trees and branches. But the City's permit doesn't allow building materials. Hannasch said that was correct and the state restricts what kind of materials can go into the compost site.

Stobb asked if the reward had helped at all. Hannasch replied there have been some leads but nothing panned out, but there are people bringing forth names of possible offenders. Hannasch felt if one person was caught it would be enough to make an example and reduce the number of incidents. Hillger said what is frustrating is a lot of the materials dumped could have been put in the blue containers very easily over the course of three or four weeks and disposed of that way. Otto-Arvizu said she would like to commend the police department for making the rounds daily to inspect the dump. It helps to protect the City's license.

Stobb said if the City gets to the point of limiting hours he felt there would have to be someone working at the dump to prevent illegal materials from being disposed of. Hannasch said it would be difficult to accommodate working people if hours are limited because everyone has a different schedule. He said he would like to see the dump left open. Otto-Arvizu said she would recommend leaving the hours as they currently are and to continue checking for illegal dumping. General consensus was to leave the hours as currently set.

Ferrazzano reported that he was approached by someone who had made an offer to purchase an Eastview lot which was rejected by the EDA. The question he had is what power does an EDA decision have upon the Council. If the EDA says they are not going to sell a lot for a particular price Ferrazzano wanted to know if the person could approach the Council with their offer for the Council to consider. Otto-Arvizu said she was surprised the EDA didn't refer the issue to the Council because the EDA has to get approval from the Council for any sale. Koopman said when an offer is less than the going price the EDA can decide whether or not to recommend the sale to the Council for approval. Otto-Arvizu said the Council is who approved the selling price. Ferrazzano asked if there is any room for negotiation. Koopman said the EDA is the owner of the property and therefore they control the sale of lots. Ferrazzano said he brought it up because the lots need to be sold and developed. Hannasch said the figure offered was \$3000 less than the asking price. If the EDA cuts the price what do they do about people who paid full price just six months ago. Ferrazzano said that happens all the time in real estate. He said he would rather have a \$3000 difference in price than be sitting on empty lots. Otto-Arvizu said the Council sets the price based on the EDA's recommendation and right now that asking price is \$9000.

Ferrazzano said what he is being told is that when a person comes in with an offer of less than the asking price the EDA can get the Council's approval to sell the lot for less. Hannasch said there was one case where a person bought two lots and paid less for the second lot but there were no

improvements on the second lot. Ferrazzano said so the answer is no, that a person cannot come to the Council with a lower offer. Hannasch asked why the Council would want to go over a committee's head on a decision. He said then there would be no point of establishing committees. Ferrazzano felt it would give people some recourse to come to the Council with a request. Otto-Arvizu said the Council overruled the Hospital Board over some issues with Sioux Valley.

Bob Gervais referred to his memo regarding the investments made in the Eastview lots. The purchase of the property worked out to \$1,328.00 per lot, the storm sewer cost \$978.00 per lot and improvements costs \$12,244.00 per lot for a total cost of \$14,500.00 per lot. With reducing the asking price to \$9000 the EDA is losing \$5,550 per lot. The EDA felt it wasn't a good idea to set precedence and sell the lot for \$6500. Their concern was the next person would come along and request to buy a lot for \$5,000. Gervais said he had another gentleman interested in the same lot who didn't question the asking price of \$9,000. It is an improved lot with sewer, water, curb and gutter. Gervais said if someone were to take an undeveloped lot and be assessed for these items there would be quite a substantial cost. Tammy Horner, who had made the offer on the Eastview lot, stated if you look at neighboring towns, not including Marshall, I've been lead to believe their lots are substantially lower priced than Tracy. I believe there are 10 or 11 developed lots and five or six undeveloped lots available. He added the more money the EDA gives away on the lots the longer it will take to get that money back through tax dollars. Hannasch said there is a spec house going up now and another party interested in a lot. Gervais said he is interested in the same lot Horner was looking at. Hannasch said it would not be against the law for the Council to overrule the EDA but he did not think it would be a good precedence to set. Ferrazzano said he felt it would set a good precedence that people be able to air grievances to the City Council. The Council may agree with the EDA or may disagree and say it was a fair offer. I'd like people to be able to present their side to the City Council if they so desire. Gervais said he agreed.

Hannasch asked Nielsen for his opinion. Nielsen said the issue had come up last minute so he hadn't been able to do a lot of research. He stated that when the EDA was formed the City established the powers it wanted the EDA to exercise. The issue is more than looking at just the one lot in question. It involves looking at the whole town and forming a plan for a larger development, not just what one individual wants to do. When you give them that authority Nielsen said the statutes are clear, if you're going to change authority for a board or commission the Council would need to look at the powers established at the beginning, hold a public hearing and adopt a resolution for altering the EDA's authority in dealing with this property. Nielsen said there is a way for it to be done if the Council wants to take away that authority from the EDA. Fraser asked if Nielsen was saying at this point he didn't think the Council could overrule the EDA's decision. Nielsen replied not without taking the proper steps to change the EDA's authority. He stated the City is a creditor of the EDA. It isn't fair to take away their ability to pay the City back. Nielsen was not saying the Council can't do it, but there is more of a formality in doing it. Ferrazzano said he didn't expect anything would get done at tonight's meeting he was just curious to know if it was an option to approach the Council regarding the issue. Hannasch said if people want to get an issue on the Council agenda there is nothing that would keep them from making a request to do so prior to distribution of agendas.

Stobb said in this case the offer was made and the EDA turned it down. He asked if there was a face to face meeting or has there been since. Gervais replied there wasn't. He corresponded with the party prior to the meeting and contacted them by phone after the decision was made. Stobb said he hopes the EDA would be open to negotiation. Gervais said the EDA is open to negotiation but if you look at the incentive package available there is a \$1,000 rebate from the City as well which gets the lot price down to \$8,000. That along with the other incentive items makes for a pretty decent package. Ferrazzano asked when the lot prices were reduced from \$14,000 to \$9000. Otto-Arvizu said it was about three years ago. Ferrazzano asked how many have been sold since then. Gervais replied five or six have been sold but he added that two of the property owners each own two lots. Ferrazzano asked how many were still available. Gervais replied 10 or 11. Ferrazzano asked if the City planned to stay at the \$9000 price and wait to see what happens. Hannasch stated that is what the EDA has decided to do at this point and if the EDA decides to sell a lot for less or lower the asking price they will need to come to the Council for approval. Caron said if the City drops it's fee to the EDA they could drop the lot prices in order to get them sold. Ferrazzano said he thinks it's important for people to know that the EDA is willing to negotiate. Just because the first offer is rejected doesn't mean they can't renegotiate. Gervais said the EDA is definitely willing to negotiate, it was just the Board's

decision that day that a \$2,500 loss on the lot sale was more than they were willing to accept.

Hannasch said there are other lots available in Tracy that are higher priced than those in Eastview. Otto-Arvizu stated that some private property owners were upset when the Eastview lot price was first dropped. These owners are also trying to get lots developed when the City keeps dropping prices and is using taxpayer dollars to promote them. Otto-Arvizu said that was a big discussion at the time. Hannasch said the EDA was eating \$5,500 in order to drop the price to \$9,000 per lot. He thinks \$9,000 is a very good price with the improvements included and dropping to that price did draw some interest. Otto-Arvizu said they sat for over a year without selling a lot until the price was dropped to \$9,000. Ferrazzano said maybe the EDA should consider dropping the price again. Otto-Arvizu said that option can certainly be discussed. Stobb said there seems to be more things happening in Tracy today or more things on the horizon than three years ago. Although people have told me we should just give those lots away to get people building on them. I would hate to give them away for a small sum so later there wouldn't be anywhere for people to build. Ferrazzano asked what he meant by a small sum. Stobb replied some people have said to auction them to the highest bidder.

Ferrazzano said he thinks everyone agrees the lots need to be developed it's a matter of what the EDA is willing to sell them for and that they're willing to negotiate. Gervais said the EDA is certainly willing to entertain bids. Hannasch added that they just felt the \$6,500 bid was inadequate. Gervais said the concern was \$6,500 would become the actual set price for all the lots and it would cost taxpayers another \$2,500 per lot since it is taxpayers money financing the lots. Hannasch said other lots around the City are selling for around \$15,000. Otto-Arvizu said for private lots the developer has to pay for improvements and her concern is the City is asking tax payers to pay for improvements on the lots and then not getting any money back from them. Ferrazzano said he tends to be pessimistic but it doesn't do any good to sit on empty lots. When there is someone offering decent money for a lot you should think about it. The lots aren't selling as good as they should and there is not as much construction as we need out there. Hannasch said he thinks the EDA did consider that. Gervais said as far as the EDA is concerned they did discuss the actual sale of lots in Eastview, the biggest concern was setting precedence and if the lot was sold for \$6,500 that would become the new sale price for the remaining lots. At that time on July 27, the EDA did not feel it was right to do that with the taxpayers money. The amount of \$9,000 is a fair asking price for those lots since they are developed and that's why the offer was rejected. Gervais said he does agree that at some point that the EDA can take a look at the asking price and they will entertain fair offers now.

Hannasch said he thinks if the party who made the offer came back to negotiate a compromise could be reached. Stobb said Hannasch commented the party should come back to the EDA but he felt maybe the EDA should take steps to contact the interested party. Hannasch said Gervais did contact them that the bid was rejected. Horner indicated she was told the bid was rejected but she was not told there was any room for negotiation. We were told it was rejected and the EDA would not budge off that price. Horner said they started out with \$6,500 because they wanted it cheaper than \$9,000 but that doesn't mean they wouldn't have paid \$8,000. We wanted to live in town but now we're forced to live in the country. We have three kids and Tracy would have benefitted from us living in town. Horner stated this isn't Marshall, it's Tracy and there is less money in Tracy. There are a lot of lots out there that are going to sit for a long time. She said it's a done deal now and they weren't given the opportunity to negotiate. Gervais said in correction to Horner's statement he doesn't believe he made the comment that the EDA wouldn't budge. Horner replied he did and said Gervais told her for two lots the EDA wouldn't come off \$18,000 and for one lot they wouldn't come off \$9,000. Horner said they told Gervais they were interested in two lots and offered \$13,500 which is what Andree's paid for their two lots. Granted one of Andree's lots was undeveloped. The truth is there is no movement out there and they thought it's a nice area. She wasn't saying the lots aren't worth \$9,000 but there aren't people beating the doors down to buy them. Horner said she heard someone from Walnut Grove made an offer on a lot that was rejected. Hannasch said he had never heard of any contact with anyone in Walnut Grove over the lots.

Ferrazzano said he thinks it's important that people know the EDA is willing to negotiate. Horner said she feels they should have been told they were able to negotiate. Dennis Fultz stated as an EDA member he didn't think they discussed negotiating the price. The EDA felt it would set a precedence for all future lot sales in the area and as an EDA member he didn't feel he wanted to set a lower price

until the Council was aware of what we were doing. If the Council would agree to subsidize the lot purchase price more than they are now the EDA would definitely consider a change in price. Fultz said he is not a City tax payer so he hated to make decisions affecting taxpayers. He felt if the Council would choose to lower the price that would be a different story. Fultz said if you say the EDA has the right to negotiate it becomes difficult for Gervais and the board members to determine who pays what price for a lot. He felt it would be simpler for Gervais and the EDA to have a set price for the lots. If they get involved in negotiating it's very difficult to be equitable and fair. Otto-Arvizu said the City had the same situation with the lots out by the swimming pool. The first lot sold for around \$10,000 and later the City started to take bids. Otto-Arvizu said the last lot sold for \$2,000. You get the land sold and get it on the tax rolls which was the rationale for lowering the price so much. Otto-Arvizu stated the question that has come up in the past is those people who are developing land privately when the City is subsidizing lots with taxpayer dollars and she doesn't know if that's legal or not. Nielsen said it's not a legal issue, but it's a question of policy. If you don't expect everyone to pay the same price, prices are always going to go down under that circumstance. Nielsen stated the Council and EDA are in an extraordinary position that most lot sellers are not in, and that is they have to discuss how lots are sold publicly, so buyers know all about that before they come to the table. It is public procedure that is followed in terms of selling the lots. Otto-Arvizu said the other issue to consider is the longer the lots remain unsold the City is continuing to make payments on improvements. The original price of \$14,550 is not inclusive of the interest that could have been accumulated on the money that was not paid in for all these years since the improvements were made on those lots. Hannasch said if you drop the price too much you won't get any of your investment back. Caron said it's not any different if you price them too high and never sell the lots at all. Otto-Arvizu agreed saying you'll never get all your money back on the lots. Hannasch said but there is interest being shown at the \$9,000 price. Ferrazzano said we are at a pivotal point in the City and can't just wait to see what happens. If someone is in the ballpark the City can't wait around to see if something else is on the horizon. Hannasch asked Ferrazzano if he thought 70% was in the ballpark. Ferrazzano replied the EDA would have to determine that. Gervais asked Ferrazzano what he thought was a fair price for the lots. Ferrazzano said it's difficult to have a set price. It's easier to set the price but if someone comes in with an offer of \$7,775 that's pretty close and then you can make up the difference through property tax rolls. Ferrazzano said if the City is concerned with revitalization actions speak louder than words. We need to get people out there building homes. Fraser said if lot prices are strictly negotiated there shouldn't be any set price. Otto-Arvizu said the problem with that is each bid would come in lower than the one before. Hannasch said you eventually would never get the money back through taxes. Ferrazzano said there is going to be problems with any proposed bid. Stobb said I don't think I would right now say to sell a lot for less than \$9,000, but he said he was learning this is a special case where the interested party wanted two lots, one at the regular price and one at the reduced price. Stobb said that would have perked his interest if he was on the EDA. Hannasch replied the EDA did sell one unimproved lot at half price. But if you're talking about two improved lots, you're looking at \$28,000 in expenses to a \$15,000 loss. Hannasch said he didn't see that as a good policy to set. Otto-Arvizu said there would be quite a bit less in tax revenue if you had one house on two lots as opposed to a house on each lot. Stobb replied there would be quite a bit saved on incentives perhaps too. Otto-Arvizu said the incentives aren't necessarily out of the City's pockets. Stobb replied the \$1,000 off the lot is and he didn't feel that would apply to the second lot.

Gervais said just to clarify the Horner's were interested in two lots but the \$6,500 request was just for one lot. Horner said she had told Gervais to go to the EDA with the \$6,500 offer for one lot but they were interested in two. Furthermore when she checked into tax rates the City would be looking at \$1,700 per year plus \$200 or so for the swimming pool. That's almost \$2,000 per year in taxes. I can't believe the City is not making any of their money off those kind of taxes. Someone at the Lyon County office told her that Tracy is very high on property taxes compared to other towns and they weren't sure why. Hannasch said he thought that was a falsehood. Otto-Arvizu said when you are saying \$1,700 I think that is divided between Lyon County, the school district and the City of Tracy. Horner said the figure also did not include the swimming pool referendum. Ferrazzano asked if the Council would have some kind of consensus to tell the EDA they are free to negotiate offers below \$9000 or were Council members in favor of sticking to that price. Otto-Arvizu stated the EDA can make recommendations to the Council for offers below the listed price. Caron said if all these lots are sold the City will have to look for new lots to develop. He asked if the City was going to give those away. Caron said he can't believe \$2500 is a big enough difference to stop construction of a

new house. Nielsen asked where the cut-off point is. That is why the EDA was given the authority to consider these issues and weigh all the factors. Gervais stated in essence it's the tax payers money being dealt with and he thought Caron brought up a good point. How much is the City willing to sacrifice to develop the lots. Ferrazzano said the public should be heard on this issue since it is their money. If people are saying the lots should be sold for any price in order to get them developed the Council should consider that. Otto-Arvizu said once those lots get sold the EDA will get a lot of pressure that they were not doing enough to obtain lots to sell and develop. Hannasch said he felt it wasn't a good decision to give these lots away. Ferrazzano said he didn't think \$6,500 was giving the lots away. Hannasch replied he did when there is \$14,500 invested in the lots. He added a lot of thought was put into setting the price for the lots.

Koopman presented the 2002 Department Budget Requests. She indicated an error for the Mayor and Council budget, Travel Conferences & Schools should read \$1,000 instead of \$10,000. Koopman reported that \$10,000 was budgeted under Subscriptions, Memberships and Contributions was for a donation to next year's Box Car Days Celebration for its 75th anniversary.

Under the Administration budget there is a requested increase of \$1,600 under Communications-Telephone and an increase of \$2,200 under Equipment and Improvements for cable Internet and networking of the computer system. Koopman reported that she budgeted the same amount as last year for Planning and Zoning but this could change depending on the Sabongi Revitalization developments. The Assessing budget remains the same for the contract with Orlin Bruss.

Nielsen said his requested increase for Other Contractual Services was calculated on the same basis as last year. He had no other changes to report.

Gervais reported as the EDA prepared its budget the largest change was in Transfers Out. Last year the EDA budgeted \$30,000 and received an additional subsidy of \$50,000. Future projects include a daycare facility with a projected cost of \$25,000; the EDA is currently negotiating a contract for a call center at a projected cost of \$20,000; wireless Internet service at a cost of \$10,000; and the EDA wants to set the revolving loan fund at \$50,000.

Gervais stated that he did not foresee a problem keeping the Eastview Apartments full. All apartments are currently rented and there is a waiting list of five names. There is a requested increase of \$500 for Miscellaneous and \$500 for Equipment & Improvements. Gervais said the apartments are now four and five years old and so at an age where they will start needing more improvements. Otto-Arvizu said she felt it was important to remind the public that the budget for these apartments is revenue defined, no taxpayer dollars are used. Gervais reported that interest payments have dropped accounting for that decrease. In reference to Other Contractual Services he said he is in the process of obtaining bids for snow removal.

Gervais reported that all 5th Street apartments are also rented. He is working on getting a snow blowing contract for these apartments as well. Gervais said there are no changes to the Home Loan Assistance budget. He added it is a good program that is not being utilized well at this time.

Dennis Fultz stated that Bob Gervais has been with the EDA for five months now and has been working hard to make improvements and has created so much work he needs help. Fultz said the EDA is requesting the City hire an assistant to help Gervais. The proposal is for a half-time position. Fultz said Gervais has more things to do than he has time for so the EDA would like to request a budgeted amount of \$12,000. Fultz said the assistant would do some Chamber of Commerce work but so far Gervais has spent well more than half his time on EDA projects. Fultz said he was assuming this budget request is for the year 2002, and he wasn't sure if there is money available but if possible the EDA would like to see someone hired before the new year. Caron said the EDA voted to recommend proceeding to hire an assistant right away. Otto-Arvizu said she had asked Dave Spencer if the City Office personnel could provide some time to helping out with phones or mailings. Spencer explained the staff is already involved with projects a good number of days out of the month and so wouldn't be able to consistently provide assistance. The EDA was thinking Gervais needed help with answering phones and mailings, things that aren't really a good use of a professional's time. Koopman said she would check into it. Otto-Arvizu said she had thought this might be a way to utilize the staff the City has but if they already have full schedules this won't work. Hannasch said

when the City hired a secretary for Koopman it freed her time up greatly. He felt it was well spent money and he thought it would be as beneficial to the EDA if a part-time secretary could be hired to work with the EDA and Chamber but would be paid for through the EDA. Otto-Arvizu said she is concerned if the EDA is paying for the secretary that it would be a problem if they would do work for the Chamber. Hannasch said the City and the Chamber of Commerce are each paying 50% of Gervais' salary but he is probably devoting 70% of his time to the EDA and 30% on Chamber projects. Otto-Arvizu said she would like to see the secretary do EDA work so Gervais could commit 50% of his time to the Chamber.

Fultz said when he was on the hiring committee they told Gervais that certain times of the year, such as Box Car Days, Chamber projects would take more of his time. Other times of the year he could devote more time to the EDA. It's not every day or every week that Gervais' time is going to be split evenly. Otto-Arvizu said one of the reasons she was advocating a time log was to use it as a tool for evaluation as to how fairly overall Gervais' time was being spent and if at the end of the year they need to reevaluate the division of time. Caron said they definitely want to avoid splitting the two jobs up again. Fultz said the committee told Gervais when he took the position they wanted him to expand the EDA to a full time position. Gervais must have really dug into that because he has created almost a full time position in three or four months. Fultz said his biggest concern is burning Gervais out.

Koopman stated the Municipal Building budget included a requested increase of \$3,200 under Equipment & Improvements for a new floor scrubber and to install central air for the Police and EDA offices. She informed the Council that they would see a large increase in Utilities for every City owned building budget due to the expected increase in fuel prices again this winter.

Hillger reported on the Police Department budget stating that he had no control over expenses for most of the items. There is a request for an increase of \$300 in Stand-By Wages; an increase of \$1,500 for Motor Fuels & Lubricants as the department has already spent \$4,800 in the first six months of 2001 due to high gasoline prices; and Hillger requested a \$500 increase for Maintenance & Repair of Equipment because \$2700 was spent the first six months of the year. The Lumina is due to be replaced in 2002 but is starting to nickel and dime the budget with repairs. Hillger included an increase of \$850 for Equipment & Improvements which he explained is mostly for squad car related equipment and set-up charges. Hillger had no changes for the Civil Service budget.

Keith Engesser presented the Fire Protection budget requesting an increase of \$750 for Regular Wages and \$3,000 for Temporary & Part-Time Wages. He explained that there has been no change in wages since 1985. Engesser stated that Uniform Allowance should have included a figure of \$325. Maintenance & Repair of the Building shows an increase of \$18,250. The parking lot is in need of repair at a cost of \$16,000 and there are five building furnaces which are getting old so Engesser budgeted for one to start the process of replacing them. He informed the Council that the roof is leaking but he doesn't have an estimate for repair yet. The roof is about 20 years old. Engesser included a \$250 increase for Communications to add another phone line. The fire department is assisting the police in weather watching and when someone is line checking Doppler radar no one can call in by cell phone to make any reports and if weather is bad the radios don't always work. Regarding the increase in Utilities, Engesser said he wasn't sure it needed to be quite that high since the building is not air conditioned. He decreased the amount allotted for Physicals by \$1,400 since they are only required every two years. Engesser stated that if the department had to cut something from the budget they could get by without the parking lot repairs, but it is in bad condition.

Koopman reported no changes to the Building Inspection and Civil Defense budgets. She said at this time there is no change to the Ambulance Garage budget but she was not sure when the new garage is due to be completed. There may be changes later.

Polzine reported that he raised the overtime budget request for the Street and Parks Department. Motor Fuels & Lubricants shows a \$4,000 increase as the department has already spent more than budgeted for this year. Utilities was increased to reflect higher fuel prices. Equipment & Improvements was increased by \$65,000 due to the need for improvements in Central and Sebastian Parks. The Central Park bathrooms will cost \$10,000 to complete and other improvements will add up to \$25,000. Sebastian Park has \$25,000 worth of improvements planned. Another \$15,000 has

been allotted for pea rock and timbers to place under playground equipment in order to follow safety regulations. Polzine had no changes for the Street Lighting budget.

Koopman informed the Council that Vicki Olson was out of town when the budget for the Library needed to be submitted. A revised budget will be prepared later.

Koopman reported the only change for the St. Marks Museum budget was a \$400 increase in Utilities. The Community Education & Recreation budget was left the same at this time but Koopman is not sure of the future because of changes with the program. She will be meeting soon with the Community Ed board to discuss the program.

Koopman stated the biggest change for the Airport Maintenance budget was for Motor Fuels & Lubricants. The fuel tank was filled this year but will probably need to be filled again next year. Koopman added the cost of fuel is reimbursed by those who use it. She said the roofing project will hopefully be done this fall so maintenance costs will decrease for next year.

The Unallocated Budget will be revised because the contribution to the Senior Center has yet to be determined. The only major change for the Senior Center budget is the Utilities increase.

Koopman reported an increase of \$3,000 under Other Contractual Services for the Cemetery Operating Fund. Based on the hours he puts in, the Cemetery Superintendent is only making \$4.00 per hour. The Commission voted to increase his contract amount for next year. Koopman added that Contractual Services also pays for grave opening fees.

Polzine stated that next year will be the first full year under contract with PeopleService, Inc. Most of the budget categories now show a zero amount with the bulk of the money budgeted in the Utility Department is for the contract with PeopleService and for engineering costs. There is also an increase of \$28,000 under Equipment & Improvements most of which is for work that needs to be done on control structures at the lagoons.

Koopman reported that the Licensing budget will need to be determined before being finalized. She said the Swimming Pool budget was just an estimate based on the feasibility study that was done. Koopman informed the Council they would need to adopt the preliminary budget at the next Council meeting.

There being no further business motion by Ferrazzano, seconded by Caron, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

August 27, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, August 27, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, C. Hannasch, J. Otto-Arvizu, R. Caron, and R. Stobb. Absent were: M. Fraser and D. Berndt. Also present were staff members: A. Koopman and F. Nielsen.

Hannasch asked for any additions or corrections to the minutes from the August 13, 2001 City Council meeting. Motion by Ferrazzano, second by Caron, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked if there were any additions or deletions to the agenda. Motion by Stobb, second by Ferrazzano, to approve the agenda as written. All voted in favor of the motion.

Fraser arrived 7:31

Hannasch stated that the Planning Commission report regarding a Special Use Permit request to open a funeral home in the Central Business District was not a designated public hearing but the Council would open the issue to public comment due to the interest shown. Hannasch said comments would be restricted to two minutes or less, each speaker needs to state their name, and each person is allowed to speak just one time. Then the issue would go back to the Council for a decision. Hannasch said this is not normal procedure but he received lot of calls on this issue and he thinks it's only justified that the public hear what people have to say.

