

January 14, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 14, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, C. Snyder and R. Stobb. Also present were A Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Rettmer to approve the minutes for December 10, 2007 as presented. All voted in favor of the motion.

Motion by Rettmer, seconded by Chukuske to approve the agenda as presented. All voted in favor of the motion.

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Gervais informed the Council that the EDA Board recommended that they pursue the potential sale of the Central Livestock building, small storage shed and approximately seven acres of property to Jon Mohn of PrairieWild Enterprises located in Cottonwood, MN. Mohn is asking to purchase the property for \$1.00 and is also requesting the City forgive the taxes on the property for five years. He intends to start a pellet mill – manufacturing three different type of pellets (erosion control, biomass burnable and hydro-mulch pellets for seeding). Gervais said that none of the documents have been drafted at this time. Peterson asked what would happen to the property at the end of five years if Mohn no longer had a use for it. Gervais said the city would have first option to buy it back and Mohn was agreeable to that. Stobb asked if Mohn was aware that there is a possibility of contamination from the battery casings. Gervais said the property that is to be sold does not include the area of proposed contamination. Stobb also asked if Mohn would be willing to paying closing costs, etc. Gervais stated that many aspects are negotiable. Mohn has not had time to put together the equipment needed and it may be a year or more before production starts. Gervais told the Council that Mohn would be investing approximately \$200,000 to \$300,000 in equipment for the production of the pellets. Mohn would be investing \$100,000 in the buildings and surrounding property starting with fixing up the exterior of the Central Livestock building and planting a vegetative screening around the property to act as a buffer from current and future residential developments. Mohn estimated that six to ten jobs could be created within five years. Mayor Ferrazzano directed Gervais to discuss this potential sale and come back to the Council with more specifics. Nielsen stated it would be hard to negotiate at a council meeting and forming a committee for the negotiations would be an idea. Mayor Ferrazzano appointed Stobb and Martin to serve on this committee. Chukuske suggested that they have Gervais on this committee also. Gervais will get in contact with Mohn to set up a meeting and then will notify Martin and Stobb when the meeting will be held.

Motion by Snyder, seconded by Peterson enter into the Legal Services Agreement between the City of Tracy and Frank C. Nielsen, Attorney at law to provide certain legal services to the City. All voted in favor of the motion.

Police Chief Hillger told the Council that on November 28, 2007, a compliance reviews was done of the department's policy manuals, training and personnel records relative to specific legislative mandates. A. Paul Monteen, Standards Coordinator, concluded that the compliance review was complete and there is nothing more required of the department. The Police Department received a certificate of compliance with legislative mandates and POST Board rules. Hillger asked for any questions regarding the activity report. Chief Hillger told the Council they are once again interviewing for a new officer as Connor as accepted a position with the Lyon County Sheriff's Department. Isaac Wahl has stated his position with the department in the vacancy left by Brady Veith.

Robinson reported that the Street Department was busy with snow removal and clean up during December. They have also been making and maintaining ice on the ice rink as needed. Robinson stated that the Airport security fence will have to be relocated to meet the 250' setback for the GPS designated runway. There are mature trees in Swift Lake Park that are within the 250' area and will have to be removed as they are too big to move to a different location. FAA has indicated they will reimburse the City or pay for the project of removing the trees and relocating the fence at no expense to the City. If the City elects not to meet the setback requirement, then future funding will be

jeopardized according to MnDot. Koopman said the main purpose of the fence was a liability issue and to prevent people from placing things such as picnic tables and other debris on the runway. Robinson said the new front-end loader will be delivered about March 26, 2008. The 15 year old two way snowplow is in the shop for repairs. This is due for replacement until 2011. The department repaired three water main breaks. Two of them were city breaks and the third one was because a semi-truck hit a fire hydrant causing the main to break in two places. Rettmer asked if the incident with the semi-truck would be reimbursed through insurance claims. Robinson said they put the final bills together today and it will be submitted to the insurance company. Robinson will be presenting the wastewater feasibility study to the Council in late February or March. The Public Works department makes weekly visits to the pool to check it over. Shane Daniels has been hired as Public Works Laborer/Building Inspector.

Koopman reported that one of the goals for 2008 is to focus on wastewater improvements. A proposal will be presented to the Council during the first meeting in February. Another project will be working with property owners so their property complies with the maintenance code. The month of December included attending the following meetings: Truth in Taxation hearing, Charter Commission, Cemetery Commission, one City Council meeting, Hospital Advisory Board and a meeting with the Librarian and Library Assistant.

Koopman presented the following proposed Charter Amendments for the Council's review. The Charter Commission's recommendations are identified in **bold italic** print.

~~**Section 2.12. COURT SERVICES.** The City Council shall do all within its jurisdiction to provide adequate court facilities in the municipality as provided for under the general Statutes of the State of Minnesota.~~

The City no longer provides court services. Recommend deleting this Section.

~~**Section 2.14. CONTROL OF ADMINISTRATIVE SERVICES. MERIT SYSTEM.** The City Council may, by ordinance, establish the merit system in all or part of the City Administration, but~~

The merit system was abolished and replaced by longevity pay. Recommend eliminating reference to "merit system" and leave the rest of this Section in place.

Section 3.01 COUNCIL MEETINGS. On the first regular meeting in January the incumbent City Council shall meet at its usual time and place and at which time the newly elected officers shall take their oaths and assume their duties. Thereafter the Council Shall meet from time to time including two (2) regular Council meetings each month, except during the month of December there shall be one (1) regular meeting.

Past practice has been to conduct only one regular meeting during the month of December due to the holidays.

Section 6.04. Contact-Bonds. All municipal instruments of whatsoever nature including contracts and bonds shall be executed by Mayor and City Clerk upon approval of the City Council. ~~Every successful bidder awarded a municipal contract shall provide a contractors' bond with a corporate surety licensed to do business in the State of Minnesota to guarantee performance and payment for labor and materials as required under statutory law.~~ A party entering into a contract with the City for the doing of any work shall provide such bonds as may be required by state law to make such contract valid, and the City reserves the right to require such bonds in other such instances where it is determined the public interest warrants same.

Recommend clarifying the current Charter provision and bring it into consistency with state law with the above language.

Section 7.05. PREPARATION OF THE ANNUAL BUDGET. Such budget estimates shall be printed or typewritten with sufficient copies for each member of the City Council, and the City Clerk, ~~with three (3) copies to be posted in public within the City of Tracy.~~

To my knowledge, three copies of the budget posted for the public has never been done. One is always available for review in City Hall

Section 7.06. PASSAGE OF THE BUDGET. The annual budget finally agreed upon shall set forth in detail the complete financial plan of the City for the ensuing fiscal year for the funds budgeted and shall be ~~signed by the majority of the full Council when adopted~~ adopted by the majority of the full Council. It shall indicate the sums to be raised and from what sources; and the sums to be spent and for what purposes according to Section 7.05. ~~The total sum appropriated shall be less than the total estimated revenue.~~

We prepare a balanced budget. Revenues and expenditures are equal.

Section 8.02 ASSESSMENTS FOR SERVICE. If the proceedings for the improvement is initiated by petition, the petition shall be signed by ~~a majority of 35% of the~~ owners of property benefited or affected by the improvement, and the Council shall not be required to consider a petition for public improvement ~~if not signed by a majority of the owners of property to be so affected~~ in the absence of such signatures.

Chapter 429 recognizes petitions signed by 35% of the affected property owners. In past projects, petitions with 35% were recognized as valid petitions and used as a basis to proceed with the project.

Section 12.02. SALE OF REAL PROPERTY. The sale of any real property acquired by the City which is no longer needed for public purposes shall be ~~authorized by resolution pursuant to public hearing upon ten (10) days notice being published in the official newspaper of the City.~~ approved by at least five (5) members of the Council.

Recommend deleting the public hearing provision and replace it with approval by at least five members of the council. This practice would still provide a thorough review by the Council but would be less cumbersome and expensive than holding a public hearing.

Koopman told the Council if they are agreeable to these changes this would be the first reading and the second reading would be held at a public hearing. Once the ordinance is adopted it would become effective 90 days after publication. Motion by Snyder, seconded by Martin to waive the first reading and set the second reading and public hearing for Monday, January 29, 2008 at 6:45 p.m. All voted in favor of the motion.

A sample notification letter that will be used to identify maintenance code violations was reviewed by the City Council. Mayor Ferrazzano feels the letter is sufficient. Snyder said it was a good idea to include a list of programs available with phone numbers of who to contact. Mayor Ferrazzano feels this is the first step towards something that should have been done a long time ago. Koopman said that the letter states if anyone feels that they have been wrongly identified, they may appeal to the City Council.

Koopman informed the Council that the Coalition of Greater Minnesota Cities is offering a reduced membership fee for first time memberships. She noted that she felt that this is a worthwhile organization and provides necessary information to Cities during the legislative session and agrees with their position on LGA funding. Chukuske suggested if we join the Coalition of Greater Minnesota Cities we should drop our membership with the Minnesota Association of Small Cities. Motion by Stobb, seconded by Chukuske to approve joining the Coalition of Greater Minnesota Cities and drop the membership with the Minnesota Association of Small Cities. All voted in favor of the motion.

Motion by Chukuske, seconded by Stobb to appoint Janet Randall to the Multi-Purpose Center Board. All voted in favor of the motion.

Motion by Chukuske, seconded by Stobb to adopt a resolution approving payment to Midstates Utilities for work completed on the Eastview Groundwater Interceptor project. This payment is in

the amount of \$19,528.00. All voted in favor of the motion. (Res. No. 2008-1)

Motion by Peterson, seconded by Stobb to adopt a resolution approving increase in pledged securities at State Farm Bank. All voted in favor of the motion (Res. No. 2008-2)

The Consent Calendar included: Firemen's Relief Association minutes for December 1, 2007, Planning Commission minutes for December 17, 2007, Economic Development minutes for December 7 & 21, 2007, Multi-Purpose Center minutes for December 18, 2007, Municipal Accounts Payable, Cemetery Commission minutes for December 6, 2007, Hospital Board minutes for November 21, 2007, Monthly Financial Report, Monthly Receipts Register and Charter Commission minutes for December 6, 2007. Koopman provided the following explanations to questions raised by Peterson on the accounts payable:

Check #	Payable To	Amount	Explanation
44272	City of Tracy	\$14,000.00	This was a budgeted repayment of a temporary loan from the Utility Department to the Street Department for the park bathrooms located by the Aquatic Center.
044291	CHS	\$1,596.05	This is a credit, not a payment. CHS only bills us for the fuel in the gas tank, not what is delivered. Because of this, a spreadsheet is maintained with the meter readings and need an "in-out" account for the differences of what is being billed and what is being used. You will continually see this charge or credit but in the end, it balances to \$0.00.
044296	Farm Plan	\$292.39	This is for barricade lights and batteries to run the lights for the South 4 th Street water main break.
044314	Tracy Ace	\$21,534.30	O'Brien Court windows. Money comes from O'Brien Court rents.
044356	Al Shultz	\$23.14	Did not use city vehicle because his department head approved for him to use her personal vehicle because he also went to the doctor when he took samples to Marshall.
044369	Tracy Ace	\$6,006.60	All new front doors for municipal building. Have not been installed at this time. Partial amount taken from Building Maintenance and part from Equipment and Improvements. Audrey explained that the present doors are in very poor condition. There were funds in the accounts to have this done in 2007.
044381	Dakota Supply	\$434.10	Repair of a water main and other materials needed for repair.
044386	Hebig's Electric	\$525.34	This is for a security light for the gas pumps. Peterson asked why this had not been discussed and approved. Koopman said it was not in the budget, but the light was needed for safety issues.
044404	Farm Plan	\$397.76	This was for tools and supplies needed at the shop. Peterson asked if just because there is money at the end of the year, it is spent for things not necessarily needed when it could be put back in the General Fund. Robinson explained that they had a lot of tools that were broken and they wait as long as they can to replace them. They also organized a tool box

			for main breaks to save time in having to make trips back to the shop to get the necessary tools. Koopman said that if there is money left, needed tools, etc. are replaced. They are not purchased just because there is money left in the fund.
044413	Brockway/Brown Vet Clinic	\$220.	This was for kenneling 3 cats and it was recovered from the owners.
044419	SW Glass	\$2,800.00	This was for the door at the Multi-Purpose Center and this was included in the budget.
044460	Lyon Co.	\$138.00	This was for Aqua Power deed fees.
044462	Campbell Construction		This money comes from the O'Brien Court rents.
044472	ASC	\$294.00	This was for liquor store music. When they have karaoke or play the jukebox, they need to belong to the Composer Society and pay a yearly membership fee. Because we don't "buy" the music, the membership is needed to "share" it.
044490	John's Drug	\$14.20	This was to replace first aid supplies to the kit that is kept at the office.
044506	Tracy Ace	\$834.96	This was for an automatic door opener for the water department. The waste water operator recently had back surgery and is not able to lift the heavy door.
044510	Tracy Publishing	\$250.00	This was for street department advertising to notify residents where to place garbage cans during snow removal and car parking policy for snow removal. It is required that this be done yearly.
44510	Tracy Publishing	\$805.95	This was for administrative office supplies such as printer cartridges, wall calendars, desk calendars, envelopes, file folders and mailing labels.
044511	USABlue Book	\$174.10.	This was for curb stop wrenches.
044515	Zeigler	\$1,243.80	This was for one set of cutting edges for grader and one set for each of the snow plows. They always keep an extra set on hand for emergencies.