Mike Johnson, who submitted the Special Use request, stated that he was born and raised in Tracy and he decided that he wanted to come back home. Johnson said unfortunately the only thing he knows is being a funeral director and he knows there isn't exactly a long list of those needing a funeral director. He said he thought it would be an ideal situation since he was originally from Tracy. Johnson stated there are so many empty buildings downtown and the one that worked best for him is the one he purchased. There was no consideration for the City from the person who left the building, he didn't find a buyer for it, he found someone from out of state who didn't necessarily care for the building. Johnson said the building was ideal for him so he thought he would pursue it. He said to hear people's pros and cons on the issue is good for him if things work out because it has given him some things he didn't think about.

Johnson said when people go to a funeral most don't expect to be able to park right in front of the building. Even if you're in Rochester and right in a parking lot you're still going to have to walk farther than anywhere in Tracy. Johnson said he hopes it is an issue because that means business is good and he likes to see a lot of people going to visitations. He thinks when a lot of people come it's a good and positive feeling. Someone mentioned that it doesn't bring a positive image but Johnson felt that was a positive.

Johnson said the Planning Commission made their decision and saw it as the right thing to do, as did the EDA and that is their job. Bob Gervais as head of the EDA said he didn't get a lot of positive comments but he didn't get any negative feedback about having a funeral home downtown. Johnson passed around letters of support for his business and a list of signatures in favor of his business for the Council to read.

Hannasch stated this has probably been one of the most discussed issues in quite a while as to what to do with the Almlie building downtown. There have been pros and cons and Hannasch said he would like to hear from anyone else with an opinion on the matter. He said the Council has a petition included with the agenda that was signed by a number of people against the funeral home downtown and included with the Planning Commission minutes there is a list of people in favor of the business. There seems to be about an equal split of those in favor and those against.

Hannasch asked if any council members had anything to add and specifically asked Stobb since he is on the Planning Commission. Stobb said he would rather hear from the public first before giving any input.

Kim Thormanson said she is new to the area, just relocated from the Minneapolis area, and lives on

Lake Shetek. She said what brought her to the meeting is that she is also interested in starting a small business in Tracy. She said while she agrees with Johnson that there are a lot of empty buildings downtown, she has read the newspaper and talked to quite a few people to get a feel for the community and her question is why in a City that is trying to revitalize itself would you want funeral home downtown. I understand there are two funeral homes already. I grew up in a small town, Parkers Prairie, which has a population of about 1500 and is located about 20 miles north of Alexandria. I'm very interested in starting a business in this town and making Tracy alive again but I don't understand when you have a beautiful building downtown and what happens if you have sidewalk days or crazy days and you have people walking past a funeral home. Thormanson said she was appalled and said the Council can't want a funeral home in the downtown business district. She said she understands the want for new businesses in Tracy but there are already two other funeral homes in town and Thormanson said it doesn't make sense.

Joan Johnson said she was born and raised in this town. She said as has been mentioned there are a lot of empty buildings in town. She said the public wants new businesses in town but it seems they are more or less chased away than encouraged. Johnson asked what is so appalling about a funeral home, we're all going to die so why is a funeral home considered disgraceful. They are beautiful buildings. There would be three businesses in Tracy but Johnson didn't think one of them has had a funeral in a long time and it's located in a residential area. She said she wouldn't want to live by a funeral home. Johnson said that would bother her more than walking in front of one downtown. I don't think parking is an issue because most funerals are held in a church. When they are at the funeral home I think everyone could be compassionate enough to park a block away. Johnson said here is a young man who wants to make an honest living who grew up in this town. His family all lived in this town. To Johnson it's a discrimination against funeral directors because some people don't like funeral homes and she didn't feel it was right.

Leslie Prouty said she would like to ask why there is a funeral home on Highway 14 where there is more traffic seeing a funeral than on main street and is that home considered appalling. When she went around to local businesses and asked them if they minded having a funeral home downtown no one objected. They see that their stores would increase business by having more traffic downtown. There is beautification that is going to be done behind the building as well as the front. Prouty felt it shouldn't be such an issue. Parking shouldn't be an issue because visitations don't usually start until 4:00 in the afternoon when there aren't many people parked downtown anyway. Even during the day there is often no activity downtown. Prouty said when people make funeral arrangements they go downtown, they buy cards, they go to the bakery, buy a tie at Enderson's, or even to Tita's to buy clothing for the deceased or themselves. They may even go to the framing shop to frame a picture for the deceased. A lot of businesses would profit and I hope the Council can see that.

Curt Enderson said he didn't have a lot to say other than he thinks the City needs to take a serious look at anyone serious about investing in Tracy no matter what the business is. He stated as Mike Johnson has said there are way too many empty buildings in town.

Hannasch closed this portion of the meeting to open a public hearing to ratify the sale of tax forfeited property. Nielsen stated the property was tentatively sold to the Bakkers some time ago and the party that is closing the sale for the buyers wanted to obtain a resolution from the Council to formalize sale of that property. Nielsen said the request for that resolution is proper because the City Charter does provide for a public hearing prior to the actual confirmation of the sale. This was discussed briefly at the last Council meeting and the terms were talked about previously. The property was offered for bids some time ago and the party that purchased it was the only one interested in it. There being no public comment the public hearing was closed.

Otto-Arvizu made a motion to adopt the resolution authorizing the sale of the tax forfeited property. Caron seconded the motion and all voted in favor. (Res. No. 2001-26)

Dave Anderson stated it seems like a lot of people don't want empty buildings but they don't want to open the billfolds to get something going.

Marge Robinson stated she is from Tracy and she has gone to some of Sabongi meetings and is very impressed with what they have to say and their plans to beautify and make the downtown area

attractive and inviting. Robinson said her partner in antiques, Pat Fritz, and herself have some antiques in Summit Place and plan to have items in another business downtown. Robinson said she was not speaking for them but she has been through a lot of small towns the size of Tracy. She feels Tracy is one of the best they have seen and lot of these small towns have empty buildings. She said she is happy to see any new business in town and has no objection to another funeral home she just doesn't think downtown is the correct place. Robinson said funeral visitations are held during the day sometimes as her husbands was. She asked where will prospective customers for her business park. Johnson said they can park two blocks away but that is not always convenient for all people. If funeral services are held at the home this also adds problems with police slowing traffic when having to lead the processional out to the cemetery.

Robinson said the largest store on main street would be a funeral home. She asked is main street a private place for mourners if there are people milling around going to shops. Robinson said she is not against Johnson starting a new business in town she just don't think the downtown area is a place for this.

Marlene Buck, owner of Four Seasons, said she has given this issue a lot of thought over the past several days. I had many people stop and ask her or call her about the issue and she has not had a favorable comment from anyone. Buck said there is no one that wants to see a business succeed more than she does for the betterment of the City. But she does question the downtown area for a funeral home. Buck said we all want to see these buildings filled but she was not sure that a funeral home downtown is the right mix with the downtown area.

Marlin Meyer stated he talked to all of council members except for Fraser and no one indicated that Mr. Sabongi was contacted about funeral home or the possible call center in the building across the street, probably the two most desirable buildings on main street. The City is spending \$18,000 which we appear to be throwing down the drain because no one can tell me Sabongi has been contacted. Meyer felt he should be before any decision is made. Caron said he was out of town on vacation. Hannasch said they had tried to contact him but he has been out of the country. Meyer said there should be no vote until Sabongi is talked to. The City is investing \$18,000 in Sabongi but what is he investing in the City. He is just doing what he gets paid to do. Hannasch said he would close the public portion and turn the issue over to the Council.

Joan Johnson indicated she had one comment about what was said in regard to when there is a funeral going on and people were walking into the funeral home downtown. It was said that it would make them feel uncomfortable because it was not private. Johnson said when her mother died they could have buried her at Grand Central Station with 10,000 people and she would not have seen anyone but her family there. Hannasch said comments were limited to one per person.

Hannasch stated that he has never had as many calls about an issue since he became mayor. He said none of the people that contacted him were against a third funeral home in town. All that contacted him were against a funeral home downtown. The people that had no opinion about the funeral home going in downtown were just glad to see another business come to town. Hannasch said he talked to 18 people about the issue and sat in on the Planning Commission meeting. He asked if any Council members had anything to add and stated he thinks this is an important issue. Hannasch said he told Mike Johnson what his feelings were, that he wants new businesses in town and want them strategically located. Hannasch said he appreciates all the effort Johnson has put into this issue.

Stobb said he doesn't remember any other Planning Commission meeting where the deliberations were as long and as thought over as this issue. Given first choice Stobb said we would like a retail business downtown. Stobb said his personal opinion is the Planning Commission got hung up on which is worse - having an empty building downtown or having a funeral home. Stobb felt that is where the commission's decision was made from. He said there is nothing appalling about a funeral home, he would never say that, and said one day he would have need of a funeral home's services. Personally Stobb said, and clarified he was not speaking for the Planning Commission, if he knew there was a funeral downtown he would not feel comfortable being downtown for other business. Stobb said turning that around if he lost a family member he said he wouldn't feel comfortable having a service in the downtown business district. He stated that he had eight to ten calls this weekend and none were in favor of the funeral home downtown. Stobb thought that the letter

included with the agenda made a point in that perhaps the Planning Commission didn't determine if a funeral home was a benefit downtown or a detriment downtown. He said he thinks that may be true. Stobb asked how you determine whether it's a benefit or detriment. It all appears to be personal opinion.

Hannasch thanked the administrative assistant for the thorough set of minutes from the Planning Commission meeting. Ferrazzano said the only thing he wanted to say is the City doesn't know if Sabongi will even have opinion as to what businesses there should be downtown. Ferrazzano felt Sabongi would not say you need a shoe store here, you need a restaurant here, or you need a coffee shop here. From what he's seen Ferrazzano said Sabongi is just proposing how downtown should look. He didn't even know if Sabongi would have an opinion about what stores Tracy should have. Stobb said Sabongi talked about antique stores and gift shops. Ferrazzano replied that was on a very general basis and said he thinks Sabongi will say it's up to the City what businesses are wanted. Hannasch agreed saying he thinks Sabongi's concern is beautifying the town and making sure Tracy is ready for change and adaptable to change.

Fraser asked if Sabongi was ever approached at all about this issue. Stobb said the EDA was first approached last spring about the funeral home. Hannasch said the issue with the funeral home downtown didn't come up until recently. Fraser said it does concern him that the Council hasn't talked to Sabongi even though Fraser agrees that Sabongi probably won't say the City needs particular stores downtown, but Meyer had a point that the City has paid Sabongi a lot of money and this issue involves downtown. Otto-Arvizu said she thinks what Sabongi likes to do is take you through a process of setting priorities and goals and asks the town what will meet its needs and budget. She said for those that called her about this issue she asked if they would rather see an empty building or see this particular business move in. Some said they would rather see the building empty with the hope that with the revitalization of Tracy a retail business will be attracted.

Stobb said his impression is the Planning Commission members were going with their own feelings at that time. Since that decision was made and it has been talked about more around town Stobb felt the Council has the benefit of public opinion more so than the Commission did that night. Otto-Arvizu added that the people originally notified were only those within the vicinity of the building. Fraser asked if there was dissent at the Planning Commission meeting. Stobb replied there was. He asked the Council members if they felt it was determined by the Planning Commission if the funeral home would be a detriment to downtown or downtown improvements. Ferrazzano said he didn't think they determined that, but he said based on what has been said he didn't feel anyone could say they would lose business for sure. Ferrazzano felt that was speculation and he didn't think from reading the minutes that it was determined to be either a detriment or a benefit. Stobb asked if the Council felt Johnson's answer to question number three on his special use application shows that his business will not be a detriment to the neighborhood. Stobb said he has no doubt business will be conducted according to standards and regulations, but he asked if it would be detrimental to public welfare or injurious to property or improvements in the neighborhood.

Hannasch said he personally believes that a funeral home that is well manicured and well set up can be an attractive building no matter where its at. Looking at the Almlie Funeral Home on Highway 14, its location and design is a definite asset to the City. He felt it can be the same thing with any building downtown. If it's properly designed it can be an asset. If it's poorly designed it can be a detriment. Hannasch stated he has known cities with funeral homes downtown that have not been a detriment. He said personally he has no problem with it, but several people who have called him have had a problem with it and that's the issue that the Council needs to decide. Hannasch felt that Sabongi would not dictate the type of businesses downtown, but help work to make downtown attractive in order to draw new businesses in. Caron asked if it would hurt to table the issue for two weeks. Hannasch said he would feel more comfortable getting an opinion from Sabongi. Caron made a motion to postpone two weeks until the Council hears from Sabongi. Otto-Arvizu seconded the motion. Fraser asked if a public hearing would be held. Hannasch replied no and said the issue would just go to the Council for a decision.

Ferrazzano didn't think the Council should put off a decision because he didn't feel Sabongi would give them an answer as to what they need downtown. He thought a decision should be made so they weren't putting people's lives on hold for two weeks as he didn't think that was fair. Marlin Meyer

stated as a taxpayer he objected to making a decision until Sabongi was contacted. Meyer said it was \$18,000 of taxpayer money involved. Ferrazzano said he was not ignoring the fact that the City is paying Sabongi, but he doesn't think the City is paying him to make decisions like that. Ferrazzano felt Sabongi was here to help make plans to revitalize the town and to help write and submit grants. Hannasch agreed with Ferrazzano but he felt after some of the conversations he had with citizens Sabongi's name came up quite often so Hannasch suggested getting Sabongi's opinion before making a decision. Stobb agreed he would like to decide now and not have it lurking for two weeks. And Stobb said Sabongi may not have an opinion but he may have run across a similar situation and could possibly offer some advice.

Johnson stated that seven miles away was an example of a main street funeral home and when the owner wanted to sell it to him everything was fine. Johnson said it is only seven miles away, not in California. Upon roll call the following voted was recorded. Voting in favor of the motion were: M. Fraser, C. Hannasch, J. Otto-Arvizu, R. Caron and R. Stobb. Voting against the motion was: S. Ferrazzano. The motion carried. Hannasch said the issue would be back on the agenda in two weeks.

Hannasch presented a resolution authorizing the execution of the Minnesota Department of Transportation grant agreement for the airport improvement project. Motion by Caron, second by Fraser to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-27)

Hannasch opened a public hearing at 8:10 p.m. to consider Ordinance No.275, an ordinance mandating the installation or repair of curb stops. Dan McKee introduced himself and informed the Council that he runs few businesses in town, one of which is real estate. McKee's wife and he came up with a short letter expressing their concerns over the ordinance. He asked how many emergencies occurred over the last year that required water to be shut off and asked what constitutes an emergency. McKee did not feel non-payment of a water should be considered an emergency. He asked why the residents of Tracy should be penalized \$1000 to install a curb stop or \$700 to repair a non-working curb stop because a few people are trying to cheat the system by bypassing the water meter. McKee said he came up with an alternative and asked if a device could be attached to the intake on the inside of the house that would have a lockout similar to natural gas. If this is flimsy lock is broken when a water meter is removed the homeowner would be required to have a curb stop installed at their own expense, or better yet have a shut off valve installed inside the house but before the water meter at a cost of approximately \$100 instead of a curb stop. McKee said they had Heartland Mechanical do that to one of their houses and it cost less than \$80 to put a shut-off valve inside the house. An inside shut-off valve also gives access to the shut-off for 12 months out of the year versus the curb stop which would be difficult to access during winter months. McKee said he was told some of the curb stops are six to eight inches underground so when the ground freezes it would take a lot more effort to access them.

McKee said another alternative to mandatory installation of curb stops is when a new home is built or a current residence is sold the cost should be split between the seller and the buyer. With the cost of houses today the \$1000 should not make a difference whether a house is sold or not. When a home sells the cost of this balance due would be required to be paid before the title is transferred. By using both of these methods it would eliminate the cost of City employees going around to every property to determine whether every home has a curb stop and if it is in working order. This would also eliminate the hardship to the elderly or low income families. McKee said his insurance company does not require a curb stop so why should the City of Tracy. He said if had a broken water line in his home and his basement flooded it would be an emergency but he would pay his deductible and still be ahead. McKee said he would also spend the money to get a shut-off valve installed before the water meter to avoid another emergency. He said if his neighbor had a flood and his water had to be shut off until the neighbor's line could be repaired it would a hardship but he would deal with it a lot better than having to come up with \$1000 to install a curb stop. McKee felt the homes without curb stops should be grandfathered in and should only be required for non-payment or if the home transfers ownership.

Since there were no further comments the public hearing was closed. Hannasch felt the Council needs to look at how the ordinance would be enforced, what time frame would be used and what kind of a payment schedule the City could put in place because it could create a hardship for some people. Stobb asked if there was a copy of the ordinance. Koopman said there is just what was distributed at the last Council meeting but there have not been any revisions. She said she is not sure

what direction the Council wanted to head with this issue. Koopman said the other area that needs to be addressed is how community waterlines are going to be handled. Hannasch said there is a big gray area here on how curb stops have been installed in the past. Some have been installed when street repairs have been done and there is a question on who is paying the cost. Hannasch stated he thinks curb stops are an important factor but he doesn't think the Council should move too fast and put some homeowners in a position with a cost they cannot handle.

Hannasch suggested to mandate it over a two or three year period and look at spreading the cost out monthly on the homeowner's water bill over a couple years with a small interest rate. Homeowner's would still have the option of paying for it all right away. Stobb said it would be nice if all properties were uniform and all had curb stops installed but he said he had to ask himself if there are other options. Hannasch said he thought McKee had a nice presentation and said he had a shutoff inside his own home in addition to a curb stop. McKee said it would cost less than \$20 to have an inside stop. All you need is a cap and a flimsy lock that can be manufactured yourself. The stop would be on the intake pipe and a lock put on. McKee said if someone would contaminate the lock you can go after them for violating the ordinance. He said it took Heartland Mechanical less than 30 minutes to take out his water meter and install a stop. McKee said the City could come in and quickly shut off the water inside as opposed to digging up the yard and shutting it off outside. He felt that would take care of all emergencies. McKee asked what an indoor shut-off could not do that a curb stop could in an emergency situation. He asked if it was worth \$1000 per resident if an emergency occurs only once every five years. McKee said it would be more convenient for City employees as well instead of trying to dig through six to eight inches of frozen ground as opposed to coming inside to use the shut-off there.

Caron asked McKee if he knew how it was to try and get into someone's house to shut off water. McKee said it shouldn't be residents' problem. Hannasch said it was the City's problem and one of the reasons they were trying to come up with a solution. McKee said for his rental properties if that happens he would give the City a key and escort them in. Joel Adelman asked what if a line breaks and the basement floods. You have to consider how to shut off the water in those cases. McKee said to shut it off at the City main. Adelman said you would have to then shut off two blocks for one service. McKee replied it would maybe be one block and if it happens only once every years he didn't think it was justified. Adelman said it doesn't always work that way. Caron stated when they had problems at the bottling company they had to shut several blocks down to get it repaired. Polzine said they had to shut down six to eight blocks to fix one water main. McKee said they were talking about individual homes rather than businesses. He said if the water line breaks in his house his insurance is going to cover the costs and if you turn off the water for half a day to fix someone's line that is an inconvenience he is willing to live with.

Polzine said another big concern is when you have people who vacate a house and if the water is not shut off at the curb and they don't have the house heated over winter the pipes will freeze. McKee asked if you can shut it off before the meter and drain the pipes. Polzine replied that the water coming from the pipe outside the house will freeze right through the basement wall. McKee argued the \$1000 per house cost to get a curb stop installed does not justify the chance that pipes may freeze. Polzine replied he doesn't know why everyone has gotten hung up on the \$1000 price for curb stops. Hannasch said this is a figure that was thrown out as a worst case scenario. Polzine said one of the City crew tried to shut off his curb stop and it broke. He had a backhoe come out and dig to repair it which took less than 45 minutes so Polzine said he was sure it did not cost him \$1000. Adelman said for repairs like that it will probably cost \$200 tops. Polzine said the worst case scenario is if you have to dig in the streets. He said what the City is trying to do is pass an ordinance to help enforce an ordinance that has already been in place for over 25 years. Polzine said curb stops are the homeowner's responsibility to maintain and repair. Hannasch said the City is trying to get uniformity and there is no way build something that will fit one person. Keith Engesser said he has had to call the City to house fires where heat causes the pipes sweat open and the only way to shut off the water is at the curb stop. Hannasch said these are the issues that need to be addressed. He said the City is looking at a way to enforce the ordinance without creating a hardship for anyone. If the cost is maybe \$300 that could be spread out so a resident would only have to pay \$10-15 extra each month on their water bill until it is paid off. Hannasch said the City is trying to get some uniformity and something that will work for all the departments in the City. He added it was also good for the people stating that problems would be covered by insurance but most of the curb stop fixes could

probably be done for less than the cost of the insurance deductible. McKee said his whole point is why can't it be done when new houses are built or when a house is sold. He said he has three houses that are over 100 years old and he doesn't know if they have curb stops or not, but the older the houses are the more likely the cost will be higher. McKee said if it is done when a house is sold none of City employees would have to be involved and those man hours would be saved because the new owner would have to get a certified plumber to validate that the house has a working curb stop.

Hannasch said he would like to turn the issue over to the Council and have them consider a solution and some type of program to put into place. He said he would like to continue public hearing in two weeks and have council put some thought into some options. Stobb asked if a way to grandfather in homes had been discussed. Hannasch said he had discussed a time frame with Adelman and maybe taking two to three years to have it mandated in order to give people a good amount of time to determine if they have working curb stops or not and then to give a time frame to pay for them. Ferrazzano said he agreed with Stobb and thinks homes should be grandfathered in. He said he understands the need for uniformity but thinks it's unfair to tell people who have owned a property for a number of years that now they have to spend this money to install a curb stop. Polzine said his understanding of whole thing is PeopleService is not going to go out and try every curb stop in town to see if it works, but as needed when someone calls for water shut off and Adelman goes to do it and finds the curb stop doesn't work he will notify the owner they need to repair it. Polzine said they are going to look for them and mark them but they're not going to test each one. Adelman said he is going to locate them but he's feels he would run into problems trying to test each one. Koopman said she is confused about purpose of ordinance then, she thought purpose was to mandate that each residence have a working curb stop. Polzine said one of the purposes is when they go to shut off water for non-payment and they can't because it is bent or not working to enforce that it is repaired. He said they have run into problems time and time again when no one is home or a resident won't answer the door to let them in to shut off the water and they have checked back eight to ten times in a week. McKee said so the City can't enforce it's own ordinance. He asked if a police officer could go along. Polzine said they just got done talking about spending all these man hours and now they have to spend all this time checking back at the residence plus taking an officer along.

Hannasch said the Council needs to look for a solution to the issue. Caron felt the Council should determine a way to pay for curb stops but the ordinance should be passed. Koopman said she would like clarification about the draft of revised ordinance. She said they need to determine the intent of the ordinance and added if the intent is to include a grandfather clause the current draft will not work. Koopman said that would defeat the purpose of every private residence having a curb stop. She said if the Council wants to include a grandfather clause she needs to be given that directive. Koopman added if that is the intent it might as well be left as it currently is. Stobb said all new construction should have a curb stop, which is required. He added that all major remodeling projects should include curb stop installation. Polzine said he figures 99% of the homes in Tracy have a curb stop, whether they all work or not he doesn't know. Stobb added that when street construction is done curb stops are also installed at that time. Stobb said he is happy with all those things but he is concerned that the City doesn't go out on a seek and hunt mission looking for curb stops that don't work.

Hannasch asked what they did if the water department runs across a curb stop that doesn't work and asked if the City should then enforce the ordinance. Stobb said in that case the City should notify the people and then within a specified amount of time they would be required to have it fixed.

Koopman stated from what was being said she understood that nothing would be different, the City would act by resolution such as in the past when street projects were done the Council has adopted a resolution mandating the installation of curb stops prior to the street construction. Koopman said in the past if a curb stop is found to be leaking the resident is notified to repair it. Otto asked if the Council could include with the ordinance if a resident does not pay their water bill and won't answer the door then if their curb stop does not work it will be repaired or installed by the City at the resident's expense or put against the property taxes. Polzine thought the wording of the ordinance needed to be cleaned up to make it clearer. Otto-Arvizu said this way the police would not need to get involved. Polzine said there have been other cases where the City has taken a meter out for non-payment and come back later to find the resident has bypassed the meter and has gotten water

illegally. Then the matter has to be turned over to the City attorney and more costs are incurred. Otto-Arvizu said the City shouldn't have to go inside a home to shut off water. She said if the water can't be shut off at the curb a curb stop should be installed or repaired and the cost applied to the property taxes. This way the water department doesn't have to come face to face with an angry person. Polzine said that crew members have been called names and things have been thrown at them when removing meters.

Nielsen said they had discussed this issue at the attorney's meeting a couple weeks ago and discussed the fact that just taking out the meter out is not a solution to the problem of non-payment. It is too easy for someone to put a garden hose to connect the pipes and steal water. Then you have the issue of how to penalize for that theft. The idea Nielsen had is that the City shouldn't have residences without any water service and people should not be allowed to live in houses without water for health reasons. These people are still using the sewers and getting garbage service but not paying for any of it. Nielsen felt the City needs to consider if a resident is not paying the water bill that they will need to be forced to leave the home because it is declared a health hazard without water service. Otto-Arvizu asked what kind of legal fees and time frame would the City be looking at in evicting people. Nielsen said it could cost the City money but he felt the fear factor would help in getting people to pay water bills. Nielsen was concerned with how people would be getting rid of wastes and washing without water service and considered that a health hazard.

Hannasch asked if anyone knew of any other cities or ordinances addressing this issue. He asked if the League of Minnesota Cities may have some ideas or information. Koopman asked how the Council wanted to proceed. Otto-Arvizu said she doesn't think that City employees should have to come up against people who are angry about water shut-off. She suggested the City install or repair curb stops at the owners' expense which if not paid would go against the property taxes which is where most expenses like weed notices and snow removal are applied if not paid. Ferrazzano wanted to clarify that Otto-Arvizu was not recommending that curb stops be mandated at all residences but when the City comes across a problem the resident will be required to repair or install a curb stop. He agreed with that suggestion. Adelman said it is to the homeowners benefit to have a working curb stop whether they believe it or not. He asked if this would also apply to those with leaking curb stops. Ferrazzano thought it should, he said it doesn't have to be a major catastrophe to be considered a problem. Polzine said some of these are going to be easy fixes, a cap may have gotten knocked off and dirt gets down into the shut off so it's considered a non-working curb stop. Adelman said another thing to consider is the Department of Health is cracking down on water safety. He believes it is now law that whenever a lead service line is found it has to be replaced. Polzine stated over half of lines that start leaking are lead service lines that deteriorate and now there are health issues with it. He said with the federal safe drinking water laws in effect you would not believe all the testing and paperwork involved. Polzine said now they are coming out with regulations on arsenic. All water has arsenic in minute traces and soon the City will have to treat for it.

Otto-Arvizu stated the City already has an ordinance in place but she would like to add to it if a problem is found with someone's curb stop or for non-payment of a water bill that the resident be required to install or repair the curb stop at the resident's expense. They would have the option to pay right away or have the cost go against the property taxes. Stobb said he think McKee had a good idea about when a home is sold that it could be mandated that a curb stop be installed. Koopman said the problem is the City has no way of monitoring when a house is sold. Otto-Arvizu said when a house is sold certain things must be disclosed and asked if the curb stop could be made one of the requirements. Hannasch said that issue would not be part of this ordinance. Ferrazzano said he thought they should keep it simple and say if there is a problem and your curb stop doesn't work the resident pays for it or if the curb stop is leaking the resident fixes and pays for it.

Nielsen asked if it could be added that if someone can't pay for the curb stop that the cost be spread out with a minimum amount each water bill until it's paid for. Hannasch recommended a minimum of \$10 per month, which would be \$120 per year. Koopman asked if the Council wanted the cost charged on the water bill rather than on property taxes. The Council was in agreement. Nielsen asked what the Council thought about the community water lines and asked Polzine if there are any situations where there are more than two homes on a water line. Polzine replied there are some areas where there is not a water main on the block and there are three to four homes on a one-inch line. Nielsen said the problem is then if one of the houses does not pay their bill you can't shut them off

without shutting other homes off. Polzine said a shut-off would have to be installed directly on the person's property in order not to shut off the other homes.

He said he and Koopman discussed making it mandatory that a home have a private line if there is a water main abutting the property. Polzine said that during the sewer separation project there was one situation where two houses ran off one line. A service line was run to second house which is vacant but it still has not been hooked up and is currently running water from the first house. He asked where do you draw the line and require the owner to hook up to the new service line. Otto-Arvizu said so as long as there aren't any problems the City wouldn't do anything. Polzine replied what do you do when you have four houses on the line and the second or third one doesn't pay. He asked if the City would require all the homes to pay for service lines or a shut-off because one of them didn't pay their bill. Polzine said that is the problem we run into when there is no water main on some blocks. He said as street improvements are done the City has installed water mains. Otto-Arvizu said she thought the surcharge was established to cover instances like this. Koopman said there have been some inconsistencies with what has been done with the surcharge. The ordinance says the surcharge money is to be used exclusively for City owned utilities, not private lines, and the City only owns the mains. Koopman said private lines should not technically be paid for by the surcharge fund although they have been with certain projects. She said the City has used different methods with different projects. In some projects owners have had to pay a hook-up fee or were assessed for curb stops. In other projects there were no assessments at all. Otto-Arvizu said it was her understanding that there were eight or nine hot spots in town that the City had discussed financing as problems arose with them. She said it is not the fault of these homeowners that the water main was not put where it should have been but was run on private property. On 3rd Street the City ran into this problem and was buying right of ways. She felt as a community it was everyone's responsibility to help take care of these problems. Nielsen said it comes back to a question of money. Hannasch asked if there have been any instances on those community lines where the front house not paying. Polzine said he doesn't recall any non-payments but there have been plumbing problems where they had to shut off the curb stop so the others are calling about why their houses have no water.

Hannasch said he thinks what Otto-Arvizu has suggested will solve most of the current problems. Ferrazzano felt community lines issue could be addressed later. Adelman said there is one home right now where the meter was removed and has been for several months which is the second house on a community line. The curb stop could not be used because it would shut off the first house. Otto-Arvizu felt this is a situation where the owner will have to install a shut off at his own expense. Polzine said a curb stop could be installed on that owner's side of the line. He said he can only think of about two locations where there are more than two houses on a community line. Koopman will draft the ordinance for the next meeting.

Hannasch presented a resolution declaring a nuisance abatement at 161 East Craig Avenue. Motion by Fraser, second by Ferrazzano, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-28)

The Consent Calendar included the following: Fireman's Relief Association minutes for August 6, 2001; Multi-Purpose Center minutes for August 13, 2001; the Monthly Financial Report for July; Municipal Accounts Payable; and Planning Commission minutes for August 20, 2001. Motion by Caron, second by Stobb to adopt the above listed items. All voted in favor of the motion.

Hannasch reported that there had been another violation of illegal dumping at the compost site. He asked the Council to look at the pictures that were taken. Hannasch said it seems someone is thumbing their nose at the City with the blatant dumping. He said since the illegal dumping is continuing the Council will have to look at limiting the hours again. Hannasch did say he thinks the dump should be open more than two days per week and said someone did come forward and offer to guard the compost site. Hannasch said he would like to Council to give some thought about the hours and come back to the next meeting with their ideas. Stobb said no matter how much the dump is open it will be too little so he didn't know that more than two days a week would make a difference. He said he had people suggest putting a close circuit TV out there. Hannasch said it's disturbing that they put the word out at the last meeting and to have this blatant dumping, they didn't even try to hide it. Stobb said he drove to the dump on Sunday thinking if there was illegal dumping he would probably have to get out and search for it but he didn't have to look hard.

Hannasch referred to Koopman's memo regarding her recommendations for the 2002 budget. He said Koopman had met with several department heads when working on budget cuts. Koopman said as she stated in her memo if everything requested in the budget had been approved that would have meant a 143% increase in the General Fund levy alone. She said even if the General Fund levy had not increased there would be an increase of 30% in Debt Service obligation due to the Aquatic Center bonds. Her recommendations would represent an overall levy increase of 35% which reflects a 13% increase in the General Fund levy. Despite the cuts Koopman felt the budget would still fund a majority of the projects.

Koopman said the City received an additional \$70,000 in state aids plus she explained an increase of \$10,000 in transfers-in from the Liquor Store based on profits shown in the last couple years. She stated the 2002 budget includes an appropriation of \$5,000 for the 75th Annual Box Car Days Celebration but found out since that the City cannot legally contribute money to organizations but can purchase specific items, such as fireworks, or other specific purchases. Otto-Arvizu asked if the City could purchase advertising or promotional items.

Koopman said the Economic Development Authority took the biggest cut. They requested \$135,000 for various uses within their revolving loan fund but Koopman recommended reducing the request to \$30,000. She also included funds to hire an assistant for Gervais. This past week the EDA met with an organization that offers access to loan funds of up to \$250,000 per loan with an investment of only \$25,000. Hannasch said they would initially invest \$25,000 and if at the end of three years the EDA is not satisfied they would get the \$25,000 back. He said the organization gives access to loans of up to \$250,000 with basically an unlimited number of loans available to invest in businesses. Stobb said another benefit is the City is not borrowing the money, it's the businesses so there is no liability in the loan for the City. Fraser said so it's not like the City is backing or guaranteeing loans. Stobb replied no and their goal is to make the loans as simple as possible.

Koopman reported that she reduced the amount budgeted for the municipal building maintenance and repair because the bleacher renovation had been completed in 2001. She recommended delaying the purchase of a new floor scrubber and reduced the budget by that amount. Koopman said she also modified the utilities budget which she calculated out based on the first eight months of 2001.

Under the Police budget Koopman reduced the amount for motor fuels and lubes based on the credit the department currently has at Caron's Fuel due to pre-payment. She also noted the largest change was under the amount transferred for equipment replacement due to the fact they changed from a two year to a three year trade-in period. The transfer amount had never been adjusted to reflect that.

For the Fire Department budget Koopman recommended decreasing the amount for regular and temporary wages from 13.7% and 17.6% increase respectively to a 10% increase. She said Keith Engesser had indicated that there had been no increase since 1985 so she felt a 10% increase was not that high. The maintenance and repair request was reduced by \$18,150 eliminating the parking lot improvement and furnace replacement. Koopman reduced the transfer-out to equipment replacement back to \$12,000 but she told Engesser if he could provide a depreciation schedule that would demonstrate a plan for equipment replacement and a cost projection then they could look at that amount again.

Koopman said she reduced the Civil Defense budget by \$500 to reflect actual needs.

The amount for utilities under the Ambulance Garage budget was reduced by \$3,000 because the building will be vacated soon so the heat can be set low this winter. The amount budgeted for other contractual services was actually increased because the City's current agreement with the Tracy Ambulance Service credits \$4,000 for providing the facility and utilities. When the service moves to their new location the City will have to pay that amount in cash.

Street and Parks budget included reductions in overtime, maintenance & repair - equipment, maintenance & repair - other, rentals and miscellaneous. These reductions were based on the average usage over the past three years. Koopman said after talking with Polzine the amount budgeted for maintenance & repair - other did not accurately reflect needs, and in looking at it she agreed she may have to increase that amount again. Koopman also reduced the amount requested for equipment &

improvements by \$25,000 which leaves \$50,000 for park improvements. She included an additional amount under regular wages for Polzine's planned retirement to cover compensation for severance pay, vacation and sick leave. Stobb asked if Polzine does retire does the City plan to hire someone before he leaves to work with him while he is still here. Koopman said she should have clarified that she included extra wages starting in January to cover five months since Polzine is planning to retire in May.

The Community Ed & Recreation budget was reduced by \$20,000 for swimming pool improvements since with the new aquatic center all improvement should be in place.

Under Unallocated there is an increase of \$22,932 for the General Fund's contribution to the Senior Center since the Senior Center budget had not prepared for the budget requests.

Ferrazzano questioned the organization the EDA met with regarding the loan program. Gervais said it is similar to the revolving loan fund just on a bigger scale in Southwest Minnesota. Stobb said it is a new operation and not really operating yet so no one has really heard of it. Hannasch said they would initially invest \$25,000 and if at the end of three years the EDA is not satisfied they would get the \$25,000 back. He said the organization gives access to loans of up to \$250,000 with basically an unlimited number of loans available to invest in businesses. Stobb said another benefit is the City is not borrowing the money, it's the businesses so there is no liability in the loan for the City. Fraser said so it's not like the City is backing or guaranteeing loans. Stobb replied no and their goal is to make the loans as simple as possible. Otto-Arvizu stated there is no wage scale involved with these loans. Hannasch said it is a way for the EDA to work with businesses in financing larger loans that the EDA would be unable to fund otherwise.

Polzine said maintenance & repair - other had been budgeted for \$19,000 which includes gravel, salt, street patching, paint and other street items. He said Koopman had reduced it to \$15,000 but he felt it should be increased again to \$19,000 because over the past five years there has only been one year that came in under budget. Koopman said she would need direction from the Council because by the next meeting she would need the budget ready for certification of the preliminary levy. Polzine said his budget is much more volatile and dependent on the weather. The Council agreed that \$19,000 was a fair request.

Keith Engesser asked to address the issue of full time and part time wages. He said the reason he had made such a large jump is because there hadn't been an increase since 1985 and there was a couple years that there was real low pay due to a large number of fire calls. One year pay was \$1.23 per hour, another was around \$2.00 per hour. Engesser stated Koopman had said the increase she calculated was 10% but he said there must be a mistake because 10% of \$5450 is \$545. He said if you raised it \$50 that would be less than 1%. Koopman said she meant 10% so there must be a typographical error. Engesser said the parking lot is really bad but they can live with it. He was concerned about the furnaces because he's not sure how long they're going to last. Engesser said last year they welded the heat exchanger which is not recommend. He said the five furnaces were all installed in 1978. Stobb asked if that includes the furnaces in the ambulance garage. Polzine replied that those are a different type of furnace.

Stobb said his thought was Koopman did an incredible job paring down the budget but he wondered on some things if it went too far. Engesser said he doesn't mind leaving the furnace but if it does break down it will need to be fixed or replaced and he wondered where the money would come from. Hannasch said if it is budgeted and it is not used then the money will be available for the following year. Koopman said the other option is to budget additional money under Other financial uses so it's more versatile.

Engesser said his other concern is the Transfers-out which is for trucks. He said they set a schedule up a while ago. Tankers, rescue van and grass rig at 25 years and pumpers at 35 years. He said they are trying to purchase a tanker/pumper for their next truck in order to replace two trucks with one. Engesser said the insurance will stay the same but can eliminate one truck. He said he has a million dollars of equipment right now not including the equipment on them and he didn't feel \$12,000 was enough. Koopman asked what was received for fire calls now. Engesser replied \$500 and that goes into that account. Koopman said the budget doesn't reflect that. Engesser said last year he was figuring on earning 6-7% interest on that money but Dave Spencer told him they were only making

2-3% interest. Koopman said she would like to see depreciation schedule. Engesser said he turned one in. Koopman said she wasn't sure where it is plus how the costs have changed since it was submitted. She said she needs to see an updated depreciation schedule to justify the expense. Engesser said if it's a million dollars and it goes up 3% per year that would be \$30,000 so \$12,000 doesn't cover it. He said it just worries him that when it comes time to replace a truck the money won't be there. He said after this next truck which will be purchased in 2004 the next truck after that will be purchased in 2012, which right now costs \$175,000. He didn't know what it will cost in 2012. The truck in 2004 will cost \$200,000. He said the grass rig should be replaced in 2003.

Koopman said the depreciation schedule should be updated every few years to give a better idea of what will be needed. It won't do much good to look at a schedule done 18 years ago. Hannasch asked what was original request. Koopman said it was \$14,000. Stobb said he would like to see that penciled in along with the other changes that had been discussed. Koopman asked what percent was the Council willing to authorize because she needs to have it ready by the next meeting. She said they can always shave off the budget but they can't add to it. Koopman added that they have always tried to get as close as possible to the actual budget. Stobb said in General Fund 1% increase would be just under \$15,000. Koopman said that would be for the total bottom dollar, not the levy.

Otto-Arvizu said they are looking at Polzine's increase request of \$4,000 and Engesser's request of \$6,000 for the furnace and transfers-out. Koopman asked if they wanted an additional cushion. Stobb asked how \$15,000 for all the items discussed would be. Koopman clarified the Council wanted \$4,000 back in Polzine's budget, \$2,000 for equipment & improvements in the fire department plus \$500 for wages, plus \$2,500 for whatever cushion you wanted. Koopman said there are unexpected things that come up that they use the cushion amount for.

Stobb asked about where unspent funds go on December 31. Koopman replied they go into reserve. The actual dollar amount in reserves is now about \$500,000 but we need that money in there to conduct everyday business because of the way tax amounts are received. The first part is not received until the end of June, first part of July and then again in December. Koopman said if agreeable I'll make changes and have resolution prepared for the next meeting.

Caron asked if everyone knows that since the pool was closed they have only worked four days out there. He thought that was terrible and suggested that Koopman send letter. Koopman said she was going to contact them the next day, but the problem is since the contractor is on schedule there is not a lot they can do to force him to do anything. She said she wasn't sure who set the schedule up. Caron said this is the opposite of what the City was told. Koopman said they meet every Thursday with the USAquatics. Ferrazzano asked if they can we get a progress report. Koopman said she gets copies of the minutes and will get copies to the Council. Stobb asked if the contract has a completion date and hoped the City would hold them strictly to it.

There being no further business motion by Caron, seconded by Ferrazzano, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

September 10, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, September 10, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, C. Hannasch, J. Otto-Arvizu, R. Caron, M. Fraser, D. Berndt and R. Stobb. Also present were staff members: A. Koopman and F. Nielsen.

Hannasch asked for any additions or corrections to the minutes from the August 27, 2001 City Council meeting. Motion by Berndt, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked if there were any additions or deletions to the agenda. Motion by Berndt, second by Caron, to approve the agenda as written. All voted in favor of the motion.

Hannasch stated that at 7:45 p.m. he would have to stop discussion in order to continue the public hearing on Ordinance No.275.

The Mayor stated that the issue of the Special Use Permit request received from Mike Johnson to open a funeral home in the downtown business district was opened to public input at the last Council meeting. He said tonight's meeting would be closed to public input, stating the council has an important and difficult decision to make.

Hannasch said one of the requests made at the last meeting was to get input from Fred Sabongi. Sabongi sent a letter stating his opinion, there was a submission from Mike Johnson reiterating his application request, a letter of support for Johnson and a memo from Frank Nielsen were also included with the agenda. Hannasch said this is one issue that he had received more calls and comments on than any other since he became mayor.

Fraser asked if the Sabongi letter should be read aloud since his opinion was requested at last meeting for the benefit of the public. Sabongi submitted the following to Koopman:

“We have reviewed your request for assistance regarding the possibility of locating a funeral home in the former Almlie Furniture store building. Our firm's recommendation is that a funeral home not be located in the Almlie building.

It is difficult to be in a position of discouraging a new business in any community, but it is our opinion that the proposed use is not suitable for the City of Tracy in that location. The master plan for Tracy and the guidelines for development encourage retail development with lots of foot traffic in that location. A funeral home has significant needs for loading, unloading and parking space which cannot be met in the proposed location. A funeral home is also a “destination.” Individuals who are paying their respects at a funeral home typically do not visit any stores or other local venues at the same time. While a funeral home provides an essential service, it does not provide the sort of boost to all of the local commercial establishments that is preferable in a business located in the Almlie building.”

Hannasch said one thing to consider is that the funeral home would bring people in only for the visitation, not to patronize other businesses. Caron asked Johnson if it was true he does not own the lot behind the building. Mike replied he didn't. Caron said Johnson would only have access by way of the alley in back and felt parking would be an issue.

Hannasch stated the bulk of the calls he received have been opposed to the funeral home downtown, not because it would be a third funeral home, not because of the parking issue, but because the traffic a funeral brings is on an occasional basis. A retail business brings more repeat traffic. Ferrazzano said the only argument he had with that is how do we know another business will move into the building. He stated it can be said the funeral home would bring people in who otherwise wouldn't come to Tracy and who's to say they wouldn't come back once they have seen what is available.

Fraser asked Johnson if he knew he had to have a special use permit before starting the business. Johnson replied he did. Otto-Arvizu said she has not talked to everyone on main street, but most of

those she's talked to have been in support of the business. Their concern is that building after building has been vacated and it's obvious they're empty because nothing has been done in the windows. It's de-moralizing to business owners to see this. Otto-Arvizu stated she is also on the EDA Board and there is nothing definite in the works to fill these downtown buildings. She said she can't see that parking will be an issue when streets are often so empty and visitations are generally held in the evening. Hannasch agreed saying any business can bring in lots of people where parking can be issue. Fraser said he did have some business owners talk to him that were opposed to the funeral home location.

Berndt said his concern is that he doesn't see how a funeral home will bring in customers for other businesses. He stated people coming to a visitation are going to come for that purpose only.

Ferrazzano said he knows for sure it will bring in more people than an empty building. Berndt replied maybe, but he had not been convinced that the funeral home would be a benefit to the downtown area.

Ferrazzano thought the Council should look closely at special use ordinance, in particular the following:

“It (Planning Commission) shall not recommend the granting of a permit unless it finds that the establishment, maintenance, or conducting of the use for which a use permit is sought will not under the circumstances of the particular case be detrimental:

1. To the health, safety, morals, comfort, convenience or welfare of the persons residing or working in the neighborhood of such use, or
2. To the public welfare or injurious to property or improvements in the neighborhood.

Ferrazzano said the way it reads is that the Planning Commission has already made a finding that the funeral home would not be a detriment based on these guidelines. They couldn't have made a decision without these considerations.

Hannasch stopped the discussion in order to continue the public hearing on Ordinance No. 275. There being no public comment he closed the public hearing. Nielsen summarized the ordinance stating that to a large extent the content had been covered by the prior ordinance. The ordinance states if the public works department finds a curb stop missing or not working they can require the owner to install or repair it. If a residence is going to have water shut off for non-payment, for repairs, or if improvements are being made to the street, water lines or sewer lines the owner can be required to repair or install a curb stop at their expense. If the owner requests they can apply payments for the curb stop to their monthly water bill at a minimum of \$10.00 per month. But if non-payment on the water bill continues they will be removed from the payment option and the cost of the curb stop will be due in full. Otto-Arvizu asked what happens if they don't pay either the water bill or the curb stop charges and asked if the water would be left shut off until the whole bill was paid. Nielsen said the curb stop charges would go against the property taxes. Otto-Arvizu asked what happens if the property transfers to a new owner. Nielsen said just like any special assessment it would have to be paid before the new owner took possession.

Nielsen said if someone on community line doesn't pay their water bill or needs repairs the city can require the curb stop be installed on their property. The ordinance basically grants the City an easement in so many words. Hannasch felt the ordinance is well written and covers a lot of gray area. Stobb said the City doesn't intend to charge interest for curb stop costs applied to the water bill and he wondered since that is not specified if it is covered by the ordinance. Nielsen said he can specify that to make it clear. Stobb asked if the City can't do the curb stop work because of other projects can a subcontractor be hired to do the work. Polzine said the City would pay the subcontractor and take responsibility to bill the customer. Otto-Arvizu made a motion to adopt Ordinance No. 275 and to add a no interest clause. Ferrazzano seconded the motion and all voted in favor.

Hannasch redirected discussion to the Special Use Permit issue. Ferrazzano was saying he thinks it's important for the Council to look at the ordinance and consider what was recommended by the

Planning Commission. Stobb said the Council should listen to their recommendation but those same points are what Council needs to base its decision on. Fraser said the Planning Commission vote was divided. Stobb said last Saturday night he had contact from someone who was in favor of allowing the special use permit. He stated that he reviewed Nielsen's memo and the letter received from Lezlee Prouty which indicates that the Almlie building may not be the permanent place Johnson wishes to be located. Johnson said that was correct. Stobb said according to the definition of Special Use Permits listed in the ordinance the permit can have a time limitation specified and he was wondering if that could be considered in this case. He said the Sabongi plan is something that won't be realized for another five years or so and the Council could consider a three to five year limit on the special use permit. Ferrazzano asked if at the end of three or five years if Johnson would have to reapply for another permit. Caron said he didn't think that would be in Johnson's best interest or the City's to do that. Johnson said he was willing to work with the City but three years may be a little short. Nielsen said they could keep a track record and at the end of the period look at past history, see if there were any problems or see if the business has helped the downtown area. Hannasch said he wouldn't go less than five years. Stobb said he thinks it depends on what Johnson invests and he would give at least three years on the permit. Otto-Arvizu said in fairness she thinks you would have to give Johnson five years in order to establish himself. She made a motion to grant a Special Use Permit to Johnson for five years to establish a funeral home in the Central Business District. Ferrazzano seconded the motion. Fraser asked what happens at the end of five years, if Johnson would be required to reapply. Hannasch said he believes at the end of five years if the business is successful he doesn't think you would find anyone opposed to granting another permit, and in that time Johnson may find another location to place his business. Stobb said his hope would be that there would be a new location. He said Hannasch mentioned success of the business, and Stobb said he looks at success in two ways - successful for Tracy and successful for Mr. Johnson.

Nielsen said he had been jotting down comments made by the Council members and Caron made a comment about parking. He said if that is the feeling of other council members they may want to incorporate something about that in the permit, for instance specifying that a certain percentage of visitations must be held after 4:00 p.m. in order to alleviate parking problems. Stobb said the Council may be in a tough position to determine what is a parking problem and what isn't. Nielsen said the Council could zero in on certain requirements in the permit to help prevent or eliminate concerns. Nielsen said Berndt made the comments that the funeral home may not be compatible with other businesses, and if some standards are established the City can look back later to see the effects. Stobb said if the Council sets these standards and a year down the road parking is a problem would that make the special use permit void. Nielsen replied it would be good for the duration of the terms set.

Otto-Arvizu said she didn't feel parking should be an issue and asked if the Prairie Pavilion attracts 2000 people where are they going to park, or for that matter where does everyone park for Box Car Days. Caron said he didn't think the Council could use parking as guide. He said they could use the public comfort level and the calls he received had been against granting the permit. Nielsen said the Council can look at all issues that were discussed and include specific requirements or restrictions with the permit. Otto-Arvizu said when a visitation is held people trickle in and out. It's when a prayer service is held that a large number of people would come at once and most prayer services are held in the evening. She said an argument has been made that visitations take away parking from shoppers, but when the majority of services are in the evening that isn't the case. Nielsen said you can look at it as the most efficient use of parking when shoppers are parked 8:00 a.m. to 5:00 p.m. and visitations are generally after 5:00 p.m.

Stobb asked Nielsen to read the definition of special use in definition section of the ordinance. Nielsen said the Council can look at granting special use permit with special conditions that would make it more effective, which makes it not necessarily black and white, but you don't simply have to say yes or no when granting the permit. Berndt said he thinks the Council has to ask if a funeral home is right type of business to help revitalize the downtown area, not just a business to fill a building, and he is not convinced that a funeral home is the right type. Otto-Arvizu said she needs to be convinced that any business is going to fill this building. She said she listened to a public radio program that dealt with dying small towns. She said they had experts on the program who said if you are waiting for the town of yesteryear to develop don't hold your breath. If a town has specialty stores that fill a niche downtown will probably be okay. Otto-Arvizu said Tracy doesn't have any

specialty businesses looking to develop in Tracy. Current business owners are saying please don't let another building sit empty.