Peterson asked how much it cost to mail out letters about the parking policy for snow removal and how is that getting paid for. Koopman said the cost of postage for the 1,100 notices was \$451.00. this was paid for out of the Street Department Office Supply.

Motion by Peterson, seconded by Stobb to approve the Consent Calendar. All voted in favor of the motion.

Peterson said that he has talked with Koopman after the last meeting in December when the ambulance contract was discussed. He said he has an issue with someone that is receiving a paycheck from the ambulance service voting on issues such as the contract. Peterson said that it did not change the vote, but feels that in the future these individuals should abstain from voting. Snyder said that if he is referring to his vote, he does not serve on the board and would receive his pay whether the contract was approved or not. Mayor Ferrazzano said that if this would happen in the future, it should be brought up at the time rather than four weeks later.

Mayor Appointment include:

1. City Clerk/Administrator – Audrey Koopman
2. Deputy Clerk – Rick Robinson

3. Public Works Director – Rick Robinson
4. Finance Director – David Spencer
5. City Attorney – Frank Nielsen
6. Fire Chief – Dale Johnson III
7. Assistant Fire Chiefs – David Engesser and Dennis Schroeder
8. Weed Inspector – Thomas Greenfield
9. City Forester – Thomas Greenfield
10. Building Inspector – Gary Garrels
11. City Assessor – Orlin Bruss
12. Civil Defense Director – Police Chief Bryan Hillger

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

Council Appointment as follows:

1. President Pro-Tem – Russ Stobb
2. Community Ed Financial Advisory Board – Charlie Snyder
3. Planning Commission – Russ Stobb
4. Economic Development Authority – Charlie Snyder and Sandi Rettmer
5. Attorney Meetings – Steve Ferrazzano and Mike Martin
6. Hospital Advisory Board – Steve Ferrazzano and Tony Peterson
7. Labor Management Committee – Bill Chukuske and Tony Peterson
8. Downtown Light Committee – Sandi Rettmer and Tony Peterson
9. Wheels Across the Prairie Museum – Charlie Snyder

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

Motion by Stobb, seconded by Chukuske to establish the second and fourth Mondays of each month at 6:30 p.m. in the Council Chambers of the Municipal Building as the time and place for Council meetings. All voted in favor of the motion.

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

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

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

Mayor Ferrazzano asked what the status of the Welcome to Tracy sign is. Koopman said she had asked Hook and he was not able to give her an answer. Koopman will again discuss this with Hook.

Rettmer asked that the boards and commission be published in the paper. Koopman said that at the time openings are advertised in the paper, this could be incorporated into one ad. Chukuske asked that it also be placed on the website.

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

ATTEST:

January 28, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 28, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Martin to approve the minutes for January 14, 2008 as presented. All voted in favor of the motion.

An addition to the agenda is 5-A Cemetery Superintendent contract. Motion by Stobb, seconded by Chukuske to approve the agenda as revised. All voted in favor of the motion.

Koopman said the Cemetery Superintendent agreement has no changes except for a 3% increase in compensation for a total of \$7,165 for the contract term. Motion by Peterson, seconded by Rettmer to approve the Memorandum of Agreement for the Cemetery Superintendent. All voted in favor of the motion.

Steve Robinson from Short Elliott Hendrickson presented a report on the City’s wastewater treatment ponds and sewers. The current two primary ponds and two secondary wastewater ponds were built too small when constructed in 1968. The primary ponds are 17.1 acres each and the two secondary ponds are 3.5 acres each. Robinson said the reports from Minnesota Pollution Control Agency warn there is too much clean ground water or storm runoff that ends up in the sanitary sewer and gets treated like wastewater. Wastewater is pumped to a splitter box. where it can be directed into each system. Each wastewater pond then has its own discharge into Plum Creek. Robinson said the current system has a capacity of 300,000 gallons of water per day and they are receiving 403,000 gallons per day. The clay liners of the ponds are leaking at a greater rate than acceptable by MPCA. Ponds that were built prior to 1975 were allowed a maximum seepage rate of 3500 gallons per acre per day. The City ponds are leaking at a rate anywhere from 4,800 to 8,300 gallons per day depending on the dry or wet weather conditions. Robinson said there is also significant erosion and shelving around the primary ponds resulting in massive leaks. In a 2002 study it was estimated that an average of more than 200,000 gallons of water are seeping from the ponds each day. There is a build up of inorganic grit and silt due to combined sewer system and the high I/I flow. This build up reduces the capacity for storage in the ponds. There are also some issues with the Federal Aviation Administration which requires a 250 foot set-back and this affects one of the primary ponds. Robinson recommends that the City pursue projects to remove I/I from the sanitary sewer system. This could take two to three years. These projects can be identified in a detailed I/I study to determine causes of the I/I and cost effective solutions to remove it. One solution would be to rehabilitate the existing ponds and the existing infrastructure could be utilized. Constructing new stabilization ponds at a new location would allow the ponds to be sized according to design standard for hydraulic storage capacity. Two primary ponds, each 28 acres, with a secondary pond of 28 acres would be needed. The preliminary project cost estimated for a new pond system with three 28 acre ponds would be \$8,515,000. A third option would be to construct a new mechanical facility. The preliminary project cost estimated for a new mechanical treatment facility would be \$16,046,000. This cost does not include any I/I reduction projects, land acquisition costs, collection system improvements to transport the wastewater or any significant outfall piping to the receiving stream. Robinson said that another step in the process would be to research funding options. Robinson feels that Tracy would qualify for funding at various levels due to the severity of the issues with high I/I flows. After it is decided which correction action would be taken, the action would have to be designed to meet the requirements of the MPCA and funding agencies. Robinson feels that construction of new ponds and utilization of existing ponds and infrastructure appears to be the most feasible solution and should be further defined in a facility plan. Robinson said that Tracy is not alone in working with I/I problems and there are many cities that have a problem and due to the scope of the project, it is a lengthy process. The I/I study could be completed in the Fall of 2008 with an estimated cost of the study at close to \$55,000. Robinson presented an I/I Study Work Scope for the Council to consider. This work scope includes:

Task 1.0 - Background Data Collection	\$ 844
Task 2.0 – Review Historical Wastewater Flow Data	\$ 489

Task 3.0 – Perform Field Reconnaissance	\$ 2,182
Task 4.0 – Flow Monitoring	\$37,951
Task 5.0 – Data Analysis	\$ 5,225
Task 6.0 – I/I Abatement Recommendations	\$ 8,211

At 6:45 a public hearing on Ordinance No. 302, an ordinance amending the Tracy City Charter was held. Nielsen said that he had discussed with Koopman that this particular method of approving Charter amendments requires a different type of pre-ordinance notice than is usually given in a regular ordinance process. The notification period for this case is two weeks. He recommends that this hearing be continued to the next Council meeting to satisfy those requirements. There was no one present from the public. Motion by Peterson, seconded by Rettmer to continue the public hearing on February 11 at 6:45 p.m. to meet the required notification period. All voted in favor of the motion.

Brad Gillingham of the MPCA explained that the City of Tracy has a severe problem with I/I flows and if corrective action is not taken, the MPCA may not approve sewage extension permits for the City. This would limit the potential for residential growth. In 2005 an inspection summary was prepared by Gillingham. At that time he stated that Tracy continues to have a major problem with storm water I/I into the sanitary sewer. Due to hydraulic overloading of the system, several violations of the Facility Permit including effluent violations, frequent bypassing and discharging outside of the discharge window have occurred. Gillingham also stated the overloading of the system gives the wastewater operators little leeway in operating the present system. Gillingham explained that the sewage first enters one of the primary ponds and then eventually is pumped into the secondary ponds. It is to remain here for at least 180 days. After the 180 days the water is discharged into a drainage ditch. Because of the large amounts of water, it has to be discharged before the required 180 days along with inadequately treated water that is leaking from the deteriorating pond walls. The system is built to handle 300,000 gallons a day. In 2004-2007 the flows to the ponds averaged 403,000 gallons a day and in 2006, which was a wet year, the flow to the ponds averaged 450,000 gallons a day. The highest flow recorded was 1,753,000 gallons on March 31, 2006. Because of steps taken by the City to help alleviate the problem, by-passes have been reduced from 10 to 12 times a year to three times in 2006 and none in 2007.

Stobb asked if the present permit expires in 2011. Gillingham said the permit has expired and the permit writer has been working on a draft permit. It is anticipated that it will be presented to the City very soon. There has been a problem as they were unsure of the City's planning and removal of I/I. If construction is scheduled in the future, a construction schedule would be added to the permit. They have decided not to put a schedule in the permit at this time because things have not been finalized. In the permit will be an I/I compliance schedule which will require annual reports from the City on the progress of the removal of the I/I. In the meantime, until the new permit is granted, the City would operate off the old permit. The City has met their obligation by sending in the application on a timely basis. Snyder asked if the funds were available, would they still have to go through all the steps. Gillingham said if the funds were available and could proceed, the City would be granted a modified permit with construction schedule in that permit. Robinson said that if the funds were available some of the steps could be bypassed because they would not have to get approval of the various funding agencies.

Pam Meyer, MPCA engineer said the State prioritizes all projects and ranks them according to need and location. Locations are scored in a range from one to 110, with Tracy scoring a 68. This gives Tracy a medium to high priority for qualifying for state financial assistance for improving the sewage treatment facilities. There are also combinations of grants and low interest loans from various agencies that can be applied for that would help with what the City and the residents can afford.

Peterson asked if this was included in the 2008 budget. Koopman stated that it was not included in the 2008 budget, but this problem is not going to go away. Until funding for the project is in place she will be meeting with Rick Robinson and David Spencer to discuss revenues needed for the project and will then be likely recommending an increase in the city utility rates to help pay for the I/I study.

Steve Robinson added that the City has taken steps towards alleviating the I/I problem with installing groundwater interceptors along Fourth Street East during the street reconstruction project. He added that some of the I/I problems will not be fixed easily due to the roof drains in the downtown buildings are connected to the sanitary sewer.

Motion by Stobb, seconded by Martin to approve an I/I study to be conducted by Short Elliott Hendrickson at a cost of \$54,900. All voted in favor of the motion.

Koopman told the Council that the City is required by law to submit a Pay Equity report every five years. This report includes General Job Class information, Statistical Analysis Test, Salary Range Test and Exceptional Service Pay Test. This will be sent to the state and if not compliant, adjustments will have to be made to those salaries not in compliance. Motion by Stobb, seconded by Snyder to approve the Pay Equity Report. All voted in favor of the motion.

Stobb reported that he, Martin and Gervais had met with Jon Mohn of PrairieWild Enterprises regarding the purchase of the Central Livestock building. Stobb was very impressed with the knowledge and business experience of Mohn. Mohn said that the Central Livestock building will meet his needs for a pellet mill and also satisfied that the DM&E is in close proximity. Stobb said that Mohn is still working on the details of the business and is concerned that someone else could come and buy the building from the City before his plan is complete and he is ready to move forward with the purchase of the building. Mohn is hoping to have everything in place by July 2008 at the latest. Martin wants to have a physical facility so he knows where it is and he can develop the technology and work with the research facilities. He basically wants to “reserve” Central Livestock. Stobb said to give him some assurance for that, he said he would introduce a motion tonight that would grant Mohn the first option to purchase this building along with the seven acres of land until September 1, 2008 so that someone could not come in and purchase it without his knowledge of it. Motion by Stobb to grant Mohn the first option to purchase and that option last till September 1, 2008. Nielsen asked what they meant by first option. Stobb said that if someone else came in and said they would give “x” number of dollars for the building, it would give Mohn a chance to match it. Nielsen said this would be a right of first refusal. Chukuske said otherwise they would be locking themselves in and they could not miss an opportunity to sell it to someone. Amended motion by Stobb, seconded by Martin to grant a right of first refusal to Mohn for the Central Livestock facility and seven acres of land until September 1, 2008. All voted in favor of the motion.

Peterson said the Downtown Light Committee will be conducting a public meeting on February 13, 2008 at 6:00 p.m. for the business owners to give their opinions on the project. Peterson asked Koopman if she would set up a meeting with the Xcel Energy representative. Peterson said they are still waiting for the pole on 4th Street to be removed. He would like to have this removed so he can see what is in there for foundation and looking to see what room there is for boring. Robinson said that as soon as Xcel can take it down, the public works department is ready to remove the pole. Mayor Ferrazzano said the next Council meeting is on February 25, 2008 and wondered if they would have suggestions as how to proceed. Peterson said they should have some ideas. He said they will not have any cost numbers until they find out what it would cost to line bore vs. tearing up the concrete. Mayor Ferrazzano asked that they come up with some type of cost estimates on the February 25. Peterson said that he was confused and thought they had all the time they needed to work on this. Mayor Ferrazzano said this has been budgeted for and is anxious to have some progress on this project. Chukuske said that it has been awhile and they need to keep the project moving along.

The Consent Calendar included the Municipal Accounts Payable and Hospital Board minutes for December 19, 2007. Koopman provided the following explanations to questions raised by Peterson on the Accounts Payable.

Check #	Payable To	Amount	Explanation
044529	Bond Trust Services Corp	\$ 450.00 \$61,340.00	This is for payment on the \$3.1 mil. General Obligation bonds and paying agents fees.