Ferrazzano said if the Council is concerned about what types of business are moving downtown why would they consider a call center that won't bring any people downtown to shop and could also cause parking problems with the number of employees they may have. Berndt said the City is paying Sabongi \$18,000 to guide us on how to revitalize downtown and he recommends not allowing the funeral home. Otto-Arvizu said "guide" is the key word there. Koopman said a call center not identified in the zoning ordinance. She talked to the Assistant City Attorney regarding that and he said the Planning Commission would have to do a finding of fact and determine if a call center should be allowed downtown and make a recommendation to the Council. Hannasch stated there is a motion on the table requiring a vote. Upon roll call the following vote was recorded: Voting in favor were: Ferrazzano, Otto-Arvizu, and Stobb. Voting against were: Berndt, Caron, Fraser and Hannasch. The motion failed.

Bill Elmstrom thanked the City for the use of the Senior Center to house the local food shelf. Elmstrom said he started with 20 volunteers and now has 70 working under him. He said usage of the food shelf has gone up considerably which means the work needed to be done has also increased. Elmstrom asked on behalf of the food shelf for use of the room adjacent to the ambulance garage once they move to their new location. He has heard the fire department may be interested in use of building, at least the garage portion. He said the current location is not handicapped accessible and with his workload he is not available anymore to deliver food shelf items to the handicapped.

Elmstrom said he has 70 volunteers who would be happy to sign a petition requesting the use of the building and he doesn't think the Council would be making a decision that anyone would be opposed to. He said if there were any security issues he felt he could get donations to pay for securing any doors leading to other parts of the facility. Hannasch asked how large the room is that Elmstrom was requesting. Elmstrom replied he wasn't sure. He said he knows rent would be nice, but being strictly a volunteer organization they can't pay rent. Elmstrom stated the people who use the food shelf are for the most part a good viable part of community. Caron said he doesn't think the Council can do anything until the ambulance service is moved out. Elmstrom said he wanted to see if he could get the wheels in motion and put a request before the Council.

Hannasch said a food shelf could be as good a use as any for this area of the building. He said the Council will just have to look at all the options before making a decision. Elmstrom said he would be happy to go down to the building and show anyone some ideas and needs the food shelf has. Stobb asked if parking would be sufficient. Elmstrom replied that parking is good where it's at, but this facility would be better. He added that he's in danger of losing volunteers with the current situation.

Elmstrom said he has been listening to the Council meetings and wanted to address the issue of the Eastview lots. He said Ferrazzano had talking about allowing the purchase of one of lots for a price that the Council didn't feel was adequate. Elmstrom said the lots are a tax burden on the people of Tracy and as a taxpayer he didn't want to continue paying for assessments on the lots. Hannasch said if the City gives them away taxpayers will continue paying for them for the next 12 years. Elmstrom said he didn't necessarily mean to give them away, but to let the people building houses on them assume assessments. He said you can't build a house, no matter how small, for less than \$100,000. If the City can get houses built on the lots now and get them on the tax rolls it will ease the burden to taxpayers. Elmstrom said when he moved to Tracy he wanted to build on a 50 foot lot but was told he couldn't build on a lot smaller than 100 feet. He talked to the City Building Inspector who couldn't find it written anywhere that said he couldn't build on a lot that small. Elmstrom thinks it's necessary to bring more people into Tracy in addition to more businesses to expand the City.

Otto-Arvizu stated that the assessments per lot come to \$14,500 dollars so the EDA is already forgiving a portion of the assessments. Elmstrom replied that lowering the cost can bring more people in and get properties on the tax rolls. Otto-Arvizu said another situation is the City has always run into private developers who are also trying to develop lots and must pay for the improvements themselves. They can't afford to sell even close to what the Eastview lots are going for. Elmstrom felt the City should think in terms as if all these other lots are gone. Otto-Arvizu said years ago the

City had eight lots for sale near the swimming pool that weren't selling. The City started taking offers and each lot sold for a consecutively lower price. After all were sold the City was criticized for not thinking ahead and planning to have more lots available.

Otto-Arvizu said she has a hard time subsidizing too much. No action was taken.

Ken Toft, a member of the board of directors for Hope DAC, addressed the Council saying DAC representatives were before the Council in late July and thought they had solved all problems with getting the deed for the lot next to their property. But, Toft said, the City attorney read through minutes of the July meeting which indicated the City would be selling the lot for \$1.00 to Hope DAC which would require a public hearing. Toft said that Nielsen had recommended approaching the acquisition of the lot in a different way. Nielsen said he wasn't advising them because they have their own attorney, but he suggested they may want to look at other options because of the legalities of the sale. Nielsen said they would get into charter questions by selling the lot for a dollar. Hannasch said by simply giving Hope DAC the lot it would eliminate a lot of legalities. Caron said he would make a motion to give them the property instead of selling it for one dollar.

Caron asked Toft when they are planning to build. Toft replied they would have to get a clear title and then bid the project but it's too late to start this fall. Toft said because funds are limited he would also need to know what the closing costs are going to be so he can take that information to the board. Nielsen said he can get an estimate but it won't be thousands of dollars. Stobb asked if he heard right that the cost of construction will be \$100,000. He asked Toft if they will have enough to cover those costs. Toft replied they do have funds for construction. Stobb asked if the transfer could be made contingent on building within two years. Toft said they are ready to build it's just that the lot transfer has been delayed so long. He said if they don't build within two years they will give the lot back. Caron said he was looking for a time frame so he will include the two year contingency with his motion.

Toft asked Nielsen if there was a deed found for Lot 3. Nielsen said they couldn't find any documents. Cathy Nelson with Hope DAC stated the price of \$100,000 is just an estimate, they won't know until they receive bids. Stobb seconded Caron's motion and all voted in favor.

Polzine reported his department has been looking for a replacement tractor and they found a good used 1992 Ford-New Holland in Lambertton. The cost would be \$29,500 with a trade-in or \$36,500 straight out. Polzine said there has been some interest expressed in purchasing the City's old tractor

The newer tractor is bi-directional so the seat can be turned around and run from either direction. He said crew members have been having back problems and neck problems from having to twist around to watch work from the other direction. They can put blower on one end and a bucket on the other end of the new tractor. Polzine's recommendation is to buy the 1992 straight out and put the old tractor up for sale. Otto-Arvizu asked if the old tractor would be put up for sealed bids. Koopman said that was correct. Otto-Arvizu made a motion to approve Polzine's recommendation, Ferrazzano seconded the motion. Polzine said they have money built up in the equipment replacement fund because they delayed replacement on some equipment by a few years because there was nothing wrong with it. Caron asked Polzine if he found out anything about putting a backhoe on the tractor. Polzine replied they don't have one at the dealer but he will do some more checking. All voted in favor of the motion to purchase the new tractor.

Hannasch presented a resolution approving payment to Heartland Mechanical, Inc. for work completed on the Aquatic Center in the amount of \$5,976.45. Motion by Stobb, second by Caron, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-29)

The Consent Calendar included the following: Municipal Accounts Payable; Fireman's Relief Association minutes for September 4, 2001; and Economic Development Authority minutes for August 17 and September 6, 2001. Motion by Stobb, seconded by Berndt, to approve the above listed items. All voted in favor of the motion. Stobb asked if the check under accounts payable for Moss & Barnett was for the report submitted on Charter Communications and if Charter would be reimbursing for that cost. Koopman said she was given wrong address for Charter at first and her letter was returned so there will be slight delay for reimbursement.

Hannasch asked if there had been any more instances of illegal dumping. Polzine said he hasn't had any reports. Hannasch said maybe the Council had instilled some fear so maybe they don't need to act now on the issue. He said some ideas he had come up with is to have two, eight-hour days per week that the dump would be open regularly and then have the key available to citizens if they give 24 hours prior notice. Polzine said if you do restrict the hours at the dump if there are 10 requests a day there will be 50 requests a day. He said it was a real hassle to the public works crew. People would chase you down wherever you were to get the key for the dump and then copies of keys were made. Hannasch said he was just concerned if the dump was only open two days a week for those people who need to cut down trees but can't access the dump on the days it's open. Polzine said a lot of the people who came looking for him to get into the dump only had a bag of grass clippings. Hannasch said they would have to give 24 hours notice to get the key. Koopman said she thinks they would have problems when they don't give 24 hours notice.

Caron moved to open the compost site from 8:00 a.m. to 7 p.m. and have police open and close the gate. Koopman said they can give the police the directive to have the gate closed as close to 7:00 p.m. as possible. Stobb suggested closing it right at sunset. Ferrazzano thought there should be specific hours and seconded Caron's motion. All voted in favor of having the hours set from 8:00 a.m. to 7:00 p.m.

Hannasch presented a resolution adopting the proposed tax levy for 2001 collectible in 2002, which includes the following sums:

| | |
|-----------------------|------------------|
| Debt Service | \$383,630 |
| Permanent Improvement | \$ 10,000 |
| General Fund | <u>\$198,837</u> |
| TOTAL LEVY | \$592,467 |

Motion by Caron, second by Fraser, to adopt the resolution above. All voted in favor of the motion. (Res. No. 2001-31)

Koopman informed the Council they would need a motion to set the date for the Truth in Taxation hearing and suggested December 3, 2001. Hannasch suggested setting time at 6:30 p.m. because there is often a school concert that occurs on the same night. He said if a continuation was needed it would be held on December 10, 2001 at 6:30 p.m. Motion by Stobb, second by Fraser, to establish these dates for the Truth in Taxation hearing. All voted in favor of the motion.

Hannasch informed the Council there would be a joint meeting held with the school board at next Council meeting to resolve the swimming pool issue. He said the City's position is that the school can't drop part of agreement with the City without renegotiating entire agreement. Stobb said if the agreement is opened up for discussion on the swimming pool issue that opens it for discussion on any other portions of the agreement. Stobb said that was something for the Council to keep in mind. Hannasch said he would like the Council to look closely at the agreement before next meeting. Stobb said he felt the draft copy of Koopman's letter to Dr. Rick Clark should be sent as written. All Council members agreed

Otto-Arvizu said she had a question regarding the Special Use Permit issue. She said the motion was denied but asked if that was enough to completely deny the special use permit or does the Council have to have a motion specifically denying the permit. Nielsen said it was a parliamentary procedure issue rather than a legal issue. Caron felt they didn't need another motion since it was voted down and therefore denied. Otto-Arvizu said the Council has always been told they have to decide based on finding of fact. Nielsen said it was probably a good idea to cement the decision. Caron made a motion to deny the issuance of a Special Use Permit to Mike Johnson based on the incompatibility of a funeral home with existing downtown businesses, parking concerns and due to public opinion. Fraser seconded the motion. Upon roll call the following vote was recorded: Voting in favor were: Berndt, Caron, Fraser and Hannasch. Voting against were: Ferrazzano, Otto-Arvizu, and Stobb. The motion passed.

Motion by Caron, second by Stobb, to adjourn. Koopman said before adjournment she would like a motion from the Council to approve sending her letter to Dr. Clark in response to letter received from District #417. Motion by Stobb, second by Fraser, to send the response letter to Dr. Clark. All voted in favor of the motion.

There being no further business all voted in favor of Caron's motion to adjourn.

ATTEST:

City Administrator

Mayor

September 24, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, September 24, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, C. Hannasch, J. Otto-Arvizu, R. Caron, M. Fraser, D. Berndt and R. Stobb. Also present was staff member: A. Koopman.

Hannasch requested one minute of silence in honor of the victims of the New York City, Philadelphia, and Washington D.C. tragedies of September 11, 2001.

Hannasch asked for any additions or corrections to the minutes from the September 10, 2001 City Council meeting. Motion by Berndt, second by Caron, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked if there were any additions or deletions to the agenda. He added (7B) a resolution authorizing the MnDOT grant for the airport improvement project. Motion by Caron, second by Fraser, to approve the agenda as now written. All voted in favor of the motion.

A memo was received from Chief Bryan Hillger regarding the 2001 Public Nuisances. Hillger did a survey of the remaining nuisances and made a recommendation for each. Conditions at 142 6th Street remain the same and Hillger recommended to proceed with further action. Motion by Caron, second by Stobb, to proceed with the nuisance process. All voted in favor of the motion.

Motion by Stobb, seconded by Fraser to declare the nuisances located at 200 East Morgan Street, 548 Harvey Street and 440 Greenwood Avenue abated. All voted in favor of the motion.

Conditions at 524 Harvey Street are much the same and Hillger recommended proceeding. Motion by Berndt, second by Stobb, to proceed with legal action. All voted in favor of the motion.

Hillger's memo stated that conditions at 348 8th Street were much the same but he had received information that the debris belonged to the landloard. Hillger recommended to proceed against the landlord. Stobb asked if the landlord had been notified of the nuisance. Hillger replied they were sent a certified letter. Motion by Stobb, second by Caron, to proceed with Hillger's recommendation. All voted in favor of the motion.

Hillger reported that at 284 7th Street at least two of the offending vehicles and the unlicenced trailer are still there along with an additional unlicenced vehicle. Motion by Stobb, second by Fraser, to proceed with legal action. All voted in favor of the motion.

Stobb asked if there was any information regarding the nuisance on Craig Avenue that is currently in court, he wasn't sure of the address. Hillger said there was no other information than the defendant pled not guilty and the case is currently held up in court. Otto-Arvizu said it was her understanding that the case was going to trial. Koopman said that is correct.

Hannasch reported the Tracy United Methodist Church had submitted a variance request to add a two stall garage onto the parsonage property. He said the Planning Commission had reviewed the application and was recommending approval of the five foot variance. Motion by Caron, second by Stobb, to approve the variance. Stobb clarified there will be a three foot variance. Hannasch said the side yard will be five foot side yard instead of the standard eight feet. Stobb replied that was correct. Otto-Arvizu asked if the Council needed to do a finding of fact. Koopman replied that was done by the Planning Commission, the Council only needs to act on their recommendation. Ferrazzano asked if in the future the Council can we get copies of all variance applications to review. Koopman replied she would provide them.

Hannasch reported the Planning Commission had received a request to install a stop sign at the corner of Emory and 6th Streets or Emory and 5th Streets. Hannasch would like to clarify that the Planning Commission was recommending to install stop signs at both intersections. He said after discussion it was decided both intersections had visibility or speeding problems. Stobb said it is a location where a lot of people take a short cut. Motion by Berndt, second by Fraser, to approve the

Planning Commission's recommendation to install stop signs at the corners of Emory and 6th Streets and at Emory and 5th Streets. All voted in favor of the motion.

Koopman informed the council there was nothing included with the agenda regarding the sale of the industrial park lot but she received a request from an individual interested in purchasing the lot. Koopman said the Council would need to set a public hearing declaring the property is no longer needed for public use. Hannasch requested a motion to set the public hearing at the next council meeting on October 8, 2001 at 7:45 p.m. Koopman suggested holding it at 7:35 p.m. in case the joint meeting with the School Board is rescheduled for the next Council meeting.

Caron asked what lot they were discussing. Koopman replied it is the vacant lot between Lavoy's and Horner's businesses. Stobb asked if the interested party was looking at the lot for an expansion of a business or for a new enterprise. Hannasch said it was for expansion, the business needs a place to park additional equipment. Koopman said the public hearing would be to decide if the Council wants to open the lot for bids not and to decide if the lot was not needed for public use. Motion by Stobb, second by Caron to schedule the public hearing at the October 8, 2001 meeting at 7:35 p.m.

Polzine reported that Barga, Inc. had completed the adjustments to ten manholes as approved by the Council at the August 13, 2001 meeting. He said it looks like the company did a good job and said he believes this is the way to prevent future damage to the Street Department Equipment. Upon surveying the City the street crew found 12 more manholes that could benefit from the same process. Polzine requested approval to have these additional manholes treated by the same process. He indicated the money would come from the Utilities Fund. Hannasch felt it was a good way to save damage to both streets and equipment. Motion by Stobb, second by Berndt, to approve the work on the additional manholes. All voted in favor of the motion.

Hannasch presented a resolution approving payment to Fulda Electrical Service, Inc. for work completed on the Aquatic Center. Work completed to date totals \$1,680 and after deducting a retained amount of 5% the payment amount comes to \$1,596. Motion by Otto-Arvizu, second by Caron, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-32)

Hannasch presented a resolution authorizing the execution of the MnDOT grant agreement for airport maintenance and operation. Motion by Stobb, second by Caron, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-33)

The Consent Calendar included the following: The Monthly Water and Wastewater report for August 2001; the Monthly Financial Report for August 2001; Planning Commission minutes for September 10, 2001; Municipal Accounts Payable; Multi-Purpose Center minutes for September 10, 2001; and Cemetery Commission minutes for August 9, 2001. Motion by Fraser, seconded by Berndt, to adopt the above listed items. All voted in favor of the motion.

Hannasch stated the 2002 Budget would be listed on the agenda for every meeting until the budget is finalized in December. He asked if there were any questions or comments regarding the budget. No action was taken.

There being no further business motion by Caron, second by Fraser, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

October 8, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, October 8, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, C. Hannasch, R. Caron, M. Fraser, D. Berndt and R. Stobb. Absent was: J. Otto-Arvizu. Also present were staff members: A. Koopman and F. Nielsen.

Hannasch asked for any additions or corrections to the minutes from the September 24, 2001 City Council meeting. Motion by Berndt, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked if there were any additions or deletions to the agenda. He added (6D) a City clean-up proposal; (9E) Planning Commission minutes from the October 1, 2001 meeting; (11A.1) a statement of support; and (11A.2) a report from Koopman. Motion by Fraser, second by Caron, to approve the agenda as now written. All voted in favor of the motion.

Nielsen reported that Koopman had been contacted by Elaine Wickstrom, or someone on her behalf, wondering if the City would be willing to accept a piece of property as a gift. Nielsen said he and Koopman would do some legal research in regards to the title of the property so the Council would be aware of what it was getting before accepting the offer. Before doing that they thought they would bring the issue to the Council to see if they were at all interested in the property. Hannasch asked if the property was 38 feet wide and 66 feet deep. Koopman said one legal description says that but another legal is confusing because it indicates that it includes another piece of property attached behind it that is 22' x 66'. Koopman said the width of the lot is 38 feet so it is not a buildable lot and would only benefit a neighboring property owner. On the north side is an alley so it would only benefit the property owner to the south.

Hannasch asked if there are any legal issues surrounding the property. Koopman said she doesn't think there are. As far as she knows Wickstrom has settled them. There was a water leak which has been repaired but she wasn't sure if the bill for repairs had been paid yet. Koopman said Nielsen is asking if all bills are paid on the property and legal issues settled would the City be interested in accepting the property. Fraser asked what the City would want the property for. Koopman said it will probably be let go for non-payment of taxes and added the house is not repairable. It will just continue to deteriorate and the City will be stuck with a dilapidated house. Hannasch said if the City doesn't pay for tearing down the house now it will most likely sit for seven years and the City would have to pay to tear it down then. If the house is taken down it might entice the neighboring property owner to purchase the property. Fraser stated if the City accepted the property they would look at demolishing the house.

Nielsen stated the Council doesn't need to make a commitment today. If the Council is interested he and Koopman will get more information to present to Council members. Hannasch suggested tabling until the next meeting in order to get some information and costs surrounding the demolition of the house. Stobb said he was thinking of property to the north of this property which is a duplex. Nielsen said there is an alley between them. Stobb said the owner had come to the Planning Commission several years ago because of a parking issue. Koopman said the owner wanted to build a sizeable garage. Stobb said the variance had not been granted and if there was still a parking issue the property could be a benefit to the duplex. Nielsen said he would get some more facts for the Council before the next meeting.

Hannasch opened a public hearing at 7:35 p.m. to discuss the sale of Lot 6, Block 1 in the Industrial Park Second Addition. He said he has found more than one party interested in the lot. There being no public comment the hearing was closed. Hannasch suggested the lot be opened up to sealed bids with a minimum asking price of \$800 and bids due by October 17, 2001 to be reviewed at the next council meeting. Ferrazzano asked how the \$800 figure was arrived at. Hannasch said lots in this addition were selling for \$800 so the City wouldn't want to ask less. Caron asked if bids are always opened before the Council meeting. Koopman replied not always but most often are to tabulate the bids. Caron made a motion to open the lot for bids until 4:00 p.m. on October 22, 2001, place an \$800 minimum price, and to consider the bids at the Council meeting on the 22nd. The motion was seconded by Fraser and all voted in favor.

Hannasch reported he and Koopman had met with Leonard and Dan Lanoue concerning the City farm land lease. Last year the Lanoue's lost some alfalfa land because MnDOT required a larger area surrounding the runways. Lanoue's had already applied fertilizer to this land they lost and were requesting reimbursement for the cost. The area measured out to 1.2 acres of crop land. Since an adjustment was being made to the lease, the Lanoue's also requested a three year extension. The recommendation was to credit the Lanoue's 1.2 acres for last year, adjust the terms of the lease to 161.8 tillable acres and extend the lease to run through 2005.

Hannasch spoke to some area farmers to get their opinion if \$80 per acre was a favorable agreement for the lease. All had said they thought it was a fair price. Hannasch said the City has had a good relationship with the Lanoue's and he would like to see it continue. Stobb asked if they were agreeable without receiving reimbursement for the fertilizer. Hannasch replied they were. Stobb made a motion to accept the lease agreement changes with the three year extension and Ferrazzano seconded. All voted in favor of the motion.

Robert Gervais reported at the last EDA meeting a motion was approved to approach the City Council to get permission to arrange for the sale of Eastview lots without having to go to Council each time when a bid is received under the asking price of \$9000. The EDA was requesting the authority to negotiate bids without requiring Council approval. Ferrazzano made a motion to approve the EDA's request and Berndt seconded. Hannasch said he was at the EDA meeting and his concern is that if people know the price is open to negotiation they will sit back and wait for the price to continue to drop. Koopman stated she received a letter from Otto-Arvizu who could not attend the Council meeting which read as follows:

Mr. Mayor, fellow Councilmen and citizens of Tracy,

I am unable to attend tonight's Council meeting because I am watching my daughter play volleyball in Marshall.

I believe I have always been supportive with my vote and taxpayer dollars for progress and development. I also like to think I can mix progress with common sense and fairness to the people who pay their taxes.

Since 1995, we have put \$155,000 into our revolving loan fund. For that same time frame we have \$99,602 in salary and benefits for our EDA Director. We put \$25,000 into a revolving loan fund for housing down payment assistance. We authorized (but did not fund out of taxpayer dollars) the building of two sets of four-plexes. We have spend several thousand on a housing survey, several thousand on a labor survey, \$50,000 in 2002 for City park improvements, \$18,000 to Mr. Fred Sabongi to help us with revitalization, (that's only his help, not the cost of revitalizing) and \$20,000 to hopefully help us develop a call center. We spend about one-half million to bring our airport back to usable shape some years back and we are going to spend \$100,000 in 2002 to maintain the runways. So now the proposal is coming from the EDA Board to allow them to set the price of the lots. The lots were to be sold at a break even cost of \$14,500. We have already given a price break of (approximately \$8000) in price per lot, so how much more can our taxpayers subsidize these lot sales? I urge your support of maintaining the current price of Eastview lots as the "rock bottom price."

Thank you, Jan

Hannasch stated the motion on the table is to allow the EDA to set their own pricing for the Eastview lots without getting prior approval from the Council. Ferrazzano said this would allow them to accept a bid they think is fair without coming back to the Council. Caron asked if the Council would want to set a minimum price. Hannasch stated he would like to see a minimum set. There is interest in the lots and he thinks the price has been dropped plenty. Hannasch said if someone is putting up a \$100,000 house he doesn't think \$9000 for a lot would deter them. The water and sewer lines as well as streets, curb and gutter are in place at these lots so these costs would not be incurred. Ferrazzano said he doesn't think a minimum would do any good because you might as well make that the selling price. He thought if the EDA received a bid under \$9000 and felt it was fair they should have the power to decide to sell. Fraser asked Gervais if a bid was received would the EDA

vote on whether or not to accept it. Gervais replied that was correct. Fraser said there are three council members on EDA now and he trusts their judgement.

Stobb said he had two concerns about the issue. There is a lot of public opinion on both sides regarding the Eastview lots. If the Council decides something members are responsible for what they did and the public doesn't like it Council members can be voted out of office. Stobb asked who is the EDA responsible to on this. Hannasch replied to the Council. Stobb said on paper they are but felt the Council would be taking the public out of the loop to some extent. Nielsen said along those same lines these particular lots, the way they were acquired and are being disposed of, many times EDA properties need to be sold after a public hearing. That is not true in this particular case so it would not be a requirement at the EDA or the Council level. Stobb said he was wondering about the legalities of it. Stobb said his other question was why make the change other than to save a couple weeks time waiting for a Council decision. Gervais replied that was originally the idea behind it in eliminating one of the steps for a sale. The last bid received was for \$6500 but a decision needed to be made in a short period of time. Gervais said this would speed up the process. He felt that Fraser made a good comment that there are three City Council members on the EDA Board and Gervais felt the board could make good decisions about the lot sales. Stobb said he was not questioning the EDA's judgement but stated the EDA was also assuming the responsibility for these decisions. There being no further discussion a vote was called for. Upon roll call the following vote was recorded: Voting in favor of the motion were: M. Fraser, S. Ferrazzano, D. Berndt, R. Caron and R. Stobb. Voting against the motion was: C. Hannasch. The motion carried.

Gervais invited Council members to attend a meeting on Thursday, October 11 at 7:00 p.m. regarding the possible establishment of a call center in Tracy. Gervais said he had sent packets out to the Council with the details that they should have received last Friday. He invited members to come and share thoughts and ideas on the call center.

Koopman reported at the last Council meeting the joint meeting with the School Board was canceled because Dr. Clarke ended up entering the hospital. She asked Dr. Clarke to discuss at the next School Board meeting when they could reschedule. Koopman informed the Council that the School Board had decided unanimously they didn't want to appear on public television and they didn't want the meeting held in the Council Chambers, they wanted to hold it on some neutral turf. Koopman thought it was important that they try to hold the meeting in the Council Chambers since the meeting involves the future of community education and there is the capability of broadcasting the meeting so the public could have the opportunity to hear what is actually going to happen. She said this is the School Board's position and she wanted to know what the Council's position is and how they recommended to proceed. As per the letter received from Dr. Clarke the School Board is terminating the Joint Powers Agreement. Their position is they needed to do this in order to get out of what they refer to as the pool portion of the agreement, but the way the agreement is written doesn't allow just to recognize a portion of it. Koopman didn't think it was their position to terminate the agreement in its entirety but regardless it's going to require a joint meeting to negotiate any changes.

Ferrazzano asked if the School Board still wants to meet with the Council. Koopman replied an Advisory Board meeting was held last week and it was indicated they wanted a joint meeting. Ferrazzano asked why they don't want it televised. Koopman replied she can't answer that. Ferrazzano said they want the meeting on neutral turf and asked if they said why. Koopman said she can't answer that either. Fraser asked what neutral turf would mean. Koopman said she imagined it would be any place other than the school or the City. Ferrazzano said he would still like to meet with the School Board. Hannasch said it's necessary to meet with them but they need to make sure that the public has a chance to be involved. Koopman said it will be an open meeting to the public. Ferrazzano said he thinks the meeting should be on television. Berndt agreed it should.

Caron asked if the Council had to accept the Board's letter to terminate the Joint Powers Agreement. She thought the Council would have to accept it because the agreement allows for one year written notice which would provide for that. Caron asked if the Board wanted to negotiate the use of City property. Koopman said she was not quite sure what the Board's position is going to be. One School Board member at the Advisory Board meeting asked why public parks could not be used whenever desired. Koopman said she doesn't know if that was the opinion of the whole Board. She said it's a little confusing right now what their position is going to be so she felt the best thing would be to

hold the joint meeting to find out what each, if you want to refer to it as side, has to say.

Ferrazzano asked if the meeting could be held somewhere else and still televised. Koopman replied she didn't think so, that the transmission has to be directly wired. Caron felt the meeting should be held at the Council Chambers since the meeting is to negotiate using the City's property. Hannasch agreed saying they would be negotiating using the City's facilities. Stobb said that is not totally the case because some of the recreation is held at the school and a lot of the education portion is at the school. The School Board member that is on the Advisory Board suggested that a few members of the Council and a few members of School Board meet to negotiate and bring it back to both sides. Caron felt the whole Council should be involved. Berndt felt the meeting should be on television because the public has a right to know about the situation.

Hannasch said he would like to get things going and schedule a meeting so a decision could be reached before the end of the year. Stobb said he doesn't know if that will happen because the School Board isn't even talking about holding a meeting until the end of November when the school knows its financial situation better. Stobb said it may take several meetings to reach an agreement. Hannasch suggested proposing a joint meeting on November 19. Fraser asked if the School Board meets on the same nights as the Council. Koopman replied that they do. Ferrazzano thought if the consensus is that the meeting should be televised and held at the Council Chambers the School Board should be told that. If they don't want those terms they should tell the Council why. He said he was troubled that the School Board said they want the meeting on neutral territory and asked if they think of the Council as the enemy. Ferrazzano said everyone is trying to work together. Stobb said it would be nice to hold the meeting on television but felt the School Board will take the stand that they represent a bigger area than cable TV serves. He suggested the meeting wouldn't have to be on live TV but could be taped and broadcast over cable. Ferrazzano thought the Council should tell the Board they want the meeting on live TV and held in the Council Chambers. Fraser said it is an open meeting to the public and the press so he didn't understand why the Board would care if it was televised or not. Hannasch said the Council may have to compromise on where and how the meeting is held to get things going because right now there is only an exchange of letters.

Ferrazzano asked if Koopman wanted direction in sending a letter to the School Board indicating the Council would prefer to hold the joint meeting at the Council Chambers and to have it televised. Koopman said she can telephone Dr. Clarke to let them know the Council's position. She said she hoped they weren't going to enter a war zone over something like this. Ferrazzano said it doesn't help anyone to have that approach to meeting with people. Hannasch said he would like to hold the meeting at the Council Chambers and felt whether it was televised or not was irrelevant since it is a public meeting. He said if televising is the thing the Council has to compromise on they should give in. Berndt said if the public and the press can come why can't it be on TV. Hannasch said he didn't disagree but he had heard the School Board's reasoning that they include areas that wouldn't get the broadcast. Koopman said they televise sporting events and special events, granted they are taped and not live.

Stobb asked how the room would be situated if the meeting was held in the Council chambers. Koopman said they could use the large round table and two long tables to make a large circle for everyone to sit around. Stobb said he wondered if the Board was concerned with the way the room would be set up. Hannasch said if the meeting is not held in the Council chambers it could be held in the Prairie Pavilion.

Caron asked if the Council wanted to accept the Board's letter of termination. Koopman said the letter gives notice of intent to terminate and the City has one year to respond. Caron made a motion to hold the meeting at the Council Chambers at 7:00 p.m. on November 19, 2001 and to have the meeting televised, seconded by Berndt. All voted in favor of the motion.

Dave Tiegs approached the Council with a plan for a City wide leaf and branch pick-up. He said the spring clean-up seemed to work very well and he thought people appreciate a fall pick-up of yard waste. Tiegs' proposal included a pick-up on October 29 and November 5 by the City street crew. He said if a resident wants the City to do a pick-up they will need to come down to City Hall, pay \$5 and register their address. Tiegs suggested that the funds generated go to the local food shelf. Hannasch said he liked the idea of the donation to the food shelf and said he needs bagged leaves

himself and so would pick up them up himself from anyone who pays and registers.

Don Polzine said the for 99% of the people the spring clean-up worked fine, but the other 1% left branches unbundled and some cut and left 10-15 foot lengths of branches and the City crew spent hours picking them up. Tiegs said he would suggest the City crew leave any branches that aren't cut and bundled properly. Caron thought there should be only one pick up day. Polzine said the last time there were many people putting out leaves, branches and grass clippings after the crew went down their streets and then they called the City office wondering why they hadn't been picked up. Tiegs said that would be eliminated by having to pay and register ahead of time. Motion by Caron, second by Ferrazzano, to establish a cut-off date of Friday, October 26 by which to register and pay \$5 for a pick-up of bagged leaves and bundled branches cut in lengths no longer than four feet. All voted in favor of the motion.

The Planning Commission presented a recommendation to establish a hospital zone and set the speed limit at 20 mph on Union street from East 3rd to East 5th Streets and on State Street from East 3rd to East 5th Streets. The recommendation also included posting a four-way stop at Union and East 3rd Streets. Koopman stated the proposal was voted on unanimously by the Planning Commission and someone who is also on the Tracy Ambulance Service felt this would be a proper way to control speeds without hindering the emergency route to the hospital. Motion by Ferrazzano, second by Stobb, to approve the Planning Commission's recommendation. All voted in favor of the motion.

Polzine reported on the progress of the aquatic center stating that Salonek has gutted the bath house and is laying block in the mechanical room and the concession building. Olympic Pools has the lap pool and the splash pool formed and Polzine said tomorrow a soil compaction test will be done. If that passes Olympic will start tying steel rebar and that will take a week to ten days. They plan on pouring concrete the week of October 22 if everything goes well with the weather. Olympic said they will probably start forming the zero depth pool next week. Polzine felt progress was slow but they guaranteed at the meeting last week that the project is on schedule and will be done.

Hannasch presented a resolution approving payment to Olympic Pools, Inc. for work completed to date on the Aquatic Center in the amount of \$94,050.00. Motion by Caron, second by Berndt, to adopt the resolution. Stobb said he was having trouble calculating the five percent retention based on the figures shown. Koopman said there were two pay requests received that she combined into one resolution so she may have listed only one of the two amounts. Stobb said the \$94,050 reflects almost 20% retention off the \$119,000 in work completed. Koopman verified and said the \$94,050 is the total pay request received from Olympic Pools.. All voted in favor of the above stated motion. (Res. No. 2001-34)

Hannasch presented a resolution approving payment to Heartland Mechanical, Inc. for work completed to date on the Aquatic Center in the amount of \$24,310.50. Motion by Stobb, second by Fraser, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-35)

The Consent Calendar included the following: Fireman's Relief Association minutes for October 1, 2001; Cemetery Commission minutes for September 20, 2001; Economic Development Authority minutes for September 14 and 20, 2001; Municipal Accounts Payable; and Planning Commission minutes for October 1, 2001. Motion by Berndt, seconded by Stobb, to approve the above listed items. All voted in favor of the motion.

There were no questions or comments regarding the 2002 Budget.

Hannasch asked for a motion to approve the following Statement of Support:

The City of Tracy hereby declares its deep sorrow for all the innocent victims of the atrocious terrorist attack on New York City, on the Pentagon in Washington, D.C., and against those traveling on the four airplanes involved. We acknowledge the heroism of those who acted with such courage, which may never be known, to dash into danger offering aid to others or even possibly preventing more carnage and destruction by the terrorists.

We also offer our statement of support to all those families who suffered injury and loss in

this unprecedented event in American history.

The City of Tracy encourages each and every citizen to take action by donating to any charity of their choice that is offering aid to the survivors of this outrageous assault on America. We must now focus on rebuilding the City of New York, the Pentagon, and our national sense of security. This United States is not just a building or buildings, but is in essence a vibrant nation of individuals striving to live out the basic American freedom to pursue life, liberty, and happiness.

The City of Tracy stands by the United States government in the search to find and immobilize those networks of individuals who plot harm against Americans and our way of life.

Finally, the City of Tracy assures its citizens that it has the necessary emergency plans in place and will seek to provide appropriate leadership and services if needed.

Motion by Caron, second by Ferrazzano, to approve the Statement of Support. All voted in favor of the motion.

Koopman reported that she received a call from Greg Lewis, Lyon County Administrator. He is trying to coordinate a joint meeting between the Lyon County Commissioners, the City Councils and the School Boards for both Balaton and Tracy. The proposed date would be Thursday, November 8, 2001 which if it works would be held at Twin Circle Apartments. Hannasch said he will be out of the state on that date. Koopman asked if the rest of the Council members would be able to attend. If that date won't work then another will be proposed. Koopman said years ago there used to be joint meetings with the County Commissioners and just surrounding cities which they stopped holding. Now they want to start the meetings up again and include school boards. Caron asked what will be discussed at the meetings. Koopman replied general interest projects or issues that may concern more than one entity. Caron asked if the Joint Powers Agreement would come up in discussion at this meeting. Koopman said she referenced that to Lewis who assured her that would not be the focus of discussion. Caron asked what time the meeting would be held. Koopman replied it would be at 7:00 p.m.

Hannasch said he just remembered he will still be out of town on November 19, when the joint meeting with the School Board is scheduled. Caron said it will just be the preliminary meeting. Hannasch said they should hold it regardless. Council members agreed that November 8 would work for the meeting with County Commissioners.

There being no further business motion by Ferrazzano, second by Stobb, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

October 22, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, October 22, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, C. Hannasch, R. Caron, M. Fraser, D. Berndt and R. Stobb. Absent was: J. Otto-Arvizu. Also present were staff members: A. Koopman and J. Kerr.

Hannasch asked for any additions or corrections to the minutes from the October 8, 2001 City Council meeting. Motion by Fraser, second by Caron, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked if there were any additions or deletions to the agenda. He stated he had some comments under Mayor and Council Communications. Stobb asked to be added under Mayor and Council Communications as well. Motion by Berndt, second by Stobb, to approve the agenda as now written. All voted in favor of the motion.

Hannasch reported the Council was scheduled to consider bids for the Industrial Park lot, but due to an error the public notice in the *Headlight Herald* indicated that bids had to be received by 4:00 p.m. on October 26, 2001. Because the notice was published with this date bids cannot be reviewed at tonight's meeting. Hannasch suggested the Council can either hold a special meeting next Monday, October 29, or hold bids until the next council meeting. Caron asked why the Council can't go by the dates in the motion that was made. Hannasch said since the October 26 date was published the City could run into legal issues if they consider bids at tonight's meeting and someone else was interested in submitting a bid. Caron asked if the next meeting was November 12, 2001. Hannasch said they would later be discussing changing the date of the next Council meeting because of scheduling conflicts.

Stobb asked if in order to speed up the process the Council could make a motion tonight to accept the highest bid, assuming all bids were legitimate. Kerr said he thinks that would be unwise because the Council will need to make a value judgement regarding the bids received and shouldn't presume anything. Stobb said he was not sure the Council has made value judgements in past cases. Hannasch suggested holding a special meeting next Monday to open and consider bids for the lot. Motion by Ferrazzano, second by Caron, to hold the special meeting on October 29, 2001 at 6:00 p.m. All voted in favor of the motion.

Hannasch said Kerr was present to share some information he received regarding the title transfer of a lot to Hope Developmental Achievement Center, Inc. Kerr stated that Nielsen has been handling the transfer but is out of town. First of all Kerr said in his opinion the procedure for the lot transfer has not been correct. The City has been trying to sell the lot by way of motion but the Council needs to sell it by way of resolution. The reason is because a transfer of deed is taking place and a resolution should be filed for the record. Kerr's suggestion in order to do some housekeeping that since Caron made two motions regarding the transfer of the lot he should rescind those motions and then the Council can proceed to properly sell the lot by way of resolution. Kerr said he had a proposed resolution and Mr. Leland Bush, attorney for Hope DAC, was also attending the meeting with some suggestions. Caron asked for the reason why he would want to rescind his motions. Kerr replied that the motions were improper because proper procedure is to transfer property by way of formal resolution. Hannasch added that nothing about the sale would change, it was just a formality. Motion by Caron to rescind his previous motions regarding the lot transfer, and second by Berndt. All voted in favor of the motion.

Bush informed the Council that Hope DAC asked him to address the Council regarding the property they are trying to acquire. He stated that DAC is a non-profit organization and tries to run its business at minimal cost. The DAC would like to expand their facility in Tracy and asked Bush to attend the Council meeting as they are having trouble getting transfer of the property completed. Bush said his understanding is when the Board of Directors first approached the City of Tracy about acquiring the land next to their building they had requested to receive a warranty deed for the transfer of title. The concept of a warranty deed is a promise assuring that the buyer is getting a good title. The DAC has determined that the City by policy does not give a deed that promises a good title but instead would issue a quit claim deed. Bush's concern was the quit claim deed does not promise the

condition of title. He added that at this point there is no abstract of title available for examination. Bush said the DAC has agreed that they would buy an abstract at their expense which will cost about \$300 to \$500. They are hesitant to buy this abstract without knowing for sure they will get a clear title. If they get a bad title it could take 90 to 180 days and cost \$1200 to \$1500 to get it cleared.

Bush said it is his understanding through prior discussions with the Council that the DAC has agreed to accept the property on a quit claim deed, has agreed to buy their own abstract and to deal with the quality of the title based on whatever they get. The DAC's concern is they don't know what the project will cost. Because they don't have a site yet they haven't called any contractors or had any plans designed. The DAC's goal was to start construction in the fall of 2001 but it is too late to start now. They told Bush when they expanded the site in Tyler they spent slightly under \$100,000. Obviously they want to spend as little as possible and it might cost that much or it might cost less.

Bush said at this point the City has offered a deed to the DAC that contains a reversion. A reversion is an offer to convey the property on the condition that you do certain things with the property. If these things aren't done you give the property back. The difficulty with a reversion is you can invest a lot of money in the property but run the risk of losing both the property and the investment if conditions aren't met. The condition on the deed says the DAC will spend a minimum of \$90,000 in construction. While the DAC thinks they will spend something in that vicinity it could be less. The other concern is there is a certain amount of property between the existing building and the 20 feet they are trying to acquire from the City. A significant amount of the construction will be built on the land they already own. Bush said he believes the DAC will have a financing problem with the building. At this point they don't know exactly where they are going to get financing but feel that a lender would not make a loan with a reversion attached to the deed.

Bush said the DAC does not want to be in a position of saying anything other than the Tracy City Council wants to be a good steward of the public trust. Likewise the DAC wants to be a good corporate citizen in Tracy. They also want the City to have adequate protection of its interests. Bush stated he put together a simple proposal or compromise to try to move things along. He said the DAC does not want to be a part of the political side of how the transfer has to be done. Bush's proposal is for a quit claim deed which includes a short agreement which states in light of the fact that the City has given property to the DAC they will build a structure at a minimum cost of \$40,000 with a minimum of 1500 square feet. If they don't build the structure the DAC will pay a minimum of \$1000 or give the property back to the City within 30 days of written notice from the City. The DAC would be allowed up to two years to complete the project. Hannasch said one of the things the Council asked for all along is if not a dollar amount, but the size of the structure the DAC is planning to build. He said before this the City never received any idea of construction plans. Caron said the Council never asked for a dollar figure or a size of building, the Council simply voted on giving them the land. Stobb said what Bush has proposed is more restrictive than what was previously discussed. Bush replied that it is not more restrictive because nothing was ever done previously. He said what he tried to do with this proposal is to give the Council something they could sign this evening if it passes the policies of the City.

Kerr said when Bush was talking about a reversion he learned the term as the Right of Reverter. In this case once the DAC would build on the property the condition is fulfilled, it is not an ongoing condition. The conditions regarding the structure itself are there to assure that the DAC would have a building that is acceptable to the City just as every other person has to have. Every other person has to meet building codes and standards in the City of Tracy. Secondly Kerr said, the DAC has stated they really don't know how much the construction is going to cost, but this is one thing that seems to have misled the City. Kerr said Executive Director, Cathy Nelson, was quoted in the Tracy newspaper as saying the project would move forward as soon as possible with an estimated cost of \$100,000. Kerr said Stobb brought up the issue of legal fees and expenses at the second meeting between the Council and the DAC which Bush has not touched on tonight. Kerr said what Nielsen put together is something that he believed was the intent of the City Council and is based on what was discussed at previous meetings. Kerr's other concern is the transaction has continued to be referred to as a sale when it's actually a gift. If it's going to be considered a sale the Council will need to hold a public hearing.

Kerr read Nielsen's proposed resolution authorizing a quit claim deed gifting property to the Hope

Developmental Achievement Center, Inc. The resolution specifies that the DAC would agree to pay all closing costs for the transfer, the DAC would build an addition on the property and complete the project by October 22, 2003. It further specifies the structure shall have minimum dimensions and a minimum value and/or cost to be determined prior to approval. Kerr said he included the cost and dimension specifications in order that the City can get some promises that the DAC is not going to build just a "shack" on the property. Kerr felt this type of resolution should be used to complete the transfer of property. Hannasch said the DAC has proposed a structure of 1500 square feet which would require it to be a minimum of 30 feet by 50 feet, or dimensions similar to that. Ferrazzano asked if Bush could live with the resolution by filling in the cost and dimensions listed in his proposed deed agreement.

Bush said in response to Kerr's statement regarding legal fees it was his fault he didn't include those fees in his proposal. But the DAC told him they had previously asked Nielsen for an estimate of what those costs might be. Bush said if Kerr can give him an estimate of those fees the DAC will address the issue. He said the DAC just wants to expedite the procedure and would prefer to get things finalized at tonight's meeting if possible. Bush said the DAC is not saying they are not subject to all building codes, they have to comply as anyone else would. Kerr said in Bush's proposed agreement there is one nuance he thinks the City should be careful about; it says in the case the DAC does not complete construction as specified, the DAC must return the property by quit claim deed or pay the City \$1000 cash within 30 days of written request from the City. Kerr said the DAC is only acquiring about 20 feet of the lot next to them and the City could run into a situation if the DAC were to pay them \$1000 for the 20 feet they could hold onto the lot without building on it at all. If someone came along that was interested in the entire lot the City would not be able to do anything. Kerr felt in one part of Bush's agreement the DAC was assuring something and in the next part they were taking it away. Bush replied he included that portion in case the DAC runs into title problems or construction problems that would prevent them from completing construction, or in case they have started but not completed construction within the two years specified. He included the \$1000 figure as what had at one time been a suggested price for the land. Bush said to answer Ferrazzano's question he doesn't know after hearing Kerr read the resolution if it can be acted on at this time. He asked if the City adopts the resolution when might the DAC receive a title and what other obstacles might there be. Ferrazzano thought if the Council approved the resolution he didn't see why they couldn't sign the deed agreement at tonight's meeting. He agreed with Caron that he didn't know why it was taking so long. Hannasch agreed that he would like to see the transaction completed and added he likes the fact that it includes 1500 square feet in the proposal. He felt looking at the size of the building is more important than the cost because the cost can vary so much.

Ferrazzano asked if now all that needs to be determined is the closing costs. Bush said if the deed is signed the DAC will assume all closing costs, the only unresolved costs would be the City Attorney's expenses. Bush said it is his understanding that City policy is the purchaser pays the City Attorney fees. Caron asked Kerr if he had any idea what those expenses are. Kerr said without Nielsen here he was a little uncomfortable to say. Bush said in fairness he felt the Council should know he did write a letter to Nielsen informing him he would be at this meeting. Kerr estimated costs not to exceed \$250. Bush consulted with DAC Board Members attending the meeting who agreed to pay the fees.

Ferrazzano asked in the resolution if they should fill in the second page with the minimum cost and dimensions proposed on Bush's agreement. Bush said instead of minimum dimensions he would suggest indicating a minimum size of 1500 square feet and a minimum cost of \$40,000. Stobb said it has no time requirement indicated. Kerr said it was listed on the first page. Bush said there is a conflict of dates between the resolution and the deed agreement. Kerr said he took that date from the motion made at the Council meeting on September 10. Bush said that is in conflict with the agreement he wrote in which he proposed two years from the date the agreement is signed. He suggested to make the dates on the resolution and deed agreement consistent. Kerr questioned having both a deed agreement and a resolution. Bush understood that was what one of the Council members suggested. Kerr said there is a difference between the two, the deed agreement says something different than the resolution. Bush asked if the deed will have a reverter in it. Kerr replied yes, it is the one Nielsen sent to the DAC. Caron said the difference will be a required cost of \$40,000 for the structure. Kerr said the agreement originally had \$90,000 in construction costs which would be changed to \$40,000. Bush said as he explained the DAC can't work with a reversion, it causes

problems for financing. Kerr said he thought he clarified that as soon as the DAC puts a structure on the property it satisfies the condition. Bush replied that if the DAC is not done with construction by the date specified the property goes back to the City. Hannasch said he could absolutely not see that happening. He said if construction was started within the dates listed that would be satisfactory. Stobb asked if the DAC would be satisfied if they changed the project date to three years.

Bush said this isn't about if the Tracy City Council is reasonable, he believes them to be reasonable. It is about when entering into a contract just as the Council needs to be a good steward of the City of Tracy's money, the DAC Board needs to be a good steward of the DAC's money. If they put themselves in a position of obtaining property that has a reversion they can't be assured that they can deliver and if they are going to a bank to borrow money it is Bush's opinion that the bank won't lend them the money with the reversion in place. Kerr felt if the DAC can't get the construction done in two years there is something wrong. He asked if there is sincerity about building there or is it just speculation. Hannasch said he can't see the problem from either side, if the City is willing to work with the DAC they should be willing to work with the City. Bush said his suggestion is that the DAC give the City a contract that obligates them to each of those points but a deed without a reversion. Kerr said Bush's proposed contract states it's at the DAC's option whether they would want to buy the land or convey it back to the City. Kerr said it is astonishing to him that the people who are getting the property for nothing are making the conditions as to how they will accept it when there are very reasonable conditions offered. Bush argued that reversions are never reasonable and the courts try not to enforce them.

Caron said the Council needs to figure out what they need to do to get the land transferred to the DAC and to move on. Hannasch agreed saying they need a motion stating what they are going to do. Ferrazzano felt they could agree on the resolution because they have filled in the blanks and changed the date to make it acceptable to the DAC. He said once the Council passes the resolution they can vote on what goes in the deed. Motion by Ferrazzano, second by Fraser, to adopt the resolution. Ferrazzano amended his motion to include a change of the project completion date to October 22, 2003 and to include a minimum size of 1500 square feet and a minimum value and/or cost of \$40,000. All voted in favor of the motion. (Res. No. 2001- 36)

Caron asked if Council members had any ideas what kind of deed they want to give the DAC. Ferrazzano said it will be a quit claim deed it's just a matter of what the conditions will be. Caron felt the conditions were specified in the resolution and made a motion to transfer the property from the City to DAC by way of a quit claim deed. Stobb asked for clarification on the motion. Caron said they were just making a motion to issue the DAC a quit claim deed. Kerr stated the last part of the resolution mentions the required conditions. Ferrazzano asked if having the resolution and having a regular quit claim deed will be acceptable for the financing. Bush replied if the quit claim deed is in the format he provided to the Council without the reversion attached that will work for the DAC. He said if the City is going to require that a reversion be attached to the deed the DAC was prepared to pay \$1000 to the City to acquire the property because they can't work with the reversion.

Hannasch asked if the DAC has everything in place so they could begin construction in the spring if there is no reversion clause. Bush said they don't have a title and it will take a month to six weeks to get an abstract but they should be ready to go in the spring. Stobb asked how adamant does the City need to be about completion in two years. Hannasch felt it would be acceptable as long as they have begun building within the two year time frame. Ferrazzano made a motion to adopt the form that Bush provided as a quit claim deed and Caron seconded. Kerr informed them on the deed there are too many zeroes for the cost figure. That figure was adjusted and all voted in favor of the motion.

Bush asked about the mechanics for the DAC to obtain the deed. Kerr replied that the resolution should be filed for public record but Bush could have the deed tonight. He added a copy of the resolution will be sent to the DAC.

Kerr reported that Nielsen has been handling the NSP/Xcel Franchise agreement and suggested waiting until Nielsen returns to handle the issue. Hannasch tabled the issue until the next meeting.