044530	Brock White Services Corp.	\$ 469.67	Robinson said that they purchase asphalt patch materials in bags and like to have some on hand in case of mild weather when patching can be done. This material works better than the winter mix that they had previously.
044534	Cooreman Contracting, Inc.	\$ 850.00	Contracted services for snow removal
		\$ 1,025.00	Hired to excavate the site where a semi truck hit a fire hydrant
		\$ 1,550.00	12 inch water main valve replaced
044535	Dakota Supply	\$ 916.44	Utility stock parts
		\$ 487.42	Repair parts for water main break
		\$ 135.92	Repair clamps for water main break
		\$ 624.80	Repair parts for water mains. There have been five water main breaks since 1-1-08. These are all stock parts to use or have on hand.
044544	Lavoy's Repair	\$ 234.50	Fire Department Equipment maintenance. This was for an alternator and two battery chargers for fire trucks.
044545	Lyon County Auditor	\$ 1,721.36	AquaPower Taxes R31.100132.0
		\$ 24.85	AquaPower Taxes R31.100129.0
		\$ 318.52	AquaPower Taxes R31.100128.0
			These are the taxes on the AquaPower building. AquaPower will be responsible for these next year.
044546	Lyon County Treasurer	\$ 189.84	Printout for parcel listing. Koopman uses this list for getting legal descriptions for property and for doing assessment searches.
044547	McCleary Auto Parts	\$ 28.93	Fire Building Maintenance. This was for truck oil and flashers for the fire truck.
		\$ 5.81	This was for a wrench and exhaust pipe clamp for the street department
		\$ 75.89	This was for bearings and seals for a gear box repair on the street Toro and snowblower.
044549	Mn Public Facilities	\$12,705.65	This is for a bond loan repayment
044553	Short Elliott Hendrickson	\$ 1,647.00	This was for the engineer's development plan for the airport.
044556	SW Initiative Foundation	\$ 1,250.00	This was for membership dues that the Council had budgeted for and approved at a previous meeting.
044557	Swish's Hardware	\$ 2,237.67	This was for repair of curb stops for water shut-offs. Robinson explained that they will no longer be going into homes to shut off water due to non-payment of the water bills. They will be fixing the curb stops that do not work and the cost will be billed to the property owners. If this is not paid, it will be assessed to the property.
044559	Tracy Bakery	\$ 18.70	The Senior Center purchased buns to

			serve at lunch.
044560	U.S. Bank Trust N.A	\$503,470.25	This is for various bond payments.
044561	U.S. Bank Trust N.A.	\$ 431.25	This if for Housing Bond administrative fees.
044566	Casey’s General Store	\$ 76.24	Police vehicle fuel. The City gas pumps were not working on that weekend.
044574	Capital Bank & Trust	\$ 1,478.84	These payments were paid to a health
044575	MII Life, Inc.- Veba program	\$ 1,046.40	care savings plans for non accrued
044575	MII Life, Inc.- Veba program	\$ 496.60	sick leave for Koopman, Radke and Greenfield.

Motion by Snyder, seconded by Peterson to approve the Consent Calendar. All voted in favor of the motion.

Koopman reminded the Council that the Chamber of Commerce will be holding their banquet on February 2, 2008 at Shetek Bend with social hour at 5:00 p.m., dinner at 6:00 p.m., awards ceremony at 7:00 p.m. and entertainment at 8:00 p.m. There is also a silent auction and door prizes at 9:00 p.m. Tickets are \$15.00.

Snyder said he received a call from Homer Dobson to express a thank-you he had received from Angel Flight. This is a non-profit organization that uses the Tracy Airport to fly cancer patients for treatments at no cost to the patient. They are very appreciative of the condition of the airport.

Motion by Martin, seconded by Chukuske to adjourn the meeting at 7:55 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

FEBRUARY 11, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 11, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske and C. Snyder. Absent was R. Stobb. Also present was A. Koopman, City Administrator.

Martin asked for a correction to the minutes on Page 151, Paragraph 4. ~~Martin~~ Mohn wants to have a physical facility so he knows where it is, etc. Motion by Peterson, seconded by Snyder to approve the minutes for January 28, 2008 as corrected. All voted in favor of the motion.

Additions to the agenda included: 7-F Fly In – Ed Engels and 10-A1 Revised proposal for I/I study. Motion by Peterson, seconded by Snyder to approve the agenda as revised. All voted in favor of the motion.

Mayor Ferrazzano had received a letter for State Representative Marty Seifert regarding a resolution pertaining to releasing bonds for transportation funding in Minnesota. Motion by Rettmer, seconded by Peterson to adopt a resolution pertaining to releasing bonds for transportation in Minnesota. All voted in favor of the motion. (Res. No.2008-3)

An resolution approving Payment No. 2 to Hydro Tech Service in the amount of \$22,407.80 was introduced. Motion by Peterson, seconded by Martin to adopt said resolution approving payment to Hydro Tech Service for work completed on the Eastview lift station project. All voted in favor of the motion. (Res. No. 2008-4)

A draft copy of an ordinance amending Section 3.10 of the Tracy City Code was presented. Peterson asked if there would be any possibility of recourse from the public since at the last Planning Commission meeting there was no quorum. Koopman said the Planning Commission acted by consensus and a public hearing will be held to fulfill Charter requirements. Frank Nielsen, City Attorney has reviewed the minutes from the Planning Commission meeting and feels they acted accordingly. Snyder stated he would like to see some sort of agreement between the developer and the residents that were against having residential sleeping rooms in the old nursing home facility before the ordinance is amended. Chukuske said there was a public meeting and only two residents were in attendance. Koopman feels that efforts have been made to accommodate the concerns of the residents. There are provisions for vegetative screening or fencing deemed necessary or desirable to minimize the visual and/or noise impact the parking area may have on the neighboring residential area. Also, the number of individuals lodging there at any time would not exceed 25. The ordinance will also specify what public streets or alleys may be used to access the parking area. Motion by Chukuske, seconded by Peterson to waive the first reading and set the second reading at a public hearing on February 25, 2008 at 6:45 p.m. for an ordinance amending Section 3.10 of the Tracy City Code. All voted in favor of the motion.

Todd Haugen representing Ehlers and Associates, Inc. presented a Pre-Sale Report for the refunding of two bond issues. He said that they are always looking for any refinancing that the City could do to save some money and said that refinancing are a good thing. Ehlers is proposing that the City refinance the \$1,705,000 G.O. Water Revenue Refunding Bonds, Series 1998A, that was once refunded in 1998. There is \$1,125,000 outstanding on that issue and that is a current refunding which can be refunded without escrowing any money. This is the thing to do with the low interest rates at this time. This refinancing can be done 90 days prior to a call date. This bond interest rate ranges from 4.70% to 5.15%. Haugen said another refunding opportunity is the Aquatic Center bonds, Series 2001. That bond issue is not callable till 2010 so there are a couple years for the call date. What can be done with this one is a short two year escrow and take the proceeds from that issue and put in escrow account and that pays for the interest on the new bond till it can be called in. Right now interest rates on bonds are low which is a good thing, but the security that is invested in is also low. This bond issue interest ranges from 4.70% to 5.5%. The risk factor on this is if the interest rates are going to go lower than they are right now within the two year period, and this is an unknown. Ehlers said that with the economics right now, people are baling out of the stock market and heading into bonds which drive the interest rates on the bonds down. Haugen is hoping to get from 10 to 15 years of really good rates on that. This would require a bond issue in the

amount of \$2,270,000. Haugen said in the Pre-Sale Report, they had done some projections and the savings were good on the current refunding, which is the Water Revenue Bond at about a \$60,000 future value savings. The Aquatic Center bonds was at about \$35,000 and on that one a 3% present value savings needs to be maintained under state law. With the present interest rates as of February 7, 2008, Water Revenue Bonds would have a savings of \$127,000 and the Aquatic Center Bonds would have a about a \$100,000 future value savings. Collectively the result will save the City a total of \$227,369.12 over the term of the bonds. Haugen would like the Council to consider the possible bond sale on February 25 as it is an unknown when the rates will turn. He would like to get things set up and get the offering circular going and try for a savings over 4% to 5%. If this is met on February 25, 2008, they would go ahead with the sale and if not it would be cancelled at no cost to the City and they can try this again some other time. Motion by Martin, seconded by Chukuske to adopt a resolution providing for the sale of \$2,270,000 General Obligation Refunding Bonds, Series 2008. All voted in favor of the motion. (Res. No. 2008-5)

A hearing was opened to public testimony at 6:45 p.m. on Ordinance No. 302, an ordinance amending the Tracy City Charter. There being no public testimony, the hearing was declared closed and referred to the Council for their consideration. Koopman said these changes are basically housekeeping issues. The largest change was in Section 9. SALE OF REAL PROPERTY. The changes were made to speed up the process of the selling of any real property acquired by the City which is no longer needed for public purposes. This ordinance would be come effective 90 days after publication. Motion by Rettmer, seconded by Chukuske to adopt Ordinance No. 302, an ordinance amending the Tracy City Charter. All voted in favor of the motion.

Koopman said the Special Use Permit request from Art Peterson, Denny and Jay Fultz to convert the Tracy Nursing Home into an extended stay facility was reviewed by the Planning Commission. The Planning Commission recommended to the Council that the zoning ordinance be amended to allow for rental or boarding rooms not to exceed 25 be allowed by special use within an R-1 zone specific to the nursing home building. Koopman said granting of a special use permit would be contingent on the amendment of Ordinance No. 302. Snyder said he would like to see an amicable deal made between the developers and the residents in that area. Motion by Chukuske, seconded by Rettmer to grant the Special Use Permit specific for the Tracy Nursing Home to be converted to an extended stay facility contingent on amending Ordinance No. 302. Upon roll call the following vote was recorded with Martin, Rettmer, Peterson, Chukuske and Mayor Ferrazzano voting aye and Snyder voting nay. Motion carries.

Koopman said that an appointment to the Pool Committee was not done at the first meeting in 2008 with the other appointments. Jan Arvizu has been on the Pool Committee for a considerable period of time and Koopman feels that it would be worthwhile for the Council to appoint her to the committee due to her background with the committee and the fact that they will be doing interviews to hire a new manager for the Aquatic Center. Motion by Chukuske, seconded by Martin to appoint Jan Arvizu to the Pool Committee. All voted in favor of the motion.

Rettmer asked if there will be advertising for openings on other committees and commissions. She would also like to see advertising in the paper of who is currently serving on the various committees and commission so the public knows who they can contact with any questions or concerns. Koopman said she will be advertising any openings on the committees this week..

Motion by Snyder, seconded by Chukuske to approve a plumbing license for Voss Plumbing and Heating, Paynesville, MN contingent on submission of the correct paperwork and fees. All voted in favor of the motion.

Charles Reinert from Helping to Heal had requested a designated short term parking area for a loading and unloading zone for patients that are confined to wheelchairs and also for the Tracy Computer Store customers that are delivering and picking up computer equipment. Originally they had requested two spaces in front of Helping to Heal and Tracy Computer Store. Chukuske said Reinert and the Planning Commission then discussed designating the first parking space on the southeast corner of Morgan and 3rd Street as a loading zone and using the same signage that is used across the street at the Multi-Purpose Center. Originally they had requested a time limit but felt it would be more convenient to have it designated as a loading zone without the time limit. Motion

by Rettmer, seconded by Martin to designate the first parking space on the southeast corner of Morgan as a loading zone with proper signage to be placed. All voted in favor of the motion.

Koopman said she has received calls from interested residents concerning the paint project. The Paint Project Policy included:

Submit application to participate in the paint project
 City verifies the number of gallons needed
 Direct applicant to purchase paint at either Midwest Supply or Tracy Ace Hardware
 After painting is complete and inspected by City, the City will reimburse applicant for the cost of the paint.

Koopman felt some type of policy needed to be in place to avoid the purchase of paint that would not get applied or more paint than needed being purchased. As the project stands now, they would be reimbursed for the total cost of the paint. Martin asked if there was any review of means required from the applicant. Koopman said there is not but it would be up to the Council to implement something different if they felt it was necessary. Mayor Ferrazzano suggested that they proceed this year with the project as it is and then review it again next year. Motion by Snyder, seconded by Chukuske to approve the Paint Project Policy as presented. Upon roll call the following vote was recorded with Martin, Rettmer, Chukuske, Snyder and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carries.

Ed Engels from Milroy was present to request the use of the airport for a Fly-In for the organization of North Central Ultralights. No date has been set but Engels is thinking possibly sometime in May depending on dates of other Fly-Ins scheduled at other locations. Usually ten to fifteen machines show up. They would also like to have permission to camp at the airport if Swift Lake Park is full at that time. Engels said this would not interfere with any other flight activity and Homer Dobson would be working with him to set this up. The Council agreed to allow them to work with Dobson to arrange this Fly-In.

Radke feels the smoking ban has not had affect on sales at the Liquor Store and maybe it has helped. He does not feel they have many new customers, but feels that most customers like going home and not smelling like smoke. Radke feels that the patio has made a difference in this area. He believes that patio and addition of windows to the bar is the reason for increases in sales.

Police Chief Hillger asked if there were any questions regarding the police activity report. Mayor Ferrazzano asked if the snow removal tickets were administrative. Hillger said if they pay the fine at the City office the money is kept here. If the fines are not paid, then they go to court. Hillger feels that about half of the tickets issued have been paid at the City office.

Robinson reported the Public Works Department took down the non-operating street light pole on 4th Street to facilitate inspection. It is now behind the City shop if anyone would like to inspect it. There were snow events in January where the department removed snow and performed snow cleanup days after. The pothole patch material was received and they rebuilt a manhole lid riser. The department has been maintaining the ice rink as needed. He will be requesting quotes for removal of trees in Swift Lake Park to meet the airport setbacks. The two way plow, sidewalk broom and grapple on the Ford loader has been repaired. State bid on the new tires being installed on the grader was \$3,500. The public works has repaired water main breaks, drained the water plant clarifier for inspection and cleaning and determined that the clarifier is in good condition and needs no repairs. Schultz has been installing new water meters as he has time. They have started building the trench box to be used while repairing underground utilities. The department has received the Tri-pod, wench and harnesses and the gas detector that were all budgeted items. At this time of year they make weekly visits to the Aquatic Center to make sure everything is as it should be. Mayor Ferrazzano asked if any comparison studies had been done on revenue with the old meters compared to revenue with the new meters since this was one of the main selling points of the radio read meters. Robinson stated that he will work with Spencer on this. He hoped to get water loss below 10% as it had been in the upper 30% range.

Koopman said she had a busy January. She spent a considerable amount of time on gathering and

entering the data for the Pay Equity Report which needed to be submitted to the State by January 31, 2008. Personnel files were updated and leave benefits reconciled. Koopman reported that Shorty Engel has resigned his position as Pool Manager and there have been two pool committee meetings and revisions to the job description so it more clearly reflects the duties of the manager. Interviews will be done sometime during February to get someone on board to begin working on the preliminary work that is required prior to opening the pool. She and Gervais have met with County officials and a representative from Minnesota Housing Partnership to discuss the removal of dilapidated buildings. The process of developing a plan that may be beneficial for the entire county. Two Planning Commission meetings were held for the discussion of a special use permit request to convert the Tracy Nursing Home into an extended stay facility, a meeting with a committee of the Charter Commission to discuss residency requirements for the City's boards and commissions, a Hospital Advisory Board meeting and another meeting to review the community needs assessment prepared by Rural Health Resource Center and met with the engineers to reviews the wastewater treatment feasibility report.

The Consent Calendar included: Municipal Accounts Payable, Planning Commission minutes for January 7 & 22 and February 4, 2008, Monthly Financial Report and Monthly Receipts. Koopman provided the following explanations to questions raised by Rettmer on the Accounts Payable.

Check	Payable To	Amount	Explanation
44586	Jean Landa	\$ 160.00	The Liquor Store sponsored a team for a dart tournament. Individual from the team paid for the expenses and this check reimburses that individual.
44595	Avenet LLC	\$ 450.00	This is for the office tracy.govoffice e-mail account
44618	Tracy Booster Club	\$ 380.00	Sebastian Park got new basketball hoops installed. The City is paying for one and the Booster Club paid for the second one. booster Club paid the bill so City is reimbursing them for the one.

Koopman provided the following explanations to questions raised by Rettmer on the Monthly Receipts.

On Page 2, under Refunds and Reimbursements, UB Receipt Suc 11 Alley mean this is the money collected on utility bills for alley garbage pick-up.

On Page 7, under Rent Proceeds, this is a Liquor Store rent proceed. This is money that is paid to the Liquor Store for selling pull tabs. This amount varies each month due to the amount of tickets that are sold.

Koopman provided the following explanations to questions raised by Peterson on the Accounts Payable.

Check	Payable to	Amount	Explanation
44589	Midstates Utilities	\$ 19,528.00	This was for the Eastview Interceptor project. A breakdown of the charges was distributed to the Council members.
44599	Daniels Family LLC	\$ 1,566.00	The explanation was already provided that this was backhoe rent for dates 8/10, 8/22, 9/21, 11/9, 2007 and 1/3 and 1/15, 2008. The bill was just received for these dates.
44602	Farm Plan	\$ 305.00	This is for supplies for remodeling of the shop bathroom.
44604	Gov. Training Serv.	\$ 200.00	This is for the conference registration for the Municipal Clerks and Finance Officers Assoc. that Koopman and Spencer attend. This is put on by the League of Mn Cities and they provide updates and issues regarding city government.

44608	Kurt's Body Shop	\$	182.25	The utility pick up seat was falling apart and so a used one was purchased and installed.
44614	Share Corp.	\$	212.06	Hand cleaner for the Public Works shop
44615	SW MN Housing	\$	8,501.00	The State of Mn give the City funds for the CDBG grants, SWMH then requests payment for services provided.
44634	Tracy Post Office	\$	222.68	We do have a postage meter but the water bills are "bulk" mailed instead of run through the postage machine. This is less expensive to do it this way.
44666	Marshall Radio	\$	247.50	This is the fee for a booth at the Marshall Home and the cost of the booth is shared with the Chamber of Commerce.
44672	Brock White Co	\$	2,453.55	This was a budgeted purchase of a tripod and wench for the utility department to work in confined spaces
44682	Elvin Safety LLC	\$	1,169.47	This was a budgeted purchase for safety equipment for the utility department.
44693	Marshall NW Pipe	\$	184.47	This was a brass fitting with a flush valve that was need for the urinal at the shop bathroom. They were not able to purchase this part in town, so had to purchase in Marshall.
44709	Tracy Area Cham. of Commerce	\$	515.00	This was for the Chamber membership and ticket for Snyder for the Chamber banquet.

Motion by Chukuske, seconded by Peterson to approve the Consent Calendar. All voted in favor of the motion.

A memo prepared by Koopman regarding clarification on the wastewater treatment ponds project was read. Included was a time line of wastewater treatment facility upgrade that was prepared by Robinson.

"I've place this on the agenda to clear up a misconception that seems to be gaining momentum. Apparently there are some individuals that feel that the City presented the feasibility study on the wastewater treatment project so we could undermine the school's bond issue. For the record, this is totally untrue. Rick Robinson has prepared a time line that highlights what has brought us to this point. This list does not address everything, merely the information he had access to in his office. This list does illustrate that we have been working with this project for many years.

At the last Council meeting representatives from MPCA were present to reinforce the need for the City to take a proactive approach to resolving the problems we are having at the treatment ponds. They even went so far as to say that unless the City continues to show progress, MPCA will not issue any permits for the expansion of our sewer system. The impact of this is far reaching. For example, we could not develop a new housing addition, or, if the bond issue does pass, and the sewer main has to be enlarged to accommodate the new addition, we would not be able to provide a sewer connection because we would be expanding our sewer system.

I feel bad that some individuals believe that there was a conspiracy. But, the fact remains that MPCA requires an I/I Study. In order for the I/I Study to be accurate we needed to take advantage of recording the spring flows. Approval by the Council was needed at the last meeting in order to meet the timelines that would allow us to get the flow meters installed to monitor the spring flows. Let me assure each and everyone of you that never once did the school's election enter my mind when this was placed on the agenda. Although the cost for the wastewater treatment ponds is mind boggling, it is too early in the game to know what our costs will actually be. Nor do we know if we will qualify for grants and if so, what portions will be funded by grants. I feel fairly certain that we will qualify for low interest loans. I can ensure everyone that the City Staff will do everything in our power to seek the best way to finance this improvement, but the actual costs for this project will not become a reality for three to five plus years."

Robinson told the Council that during the field reconnaissance it became apparent that the "desk

top” study that SEH had performed on the sewer collection system would not result in providing sufficient data for the termination of I/I sources. Instead of four flow monitoring sights, nine portable flow meters will be needed during the spring and summer months to isolate I/I in selected areas of the City. The units will be downloaded every two weeks to determine if they are functioning properly and the flow conditions are consistent with the original installation. Also the latest flow data will be collected for review and analysis. The increase in the number of monitors needed would increase the project cost to \$72,402 from the original cost of \$54,900. This increase is only from monitor rental charges. All other terms and conditions of the proposal will remain the same. The cost breakdown for the work scope items in the amended proposal will include:

Task 1.0 – Background Data Collection	\$ 844
Task 2.0 – Review Historical Wastewater Flow Data	\$ 489
Task 3.0 – Perform Field Reconnaissance	\$ 2,182
Task 4.0 – flow Monitoring	\$55,451
Task 5.0 – Data Analysis	\$ 5,225
Task 6.0 – I/I Abatement Recommendations	\$ 8,211

Peterson said he was having serious doubts whether the engineers are doing their job correctly or that the correct and complete information is being given to the engineers. He feels that no other business except government business would put up with this. Robinson said they could do the project with four monitors but it would not be done correctly. He said that they only have old maps and there are lines that are running to turntables and buildings that are no longer there. Putting in new service lines is expensive for every one and they need to be able to show how much some areas are contributing to the I/I problems. Rettmer feels that as long as they are going through this process, the best that can be done should be done now instead of settling for four monitors and not receiving accurate data. Mayor Ferrazzano asked if it would be possible to put the four monitors in one area and then after a time, move them to a different area for monitoring. Robinson said that once they are installed they need to remain in the same location for the whole summer to monitor groundwater during rain events. They will be monitoring to find the areas that are the largest contributors to the I/I problems. This will help determine the size of ponds needed and also what will be the best solution in the future to remedy the I/I issues. Peterson said it is a valid point if nine would do a better job. He feels that when the feasibility study was done, this should have been determined then. Robinson said it was not the engineers that determined that nine monitors would be better, it was the public works staff that felt this would give more accurate data. Snyder said that they pay the engineers a lot of cash each year for their work and they should have talked with the staff before they presented the proposal. Motion by Martin, seconded by Snyder to approve the Work Scope Amendment to increase the number of flow monitors from four (4) to nine (9) with total project cost estimated at \$72,402. All voted in favor of the motion.

Motion by Rettmer, seconded by Chukuske to adjourn at 7:55 p.m. All voted in favor of the motion.

ATTEST

City Administrator

Mayor

February 25, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 25, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Absent was S. Rettmer. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Chukuske, seconded by Peterson to approve the minutes are presented. All voted in favor of the motion.

Motion by Peterson, seconded by Chukuske to approve the agenda as presented. All voted in favor of the motion.

Todd Haugen, Financial Advisor for the City of Tracy and representative from Ehlers and Assoc. was present to review the results of the bond sale of \$2,290,000 General Obligation Refunding Bonds, Series 2008A. Three bids were received:

United Bankers' Bank, Bloomington, Minnesota	True Interest Rate 3.7208%
Northland Securities, Inc. – Minneapolis, Minnesota	True Interest Rate 3.9644%
Cronin & Company, Inc. – Minneapolis, Minnesota	True Interest Rate 4.418%

The lowest bidder was United Bankers' Bank with a true interest cost of 3.7208%. The size of the bond issue changed from the projected amount of \$2,270,000 to \$2,90,000 due to an increase in the cost of escrowed securities and issuance expenses. Haugen had hoped to save the city more than \$200,000 on the Water Revenues Bonds from 1998 and the Aquatic Center bond from 2001. Due to the market being volatile for bond rates, the total savings on the Refunding Bonds would be about \$144,711 over the next 14 years. Motion by Snyder, seconded by Chukuske to adopt a Resolution providing for the Issuance and Sale of \$2,290,000 General Obligation Refunding Bonds, Series 2008A. All voted in favor of the motion. (Res. No. 2008-6)

The Mayor opened the hearing to public testimony at 6:45 p.m. on Ordinance No. 302, an ordinance amending the Tracy City Code, Section 3.10. John Carlson stated he lives south of the nursing home property and has lived there for 11 years and has enjoyed living in the neighborhood. He voiced concern on how this issue got to this point and wanted to know how there was a quorum for the decision when only two members of the Planning Commission were presented when the recommendation was made. Chukuske stated that a quorum was not needed to move this issue to the City Council who makes the final decision. Carlson asked what this property would be called. Art Peterson answered that the State calls it an apartment house. Carlson did not know how it could be called that when there are not kitchen facilities available. He asked the Council to consider how they would feel if this was in their backyard.

Pam Anderson also lives south of the nursing home property. She said when they bought their property, the facility was a nursing home and they had no concerns about that at the time. She is concerned about the facility becoming a boarding facility because there is no assurance of what kinds of people that could board there. She feels that Art Peterson, Jay and Dennis Fultz are respectable citizens but they are not the ones that will be boarding there and know the ones that will be boarding there. She did not buy her home with the prospect that there would be 25-30 people living in the neighborhood that have no long term ties to the community. Anderson asked that the Council take these issues into consideration from her and her neighbor's perspective and ask themselves if it was their family, would they want it there.

Robert Gervais said that he was speaking as a regular citizen and not the Tracy EDA Director. He asked what happens if the building continues to sit empty for the next few years and the Nursing Home Board decides not to heat it anymore. He asked them to take a look at what happened to the Ohman Furniture building when that scenario happened there. He also asked what would happen if the property is vandalized such as broken windows. The property would probably become tax forfeited and the neighborhood would have no control over who buys the property or who could potentially move into the neighborhood. Gervais said he cannot look into a crystal ball and can't

state that the people that would use the facility are going to come in and ruin the neighborhood. They need to look at other possibilities and feels this facility does deserve opportunity. If there was an issue with the people living there, he would think that with Peterson and Fultz, those issues would be dealt with quickly and to the best of their ability without recourse. They need to look at the example of the AquaPower Company and they need to ask at Midwest Supply about the purchases made there or how much food is sold at the Red Rooster.

There being no further public testimony, the hearing was declared closed and referred to the Council for their consideration.