Koopman reported that she received a request from a Tracy High School coach asking if at least two

participants could practice pole vaulting in the Prairie Pavilion during the winter months. Koopman said she talked to Tom Rignell, insurance agent, who said it can be done but he wouldn't recommend it because there is extra liability and the City may have to pay an additional insurance premium because it would be an additional activity not associated with the school lease. Ferrazzano asked what the extra cost would be. Koopman replied she was not sure but she could find out. Hannasch said another thing to think about is if the coach is not available to supervise that would put extra liability on the City. Hannasch questioned why they couldn't practice at the school. Stobb agreed saying the Pavilion was going to be busy essentially the same times as the high school gym. Fraser said the rest of the track team doesn't practice at the Pavilion. Koopman concurred saying that activity isn't part of the lease agreement. Kerr said the proper supervision issue is what gets you in trouble.

Ferrazzano asked if the request is that just two kids want to go in and practice and asked if it specifies who is going to be there. Koopman said the coach made the request but he will not be there when they are practicing from what she understands. Ferrazzano asked if a physical education teacher can be there. Koopman said from a liability standpoint if it came down to where an incident would occur they may be able to claim improper supervision. Kerr said they may also be able to claim improper facilities. Stobb asked if they could make that claim during open gym time and asked if the City always knows what they're doing in the gym. Koopman said the City knows they're not pole vaulting, and that is the main issue because of the nature of the activity. She said the area they are looking at is on the east side between the wall and the bleachers. The other alternative is over by the garage door which is not the preferred spot because they would have to move the mat every day and find a place to store it. However the area on the east side is narrower and how would you pad off the bleachers to protect the students.

Fraser asked if they would be doing this at night. Koopman replied the City would have to start charging the school if it was. This would have to be coordinated at the same time as other school activities. Caron suggested getting more information. Hannasch said they should get insurance costs and find out who would supervise if not a coach. Koopman said she had been assured there would always be supervision she just doesn't know who that supervisor would be. Hannasch suggested tabling the issue until the school comes back to the Council with more information.

Polzine reported on the aquatic center progress stating there were about 14 people working today. They poured the floor in the mechanical room, laying block in the retaining wall behind there, with about five guys tying re-rod, and they plan to start pouring concrete either tomorrow afternoon or Wednesday morning on the main pool. They will set the rafters in the bathhouse tomorrow and NSP has been running the underground service and set their transformer. Hannasch said he sees from last report they are behind schedule and asked if this will get them back on schedule. Polzine replied he doesn't know and that he has been told they are on schedule. He said they plan on pouring concrete in the next couple days regardless of the weather and understands they brought a trailer load of insulated blankets.

Polzine said the crew is going to insulate the ground for the small pool and plan on pouring it yet this winter. The small pool is about half formed and they are doing some piping. Polzine said there is a lot of piping in the small pool for different features. Stobb asked if Polzine was pleased with the work that is being done. Polzine replied they are doing a good job. Once they got through the issues that needed to be changed and now that they've finished the destruction you can see progress in the construction that is being done.

Hannasch presented a resolution approving payment to Salonek Concrete & Construction for work completed to date on the Aquatic Center in the amount of \$42,232.00. Motion by Ferrazzano, second by Stobb, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-37)

Hannasch presented a resolution approving payment to Fulda Electrical Service, Inc. for work completed to date on the Aquatic Center in the amount of \$8,929.26. Motion by Stobb, second by Ferrazzano, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-38)

The Consent Calendar included the following: The Monthly Financial Report; Meeting minutes for the Aquatic Center; Monthly Water & Wastewater Report; Municipal Accounts Payable; Cemetery

Commission minutes for October 18, 2001; and Multi-Purpose Center minutes for October 8, 2001. Motion by Ferrazzano, seconded by Stobb, to adopt the above listed items. All voted in favor of the motion.

There were no questions or comments regarding the 2002 Budget.

Hannasch stated there was a memo included with the agenda that is going to be presented to the school board tonight at their meeting. The proposal was put together by Koopman and Dr. Rick Clark. Hannasch felt it fits what both the school and the City are looking for. Koopman said the agreement basically says they will agree to contribute \$2,500 from Community Education revenue to help offset the cost of salaries for life guards and/or instructors for swimming lessons. She said there is one change where she originally had written the school would contribute a minimum annual payment of \$2,500, Dr. Clark requested that be changed to eliminate the word minimum and read the school district will “contribute an annual payment of \$2,500.00.” Koopman said she doesn’t see a problem with that.

Koopman said this contribution is the main issue they have been trying to resolve with the joint powers agreement. She said the Council would still want to hold a joint meeting with the school board to complete the joint powers agreement verbage because there is some housekeeping that needs to be done. Motion by Ferrazzano, second by Caron, to approve the agreement. Ferrazzano asked if a date has been set to meet. Koopman replied that no date has been confirmed but November 19 doesn’t work for Hannasch. Ferrazzano asked if the school board was still objecting to televising the meeting. Koopman said when she met with Clark they concentrated mainly on the agreement and didn’t address that issue, but she felt he would continue to object to televising. All voted in favor of the motion stated above.

Hannasch reported that neither Stobb nor he will be available to attend a meeting on November 12. Koopman checked with Dan Anderson about holding a Council meeting on November 5 because that is the night also scheduled for a Planning Commission meeting. They discussed holding the Council meeting November 5 and the Planning Commission meeting on Tuesday, November 13 because of the Veteran’s Day Holiday on Monday. Motion by Ferrazzano, second by Fraser, to move the next Council meeting to Monday, November 5th. All voted in favor of the motion.

Stobb said the meeting date was the topic he was going to bring up and had nothing further to add.

Hannasch reported a meeting was scheduled for Wednesday, October 24 at 1:00 p.m. to meet with Fred Sabongi and Rick Goodeman in the Council Chambers. Ferrazzano asked if this was the grant writing person who didn’t show up before. Hannasch replied it was. Ferrazzano asked if there was a reason he couldn’t show up at an evening meeting so more people could attend. Koopman said Sabongi scheduled this initial meeting and she’s not sure why he set it up for the afternoon. She said hopefully some Council members can attend and if they find it worthwhile Koopman felt that Goodeman would be happy to come back again.

Caron asked about the police package this was distributed. Hannasch replied it was for the Council’s information and would be discussed at the next meeting.

Hannasch said the regular meeting would now be adjourned and the Council would go into a closed meeting to discuss labor negotiations.

ATTEST:

City Administrator

Mayor

October 29, 2001

A special meeting of the Tracy City Council was called to order at 6:00 p.m., Monday, October 29, 2001 in the Council Chambers of the Municipal Building. The following Council members were present: C. Hannasch, S. Ferrazzano, M. Fraser, D. Berndt, and R. Caron. Members absent: R. Stobb and J. Otto-Arvizu.

The purpose of this meeting was to open and consider bids received for Lot 6, Block 1, Industrial Park Second Addition.

Russ Stobb arrived at 6:01 p.m.

The following bids were received, opened and tabulated:

| | |
|--------------------------------|------------|
| Steve Lavoy | \$2,610.00 |
| Kim Daniels and Keith Peterson | \$1,600.00 |

Jan Otto-Arvizu arrived at 6:02 p.m.

Motion by Fraser, seconded by Ferrazzano to accept the high bid submitted by Steve Lavoy in the amount of \$2,610.00. All voted in favor of the motion.

The remainder of the meeting was closed to discuss labor negotiations.

Motion by Stobb, seconded by Caron to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

November 5, 2001

The regular meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, November 5, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, D. Berndt, J. Otto-Arvizu, R. Caron, and R. Stobb. Also present were staff members: A. Koopman and F. Nielsen.

Hannasch asked for any additions or corrections to the minutes from the October 22, 2001 City Council meeting. Motion by Stobb, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked if there were any additions or deletions to the agenda. He had one addition to Mayor and Council Communications. Motion by Berndt, second by Caron, to approve the agenda as now written. All voted in favor of the motion.

Nielsen said he had no additions to the NSP/Xcel franchise issue besides the memo distributed at the last Council meeting. Stobb asked if it was now up to the Council to accept the agreement as written. Nielsen replied the Council does have options, they can accept the agreement or instead of imposing legal fees can impose a franchise fee that could in turn be used to cover legal costs. Otto-Arvizu asked if the Council was just trying to prove a point or exhibit control. She asked if the City was losing anything if they accepted the terms. Nielsen replied money would be lost. Otto-Arvizu asked if it was a lot of money. Nielsen replied it wasn't a lot but if the Council imposed a franchise fee rather than collecting specific legal fees costs would be covered. Otto-Arvizu stated its not a large amount of money and the City could potentially lose more in pursuing the issue through legal means. She asked if NSP was required to pay legal fees in other cities. Nielsen replied he has been told they don't have to pay them for other communities.

Koopman asked Nielsen if he knew what the legal fees are to date. Nielsen replied his estimate was between \$800 and \$1000. Otto-Arvizu made a motion to drop pursuing the legal fees from NSP/Xcel and accept the terms of the franchise agreement. Caron seconded the motion. Hannasch said NSP did agree to post a bond for any street or public right-of-way work that may be done as the City requested. Hannasch said the City would spend more pursuing the issue than it could save. Fraser asked how it would even be pursued and if the Public Utilities Commission would get involved. Nielsen replied he had contacted the Commission about this issue and they don't get involved in this type litigation. All voted in favor of the above stated motion.

Shorty Engel referred the aquatic center financial status report that had been distributed to the Council. The proposed cost of amenities is about \$494,000 and they need to be purchased in December in order to keep the quoted costs prior to the new year and they also need to have the amenities on hand in order to keep to the June 1, 2002 deadline. Engel said \$355,000 is still needed to finance the amenities. A total of \$105,000 has already been pledged. He said in the case of the Tracy Area Medical Services the money donated will be received over a period of 20 years. Engel added that there is a situation of matching funds, \$10,000 will be received from Lyon County contingent upon the school district giving \$10,000. Engel stated the pool committee was requesting the City to lend approximately \$355,000 to purchase the amenities and the majority of the loan would then be paid back over four years from donations received.

Engel said the Council also received a report listing fundraising packages into levels 1,2 and 3. He said the Level 1 package has been proposed to Schwan's Sales Enterprises and three options are given:

- A. Platinum Sponsorship and a naming right for \$300,000
- B. Gold Sponsorship for \$200,000 to purchase two slides
- C. Silver Sponsorship for \$125,000 to purchase one slide

This information was sent to Schwan's but the committee has not heard back yet.

The Level 2 package has been presented to Minnwest Bank South and it was proposed that they consider doing the parking lot, driveway and drop-off at a cost of \$60,000. Committee members have

met with Coca-cola asking for them to furnish the concession stand and Engel expected to hear back from them next week.

Pepsi-cola will be offered a similar package on Wednesday of this week. Otto-Arvizu asked if the aquatic center would utilize the logos of contributing companies on the amenities they provide. Engel replied they would and that was included in the proposal packages. Engel said the committee has been working on an individual donation project and Koopman and he met with the Bremer Foundation to get help writing grant requests.

Engel stated what they need is money up front to purchase the amenities in order to complete the aquatic center project by June 1, 2002. Hannasch said there are some other organizations the committee will be approaching with Level 1 and 2 fundraising packages. Nielsen asked about the nature of the proposed parking lot improvements. Engel replied there would be a pavement of the upper part and there will be a drive through down the right side between the basketball court and the trees. There will be a drop off spot and additional parking along one side. Nielsen asked if they would be re-paving the existing parking lot. Engel replied they would.

Ferrazzano asked if the City has the money to loan. Fraser asked where the money would come from. Koopman recommend the hospital improvement fund which currently has a balance of \$569,000. She said loaning the money out of this fund would leave a balance of \$214,000 and this fund receives monthly revenues based on the depreciation schedule with the hospital through the lease agreement. Koopman said they didn't expect any major expenditures out of this fund over the next four years that would exceed the fund balance. Otto-Arvizu asked if interest would be reimbursed at same rate the fund is receiving now. Koopman replied interest would be at 3.5% which is what bonds can be bought for. Caron asked if interest would be charged for the loan. Otto-Arvizu said that depreciation fund has to draw interest. Koopman said otherwise the money would be invested and drawing interest. Fraser asked how the money would be paid back. Engel replied through the fundraising packages and added the committee was very confident they would be able to do that over four years. Koopman stated \$250,000 would need to come from donations, everything else has already been pledged. Otto-Arvizu said she thinks it's a good move and made a motion to loan \$355,000 from the hospital improvement fund with an interest rate of 3.5%. Ferrazzano seconded the motion. Otto-Arvizu asked if it would be paid back within four years. Koopman replied the majority will be, but for instance the hospital donation is taking place over 20 years so unless an excess amount of donations is received some will take longer. Otto-Arvizu amended her motion to include these terms. All voted in favor of the motion.

Hannasch presented a request to review and consider bids for the 2002 police squad car. He had hoped Chief Bryan Hillger would be present to discuss the issue. Koopman stated Hillger had not discussed it with her so she didn't know what his recommendation would be. Caron felt the Council could go ahead and make a decision as he had talked to Jeff Salmon who had said the Dodge Intrepid would actually have more room but both that and the Chevy Impala were good cars. Caron said the Intrepid was cheaper and Hillger didn't indicate a preference. Otto-Arvizu asked if the Intrepid has rear-wheel drive. Caron replied only the Crown Victoria has rear-wheel drive, the other two have front-wheel drive. Hannasch said the Intrepid is a new package being offered to police units. Fraser said the Intrepid is being offered by Salmon Motors.

Stobb said according the information Hillger provided Dodge won't even start producing this car until January of 2002. Stobb said an order can be placed but the car wouldn't arrive anytime soon and he wondered if that would make a difference to Hillger. Hannasch felt it would take a while to get any one of the cars. Stobb said it was scheduled to replace the Lumina but the City planned on adding another year to the replacement schedule. Koopman said the intent was to add another year to all of the vehicles before replacement thereby going to a three year cycle. Caron made a motion to take the Dodge Intrepid and Stobb seconded. Hannasch felt with the price difference that was the route to go. All voted in favor of the motion.

Hannasch called for a public hearing to be held on November 26, 2001 to adopt the Downtown Revitalization Plan. He suggested starting the Council meeting on November 26 at 7:00 p.m. in case a meeting with the school board is arranged for that night and suggested opening the public hearing at 7:15 p.m. Hannasch said the Council could also approve the list of members for the Downtown

Revitalization Committee. He asked Koopman if she had contacted those on the list to see if they agreed to serve on the committee. Koopman replied they all agreed to serve. Caron suggested adding Don Polzine or someone from street department to serve on that committee. Koopman said they could serve Ex-officio. Motion by Stobb, second by Fraser, to hold a public hearing at 7:15 on November 26, 2001 and to approve the Downtown Revitalization Committee members. All voted in favor of the motion.

Hannasch presented a letter received from Rick Clark on behalf of the school board. Hannasch said the Council seems to be running into a brick wall with meeting arrangements and he suggested they go ahead and meet on the school board's terms. They proposed the meeting be videotaped and rebroadcast and that the meeting be held at the high school media center. Hannasch felt if they don't get a meeting arranged the issue will not be resolved. Caron thought the Council should stand their ground and hold the meeting at the Council chambers and air it live. He stated it's a public matter they will be discussing. Berndt agreed stating the school is who has a problem with the contract not the City. Ferrazzano said he still doesn't know why the school board doesn't want the meeting on television and felt they should give a legitimate reason why. He agreed the meeting should be at the Council chambers and on television. Caron said the Council already made that motion. Koopman said in light of the letter the Council should respond to it. Fraser asked if the school board's meeting is at 8:00 p.m. or is the Council supposed to be there at 8:00. Koopman replied the letter is confusing. Hannasch said somewhere he had seen they wanted to meet at 8:30. Koopman said it was probably in the newspaper. Hannasch said the big thing is he would like to get the issue solved. He wants to see that the \$10,000 contribution towards the pool is agreed on and suggested they could work on the community education arrangements later. Caron stated if the school board would come to one meeting it could be over in ten minutes. Hannasch said he did not disagree.

Stobb asked what are the Council and board trying to accomplish, are they trying to reach an resolution or trying to see who's going to give in first. He said he would rather reach a resolution. Hannasch said the Council has to reach out a hand to get something done. Caron replied the meeting concerns public information and public property. Otto-Arvizu said she would rather meet and get on with it. Fraser said he agreed he would like to see them meet at the Council chambers but he is willing to meet at the school to get the issue resolved. Otto-Arvizu made a motion to hold the joint meeting at the school and Fraser seconded. Hannasch said he would like to add that the City is also allowed to videotape the meeting. Ferrazzano said he thinks it sets a bad precedence because if there are people who want to do business with the City in the future they may say they don't want to be on television and request the Council to meet elsewhere. Berndt said he thinks the public has a right to know what is happening when its happening, not two weeks after the meeting when maybe just a few people are watching. Hannasch said he thinks the public will be well informed and the press has done a good job reporting. He added since it is a public meeting there may be a lot of people attending. Upon roll call the following vote was recorded: Voting in favor were Fraser, Otto-Arvizu, Stobb and Hannasch. Voting against were Berndt, Caron and Ferrazzano. The motion passed.

Hannasch presented a request from the Tracy Eagles Club to use the parking lot west of the Municipal Liquor Store to park RV's during their convention on March 16 and 17, 2002. Motion by Stobb, second by Caron to approve the request. All voted in favor of the motion.

Don Polzine gave an update on the progress of the aquatic center. He stated the walls are poured for the main pool and the splash pool. The crew is working on the third pool but there is a lot of plumbing that needs to be done before they put the rebar in. The stainless steel gutter that will be welded around the top will be delivered this week. The plumbing contractor is working on the bathhouse and the under floor work is nearly done. For the concession stand bottom part of the mechanical room is done. The pre-cast slabs are on the roof and they have to pour a floor over that. The plumbing and electrical contractors are making their penetrations through the ceiling so they can pour concrete. The rafters are placed on the bathhouse and they are framing the eaves and should be putting the sheeting on this week. A subcontractor has been preparing the outside walls for stucco. Polzine said things have been going well and the weather has been cooperating. Hannasch asked if they are still on schedule. Polzine replied the general contractor says they're two weeks behind but the other contractors say they are not.

Koopman reported an agreement was reached with the AFSCME Union which includes the City's

contribution towards dependent insurance coverage to be \$400 for the year 2002 and \$425 for 2003. The wages represent a 3.5% increase in 2002 with 1% of the increase being deposited in the post-retirement health care savings plan with the same increase in 2003 with 1% put into the savings plan. This was accepted by the union and Koopman will be drafting a contract for signatures. Motion by Fraser, second by Stobb, to approve the union agreement. All voted in favor of the motion.

Hannasch presented a resolution approving payment to Duininck Bros., Inc. for work completed on the Airport Project in the amount of \$102,851.56. The bid submitted by Duininck Bros. Was for \$99,091.00 based on 3670 tons of bituminous. The actual amount of bituminous required was 3809.28 tons which accounts for the increase in costs. Motion by Ferrazzano, second by Caron, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-39)

Hannasch presented a resolution approving the American Legion Post #173 gambling permit at the Pool Hut, Inc. Motion by Caron, second by Fraser, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-40)

Hannasch presented a resolution approving the American Legion Post #173 gambling permit at the Tracy Municipal Liquor Store. Motion by Ferrazzano, second by Stobb, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-41)

Hannasch presented a resolution approving the American Legion Post #173 gambling permit at the Sander's Eastside. Motion by Ferrazzano, second by Caron, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-42)

Hannasch presented a resolution approving the American Legion Post #173 application for a gambling permit. Motion by Ferrazzano, second by Caron, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-43)

The Consent Calendar included the following: Economic Development Authority minutes for October 5, 2001; USAquatics meeting minutes; and Municipal Accounts Payable. Motion by Stobb, seconded by Fraser, to adopt the above listed items. Otto-Arvizu reported she was very impressed with a walk through at the new spec house in the Eastview addition. There will be a public open house scheduled the same weekend as the Old Fashioned Christmas. Hannasch said that would be on November 17 and added there will be a showing by invitation for the Council and Planning Commission on November 16. All voted in favor of the motion to approve the Consent Calendar.

Steve Jones was present to give the Council more information concerning his request to pole vault in the Prairie Pavilion. Jones stated he is the track coach at high school and has had in the past five or six consecutive years someone at the state meet in pole vaulting. This past winter there were two vaulters who competed in the National Olympic Junior Tournament and one became a national champion. The current high school record holder is still pole vaulting at Tracy High School. There are a number of kids with the winter off and would like to have a place to practice pole vaulting and there is no facility in the high school. Jones said they have the equipment to practice indoors but no place to do it. He said he was aware there is an agreement with the City to hold practices in the Prairie Pavilion and he would like to piggyback the pole vaulting practice onto that agreement. The southeast corner of the Pavilion is where he would like to have practice with the runway going from west to east. The school has a portable plant box which works as a suction so you can practice indoors. The team uses it indoors in the spring until they can get outside but the high school gym is not available to the track team in winter.

Jones said he knows liability is the major concern to the City and he talked with Tom Rignell who conveyed there will be no increase in liability but there will be a gentleman coming to the Pavilion on November 27 to do a walk through of the area at which Jones will be present. He will determine the safety of the area. Fraser asked what kind of supervision will there be. Jones replied it is the no contact time by coaches so there will be no coaching. He compared it to the weight room where coaches are allowed to be and can give kids direction. Jones said there would be someone present for safety reasons which would be either himself or Al Landa. Jones said his question is when they could practice and what would work into the fee schedule the school has with the City.

Jones stated pole vaulting by nature is precarious but there have been no accidents in the state of Minnesota recently. He said he has had more injuries with running than with pole vaulting. Hannasch said one of things Rignell said today is because of the City's record with the state we get about a \$12,000 credit for insurance purposes. If the City would end up with a major suit or liability the City could end up losing that credit for up to eight years which could amount to \$96,000. Jones replied his question would be if the City deems pole vaulting that serious or is the City covering any other events that could cause the City liability. Hannasch said the question he has is what are the chances in pole vaulting compared to other sports. Jones replied in his four years experience he had one instance where a kid vaulted past the pit in competition but it was only due to the facility did not have the proper length pit. Fraser said they play baseball in the Pavilion and anyone could get hit in the head.

Hannasch said the inspector was coming November 27 and he asked Jones when he was planning on starting practice if approved. Jones replied as soon as possible because the kids are anxious to practice. Koopman asked what time of day Jones was planning to hold practices, she said if it isn't run concurrently with other practices there will be additional fees. Jones replied he wouldn't want additional fees and so would run them the same time as other practices. Ferrazzano asked if he understood correctly that Jones has had kids vaulting inside before. Jones replied he has in the high school gym and added the kids vaulting at the Pavilion would be veterans and he wouldn't allow newcomers to practice there. Stobb said that was his question and he understands there will only be two to four kids practicing. Jones replied that was correct. Nielsen asked in what capacity would Jones be supervising and will it be as an employee of the school district. Jones replied yes and Dr. Rick Clark approved that. Caron asked if the school will then hold the liability. Koopman said the school will be insured but regardless if there ever was a suit the City would be named in that suit.

Otto-Arvizu asked where the equipment would be stored. Jones replied the mats would stay where they are and he said he has spoken with Bruce Rykhus about storing the poles under the bleachers. Otto-Arvizu asked if there is an event scheduled and the space needed who would take care of moving the equipment. Jones said the school district employees would take care of that. Koopman said on a normal day to day basis it won't be a problem but with a major event they will have to move equipment. Jones said the equipment would be there November, December and January and would out by January. Ferrazzano made a motion to give Koopman the authority to contact the school approving the request contingent on the inspector passing the area as safe to practice pole vaulting. Stobb seconded the motion. All voted in favor of the motion.

Koopman reported after revising the budget to reflect a 3.5% increase in salaries for City employees which includes the 1% to be deposited to the post retirement account which is exempt from FICA she would also like to recommend that the \$25,000 budgeted for park equipment at Sebastian Park be removed at least for this year. Koopman has found out the park project is eligible for a LAWCON grant. She felt it would be time well spent to make an effort to try and get a grant. Koopman said if they could get 50% paid for they could get nicer equipment or at least get what was planned for half the cost to the City. She said if they dropped the \$25,000 along with the other changes there would be a 32% increase instead of 37-1/2%. Caron asked if they leave the \$25,000 in the budget will it still be close to the 37% increase they projected. Koopman said it would be close to that, probably a little more.

Koopman said with the grant they could possibly add a picnic shelter which is needed. Caron said the City is still far behind on all the parks projects and asked if it would be better to leave it in the budget for the overall project. Koopman said she left \$25,000 in for timbers and pearock and the bathroom facility. Caron felt that already figured the \$25,000 and of the 37% increase 30% is for the pool so why not leave the \$25,000 in the budget. Hannasch said the biggest thing is to show a need for the grant so it would be better to drop the \$25,000 for 2002. Stobb felt Sebastian Park is going to look distinctly different after the pool is finished and felt if they had to cut back on a park that would be the one to cut. Koopman said the Council will need to finalize the budget at the next meeting on November 26 because the public hearing is set for December 3.

Hannasch reported that performance evaluations were held last May with the intention to hold them again in November and on a yearly basis thereafter. A suggestion has been made to hold evaluations

yearly in May and forego the ones in November because the schedule tends to be very full this time of year. Stobb made a motion to postpone the next evaluations until May and hold them annually thereafter, Fraser seconded. All voted in favor of the motion.

Hannasch reported the Lyon County Commissioners meeting for Tracy, Garvin and Balaton will be held on Thursday, November 8 at Twin Circles. He said he would like any Council members who are available to attend. Stobb asked if it was only for City Council. Koopman replied school board and city council members were invited to attend.

There being no further business motion by Stobb, second by Caron, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

November 27, 2001

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, November 27, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, R. Caron, and R. Stobb. Absent were: J. Otto-Arvizu & D. Berndt. Also present were staff members: A. Koopman and F. Nielsen.

Hannasch reported the school board would not be meeting tonight so they will look at rescheduling the joint meeting sometime in January.

Hannasch asked for any additions or corrections to the minutes from the November 5, 2001 City Council meeting. Motion by Fraser, second by Caron, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked if there were any additions or deletions to the agenda. He added (6B) an appointment to the Multi-Purpose Center Board; (6C) tobacco compliance check; and (11B) a report on the pole vaulting request. Motion by Stobb, second by Fraser, to approve the agenda as now written. All voted in favor of the motion.

Hannasch reported that Kerr had drawn up an emergency ordinance amending Tracy City Code Section 3.10. Hannasch asked Nielsen if he had any information to report. Nielsen replied that Kerr was the only one who worked on the ordinance so he didn't know anything about it. Koopman said the Planning Commission met on November 13 and discussed requests for a consignment auction sale, a call center and a light manufacturing/assembly business in the Central Business District. Since none of these businesses are addressed in the zoning ordinance Kerr proposed that an emergency ordinance should be considered to categorize these types of businesses in the zoning ordinance. Koopman said the ordinance would become effective immediately without requiring a first reading and a public hearing. She said the process would be delayed quite a while if this issue was not addressed now.

Koopman reported the Planning Commission was recommending definitions for the three types of businesses requested and proposed where the businesses should be zoned. The call center was defined as a telecommunication and technology service allowed in a B-1 District or if granted a special use permit in the B-2 District. The request for a consignment auction consists of separate definitions for auctions and consignment sales. Auctions are allowed within an I-1 zone. Consignment sales are allowed in a B-1 District or if granted a special use permit they are allowed within the B-2 District. The light manufacturing/assembly business would also be allowed in a B-1 District or a B-2 if granted a special use permit. Fraser asked if the Council passed the ordinance if those requesting these businesses would have to apply for a special use permit. Koopman replied they would and added if they City went through the normal process it would be sixty days before could apply and another three weeks to consider approval. Stobb said he wasn't at the Planning Commission meeting but felt the ordinance makes sense the way it is written. Koopman stated the Planning Commission spent one and one-half hours on this topic alone so a lot of thought was put into their recommendation. Stobb made a motion to adopt the emergency ordinance and Caron seconded. All voted in favor of the motion.

Hannasch informed the Council that two requests had been received for the use of the ambulance garage after the ambulance service moves into their new facility. He met previously with Keith Engesser on behalf of the fire department and Harold Deal on behalf of the food shelf to discuss options. Engesser said he would like to request use of the bay area for the fire department in order to park a grass rig which currently sits behind another fire truck. Next year the department will be getting a new rig and also shares a back up tanker with the City which they would like to store in the bay area. Engesser spoke with Chief Hillger about sharing the meeting room with the police department for a fitness room. Equipment would be donated by the police department.

Hannasch stated the food shelf has also requested use of meeting room and he discussed with Engesser and Deal the possibility of sharing the facility. Engesser said they talked about adding some half walls but his concern is if the trucks are fired up in the bay the exhaust would get into the food shelf area. Also electrical work would need to be done to move some light switches. Engesser didn't

feel the Council should act on the request until more information was gathered and added there would also be some issues with heating and cooling if the area was remodeled. Ferrazzano asked if Engesser felt the fire department and food shelf would be able to coexist. Engesser replied he thinks it could work.

Hannasch said with the age of the people involved with the food shelf and their current facility being non-handicapped access he would like to see if they could work something out. He suggested everyone get together and see what it would take and what it would cost. Engesser said it gets very warm in the summer in the building which could be an issue for the food shelf. If they remodeled to add a room the heating would need to be redirected and electrical switches would need to be moved. Engesser felt they would also have to be concerned about parking for fire truck access. Hannasch suggested getting some people to meet before the December 10 meeting to discuss options. He recommended some representatives from the fire department and the food shelf attend as well as Don Polzine. Caron thought all Council members should meet too. Hannasch said the Council meeting is at 6:30 p.m. on December 10 so they could meet at the ambulance garage at 6:00 to discuss options.

Otto-Arvizu arrived at 6:43 p.m.

Hannasch reported there was an application submitted for the Multi-Purpose Center Board from Ralph Deslauriers. Motion by Stobb, second by Ferrazzano, to approve Deslauriers appointment to the board. All voted in favor of the motion.

Hillger reported he had conducted the yearly Tobacco Compliance Check on November 21. He had a 16 year old female Tracy High School student attempt to purchase cigarettes from each locally licensed business. Hillger reported all passed with the exception of the Med Club. He stated they had a new employee and were extremely busy at the time. The employee said she checked two people prior to this girl, but the student bought a pack of Marlboro Lights without a request for identification. Hannasch asked what the fine for non-compliance is. Koopman replied it is \$75.00. Hannasch asked Hillger if he had talked to Tom Morin about the check. Hillger replied he hadn't but he sent out letters yesterday. He stated the employee was scared she would lose her job but Hillger suggested that she talk to Morin about what happened. Motion by Caron, second by Fraser, to administer the fine. Ferrazzano asked if the fine is always automatically charged. Hillger replied he brought up giving a break to first time offenders the first year the City did compliance checks but it was unanimous the fine should be charged. Otto-Arvizu said they felt it should be because all merchants are aware the compliance checks are done.

Hannasch stated they would table the proposed street improvement project until the next meeting since Don Polzine was not present to report on it.

Koopman updated Council members on the bleacher compliance issue. She received a bid from Steve Snyder listing some different options. Koopman stated prices were higher than she anticipated. The east side bleachers are stationary and so would have stationary end rails at a cost of \$3,510.00. Because the west side is retractable Snyder provided three options. It also has three separate sections requiring separate rails for each. Option 1 would provide removable rails that would have to be installed and removed each time the bleachers were extended or collapsed. This option is priced at \$21,060.

Option 2 included removal aluminum vertical rails costing \$46,803.

Option 3 would be to remove the existing bleachers and install new seven row bleachers. Koopman said she has reservations about removing structurally sound bleachers and replacing them with seating that is only one-third the capacity that is presently there. Option 2 is well over budget. If the Council goes with Option 1 they can stay under budget but it would require more manual labor to install and remove rails. Koopman added in the past they have fully extended the bleachers only two or three times per year. Otto-Arvizu said she would hate to lose seating as one of the most appealing features of the Pavilion is the large capacity. Nielsen asked what is the capacity of the Pavilion. Koopman thought it was 1800 people so to lose seating doesn't make sense. Hannasch felt if they only have to put in rails two or three times per year that is the better option and within budget.

Koopman said they bleachers have to be in compliance by January 2002. She suggested they can complete the east bank by that time and not worry about the west bank until they need to extend them. Nielsen asked if skilled labor was required to install and remove the rails. Koopman replied no, they would use the City crew. Nielsen suggested groups that want to use facility could help participate by doing the installing or removing of the rails. Ferrazzano made a motion to accept the bid for the east bank bleachers and Option 1 for the west bank. Stobb said he has been to events when the west bank is partially extended where they can still use the basketball court and he was concerned with safety because the bleachers move and creak with people in them.

Koopman said when the bleacher are partially extended only three to five bleachers are out which is in compliance without rails. She added it is usually only during wrestling tournaments where they are extended fully. Otto-Arvizu asked if in terms of safety they shouldn't partially extend the bleachers. Stobb asked if the rails were installed on the partially extended bleachers if it would stabilize them. Hannasch said they can check into that possibility. Koopman said they can also restrict the bleachers from being partially extended at all. She said the only thing she sees is about three bleachers pulled out now. Otto-Arvizu asked who is pulling out the bleachers now and wondered if it was the coaches or athletic teams. Stobb didn't think so and said it was probably the city crew. Koopman said she would check with the janitor. All voted in favor of the motion stated above.

Hannasch presented a resolution increasing pledged securities at Minnwest Bank South in the amount of \$500,000. Motion by Fraser, second by Stobb, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-44)

Hannasch presented a resolution approving payment to Olympic Pools, Inc. for work completed to date on the Aquatic Center in the amount of \$80,750.00. Motion by Ferrazzano, second by Caron, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-45)

Hannasch presented a resolution approving payment to Salonek Concrete & Construction for work completed to date on the Aquatic Center in the amount of \$91,973.00. Motion by Ferrazzano, second by Fraser, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-46)

Hannasch presented a resolution approving payment to Heartland Mechanical, Inc. for work completed to date on the Aquatic Center in the amount of \$9,500.00. Motion by Caron, second by Ferrazzano, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-47)

Hannasch presented a resolution approving the Eagles Aerie 3918 application for a gambling permit. Motion by Stobb, second by Fraser, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-48)

The Consent Calendar included the following: The Fireman's Relief Association minutes for November 5, 2001; Monthly Financial Report for October; Municipal Accounts Payable; Meeting minutes for the Aquatic Center; Economic Development Authority minutes for November 2, 2001; and the Monthly Water & Wastewater Report. Motion by Ferrazzano, seconded by Fraser, to approve the above listed items. All voted in favor of the motion.

Koopman reported on the 2002 Budget stating this past week she received billing for the swimming pool which is less than anticipated. In removing that amount the budget increase for 2002 is reduced to 31.5%. Caron asked what is the percent if they leave the \$25,000 originally designated for Sebastian Park. Koopman said she wasn't sure. Fraser asked if this change made much difference. Koopman said it was only \$1100.

Hannasch reminded Council members of the Truth in Taxation hearing next Monday, December 3, 2001. Koopman said she needed direction from the Council as she will be preparing the budget resolution for the next council meeting. Hannasch said he would like to see the \$25,000 for parks taken out in order to try and file for a LAWCON Grant. Otto-Arvizu said sometimes a grant requires either in-kind or matching funding and wondered if that was the case here. Koopman replied that wasn't a requirement and added funding would not be available until 2003 so the Council would have time to budget next year for park improvements. Hannasch said if the City got a LAWCON grant they could budget matching funds later and could put \$50,000 into the parks instead of

\$25,000. Caron said there was still \$25,000 budgeted this year for the other parks. Koopman replied there was still \$10,000 for the Central Park bathrooms and \$15,000 for timbers and pearock for all the parks. She added with the painting and repairs done this year the parks have improved already. Caron stated nothing would be done at Swift Lake Park this next year. Fraser asked when they would find out about grant. Koopman replied it would be prior to budget time next year. Hannasch stated if they had known about the grant last year they could have applied to receive money for this year.

Koopman said she would like some direction to prepare the presentation for the public at the Truth in Taxation hearing. Caron thought they should leave the \$25,000 in the budget and see what the public thinks at the hearing. Stobb said he knows it puts some park improvements a year down the road but would rather see half come in the form of grant money instead of all taxpayer money. Otto-Arvizu agreed stating if waiting just a year will help save taxpayer dollars it would be worth it. Council consensus was to wait and apply for the grant.

Hannasch asked Council members if they would like to start the December 10 meeting at 6:30 because there are often school events scheduled the same night. He said they would then set public hearing for 6:45 p.m. regarding bike trails. Koopman said Anita Benson, the County Engineer, will be present to explain in more detail the county's plans for trails. Koopman informed the Council that the county is sponsoring the grant application because Tracy is below 5000 in population and required to have a sponsoring agency. Stobb asked if the county came up with the three options on the maps that were distributed. Koopman replied that Option 1 is what the City originally proposed. She said the prices that were quoted at the time of the original application won't meet what it will cost now. At the time plans were proposed some opposition was expressed by Tom Behm, MnDOT who is on the committee that reviewed the plans but the City had no alternative but to work with the information provided by the county engineer at that time. Koopman felt the City has a very strong chance of getting additional grant money for the project. Koopman said Benson, and possibly Steve Johnson who is the assistant engineer, will be present at the next meeting to answer questions.

Hannasch and Koopman met today with Bernie Szczesniak who is a loss control consultant with the League of Minnesota Cities. Koopman said Szczesniak was here to review the Prairie Pavilion as a possible site for pole vaulting. His opinion was clear that he would not recommend it but will be sending a letter outlining his reasons. Koopman said the City could allow pole vaulting if they would get a contractual liability release from both the high school and the parents of the participants. Otto-Arvizu stated the high school is not involved with this practice because it is out of season. Koopman replied that Steve Jones said at the last Council meeting that it would be school sponsored. Otto-Arvizu said she would consider this the same as J.O. Volleyball which is not school sponsored. Koopman said she thinks there is some mis-communication by both parties because Dr. Clarke doesn't necessarily agree that it is school sponsored at this time.

Koopman said the primary concern that came up through this whole process would be if the mats are placed and left there permanently for the season what would prevent kids at open gym, for instance from jumping off the bleachers onto the mats and possibly being injured. This wouldn't be a pole vaulting event and so the contractual liability release wouldn't apply and the City would be liable. Caron asked if the refund is \$12,000 per year. Koopman said the City has an average dividend of \$12,000 and if it were lost due to a liability claim it would be lost for eight years. Caron said so basically the City would be putting up \$96,000 in liability for a few kids. Otto-Arvizu said she would hope the students could find a way to pole vault at the school and find a different time slot from other practices.

Hannasch tabled the discussion to open the public hearing at 7:15 p.m. to consider the adoption of the Downtown Revitalization Plan. He asked for any public comment or questions regarding the plan. Fred Sabongi was present to answer questions and give a brief overview of the plan. He stated the purpose of the public hearing is that every community after planning out downtown design guidelines, signage guidelines and planning guidelines has the City Council review the plans to consider adopting those guidelines into the overall master plan. Sabongi said the purpose of the guidelines is to assist business owners, either new or existing, in planning remodeling projects on downtown buildings or in planning any new structures. Guidelines would also assist in designing business signs. Sabongi said he faxed a form to Koopman that has worked well in other communities which the business owner would fill out describing what they are proposing to do. The form would

be submitted to the City with a minimum fee and would be reviewed under planning and zoning guidelines to see if the proposal fits in with plan guidelines.

Hannasch said he doesn't know how many Council members had a chance to review the guidelines because it's a lot of reading. Sabongi said it wasn't too bad because it was reviewed at the workshops. He added a copy should be at the library and at City Hall so people can look at it to get ideas about what is best for the community as a whole and good for marketing. Sabongi said the people he reviewed the guidelines with at the meeting were glad to have something to go by when deciding on what to do. It can be puzzling and may cost them more than necessary if they don't know what to plan for. Sabongi said in order for the proposed guidelines to be valid he asked the Council to adopt the guidelines into the master plan. Otto-Arvizu asked if there would be an additional cost to get a set of copies for the library. Koopman replied she had copies to be placed in the library once the guidelines are adopted. She added there will also be a copy at the Chamber of Commerce office.

There being no public comment Hannasch closed the public hearing. Motion by Ferrazzano, second by Otto-Arvizu to adopt the downtown revitalization guidelines. Fraser asked if they were including all three guideline books. Sabongi suggested adding to the resolution that businesses will need to comply with the guidelines for any new or existing buildings. Otto-Arvizu asked if that means it will affect the building code. Koopman replied that she thinks what Sabongi means is anytime there is an application for renovation in the Central Business District that it must be in compliance with this plan, whether it's for a sign or window replacement or a larger project. Otto-Arvizu asked if that will be financially feasible or will there be grant money available. She said she would hate to put a burden on businesses that are working hard to keep their doors open. Hannasch said this would not be saying business owners have to remodel it's if they are planning to. Otto-Arvizu replied if they are going to do anything they would have to comply. Sabongi stated other cities have adopted similar plans and it doesn't put any burden on the business owner it actually helps them by giving them some idea in how to invest their money in a proper way so they have a proper result in the end. The fact that the City is investing the time and money into downtown revitalization would be mentioned on the grant applications that the City is working on with Rick Goodeman for renovation projects. Nielsen said in applying for grants it will help show how the grant money will benefit the community. Sabongi stated this will show the whole community will benefit and that the money will be spent wisely. The purpose of getting the grant is to revitalize the community and raise the standards, look and marketing of downtown. Ferrazzano amended his motion to include that businesses comply with the guidelines for any new or existing buildings. Otto-Arvizu seconded the amendment and all voted in favor of adopting the revitalization guidelines.

Hannasch returned discussion about the pole vaulting request for the Prairie Pavilion. Hannasch stated that after meeting with Szczesniak unless the school and parents of the participants sign off he doesn't think it's feasible and he did not think the area was safe enough. Stobb asked if the mats were not left in place through the season if it would be safe enough. Hannasch replied that Szczesniak didn't think the area was wide enough and students could fall into wall or bleachers. Stobb said in saying that pole vaulting is not at all safe because the mat is only that wide. Koopman replied Szczesniak said pole vaulting is one of the extreme sports. Hannasch said outdoors you don't have a wall to hit.

Ferrazzano asked if the \$12,000 refund the City could lose for eight years would be lost regardless if a claim against the City is lost. Koopman replied she would assume the City would have to lose the claim but it would cost taxpayers money in litigation. Ferrazzano asked if Szczesniak was saying the City could still have problems even if the school and parents signed a liability release. Koopman replied the release would not be completely sufficient because they could still personally file a claim against the City for injury. She said the City would have some coverage if school and parents sign off but would still have the issue of other kids possibly climbing the bleachers and jumping off onto mats. She compared it to driving down the highway and being run into, just for being on the highway you are liable.

Koopman said she should receive a letter from Szczesniak on Monday. Otto-Arvizu asked if the Council was going to table issue until the letter is received. Koopman said she will send a copy of the letter to Steve Jones and school and they could address the issue at the next Council meeting.

There being no further business motion by Caron, second by Fraser, to adjourn. Koopman said they will try to reschedule the joint meeting with the school board in January. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

December 3, 2001

A special meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, December 3, 2001 in the Council Chambers of the Municipal Building. The following Council members were present: C. Hannasch, S. Ferrazzano, M. Fraser, D. Berndt, J. Otto-Arvizu, R. Caron and R. Stobb. Also present: A. Koopman

The City Administrator informed the Council that technically the City did not have to conduct a Truth In Taxation hearing this year due to the legislature's delay in passing the tax bill, however, they chose to conduct a hearing anyway so the public would have an opportunity to express their opinion. She stated that with the passage of the swimming pool bond, the debt service levy would increase 51.5%. Without the swimming pool bond the levy would have only increased 1.8%.

The preliminary levy equaled 37.5% increase. The levy she recommended equaled a 31% increase. Part of the reduced levy was caused by the elimination of \$25,000 from the Street Department's budget for park improvements in Sebastian Park.

Thirty percent of the total levy will be used for General Fund operations. The proposed budget reflects an increase in General Fund expenditures of \$104,331. Part of this increase was caused by the proposed retirement of the Public Works Director. During the training period we will be paying for two employees. There was also a one time appropriation for the 75th Box Car Days celebration and 3.5% increase was included for employees salaries.

Once again this year the majority of the revenues for the General Fund will be received in the form of State Aids. She cautioned the Council that with the State's predicted shortfall, state aids could be affected.

The City's total outstanding debt that will impact future levies was \$4,333,382. The majority of this debt will be paid off by the year 2008 leaving the swimming pool bond still remaining.

There was no one from the public that wished to speak. Questions were raised relating to how our levy compares to other cities our size. The City Administrator responded that it is difficult to make comparisons when each City has different priorities. They also questioned how our existing debt will effect future bond sales. The City Administrator responded that she will provide this information at the next meeting.

The City Administrator reported that the Council will consider the final adoption of the 2001 budget and levy at their regular meeting scheduled on Monday, December 10th.

There being no further business, the meeting adjourned at 6:45 p.m.

ATTEST:

Mayor

December 10, 2001

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, December 10, 2001 in the Council Chambers of the Municipal Building. The following council members were present: S. Ferrazzano, M. Fraser, C. Hannasch, D. Berndt, R. Caron, and R. Stobb. Absent was: J. Otto-Arvizu. Also present was staff member: A. Koopman.

Hannasch asked for any additions or corrections to the minutes from the November 27, 2001 City Council meeting. Motion by Stobb, second by Fraser, to approve said minutes as written. All voted in favor of the motion.

Hannasch asked if there were any additions or deletions to the agenda. He added (8C) Food Shelf; (9F) Heartland Mechanical pay request; (9G) Olympic Pools pay request; and (9B) reports from Koopman. Motion by Fraser, second by Berndt, to approve the agenda as now written. All voted in favor of the motion.

Hannasch stated at 6:45 p.m. there would be a public hearing to discuss the proposed bike trails in Tracy. He proceeded with the next agenda items until that time.

Hannasch presented the annual Senior Nutrition Services agreement received from Western Community Action. Motion by Ferrazzano, second by Berndt, to approve the agreement. Caron asked if this was the way the agreement has always been. Koopman replied it was. All voted in favor of the motion.

Hannasch presented an agreement with the Southwest Minnesota Housing Partnership (SWMHP) for grant development. He said this agreement was a culmination of the meeting with Rick Goodeman. Motion by Stobb, second by Ferrazzano, to approve the agreement. Stobb said sometimes grants are different and funds are included in the grant to cover the costs of the grant writer. Koopman said this grant would be written that way. Stobb asked how the City got Goodeman as the grant writer. Koopman said primarily through Sabongi. She said Goodeman has written many of these types of grants and has a lot of expertise in this area and added that he submits about seven of these grants annually and on average gets funding for five of them.

Ferrazzano said if the City doesn't get the grant the first time around there is no fee for second attempt. All voted in favor of approving the agreement.

Hannasch stated that approval was needed for several City license renewals. He said not all of the applications and payments have been received but licenses will be issued only upon receipt of payment. Motion by Caron, seconded by Fraser, to approve cigarette license renewals to the following businesses:

- Cenex Harvest States
- Tracy Food Pride
- Eagles Club
- Food N Fuel
- Amoco
- Tracy Liquor Store
- The Pool Hut

All voted in favor of the motion.

Motion by Stobb, seconded by Ferrazzano, to approve plumbers license renewals to the following businesses:

- Anderson Plumbing & Heating
- Enviro Pump-Plus
- Feder Plumbing & Heating
- G&H Plumbing & Heating
- Heartland Mechanical
- Jenniges Plumbing & Heating

Olson Hardware
 Sanderson Mechanical
 Swish's Plumbing & Heating
 Weedman Service Co.
 Wood's Plumbing

All voted in favor of the motion.

Motion by Berndt, seconded by Caron, to approve a dance license renewal to the following businesses:

The Mediterranean Club
 Hollywood Ballroom

All voted in favor of the motion.

Motion by Caron, seconded by Stobb, to approve a split liquor license renewal for the following businesses:

The Mediterranean Club
 The Pool Hut

All voted in favor of the motion.

Motion by Caron, seconded by Fraser, to approve a Sunday liquor license renewal for the following businesses:

The Mediterranean Club
 The Pool Hut

All voted in favor of the motion.

Koopman reported a new license application had been received from the Pool Hut for Off-Sale Non-Intoxicating Malt Liquor. The license would be prorated for the balance of the year. Motion by Stobb, second by Caron, to approve the Pool Hut's application. Fraser asked when that license comes due, Hannasch replied in July. All voted in favor of the motion.

Bob Gervais had not yet arrived to report on the Hugh Gibson house so the issue was tabled.

Koopman presented a proposal for 55 blocks of street improvements which includes mill and overlay plus new construction on three different blocks. She said \$570,000 was the estimated cost according to the engineers. Prior to tonight's meeting Koopman distributed an amendment to the letter from the engineers dated November 13, 2001 that would serve as a feasibility report to tonight's meeting. According the RLK Kuusisto the proposed project meets the immediate needs of City Streets as indicated on the attachment to the November 13, 2001 letter and is a sufficient project to be constructed alone. Koopman said she or Don Polzine can answer any questions the Council may have. The next step would be to receive the report and then call for a hearing on the improvement. Koopman said if the Council is agreeable she would like to see the hearing held at the January 14, 2002 meeting. Hannasch said it is a common practice to do street improvements every two years and the sooner they can hold a public hearing the better. Motion by Caron, second by Fraser, to adopt a resolution accepting the report and calling for a hearing on the improvement to be held on January 14, 2002 beginning at 7:00 p.m. (Res. No. 2001-49)

Fraser asked about the neighborhood meeting that the City Engineer suggested and wondered what he was thinking in terms of that meeting. Koopman said all she can assume is that he meant holding a public hearing which is what the Council has always done. Stobb said there were three short streets with plans to fully construct them. Polzine said there is a petition on one of those streets and they are the last three gravel roads in Tracy.

Otto-Arvizu arrived at 6:43 p.m.

Stobb said the biggest expense is for curb and gutter and he asked if the curb and gutter needs to be done. Polzine said it's up to the Council but the petition on Roosevelt included curb and gutter. Stobb said the petition wasn't unanimous. Polzine replied it was over 50 percent of the residents. Koopman said 35 percent is all that is required according to the statute. Stobb said depending on what is said at the public hearing he would be open to just paving and not doing curb and gutter which would save about \$24,000. He asked if they would do things differently when just paving. Polzine replied they would have to beef up the blacktop on the outside edges or it will break off. He said normally within the City they put curb and gutter in to control water flow. Stobb said he was thinking by Legion Park they put curb and gutter on the west side and they may have a parking problem where people pull onto the grass. Polzine said with the type D curb and gutter they have been putting in there shouldn't be a problem with people driving over it. All voted in favor of the motion stated above. (Res. No. 2001-49)

Hannasch said prior to opening the public hearing regarding the proposed bicycle trail he wanted to invite Assistant Lyon County Engineer, Steve Johnson and Lyon County Engineer, Anita Benson to explain some of design plans. Benson said she and Johnson were at the meeting in addition to Seth Greenwood, the Project Engineer, because on the City of Tracy's application for federal funding to construct a bike trail in the area of Swift Lake Park. Lyon County, as a partner in the project, is providing all of the engineering services and construction inspection related to the project. The County put together several options for the City to consider and will be looking for direction on alternatives or a combination of alternatives that the City would like the County to proceed with. Benson said the next step is to proceed with is the project memorandum which is required for all federal aid projects. It will go more in depth into the environmental permitting and analysis of the options and is required before they go into the final design of the project.