Snyder said he appreciated the comments made by the public and has done some investigation into some of the points made by the public. Section 9.2 in the City Code states “it shall be the function of the Planning Commission to prepare and adopt a Comprehensive City Plan for the physical development of the City, including proposed public building, street arrangements and improvements, public utility services, parks, playgrounds and other similar developments, the use of property, the density of population, and other matters relating to the physical development of the City. Such Plan may be prepared in sections, each of which shall relate to a major subject of the Plan, as outlined in the Commission’s program of work.” In Subdivision 6 it states, “The adoption of the City Plan or of any section or amendment thereof shall be by resolution of the Commission, approved by the affirmative vote of not less than two-thirds of its total membership.” Koopman said they are considering the use of a structure and are considering a change in what is was originally used for without changing the Land Use Plan. Chukuske explained the Planning Commission is only an advisory board and with only two members present, they presented the issue to the Council for public hearing. She indicated that Nielsen had reviewed this and found nothing out of order. Snyder said he is not opposed to having a boarding room in the old nursing home building if there is support by the residents that live in that neighborhood. Nielsen stated they are comparing the Land Use Plan to a zoning ordinance change. Zoning ordinances are periodically changed to accommodate special circumstances and a zoning ordinance is what will be amended here. Peterson asked Art Peterson how long before they would be converting the sleeping rooms into apartments. Art Peterson feels that the boarding house phase of this project would be over in about three years, and after that time, or maybe sooner would begin the remodeling of the building for apartments. Mayor Ferrazzano asked about the Bed and Breakfast that is in town. Koopman said an amendment was done at that time to allow for a Bed and Breakfast with accommodations for about eight people. Martin was concerned about who would handle any disruptive activities by the boarders. Chukuske felt it would be the responsibility of the City Police Department to handle any disruption. Art Peterson said he would hope that they contact the Police Department before they would notify him of any problems. They plan to have two employees to start with that will monitor activities at the facility. Motion by Chukuske, seconded by Peterson to adopt Ordinance No. 302, an ordinance amending the Tracy City Code, Section 3.10. Upon roll call the following vote was recorded with Martin, Peterson, Chukuske, Stobb and Mayor Ferrazzano voting aye and Snyder voting nay. Motion carries.

Koopman told the Council that Western Community Action’s survey identified a number of properties as “unfit”. The addresses listed are either vacant and/or tax forfeited. It is necessary to conduct an inspection to determine if these properties are hazardous and/or unfit for human habitation. Authorization will be needed from the property owners to enter these properties to conduct an inspection. If the property owners do not grant access, an administrative search warrant will be required.

- 113 8th Street (recently purchased on a tax forfeited sale)
- 162 9th Street (recently purchased on a tax forfeited sale)
- 400 8th Street (old Domine house)
- 812 Harvey Street (old Lessman house)
- 330 4th Street (tax forfeited)
- 174 South Street (owned by R Group LLC, Mpls. MN)
- 79 1st Street (directly east of Church of Christ and it is occupied at this time)
- 562 Morgan (Smartzik house)
- 641 Greenwood Avenue (already been declared unfit for human habitation, but should determine structural soundness)

Motion by Snyder, seconded by Chukuske to seek authorization from the property owners, and if property owners do not grant access, to obtain an administrative search warrant to conduct an inspection on these properties. All voted in favor of the motion.

Peterson said a public meeting was held on February 13th to discuss the street light issues. Peterson said it did not go as expected as the discussion became "heated". The street light committee then met with Mark Evers and Rick Robinson on February 20 and discussed a scaled down plan that would involve 25 new lights instead of 43. With this plan, there would be funds available to improve lighting along Highway 14 also. They came to a consensus that the sidewalk repair would be the responsibility of the property owners. It was also decided to change the color of the lighting from amber to white. Three options were discussed:

1. Replace enough lights to keep the downtown area safe.
2. Modify or repair the existing poles and wiring
3. Install new decorative lights along portions of Morgan and 3rd Streets.

Chukuske expressed his frustration with not having anything in writing and not having any actual recommendation from the committee. Peterson stated they are still collecting numbers. Snyder asked if there was any time frame as to when they were to have recommendations and numbers available. Peterson said he was not aware of any time frame requirements. Mayor Ferrazzano asked what the cost would be for new lights. Peterson said that based on the available numbers it would cost approximately \$7,000 per pole. Stobb said Xcel had presented numbers and they should be available from before. Peterson was under the impression there was a three year window to complete the project with compromise for safety issues and what should be done. Koopman said this street lighting plan was originated with understanding of addressing safety issues. The sidewalks are in need of repair, especially along Morgan Street. The City would be the property owner for most of that repair if the property owners were to be responsible for the cost of repair. She states that the City is very lucky to not have had a lawsuit up to this point due to an accident caused by the deterioration of the sidewalks. The City knows there is a safety issue, but we are allowing the problem to continue and are not doing anything to correct the problem. It is more economically feasible to repair the sidewalks in coordination with the lighting project and have the costs paid from the bond issue. Peterson said they have tried to come to some kind of compromise with the project and felt the only reason the money was put into the bond was to get the funds for other projects. Koopman said this has been an issue and has been on the table since 2002, but it continues to be ignored. Peterson feels the sidewalk repair should be assessed back to the property owners 100% and the taxpayers that do not benefit from the repair should not have to pay for it. Chukuske feels that there has not been any progress since July 2007 when the committee was established. The Council has not been given anything to consider. Koopman said the City paid for a feasibility study done by the engineers and the results of the study have been totally ignored. Stobb agreed the sidewalks are dangerous and need to be repaired and this should be incorporated into the street lighting project. Chukuske stated again that without a report, there is nothing to consider. Mayor Ferrazzano stated that the committee was to give recommendations and if this is not done, the Council can act on their own to either spend none of the funds or decide to go forward with the project with cost not to exceed the \$578,000 to replace the street lighting and repair sidewalks or something in between. The bond issue included funds for 43 lights. If the whole project is not done at this time, it is done piecemeal and that is not the best way to do it. Mayor Ferrazzano also stated that the City has failing infrastructures and if nothing is done now, the future Council members will be faced with the same dilemma and a higher cost than what it would cost now. Motion by Snyder, seconded by Chukuske to move the streetlight/sidewalk repair project forward as recommended by the feasibility study with the cost not to exceed \$578,000. Martin felt it is a lot of money right now with the City facing the sewer project. Stobb said his concern was what the fixtures would be made of. Koopman said more engineers are recommending glass because of the potential yellowing of the acrylic. That is something that needs to be addressed in the specifications when the Council determines what the City would want. Snyder asked if it was correct that the money could not be used for any other project. Koopman said she had discussed this issue with the bond counsel and was told that they cannot expand the project, but it can be reduced. Upon roll call the following vote was recorded with Martin, Chukuske, Snyder, Stobb and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carries.

Jim Kerr said he was not present to debate or advise the Council on their decision regarding the

street lighting issue and was only speaking on this issue as a city resident and property owner. He read Statute 469.126, (6) states the city may install special lighting system, special street signs and street furniture, special landscaping of streets and public property, and special snow removal systems. Kerr stated that another Statute that is appropriate to this issue is 429.101 In addition to any other method authorized by law or charter, the governing body of any municipality may provide for the collection of unpaid special charges for all or any part of the cost of: (7) the operation of a street lighting system. Subd. 3 Issuance of obligations (a) after a contract for any work enumerated in subdivision 1 has been let, or the work commenced, the council may issue obligations to defray the expense of any such work financed in whole or in part by special charges and assessments imposed upon benefited property under this section. Kerr cannot understand how the City would be authorized to order this project and not charge it to the benefited property owners. He states the Council should act in the best interest of the City as a whole and the City may have exposure to a taxpayer suit.

Robinson reported that Kendall Cooreman has contacted him with a verbal proposal regarding the City of Tracy's cement disposal pile. Cooreman is proposing to purchase a cement crushing machine and would crush the City's pile of demo cement on site at the compost site and sell the end product. Cooreman would like the crushed cement at not charge. Cooreman would create a pile of recycled cement on site and sell the product from the compost site. Robinson said that Cooreman would not purchase the cement crushing machine unless the City agrees he could have the pile for no charge. Robinson feels this would be a great opportunity for the City to get rid of the pile of cement. The City was already been paid for the disposal of the cement. Cooreman stated that if the City would no longer accept cement, he would accept it for crushing. Motion by Chukuske, seconded by Snyder to continue the policy of concrete disposal at the City dump and allow Cooreman to set up to crush and use the product. All voted in favor of the motion. Nielsen will draw up an agreement between the City and Cooreman.

Chukuske asked if the camera that was purchased for the dump site was in operation. Robinson said that they take the camera down in the winter. Chukuske said he had been out to the site and there are several garbage bags sitting out there. He feels that they spent a great deal of money for the camera and it should be used and there should be enforcement of the rules and administrative fines being issued to violators. Robinson stated that there is a disagreement between the County and City Police Department of who has jurisdiction over the compost site. Koopman will talk to Police Chief Hillger about that. Mayor Ferrazzano feels that if someone is violating the dumping regulations, they should have to pay an administrative fine. Chukuske asked Robinson to have the Public Works department go and empty the bags and get rid of them. Robinson said he will have the department do that.

Peterson said he had read in the Marshall Independent that the City of Tracy would be responsible for \$4,000 for a housing survey. Gervais explained that the City was asked to contribute \$2,000 for a study that would determine housing stock in the area and the age and quality of housing in the area. They also will receive information of what to look for in the future for projects and what programs are available for funds to repair or demolish properties. The County had asked other communities to participate and the City was then asked to contribute \$2,000. Gervais stated the funds will come from the Revolving Loan Fund. The survey should be done this summer.

Robinson said the department encounters frozen ground and frost (3' plus now) to break through when there are water main breaks. A "frost tooth" replaces the bucket on the back hoe on a skid loader or end loader. They have currently been renting one from Neil Daniels or hire Art Peterson with his hydraulic hammer. A lot of the employee's time is spent trying to break through the frost. DeSmith found one on E-bay that was going cheap with 30 minutes left on the auction. Robinson did go ahead and purchased this frost tooth for \$321 plus shipping. A new tooth would be \$1,500 plus shipping. He knows this was not in the budget, but felt it was a good deal and the City will save money with this tool. Chukuske was concerned about department heads holding to the budget and feels that this should not be a common practice. Koopman said they were on a short time line for this purchase. Motion by Stobb, seconded by Snyder to ratify the purchase of the frost tooth. Upon roll call the following vote was recorded with Martin, Chukuske, Snyder, Stobb and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carries.

The Consent Calendar included: Municipal Accounts Payable, EDA minutes for February 1, 2008, Cemetery Commission minutes for January 17, 2008, Hospital Advisory Board minutes for January 16, 2008 and Firemen’s Relief Association minutes for January 7 and 22, 2008.

Koopman provided the following explanations to questions raised by Peterson on the Accounts Payable.

Check	Payable To	Amount	Explanation
044729	CHS	\$ 25.80	This was for a City vehicle, if it was a personal vehicle it would be paid directly to the employee.
044736	Co, Highway Dept.	\$ 25.00	The City is responsible to maintain the “main water line that was installed for Tracy Kid’s World. This is in the County’s right away, therefore, a permit was needed.
044749	VandePutte	\$3,206.75	This was for snow hauling from Feb. 26, 2007 to April 11, 2007.
044742	Art Peterson	\$ 571.50	This is for snow removal from Dec. 2007 as it is stated in the Accounts Payable.
044799	MN Dept Health	\$1,507.00	This has been explained in the past that the State of Mn charges us this “tax” for the number of water service connections the City has. This is a quarterly bill.

Peterson asked why bills that are incurred in 2007 are paid from the 2008 budget. Koopman explained the bills are paid when they are received. She asked if he had any suggestions of how to change this as she does not have an answer for it.

Motion by Snyder, seconded by Chukuske to approve the Consent Calendar. All voted in favor of the motion.

The 2008 Capital Improvements Budget was reviewed. Dale Johnson, Fire Chief was present to explain a change in the depreciation schedule for the Fire Department. Johnson said the fire department has been able to purchase the air bags needed through fund raising. They would like to trade in two fire trucks to purchase one truck that would have adequate room for equipment and fire fighters. This would help with costs for maintenance and insurance. They would pay \$50,000 per year for five years. Pulling the previous numbers in the depreciation schedule and putting in these numbers would eliminate any negatives in the schedule. Johnson will be seeking grants to assist in the purchase of this vehicle. With the Council approval, Johnson would like to go ahead with this and seek bids to get some final numbers for the purchase of a new fire truck.

There were no other questions regarding the Capital Improvements Budget. Motion by Stobb, seconded by Chukuske to approve the 2008 Capital Improvements Budget. All voted in favor of the motion.

Motion by Chukuske, seconded by Snyder to adjourn the meeting at 8:20 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

March 10, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 10, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, T. Peterson, B. Chukuske and R. Stobb. Absent were S. Rettmer and C. Snyder. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Martin noted that the minutes did not reference anything about the bond payment. The minutes were amended to include the following: Martin questioned if the bond payment will remain the same. Koopman responded that the City will not realize a savings until the call feature expires which is in 2017. During the interim the City is required to make the full bond payment according to the amortization schedule prepared by our bond consultants. Motion by Stobb, seconded by Chukuske to approve the minutes as amended. All voted in favor of the motion.

Chukuske asked that 6-C Dog Complaint issues to added to the agenda. Motion by Chukuske, seconded by Stobb to approve the agenda as revised. All voted in favor of the motion.

Radke reported February off-sale was up approximately \$2,037 and on-sale was up approximately \$1,435. Chukuske asked if he has collected any information in regards to serving food at the liquor store. Radke has tried to contact the State but they have not returned his calls. The only information that he has is that they would be able to serve food for "special events". Chukuske felt that with the nice weather it would be beneficial to be able to serve food. Radke would like assurance for the state before he proceeds with this. Radke said on March 4, the area Liquor Association went to the Capital for their industries legislative day. He stated at this point there is nothing going to happen to adversely affect the liquor industry.

Gervais attended the Marshall Home Show this past weekend and was pleased with the number of people that attended. In talking with people, the Tracy Kid's World has generated interest in the area. Three loans were made to local businesses this past month. Two more single resident homes will be given funds from the CDBG and they are seeking one more home in Murray County. Depending on the bidding, there may be funds available for doing partial single family or rental unit. Two projects are near completion in Tracy and would like to have the projects completed by this fall and then application could be made in the spring for more funding. Gervais said an agreement draft has been sent to Mohn regarding purchase of the Central Livestock property. He is anticipating there will be revisions and then will need the Council approval for this transaction. The window replacement project at O'Brien Court is about half way done. There were not a large number that were severely deteriorated. In answer to a question by Peterson on the Accounts Receivable, Check \$44829 in the amount of \$450 to Campbell Construction for disposal of materials from this project, Gervais stated that it was more convenient and less costly to have Campbell dispose of this demolition material versus having a dumpster.

Robinson reported the Street Department has been salting intersections and moving snow as needed. The ice on the ice rink has been maintained. He has generated a quote sheet for removal of trees in Swift Lake Park to meet the airport setbacks and have contacted three tree contractors. Quotes are due by 4:00 p.m. on March 17, 2008. Equipment and water main breaks have been repaired as needed. New water meters have been installed and Robinson stated that he will present a report on the impact of installing the new meters soon but the report is not complete yet. Public Works has started building the trench box to be used while repairing underground utilities. The department has received training on using the new Tri-pod, winch and harnesses and the gas detector. Robinson said that weekly visit are made to the pool to check it over. Peterson asked how much had been budgeted for the trench box. Robinson said that \$5,000 was budgeted for this equipment.

Koopman said that February included preparation for and attendance of meetings. Koopman said now that Legislature is back in session, a portion of her time will be spent monitoring the status of bills and contacting Legislators, especially those that will impact cities. Now that the budget deficit has been identified, this will definitely weigh in on the amount of LGA the City will be receiving this year.

Motion by Chukuske, seconded by Peterson to approve a Private Bottle Club license to the Tracy Eagles Club contingent on payment of fees and submission of application. All voted in favor of the motion.

Motion by Peterson, seconded by Stobb to approve a Set-up license to Tracy Lanes contingent on payment of fees and submission of application. All voted in favor of the motion.

Motion by Chukuske, seconded by Peterson to appoint Greg Torkelson to the Planning Commission. All voted in favor of the motion. Two vacancies remain on the Planning Commission.

Motion by Martin, seconded by Peterson to appoint Carol Snyder as the Milroy representative to the Hospital Community Board. All voted in favor of the motion.

Motion by Stobb, seconded by Chukuske to appoint Robert Gervais as the Currie representative to the Hospital Community Board. All voted in favor of the motion.

Motion by Chukuske, seconded by Stobb to appoint Rhonda Frederickson to the Library Board. Martin said he would like to serve on the Library Board. Motion by Chukuske, seconded by Stobb to appoint Mike Martin to the Library Board. One vacancy remains on the Library Board.

Two applications were received for one vacancy on the Cemetery Commission. Koopman and Ferrazzano will interview Milt Moen and Elaine Fischer for this position.

Motion by Stobb, seconded by Chukuske to appoint Eugene Hook to the Multi-Purpose Center Board. All voted in favor of the motion. One vacancy remains on the Multi-Purpose Center Board.

Motion by Stobb, seconded by Chukuske to appoint Greg Torkelson to the Police Commission. All voted in favor of the motion.

Motion by Chukuske, seconded by Stobb to appoint Con Rettmer to the H.R.A. Board contingent on submission of application.

Motion by Stobb, seconded by Peterson to appoint Glen Surprenant to the H.R.A. Board. All voted in favor of the motion.

Motion by Chukuske, seconded by Stobb to appoint Dennis Fultz to the E.D.A. Board. All voted in favor of the motion.

Chukuske has received calls with concerns about the dog ordinance. The most common complaints are dogs barking, running loose and defecating in yards and the owners not cleaning it up. He recommended they call the Police Department. Chukuske does not know if they are getting expected resolution to these problems. He also assured the callers there is a ordinance in place. Stobb feels there are more dogs in the City than are licensed. Koopman said if a loose dog is found and they are licensed, the owner is notified to get their dog. If the dog is not licensed, the owners are required to license them before they can get their dog back. Koopman said she is not sure of the consistency of the procedure. Chukuske suggested that Chief Hillger attend the next meeting and address the procedure of how the Police Department handles this issue. He also suggested that a notice be put in the paper that there is a dog ordinance and if there is a violation to contact the Police Department. Koopman will ask Chief Hillger to prepare a report.

Motion by Stobb, seconded by Chukuske to adopt a resolution approving increase in pledged securities at State Farm Bank. All voted in favor of the motion. (Res. No 2008-7)

Motion by Peterson, seconded by Stobb to adopt a resolution designating State Farm Bank as the public depository for the Tracy Fire Department. All voted in favor of the motion. (Res. No. 2008-8)

The Consent Calendar included: Municipal Accounts Payable, Fireman's Relief Association

minutes for February 4, 2008 and EDA minutes for February 15, 2008.

Koopman provided explanations to questions raised by Peterson on the Accounts Payable.

Check Payable To	Amount	Explanation
44818 Harry Wallace	\$ 566.00	This was for the Frost Tooth and was paid from the Utilities Equipment Maintenance Fund 602-492-221
44829 Campbell Const.	\$ 450.00	This was explained by Gervais in his report.
44859 DeSmets	\$ 500.00	This was for labor on the Welcome to Tracy sign and was taken from CDBG, Other Contractual 802-417-321. The funds for this were raised by the Revitalization Committee
44884 Paxton Signs	\$2,123.60	This was the same explanation as 44859.
44897 Tracy Publishing	\$ 24.54	Peterson said the Street Light Committee did not have this done. Koopman said it was for color copies that Robinson felt were needed for the meeting.

Motion by Stobb, seconded by Chukuske to approve the consent calendar. All voted in favor of the motion.

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

ATTEST:

City Administrator

Mayor

March 24, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 24, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, T. Peterson, B. Chukuske and R. Stobb. Absent were S. Rettmer and C. Snyder. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Chukuske, seconded by Stobb to approve the minutes as presented. All voted in favor of the motion.

Additions to the agenda included: 4-A Engineering Proposal from SEH for Downtown Street Lighting and Sidewalk Improvements and 4-B Multi-Purpose Center roofing proposal from Buysse Roofing. Motion by Chukuske, seconded by Stobb to approve the agenda as revised. All voted in favor of the motion.

Koopman said she had received the Downtown Street Lighting and Sidewalk Improvements proposal from SEH today and had Nielsen review it. This proposal will include a Preliminary Survey, Final Design and Bidding Documents, and Construction Administration for the proposed street lighting and sidewalk improvements. SEH will provide a preliminary survey for the eight (8) block project area as follows:

South Street – between 2nd Street and 4th Street
 Morgan Street – between 2nd Street and 200' west of 4th Street
 4th Street – between South Street and Rowland Street
 3rd Street – between South Street and Rowland Street.

The task budgets for each phase of the work are as follows:

Preliminary Survey/Data Collection	\$ 5,500
Final Design & Bidding Documents	\$ 19,900
Construction Administration	<u>\$ 10,800</u>
TOTAL ENGINEERING FEES	\$ 36,200

Motion by Chukuske, seconded by Stobb to accept the proposal from Short Elliott Hendrickson, Inc. for the Downtown Street Lighting and Sidewalk Improvements. Upon roll call the following vote was recorded with Martin, Chukuske, Stobb and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carried.

Koopman said Buysse Roofing Systems and Sheet Metal Inc. has submitted a bid to repair the High Level Roof of the Multi-Purpose Center. The roof has been leaking with the thawing of snow on the roof. The bid of \$16,990 falls within the budgeted amount for this project and furnishes a 15 year manufactures labor and materials warranty. Nielsen said he will be putting this bid into a contract form that is used for other projects for the City. Motion by Stobb, seconded by Chukuske to accept the bid for the Multi-Purpose Center roof project and have Nielsen put this in contract form as used in the past. All voted in favor of the motion.

Koopman read into record the following memo prepared by Chief Hillger regarding barking dog complaints:

There has been a question on how the Police Dept. handles barking dog complaints. There is no “standard” or set way of handling any one complaint, as every one is different in one regard or another. The variables include the time of day, whether or not this is the first complaint received, whether or not other neighbors have complained, the frequency of the barking, whether the owners of the animal are at home or not, etc. etc. . . . Thus, the response each time may not be the same. Typically, what I do during daylight hours is this: once I receive the complaint, I drive to within about half block of the dog’s supposed location. I try not to be the reason that the dog is barking, which is to say that I don’t want the dog barking at me.. I roll the windows down in the squad and sit and listen for about 10-15

minutes. If the dog is barking fairly constantly, I document it in my car log, and then attempt to make contact with the owner. If I make contact, I tell them of the complaint, and tell them that they will have to try to do something to rectify the situation, ie; take the dog in the house, put the dog in the garage, get a bark-collar, get rid of the dog, etc. I also inform them that, if the annoyance continues they could ultimately be given a citation and fine for Animal Nuisance. What is excessive barking? If the dog barks once, twice, three items within 15 minutes, is that excessive? If the dog is barking constantly, but there may be a reason for it, such as a cat or rabbit in the yard, is that excessive? If the dog only seems to bark when someone walks by, is that excessive? I guess I need some guidance in this matter. In the case of the animal only barking a couple times during my 10-15 minutes stay, I write a note to the owner or resident and inform them that we have received a complaint, more to make them aware of what the complaint was than to "get after" them. In all cases, I try to make contact with the complainant to let them know what I did, and to tell them to contact us again, should the situation come up again. The bottom line is this: this type of complaint will never go away as long as people own dogs... The only thing we can do is to try to "manage" it on a case by case basis. As in most neighborhood disputes, a person who is aggrieved by a neighbor's barking dog should first attempt to contact the neighbor, and if that does not work, then contact the Police Dept. Most people in our community, if they are doing something they find out upsets their neighbor, WILL try to change what they are doing.

Koopman said the 2007 Deputy Registrar Review was rated at Above Satisfactory. Mayor Ferrazzano thanked the office staff for their dedication and hard work.

Rick Robinson informed the Council that Well #7 is going to be scheduled to have re-hab work done with an estimate of \$14,000 plus chemicals. It was budgeted to pull this well in 2008, but the capacity of the well is declining. The well history shows a steady decline in specific capacity over the last 10 years or so. The chlorination effort of 2005 did little to improve it and when specific capacity has declined by 25% or more, a chemical cleaning of the screen is generally recommended. Robinson explained that specific capacity declines when the screen is plugging up and needs to be chemically opened and then down with a rotating brush and follow up with a pressure washer to try to clean. Stobb asked how much time there is between treatments. Robinson said that maintenance is required usually every six to eight years and they pull the drop pipe to check for holes and corrosion which usually has an estimated cost of \$6,000. He is hoping that with this extensive maintenance will last for about ten years. Motion by Stobb, seconded by Chukuske to enter into an agreement with Their Well for the rehab of Well #7. All voted in favor of the motion.

Koopman said a committee needs to be formed to negotiate the lease with the school system for use of the gym area. The present lease expires June 30, 2008. The committee from the City and a committee from their school board will negotiate the lease. Koopman said she had talked with Nielsen about the possibility of presenting the idea of giving them this area for \$1.00 but would be difficult to do with the layout of the offices. Nielsen said this would not be an option so a committee is needed to come to some consensus of what this lease will be and review operation costs. She does not feel the City should make money on the leasing of this facility, but we should at least break even.. The last lease was based on utility cost and did not include any improvement costs or janitorial services. Mayor Ferrazzano and Stobb volunteered to be on this committee. Koopman will compile the numbers and set up a time to meet with the committee from the school district.

Motion by Chukuske, seconded by Peterson to appoint Jonathan Chalmers to the Planning Commission and Library Board. All voted in favor of the motion.

Motion by Stobb, seconded by Chukuske to appoint Mike Martin to the Planning Commission and Library Board. All voted in favor of the motion.

Motion by Chukuske, seconded by Peterson to appoint Carmen Marben to the Multi-Purpose Center Board. All voted in favor of the motion.

Koopman said that interviews were conducted for the position on the Cemetery Commission.

Elaine Fisher was selected to fill this vacancy. Motion by Chukuske, seconded by Peterson to appoint Elaine Fisher to the Cemetery Commission. All voted in favor of the motion.

Peterson asked if there were any vacancies remaining on any of the boards or commissions. Koopman stated that there is still one vacancy on the Multi-Purpose Center Board. Peterson asked if someone other than a Council member applies for a vacancy on the Planning Commission, would one of the Council members step down from the Commission. Stobb and Martin agreed that one of them would step down. Koopman pointed out that Chukuske was serving on the Planning Commission before he was elected to serve on the City Council. His term on the Planning Commission has since expired.

Robinson reported that Paul DeSmith has made a request for a heavy duty angle grinder for the shop. The cost would be approximately \$170. Robinson said this has not been budgeted for, but if the Council were to approve this purchase it would be funded through Streets and Parks 101-431-223 "Maintenance and Repair Other" fund. Stobb asked if they were close in that budget last year. Robinson said they were and that is a difficult budget to hit as that is the fund that is used for asphalt patching, pearock, water main breaks, etc. The life span of this tool would be about 6 to 8 years. Peterson asked if they have a grinder. Robinson said they do but it is a smaller tool and is not in the best of shape. Motion by Chukuske, seconded by Stobb to approve the purchase of a heavy duty angle grinder. Upon roll call the following vote was recorded with Martin, Chukuske, Stobb and Mayor Ferrazzano vote aye and Peterson voting nay. Motion carried.

The consent calendar included: Municipal Accounts Payable, Monthly Receipts, Monthly Financial Report and Planning Commission minutes for March 18, 2008. Chukuske stated that in regards to the construction of the gazebo, he had submitted a materials list from Ace Hardware and is wondering why an estimate from Menard's was considered. Chukuske stated that if materials were purchased from out of town, he would rescind his donation to the project. Stobb explained that Lanoue from the Building Trades Class had gotten the information from Menards and it was decided at the last Commission meeting that the materials would be purchased in town. The reason for another materials list was due to some revisions in the plan were discussed. Peterson asked why if this was going to be funded through donations, why are they requesting funds from the General Fund. Stobb said the fund raising has not been started and the Planning Commission is not asking for any money at this time, but if they wanted the Building Trades class to construct the gazebo, it would need to be started now or wait until next year. Peterson said there is a history of funding projects through the general fund with the intention of paying it back. If they do not raise the funds the loans are forgiven. If they are going to construct this gazebo, it should be done through fund raising or not do it at all. Stobb understands Peterson's concern and they have forgiven loans in the past. There may be donations that will come in once there are more definite plans of what they are intending to do. The idea of selling memorial stones or blocks and other different ways of funding were discussed but no fund raising has been started at this point. He noted that we do not have sufficient information to act on right now and do not have a list of materials and costs.

Koopman provided explanations to questions raised by Peterson on the Accounts Payable.

Check	Payable To	Amount	Explanation
44902	Debra Hesse	\$ 6,700.00	Peterson asked why this loan is different when compared to the loan on check 44945. It was explained these are both temporary loans but are not listed as such in the comments.
44938	SW MN Chap. Of ICC	\$ 105.00	This is a budget item from 101-425-291 and is a membership for the Building Inspector.
44912	Buysse Roofing Systems	\$38,950.00	This was a CDBG grant/loan for the Jayson Fultz building.

44914	Charles Schoenberg Phone	\$ 58.00	This was repair for Police Dept. line when no one is in the office all calls are forwarded to the Sheriff's office in Marshall.
44925	Lavoy's Repair	\$ 323.90	This is for charges for the mounting And disposal of the tires that were bought from Graham (which was the tire purchase on the last payable.)
44948	Minnwest Bank South	\$ 266.00	This were NSF check for utility billing and both have been taken care of.

Motion by Stobb, seconded by Chukuske to approve the consent calendar. All voted in favor of the motion.

Mayor Ferrazzano said it would be interesting to include prior council minutes from 50 years ago for the public to see issues the City was dealing with at that time. This will be presented the last Council meeting each month.

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

ATTEST:

City Administrator

Mayor

April 14, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 14, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, T. Peterson, C Snyder and R. Stobb. Absent was B. Chukuske. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Stobb to approve the minutes as presented. All voted in favor of the motion.

An addition to the agenda is 4-D CDBG Subordination Agreement. Motion by Martin, seconded by Snyder to approve the agenda as revised. All voted in favor of the motion.

The Memorandum of Agreement between the City of Tracy and Thad Lessman, groundskeeper for the City of Tracy Cemetery was reviewed. Koopman indicated the only change from the previous agreement was the 3% increase in compensation. This included a sum of \$684 per mowing and trimming and \$10 per hour for miscellaneous work for the contract term. Motion by Snyder, seconded by Stobb to enter into this agreement with Lessman. All voted in favor of the motion.

Koopman told the Council that the LSS Senior Nutrition Program Site Use Agreement is something that is presented annually. In the present agreement the Nutrition Program agrees to pay a yearly fee of \$2,455 to help offset the costs of operation. Payments will be made on a quarterly basis. Nielsen has recommended item XI to include: "Monday – Friday for midday Senior Dining and afternoons for other senior activities. Company reserves the right to make use of the premises for other community activities." Motion by Martin, seconded by Snyder to enter into the agreement with LSS to include the changes as recommended by Nielsen. All voted in favor of the motion.

An agreement for Transfer of Entitlements in the amount of \$137,000 to the City of Montevideo to be used for a project at the Montevideo-Chippewa County Airport was reviewed. Peterson questioned why the City of Tracy is not using the funds for the Tracy Airport. Koopman explained that the City receives \$150,000 annually for improvements to the airport. If this money is not used or transferred within three years, they lose these funds. The City did have monies budgeted for improvements to the administration building, road to the airport and improvements to the west side of the second row of hangars. The Council cut this amount from the budget as the City was not able to meet the 5% of cost for the project and felt the monies could be used in a different area. Improvements to the hangars does not meet the criteria for use of Federal dollars. Robinson said the cost to repair the hangars would be approximately \$30,000. This type of improvement meets the requirements for use for State dollars. The City would have to contribute 50% of this cost. Robinson said that part of the Federal dollars were used to remove trees to meet set back requirements at the airport. Motion by Snyder, seconded by Stobb to transfer the amount of \$137,000 to the City of Montevideo. Upon roll call the following vote was recorded with Martin, Peterson, Snyder, Stobb and Mayor Ferrazzano voting aye and Rettmer voting nay. Motion carries.

Gervais stated that a request had been received from Jay and Sheila Fultz for the City to take a subordinate position on the CDBG Loan and to modify the name on the loan documents. They are applying for a loan from the bank to help cover the costs of renovation. The EDA is recommending they subordinate first position on the property to Minnwest Bank South and the REED Foundation. This would put the exposure to the EDA at a total of under \$25,000. Fultz has made a substantial investment in the property. Motion by Snyder, seconded by Stobb to approve the subordination request. All voted in favor of the motion.

Gervais reported that CDBG has approved eight home owned projects and one has been completed and four rental units have been approved from a goal of eight. None of the rental units have been completed at this time. Funds have been appropriated for demolition of deteriorated properties. Gervais said they hope to demolish the houses at 50 and 62 Morgan Street along with the Joe Samarzik and Jack Schaeffer properties. Stobb asked if these funds were separate from the funds that were budgeted by the City. Gervais answered that these funds can be used to relocate families that are living in substandard housing and the funds can be used to demolish the property. He will be contacting DEED for approval to demolish these substandard properties.

Aqua-Power now has 14 staff members and things are going very well for them. They have been able to get people from the area to work with the company and employees from the Eveleth area will be moving to the area. Aqua-Power is also anticipating a buy out of the building as the lease will be due in June. They are also looking to purchase a home for their employees to live in.

Gervais reported that 85% of the work on the window replacement project at O'Brien Court has been completed.

The sale of the Central Livestock property continues to move forward. Gervais reported that Jon Mohn has auctioned his erosion control equipment and now has a copy of the purchase agreement for review. The property to be used for housing lots will be leveled off and the lots pinned so that the area can be seeded and trees from the tree farm planted along the back of the lots to make it look more appealing to potential buyers.

Gervais reported that the EDA apartments are full. This Friday he will be talking to individuals that are interested in putting in a blended pump system for blended fuel. Customers will be able to enter the ratio they would like and it will automatically be blended as they fill their tank. There are some of these systems going up in Marshall and Windom.

Gervais was able to tour the Tracy Kid's World facility. They are planning to open the facility in August 2008. This facility will hope to entice young families to move into this area.

Gervais attended a conference at the State Capital with Dennis Fultz regarding utilities and power transmission with the wind tunnels and the politics involved in getting energy from the rural area to the urban area. At that time they were able to touch base with Senators and Representatives from the area.

Radke reported that sales at the liquor store were down approximately \$1,712 for the month of March. On April 19 the liquor store will be sponsoring a wine seminar at the Prairie Women's Expo. Two seminars will be held with five different wines to be tasted and available for purchase at a discount. Appetizers will be served by Food Pride. Topics include how wine is made, how to open a bottle of wine, how to taste wine, pairing wine with food and some cooking recipes. Wines to be tasted include a Pinot Grigio, Riesling, Garden Rose, Merlot and Cabernet Sauvignon. The class entitled WINE 101 will be given by Randy Dobratz, North Central Division Manager of the Midwest Region of St. Michelle Wine Estates.

Robinson reported during the month of March the Street Department salted intersections and moved snow as needed. Robinson attended a street light meeting and ordered a loading zone sign to be placed on the southeast quad of 3rd Street and Morgan. Campbell Tree Service was the low bidder on the removal of trees in Swift Lake Park to meet the new setbacks for the airport runway. Equipment has been repaired as needed and the department has received the new Cat end loader. The Utility work included the repair of two water main breaks. One of the breaks caused the City to lose about 60,000 gallons per day. This leak did not come to the surface but entered into the storm sewer. This was detected with the leak detection equipment. The aerator electric motor failed in the water plant and was replaced at a cost of \$1,415. The construction of the trench box continues. Dump flushing of the sanitary sewer system was done. There were storm sewer catch basins and pipes that were froze and then opened with the jet-vac truck. The water distribution parts at the water tower were reorganized.

Robinson report that two pump motors from the pool were brought into a repair shop for bearing replacement. Time was spent trying to get a better price on pool chemicals with a savings of approximately \$1,500 to \$2,000 over last year. These will have to be stored off-site due to the quantity that they have to order to take advantage of the savings. Other tasks at the Public Works Department included burning of the tree dump, attended water/wastewater schools and building code schools. A broken bleacher boards was repaired at the VMC.

Robinson told the Council that Gary Garrels will be going in for surgery and will be out for six weeks or more.

Koopman reported that during the month of March she attended two City Council meetings, Pool Committee, and a meeting with the engineers on the Street Light project, Planning Commission meeting, Hospital Advisory Board meeting, Cemetery Commission and assisted in conducting police officer interviews. She reported that the conference she attended was one of the better conferences that she has attended. The opening speaker was very dynamic and she attended various concurrent sessions with topics that she works with on an on going basis. She attended sessions on Election training and strategies for dealing with problem properties. Koopman said the conference provides one with an opportunity to interact with fellow clerks and administrators.

Motion by Peterson, seconded by Stobb to appoint Katie Lanoue to the Library Board. All voted in favor of the motion.

The Consent Calendar included: Municipal Accounts Payable, Monthly Receipts, Monthly Financial Report, Firemen's Relief Association minutes for March 3, 2008, Economic Development minutes for March 7, 2008 and Hospital Advisory minutes for February 20, 2008.

Koopman provided explanations to questions raised by Peterson on the Accounts Payable.

Check	Payable To	Amount	Explanation
44972	Casey's General Store	\$ 66.18	Peterson was concerned if there was a problem with the City pumps not working correctly. Robinson explained there was a problem with the keys and wiring needed to be repaired.
44998	Art Peterson Const.	\$ 700.00	Peterson thought the Frost Tooth purchased was to eliminate this need. Robinson said had not yet received the frost tooth and are working with E-Bay to resolve this issue and depending on the situation a pneumatic hammer and frost tooth will be necessary.
45006	Carter Towing	\$ 1,500.00	Peterson was asking if we would be able to recover these funds. Koopman explained that they are hoping to sell this vehicle as the City does not have an impound lot.
45040	Banyon Data System	\$ 1,170.01	This is for update of the utility billing, Accounting and payroll system.
45046	Desmet Welding	\$ 221.41	Robinson said the grinder cost \$169.99, and there were other things such as aluminum and grinding wheels on the same receipt.
45063	SEH	\$1,281.84	Koopman indicated they have been making payments on the Airport layout plan and corrective action since it was started and there is still time being spent by the engineers on this project. It is not completed and that is up to the FAA to decide and she is not sure what is causing the delay. This cost will be reimbursed 95% by the State once it is completed.
45090	CHS	\$ 47.26	Peterson said that \$5,000 was budgeted for this and is wondering how close this is coming to this amount. Robinson said that

they do have all the bills in at this time but feels it is close to the \$5,000 budgeted.

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|-------|-------------------------|--------------|---|
| 45104 | I&S Engineering & Arch. | \$ 4,683.00 | This is the cost to survey the property along Front Street, pinning of the lots and layout of the lots. This will be coming out of the EDA Revolving Loan Fund. This is the first payment of the total \$9,600. This was presented to the Planning Commission and they approved the need for residential housing. |
| 45115 | Qwest | \$ 68.16 | Peterson asked why the lines cannot be all combined in the Utility Department. Koopman said this is on a dedicated line for a dialer on the bypass system alarm and cannot be combined. |
| 45116 | Sanford Tracy Med Ctr | \$100,580.25 | This was approved by the City Council Feb. last year. This will be done in three phases and this is partial payment for outpatient renovations. |

Motion by Stobb, seconded by Snyder to approve the consent calendar. All voted in favor of the motion.

The Board of Equalization hearing will be held on May 1, 2007 at 7 p.m. in the Council Chambers. No immediate action can be taken by the Council at this hearing as last year they did not have the proper council members trained. The County will be here to hear concerns and take action.

Motion by Peterson, seconded by Snyder to adjourn the meeting at 7:05 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

April 28, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 28, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Peterson asked that the minutes from April 14, 2008 include a statement in the explanation of check 45040 that this is a recurring expense. Motion by Rettmer, seconded by Chukuske to approve the minutes as corrected. All voted in favor of the motion.

Motion by Chukuske, seconded by Snyder to approve the agenda as presented. All voted in favor of the motion.

Mayor Ferrazzano, Koopman and Stobb met with the Tracy School District officials in regards to a new lease agreement for the VMC. Mayor Ferrazzano stated they have received a counterproposal from the School and feels this is a fair resolution. The School District proposed a 10% inflation increase per year and they would also like to offer a four year least agreement instead of a two year agreement. This four year proposal would include:

2008-2009 School Year	\$13,200.00
2009-2010 School Year	\$14,500.00
2010-2011 School Year	\$16,000.00
2011-2012 School Year	\$17,500.00

The average payment for this lease over the four years is \$15,300.00. Koopman said the \$15,000 least offer made to the school was based on costs of electricity and gas. Motion by Snyder, seconded by Chukuske to enter into this four year lease agreement with the Tracy School. All voted in favor of the motion.

R. Nordahl was present to discuss the current status of a loan with Sanford Health Systems. In 1997 a Hospital Revenue Note, Series 1997 in the amount of \$650,000.00 was issued dated August 1, 1997. These funds were used for improvements for the Outreach Department at the hospital. The City and Hospital staffs were not aware that a balloon payment of \$124,869.64 was coming due. Nordahl asked that City issue and sell a Replacement Note in the principal amount of \$124,869.64 and payable in installments and subject to redemption and maturing on June 30, 2017. Nielsen stated that he and Koopman were unable to uncover any information that this had been negotiated. They felt that this was done 12 years ago and they are certain that it was reviewed at that time and they were comfortable with the arrangements. Nordahl stated that it was difficult to find any history of this Revenue Note because those that were involved are no longer available. Motion by Chukuske, seconded by Stobb to adopt a resolution authorizing the issuance and sale of replacement promissory note in the principal amount of \$124,869.64 in replacement of \$650,000 Hospital Revenue Note, Series 1997. All voted in favor of the motion. (Res. No. 2008-09)

Motion by Martin, seconded by Stobb to approve a proclamation declaring the week of May 18 – 24, 2008 as Emergency Medical Service Week. All voted in favor of the motion.

Koopman stated that requesting membership to the PERA Police and Fire Plan can now be done on-line which requires a resolution. This is to verify licensure for Adam Hansen as a police officer. Motion by Chukuske, seconded by Peterson to adopt a resolution requesting membership to PERA Police and Fire Plan. All voted in favor of the motion. (Res. No. 2008-10)

The Consent Calendar included: Municipal Accounts Payable, Economic Development Authority minutes for April 4, 2008 and Hospital Advisory Board minutes for March 19, 2008.

Koopman provided explanations to questions raised by Peterson on the Account Payable.

Check	Payable To	Amount	Explanation
45183	Borch's Sporting Good	\$210.98	This was for a Trail Camera, not a camera for the squad car. Koopman explained that she would rather not go into details regarding this purchase.
45185	Casey's	\$155.60	This was for the Revitalization Food Stand at the Sportsman Show. This is run through the CDBG fund and the taxpayers are not financing this activity.
45186	Dakota Supply Group	\$164.95	This was for parts for a hydrant repair that was run over by a truck from MEC. This will be deposited into the Utility Fund Refunds and Reimbursements from the Insurance payment.
45188	Greenwood Nursery	\$234.30	This was from the Building Fund. There are four pots, two are purchased by the City from Greenwood Nursery and two are purchased by the Chamber from Tracy Floral.
45191	HSCB Business Solutions	\$267.17	This was for the purchase of a time clock for the pool employees. Employees were previously paid on salary not hourly. They will now be paid hourly which helps differentiate between pay schedules.
45198	Lyon Co. Development Corp	\$1,000.00	This was taken from the Council membership budget. They had requested \$4,000 but the Council had budgeted \$1,000.
45203	MN Emergency Response	\$ 100.00	This was paid through Utility License and Taxes and is an annual fee. This is for Hazardous materials storage and release. This fund is used to prepare communities for emergencies that are the result of hazardous materials incidents/accidents. There was no incident.
45208	Share Corporation	\$ 106.46	Peterson asked what glass the street department would need a case of cleaner for. Robinson said that this supply would last the department a year. They need to clean windows on all their equipment such as tractors, graders, mowers, and trucks.

Motion by Chukuske, seconded by Snyder to approve the consent calendar. All voted in favor of the motion.

The Board of Equalization hearing will be held on Thursday, May 1, 2008 at 7 p.m. in the Council Chambers. The City will not be able to take action due to lack of trained personnel, but Koopman felt it would be beneficial for as many to attend as possible. She will inquire about when the next training session will be held.

Peterson asked if the Tracy Ambulance has submitted this financial statement as requested by the Council. Koopman stated this has not been submitted and is not aware that there audit has been

completed.

Stobb asked Robinson if there has been enough rain to be able to see if the Greenwood project has improved the drainage situation. Robinson said they have not had enough moisture yet. Chukuske asked why there is still water sitting in the ditch. Robinson said the contractor needs to come back and establish the turf on the slopes and then they need to re-grade. It will not be any benefit to grade before the turf is established because heavy rains will cause some erosion of the soil into the ditch. Robinson also stated that they have completed a 4th Street East punch list that will be completed by the contractors.

Motion by Chukuske, seconded by Stobb to adjourn at 6:50 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

May 12, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 12, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Peterson, and R. Stobb. Absent were M. Martin, B. Chukuske and C. Snyder. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Stobb to approve the minutes are presented. All voted in favor of the motion.

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

Mark Parenteau, owner of AquaPower, was present to introduce himself and the background of the AquaPower Company. He has an extensive background in engineering and technology. AquaPower is an industrial service company developed in 1981 with specialization in the hydro-cleaning of process equipment for mining industries, paper mills and public utilities in Northern Minnesota. Hydroblasting is the procedure where water is used under high pressure to remove debris from the inside of containers used in processing these types of materials. The company pursued an opportunity in the ethanol industry and three-fourths of the work they do is in this type of industry. In 2006 a senior manager was hired to utilize this opportunity in the marketplace and they stopped in Tracy. AquaPower opened their facility in Tracy in April 2007. The company now has 13 full time employees and one part time office person. It is difficult to obtain employees due to the dark and dirty conditions of the facilities they clean and there has been a need to transfer employees from their northern facility to accommodate the growth taking place in the Midwest. They have added health insurance and retirement benefits to their package and are running ads and trying to stretch our more and get the word out about the company. AquaPower is also pursuing opportunities in Nebraska and surrounding areas. Parenteau told the Council if there were any questions about AquaPower they may contact him at anytime. The Council thanked Mr. Parenteau for his time.

Koopman told the Council the Pool Committee conducted a survey of wages for pool employees in the surrounding communities and have set up a wage chart for hourly wages for the pool employees. Tracy is the only city in the area that paid the pool employees a flat salary. Peterson asked how this will compare to the way the employees have been paid in the past. Koopman felt it would take a couple seasons before they will be able to compare it with the way they are paid now. A time clock will be used to monitor the hours worked and pay differences for the different job descriptions. Motion by Stobb, seconded by Rettmer to approve the wage chart for the Aquatic Center. All voted in favor of the motion.

Motion by Stobb, seconded by Peterson to grant a plumbing license to L.A. Plumbing and Heating, LLC. All voted in favor of the motion.

Motion by Peterson, seconded by Stobb to grant a raffle license to the Water Fowl Association. All voted in favor of the motion.

Radke reported that the 2008 MMBA Annual conference will be held from Sunday, May 18 to Tuesday, May 20 at Arrowwood Resort in Alexandria, Minnesota. During the Women's Expo the liquor store sponsored a wine seminar along with Food Pride. There were two seminars, with 50 to 60 people at each seminar. There were many positive comments made regarding the seminar. Mayor Ferrazzano asked if it would be beneficial to do this on Box Car Days weekend. Radke indicated that it takes almost all the employees time to organize an event such as this. If he would do this again, he would do it by himself as a wine selling event for the liquor store.

Police Chief Hillger asked if there were any questions regarding the activity report. Officer Lichty feels that Officer Hanson will be able to go on his own. Hillger will be redoing the schedule to include Officer Hanson. Approximately 2 months ago, Hillger was contacted by Jim Julien, Mayor of Garvin, asking for assistance with their public nuisance problems and what Tracy would require

if interested in assisting them. Hillger asked for input from the Council and any legal input from Nielsen. They are requesting assistance to serve notice on violators, someone to issue citations and handle the enforcement part of it. Koopman said this would be on an as needed basis and a contract would be developed regarding hourly payment and mileage. Hillger stated this would be on duty time and not overtime and would be done as the Tracy schedule allows. He stated this is in the preliminary stages and the contract would include an option out clause in case this did not work out.

Snyder arrived at 6:55 p.m.

Stobb asked if this needs Tracy's police department involvement, would it simplify the procedure or make it more complex if the officers would do this on their own time with a contract. Hillger was concerned that if an officer were to get hurt in another jurisdiction, they would not be covered by their Workmen's Compensation. Motion by Peterson, seconded by Rettmer for Nielsen to investigate any legality with this type of arrangement. All voted in favor of the motion.

Gervais reported that AquaPower has been advertising for employees. The work ethic is not like it was 20 to 40 years ago and AquaPower has developed an attractive pay scale for someone off the street with no experience. If the employee possess a CDL driver license, starting pay is at \$14.00 per hour with a yearly raise of \$2.00. Gervais stated as of today, AquaPower has 17 full time employees. They are approaching their one year anniversary of their lease which states that if they maintain ten full time employees they would be not be required to pay for their lease. They have shown some interest in purchasing the property. For the CDBG, they are underway with all the home owner occupied and rental projects that were budgeted and one home has been completed. Gervais is waiting to hear from DEED as far as a requested waiver or request to use funds for demolition projects. There are \$27,000 available for demolition and depending on bids and if some of the county money can be used, they would have funds for demolition of 6 properties. Western Community has had two bids on the house on Union Street and when that is sold, there will be funds for WCA to duplicate the project. The reason for the delay in the selling of this property was due to HUD changing the financial guidelines which made it harder for individuals to meet those guidelines. They are now changing back to the original guidelines. There will be leveling off of dirt on the Front Street lots that will make it look more like a housing area and then the lots can be pinned. The work at O'Brien Court is almost completed and has improved the appearance of the facility.

Mayor Ferrazzano asked Robinson for an update regarding the situation at the Aquatic Center. Robinson said the there was a short section of pipe and a couple elbows that need to be replaced and it looks better than what was anticipated. There were some areas where it was hard to tell if the pipe was cracked or just line in the pipe so they will be doing a pressure test on those areas. They were able to get one temporary person to help with this project. They have ordered replacement pipe and elbows, test balls and saw blades.

Robinson reported the street department was salting intersections and moving snow in April, he looked at what is needed in regards to moving utilities to vacate 5th Street East, they installed a loading zone sign on south east quad of 3rd Street and Morgan, removed a painted crosswalk off the street by the old bakery, marked where curb, gutter and sidewalk should be replaced in conjunction with the Street Light project, met with Lyle Moseng concerning underground utilities and performed the survey of the Street Light Project area, inspected last year's 4th Street East street project and developed a punch list of items the contractor needs to come back and fix or repair. The Engineers were here for this process. Chief Hillger requested that two signs were ordered reading "Police Parking Only" to be placed in front of the Police office. In the parks/airport department, Campbell Tree Service has finished removing the trees in Swift Lake Park to meet the new Airport setbacks and the fencing company will be here within two weeks to move the fence. Robinson plans to move trees from the tree farm to the area east of the existing camp ground to make an over-flow camping area. Replacement trees will be ordered for the tree farm and some of the trees will be moved to new locations. Branches and sticks were picked up in the parks, graffiti was removed from the new play equipment in Sebastian Park and there is graffiti in Central Park which we will try to paint over or replace panels. The baseball/soft ball club wants to remove the dirt in-fields on the ball diamonds at Sebastian Park and replace with all Ag-lime. They would need about eight loads of ag-lime for this project and the City would normally put on one load of lime anyway, so they will

need to purchase seven loads. They have asked permission to use the roto-tiller to till the dirt for easier removal. Equipment has been repaired as needed mowing has started.

Well #7 was rehabed, and finished on May 7th and they have gained back their specific capacity. The motor did require a new bearing and seal that was done at Brandon Peterson's motor shop. Two water main breaks on South 4th Street were repaired. A new aerator electric motor was purchased for \$1,415 and installed by G&R Electric. The trench box for use while repairing underground utilities is almost complete and plans are being made to build a simple trailer for the box. When it is complete, Robinson will give the Council an update of the budget for this project. The Utility Department installed a temporary water service for the Hospital for a one day shutdown of the Hospital, met with Dominick Jones of Red Rock Rural Water System concerning Red Rock purchasing water from Tracy. The department ordered and received a water meter for the Kid's World and worked with D&G Excavating on water and sewer services for Kid's World and also raising of the sanitary manhole. There is a sewer main serving three homes at the intersection of 9th and Rowland which has been frequently plugging. A contractor was hired and the line televised. It was found that the line has failed and approximately 120 feet of the line will need to be replaced. To repair this, the department could rent a backhoe and install the line themselves or hire a contractor. This needs to be replaced this season and could be funded through the surcharge fund.

At the pool two pump motors were brought into a repair shop