Johnson stated the County came up with three alternative routes around Swift Lake Park and the City also wanted to designate bike trails on City streets. As a point of history the City requested the previous County Engineer, Steve Voit, to come up with plan. Original plans were to start at Highway 14, extending North to Roy Bjorkland's place, follow the property line and meander through the park over past the campgrounds and down the trail used to check wastewater. That trail would then be followed to a street that currently has partial curb and gutter which would be paved and used as the bike trail. Johnson said one thing about a bike trail is once it's established you cannot have motorized vehicles on it so that eliminates the idea of using the existing trail to the lagoons. The trail would have to be moved to the east and a new easement created. You will have to have certain access points that the farmer can cross to get to his field and those will be the only places he can cross. If you put any heavy equipment elsewhere on the bike trail it will not hold up. Johnson stated another problem is where it is platted the City will have to come up with an easement stating that the bike trail will be in existence as part of their property. To keep the trail off the street the County thought to put it behind the curb and gutter on the boulevard. Johnson said the options are self-explanatory, the only thing they will need to discuss is the area by Northstar on the south side of the street. Johnson said the County found out through the soil conservation office that the area through Bjorkland's is considered a wetland so that area cannot be filled in.

Option #1 is pretty much the same as the original plan but you would come up about 200 feet south of the entrance to the park and will follow closely to the trail that is there. The estimated cost is about \$128,000.

Option #2 would start on 4th Street, past the industrial park. The trail would be on the boulevard on the east side of the street. The west side would be out because all the utilities are there. It would follow waterway up and connect at the park and continue as described before. That option amounted to about \$103,000 as an estimate.

Option #3 would be to come up the airport road just north of the curb and gutter and go through a private property owner's field. The City would have to obtain a right-of-way and it would follow on the south side Bjorkland's property and then on the east side connect with the park. The estimated cost of this plan is about \$102,000.

Johnson said if the first option were used it would require a widening of the shoulder and paving it which brought the cost up quite a bit. He said Benson will discuss funding with the Council but one thing to remember is the City will have to pay 20 percent of whatever option is chosen. Johnson stated if \$20,000 is added to the price tag the City will have to come up with an extra \$4000.

Along with the trail around Swift Lake the City wanted to create some bike paths through Tracy. One location was a path along Pine Street over to Center Street and up to Highway 14. One problem here is under the guidelines there will have to be no parking on the trail side. The other place the City wanted to place a trail was on South Street which shouldn't be a problem, just a matter of striping the shoulder. Hannasch said before the Council hears from the public Johnson said something about an alternative to the trail going down Center Street from Highway 14 to South Street so the City wouldn't have to eliminate parking on Center. Hannasch said from the petitions he got there was a lot of objection to eliminating Center Street parking. Johnson said if you eliminate the trail on Center Street from Highway 14 to South Street and run it on Center from the hog buying station to Pine Street just eliminating parking on that portion of Center. The trail would then be run along Highway 14 about one-half mile to Highway 28.

Hannasch opened the floor to the public. He said he appreciated the public's patience and the work put into the petitions received by the Council. Hannasch said the Council will have to figure a way to make it work for everyone. He thinks the trails are a good thing for the City but it has to work with people on the other side of the issue. John Johnson asked what the City is going to do with all of trucks. The elevator has a lot of trucks going in and out daily and they don't slow down. It's stupid to put a kid out on a road that truck is going down. Kids can dart out very quickly and trucks don't stop quickly. Hannasch replied that kids with bikes go down that street now. Johnson said yes but the path is going to take up the one whole side and what kid on a bike is going to stay on the path. Johnson said he didn't want to see a kid killed because the City wants a bike path on a truck route. He suggested choosing another street off a truck route or re-routing the trucks. Johnson said as far as parking on Center he has no driveway on that side of his property. He said if company comes they will have to park in the alley. Hannasch said the Council is trying to eliminate that parking issue. Johnson said he was most concerned with the truck traffic. He said he lives near the elevator traffic now and the trucks drive by very fast.

Koopman asked Steve Johnson to clarify given the traffic count on Center Street that the City would not be able to designate Center Street as either a bike route or path. Johnson said that was correct. Koopman said then there is no way to eliminate the parking on Center Street given the traffic count. Johnson said by eliminating parking completely you could make it a bike route. Hannasch said they can ride their bikes on Center but it wouldn't be a designated route. Koopman said she thought it was said there needed to be a 14 foot shared lane and since Center is a 36 foot wide street, 28 feet would be taken up for the two lanes leaving only eight feet for parking which is not sufficient. Koopman said Center would not work for a bike route no matter which way you look at it. Johnson replied if Center street is going to be designated as a bike route there would be no parking at all. Koopman said she doesn't know how many people were present to testify but she suggested the Council act on the Center Street issue right away. Hannasch agreed saying the City will not eliminate parking on Center Street.

Ruth Sanders stated she would not like to see parking eliminated on any street that is going to be used for the bike route. She said she sees what citizens go through in winter when streets are being cleared of snow and people have to park on their lawns. Sanders didn't feel people would want to park on their lawns and wreck them in the summer. She felt this should be a concern of the City since a lot of people have no access to the back of their property and no alley.

Johnson said he would like the Council to clarify if there will be no parking between South Street and Pine Street on the designated route as he felt it should be in the minutes. One other thing is along South Street parking will need to be eliminated on the south side except for by elevator, parking could be allowed there. But there would be no parking from the elevator past what used to be the bulk plant. Hannasch said there would also be no parking on South Street from the elevator to Highway 14. Johnson said you could allow parking on the north side of South Street. Hannasch said that side is where the housing is at so people will be able to park in front of their

houses. Hillger asked Johnson if he meant no parking all the way from Stafanick' Station to the elevator. Johnson replied there would be parking allowed there on both sides. Hillger felt the liquor store patrons would have a problem if no parking was allowed across from the liquor store.

Robert Gervais stated he had two points, the first point, parking aside, is the economic impact a bike path could have on Tracy. Being a resident in Currie he has seen the impact of the trail running through that City. He said he didn't know if anyone has been to the small ice cream store in but on a Saturday or Sunday afternoon it is almost impossible to get into it. This is largely due to the bike trail traffic. Gervais said his second point is the possibility of the bike trail running from Currie into Walnut Grove. He attended a meeting discussing plans for the Casey-Jones Trail and right now the plan is to run it within about three miles south of Tracy and cutting over to Walnut Grove. Gervais said he would like to see a push to run the Trail through Tracy. If Tracy already has a trail in place it would give an edge to getting the trail to join it. That would be even more of an impact with the 125,000 people who stay at Lake Shetek every year. If even ten percent of that traffic came through Tracy and patronized businesses that would be a big economic impact.

Winston Peterson asked Hannasch to repeat what he said 10 minutes ago that parking would not be eliminated on Center Street. Hannasch clarified that is what he said. Sue Nackerud asked if family comes they can park on the west side of the street and members of Tracy Lutheran Church can continue to park there. Hannasch replied that nothing would change from current parking.

Seth Schmidt asked about bike route Option #2 wondering if there has been any discussion about bringing trail through industrial park by Lavoy's Repair and if there was a safety concern with the combines and other large equipment. He asked if it was possible to run the bike route north of the industrial park and not run through it. Johnson asked Schmidt where he meant to run it north of the industrial park. Schmidt replied north of the softball fields. Hannasch said he didn't think that option ran past Lavoy's. Johnson said it would run on the side of the street by Northstar because on Lavoy's side there are hydrants and power poles in the way of the boulevard. Schmidt said he was just wondering if there were any concerns about bringing the trail through the industrial park. Benson replied that when doing bike trails there are always hazards somewhere. As to the question if there are risks running it through the industrial park, yes there are. When looking at the proposed trails along County Road 11 Benson said would be more concerned with the high volume of traffic on that road and higher rates of speed. You always have risks, even if you build a trail behind the curb off the road which is the safest there is still always the risk someone could go off the road and hit a biker. Benson stated there would always be risks but you do your best to minimize them.

Koopman said if the shoulders were paved on County Road 11 going north she guaranteed it would be much less of risk than there is currently. She said she rides bike there on a regular basis and you have the choice of either riding on the road or the gravel with cars going past at 50 to 60 miles per hour. Koopman said it would be nice to get that stretch of shoulder paved because there are a lot of kids who ride past to get to Swift Lake Park. Otto-Arvizu said she sees kids going past with fishing poles now without any safety features. Benson said this is where Koopman is right in that it would be a safer route with paved shoulders. If you construct a trail away from a busy road you decrease the risk. The other consideration is you will have all age groups using the trail and you want to think about what is going to make the trail most attractive to bikers. Is it convenient, or some people like to be as far away from traffic as possible to enjoy nature and some would like the most direct route. Benson stated you aren't going to win with everyone but you want to build a trail that the majority of the people will use.

Nancy Daniels, 701 Center Street, said she had one question concerning parking. She said it has already been discussed that parking will remain on Center Street but as the newspaper stated some other streets that will be designated as bike trails but would not have the painted trail lines. Daniels asked if that is what would happen to Center Street or will Center be eliminated completely as a trail. Johnson said depending on what Council decides, if Center is eliminated it will stay exactly as it is now from Highway 14 to South Street. South Street will be striped for the bike path and signed. Daniels said she lives on the first block south of Highway 14. Hannasch stated she would not be affected at all.

Stobb asked Johnson if the Council chooses some other streets for the bike route instead of Center

if they will be looking at the same parking issues. Johnson said there two things to take into account, speed and volume of traffic. If you have anything below a 500 traffic count you can designate a shared lane and all that has to be is a 12 foot wide lane. If there are cars they will cross the center lane to go around bikers and back into their lane. Johnson said the streets they have been discussing are way above a 1500 traffic count. Hannasch stated they could run the route all the way down Highway 14 to South Street and come back around. Koopman asked Johnson what the traffic count is on Center Street between South and Pine Streets. Johnson said the count is about 640. Koopman said parking would then have to be restricted along that portion of Center. Polzine said there is basically no parking there now. Koopman asked if the same would be true on North Center Street. Johnson said he didn't take measurements of that street but it could be wide enough to establish a lane. He guessed it was a 44 foot wide street and in that case parking would not have to be eliminated. Koopman said there are very few who park on North Center now.

Hillger stated as a member of the public and a walker and biker he would like to see the City go with Option #1 or #3, he didn't think going through the waterway would be very scenic or beneficial. There being no further public comment Hannasch closed the public hearing.

Hannasch said he would like to go with Option #1 and designate the route down Highway 14 and over to South Street, extending southeast on South Street to Center Street, then South on Center to Pine Street. He felt that would be a path a lot of people would enjoy taking their bikes on and is both level and navigable. It would solve a lot of parking concerns. He agreed with Gervais that a trail is important but the City also needs to look at which is the most workable route for all concerned. Caron asked if they would need to get a different access road out at Swift Lake Park to the lagoons. Koopman replied the access road would stay as is but the path would be constructed separately on one side or the other. Stobb said Option #1 was his first choice when he read them. He said he likes the idea of having part of the route on a public road, he said maybe he watches the news too much but you hear about what happens to people sometimes when they are by themselves. Stobb asked if they were planning to put a dead end sign on the southwest corner on Pine Street because the trail just ends there. Someday could they plan to run the route up Highline Road to the Dairy Queen but he knows it is too narrow right now. Benson said it is something to keep in mind in the future when that road is constructed because it would be a good connection.

Stobb asked if the Council should make a motion stating Center Street will not be part of the designated bike route. Koopman suggested rather than making a negative motion to make a positive motion designating the route the Council wants. Stobb made a motion to designate Highway 14 to South Street down to South Center Street and down Pine Street as the bike route. Caron seconded the motion and all voted in favor.

Caron made a motion to accept Option #1 and Berndt seconded. Benson said before the Council makes a decision she referred to the letter that lists the costs for all three options and separates out the signage. She wanted to run through the costs since signage costs are not included with the option totals. Option #1 has a total estimated cost \$136,000. Eighty percent would be funded leaving twenty percent for the City's share, which is \$27,600. Option #2 is a total of \$111,000, the City's share being \$22,600. Option #3 is \$110,000, with the City's share being \$22,400.

Those costs are based on bringing in that signage. The totals will be a little less because some of the signage will be eliminated with the changes to the route.

Benson said the funding picture is not as bright as we would like it to be but there is \$78,000 locked in for federal funding right now obligating the City to \$19,619. With any of these options there will be an increased costs which can be addressed in a couple different ways. One option Benson is hopeful for is to go to the Area Transportation Partnership (ATP Board) which is made up of county representatives, commissioner, engineers, MnDOT representatives, and representatives from RDC. They are the board that makes the decision on how federal funding will be distributed. Upon Koopman's request Benson would go to the ATP Board to request additional funds. If the ATP grants additional funding the City's costs will increase. If the ATP denies additional funds the City would be responsible for the balance of the costs. Benson said she would be optimistic with the ATP since construction is not planned until 2003.

Ferrazzano said if the City goes with Option #1 the only guaranteed money the City has is \$78,000

so the City is trying to get additional funding. He asked if funding is not received the City has to pay the balance. Koopman said the project can be dropped if that happens. Stobb said they can also look at revising to a less costly option. Ferrazzano asked when the ATP Board would make a decision. Benson said the ATP had a meeting last Friday and she's not sure when the next one is scheduled, but at the next meeting they could potentially hear the request and take action at that meeting. She suggested that the City would need federal funding of \$108,400 which would be a \$6,000 cost increase from the original proposal. Hannasch said unless the City chooses some type of plan it won't get any federal funding and the Council can always eliminate or revise the plan if necessary. Benson said if the Council gives her direction the next step is for Koopman to send her a letter requesting Benson to request funds from the ATP and she would report back to Koopman with their decision. If the decision is no they would need to regroup and make a decision on how to proceed.

Ferrazzano said he preferred Option #1 but he doesn't want to tie the City to picking up balance. He would suggest make motion of Option #1 contingent on receiving additional funding. Stobb said he was sure the cost estimates were close to actual cost but he asked if the estimates would be applicable in two years. Benson replied that they try to take into account cost increases within the time frame of the project. Hannasch said he thinks this is part of problem now where the original estimate was below actual project costs. Johnson wanted to add that the options provided are strictly for the bike trail, no benches, no frills, no trees.

Ferrazzano asked Gervais if he knew when plans were to link the Currie Trail up with the Walnut Grove Trail and if the Tracy plans were sufficient to present to those communities to ask them think about Tracy in their plans. Gervais replied it was not set in stone where it is going to run but he couldn't say when the project might happen. He felt it would give Tracy leverage by having a trail in place. Ferrazzano asked Gervais if he felt the City needed to have the trail in place or if it was sufficient to have it in the planning stages. Gervais said he believes it is a 10 year project in the works coming all the way from Pipestone to Walnut Grove. Ferrazzano asked if they seemed receptive to the idea of running the trail through Tracy. Gervais replied not at first because they discussed running the trail about three miles south of Tracy and angling the trail to Walnut Grove. But it was brought up that it could be linked down to the Dairy Queen and other businesses such as Food N Fuel and the economic impact that could have. Gervais said with the amount of traffic he sees on the trail and all the cars parked at the railroad park in Currie he thinks it could have a huge economic impact. Ferrazzano asked if there was anyone we can send a letter to as the Council to requesting them to consider Tracy when planning the trail. Gervais said he would get some information.

Benson stated that Lyon County is also in the process of doing a comprehensive land use, transportation, and water use plan. Part of that plan is constructing trails. She said they are probably working off the same document as the Casey Jones people. The Southwest Regional Development Commission put together in the past a conceptual regional trail map and Lyon County is working off the document to determine how to make the trail system work. Benson said the county needs to hear from residents of Tracy, Florence, Minneota, rural residents, etc. regarding where the trails should go. Once the plan is in place the County will be in a position to be a facilitator to push for enhancement of the trails. That plan should be in place by next June.

Gervais stated that Tracy is designated as a trail head in that regional plan. Ferrazzano said it concerned him that the Casey-Jones trail people aren't considering Tracy if it is considered a trail head. He asked Benson if she was in a position to speak with those people asking them not to skip Tracy. Benson said if Gervais were to share the names of those people with her she would be an advocate for linking Tracy. Ferrazzano felt the more voices Tracy has in the matter the better they will be heard. There being no further discussion on the matter all voted in favor of the motion to accept Bike Trail Option #1.

Gervais reported that a few years ago Tracy purchased the home at 100 Elm Street. Hugh Gibson has been residing there but has moved out. At the November 2, 2001 EDA meeting board members discussed how to handle the potential sale of the home. The decision was made to send the issue back to the City Council. The City of Tracy actually purchased the property but the EDA has been the vehicle through which the City held onto the property. Gervais supplied the balance owed on the property and stated there were a couple ways to handle it. Options are a public auction, sealed bids or listing with a realtor. He asked Council members what kind of minimum bid they would want and informed them proceeds from the property would have to be paid back to the utilities fund. Speaking for the EDA Gervais said they didn't feel the EDA should have to pay the balance if the sale did not bring more than is owed for the property.

Hannasch asked if a realtor has looked at the house to determine its value. Gervais replied that hasn't been done but the assessed value is \$27,800. Hannasch asked what the square footage of the house is. Gervais wasn't sure, he said structurally the house is in good shape but it is dated and needs paint and carpet. The basement is finished and it's very clean. Hannasch asked if it is a 50 foot lot. Polzine said he would guess that it is.

Caron didn't think it's the EDA's responsibility too repay the loan. Hannasch said the Council will need to look at the best way to recoup \$27,514.65. He asked the Council if they would want to go with a realtor or an auction. Gervais said they would have to have a public hearing on the issue. Hannasch suggested to have a realtor look and see what value they would put on it because he thought the price seems low. Gervais said it has an unattached two stall garage but it is shared with the adjacent property. Otto-Arvizu asked if the garage or the driveway were shared. Polzine said both were, a guy and his sister owned the two properties previously. The garage is actually a double garage with a wall down the center.

Ferrazzano said his first inclination would be to list the house with a realtor. Otto-Arvizu asked if there would be a set price or would they allow offers to be made. Her concern is if they don't recover enough to pay the balance of the loan. Ferrazzano said then they shouldn't sell it. Stobb said there is a big difference between the assessed value and the appraised value. Otto-Arvizu asked if the realtor recommended doing some improvements to the house if the City crew would be available to do any work. Polzine said they wouldn't and that nothing needs to be done to inside, only some exterior work which can't be done this time of year. His opinion is that the interior be left to the potential buyer to fix as they want. Hannasch said his opinion is that the house is probably worth \$35,000. Gervais said there are approximately 30 houses for sale in Tracy in the \$30,000 range. Ferrazzano made a motion to list the property with a realtor and Fraser seconded. All voted in favor of the motion. Stobb added for Gervais' sake he thinks the consensus is the Council would like to get their money out of the property but is not out to make money on it.

Hannasch stated the next agenda item is the food shelf. The Council met at the old ambulance garage to discuss plans to share to the office area. Hannasch felt the plan was viable for sharing the space. Stobb made a motion to designate part of meeting room for the food shelf and the remainder for the fire and police departments. Berndt seconded the motion. Otto-Arvizu said the issue was raised that a door would be needed from the entryway to the garage area. She asked if that would be part of this

motion or if it was a separate issue. Keith Engesser asked if there was any money budgeted for maintenance of the old ambulance garage. Koopman replied she would have to check. Hannasch said they were told the door would cost about \$150 but he thinks he could get a solid door for about \$25.00. Engesser said it would have to have a lock. Polzine said when the City Shop was there he remembered doors on all those locations. Engesser said they weren't anywhere in the building because he has cleaned it. Koopman said she only has \$500 in budget for that location.

Koopman asked about utilities for that side of the building. Hannasch asked who pays for food shelf utilities now. Koopman said it covered by the Senior Center. There is a separate heating system for the ambulance garage. Koopman said they talked about allowing the street department to construct picnic tables in the bay area and keeping it only at 50 degrees. Hannasch replied that is all it would have to be kept at for the food shelf. Hannasch said they only distribute food one day per month where they would need to heat it more. Otto-Arvizu asked if the workout room would be a problem. Engesser said they only keep the fire hall thermostat around 50-55 degrees unless they have a meeting or drill. Koopman asked if they were planning to allow the street department access to the bay. Hannasch replied the fire department has said the street department can use it when they need it. Caron felt they needed to clarify this point. He thinks the Street Department should be in charge of the space and the fire department can use it if there is room. Polzine said the only thing they want to use it for is to build picnic tables in the winter. Hannasch felt it much more viable to give it to the fire department and let them work with the street department. Polzine felt with what the fire department was planning to store in the bay that there would be room in the corner where the street crew would work. Caron said he thinks it will be full before long and then there will be arguments about using it. Stobb said that is where they said they could work it out. Engesser said the fire department will take care of the space and make it work with the City. Ferrazzano made a motion that the meeting room be shared between the food shelf and the fire department and the garage be shared by the fire and street department. Stobb seconded and all voted in favor of the motion.

Hannasch presented a resolution approving budget transfers totaling \$369,923. Motion by Stobb, second by Fraser, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-50)

Hannasch presented a resolution approving an inter-fund loan in the amount of \$175,000 to pay off the 1992 Improvement Bond. Pre-payment will mean a cost savings to the City. Motion by Ferrazzano, second by Stobb, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-51)

Hannasch presented a resolution approving the prepayment of the 1988 Improvement, 1996 Refunding Bond, 1992 Improvement Bonds and the 1994 Downtown Alley Bonds. an inter-fund loan in the amount of \$175,000 to pay off the 1992 Improvement Bond. Koopman said the pay off will mean a \$43,384 savings. Motion by Stobb, second by Ferrazzano, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-52)

Hannasch presented a resolution adopting the final 2001 tax levy totaling \$564,500, collectable in 2002. Motion by Berndt, second by Fraser, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-53)

Hannasch presented a resolution adopting the 2002 Budget for the City of Tracy including the following budgeted expenditures:

| | | |
|--------------------|-----------|-------------|
| GENERAL FUND | | \$1,477,709 |
| General Government | \$513,049 | |
| Public Safety | \$340,602 | |
| Public Works | \$456,375 | |
| Recreation | \$ 8,851 | |
| Other | \$158,832 | |
| PUBLIC ENTERPRISE | | \$2,416,292 |
| Liquor | \$582,896 | |

| | |
|-----------------------------|-------------|
| Utility | \$474,536 |
| Utility Surcharge | \$137,360 |
| Refuse Collection | \$160,800 |
| Licensing | \$1,060,700 |
| | |
| DEBT SERVICE AND BOND FUNDS | \$ 606,281 |
| | |
| OTHER | \$ 793,613 |
| | |
| TOTAL ALL FUNDS | \$5,293,895 |

All voted in favor of the motion. (Res. No. 2001-54)

Hannasch presented a resolution approving payment to Heartland Mechanical, Inc. for work completed to date on the Aquatic Center in the amount of \$29,450.00. Motion by Fraser, second by Stobb, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-55)

Hannasch presented a resolution approving payment to Olympic Pools, Inc. for work completed to date on the Aquatic Center in the amount of \$184,775.00. Motion by Ferrazzano, second by Fraser, to adopt the resolution. All voted in favor of the motion. (Res. No. 2001-56)

The Consent Calendar included the following: Multi-Purpose Center minutes for November 19, 2001; Planning Commission minutes for November 13, 2001; and Municipal Accounts Payable. Motion by Caron, seconded by Berndt, to approve the above listed items. All voted in favor of the motion.

Hannasch reported that a representative from Mark Dayton’s office will be at City Hall tomorrow at 3:00 to discuss the farm bill. Hannasch said he included in the agenda two letters that he would like to get approval from Council to send regarding Dayton’s opposition to the DM&E expansion. One letter is to Dayton and the other is to mayors of cities along the DM&E. Hannasch said he would like to also discuss the issue with Dayton’s office because this opposition could be detrimental to the expansion project. Stobb made a motion to approve sending the letters and Berndt seconded. Otto-Arvizu said Hannasch had heard in two newscasts that Dayton was opposing the DM&E and she wondered if Dayton said why he was opposing. Hannasch said Dayton’s concerns were that Rochester and Mankato were putting a lot of pressure on him. Ferrazzano asked if Dayton’s office is receiving mail. Hannasch replied that they aren’t and the fax number for Dayton’s office is included on the letter to the mayors. All voted in favor of the above stated motion.

Koopman informed the Council she received a letter of resignation from Dave Tiegs from the Planning Commission. Also due to death of Bob Nelson there is an opening on the Police Commission. Koopman asked if she could delay advertising for these two positions until February when other positions are advertised. She said it seems to generate more interest when there are more positions to choose from. Consensus from the Council was to wait.

Koopman said she had a conversation with Dr. Clarke regarding scheduling the joint meeting with the school board to discuss the joint powers agreement. Clarke gave her the optional dates of January 8, 14, 28 and 29 Koopman said she was not sure that regular council meeting night was good for the joint meeting because it gets rushed. Ferrazzano asked if the school board gave a preference of dates. Koopman replied they didn’t. Ferrazzano suggested holding it January 8, 2002 to get things going as quickly as possible. Caron suggested holding it at 7:00 p.m. Koopman recommended having it at 6:30 p.m.

Koopman asked if the Council would like to consider holding all future meetings at 6:30 p.m. She said it won’t have to be decided until January when they establish meeting schedules for the year. Council consensus was to change the meeting time to 6:30 p.m. Hannasch said the January 14, 2002 meeting would be scheduled for 6:30 p.m.

Polzine asked Hannasch if he was going to mention the street lights downtown. Hannasch reported that the City crew has been working hard to remedy the situation and found the problem today.

Polzine said there were 15 feet of rotten wires on the corner of Morgan and 3rd Streets by Tita's Boutique. He said there may be more problems in the future because the wiring is very old.

There being no further business motion by Ferrazzano, second by Caron, to adjourn. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor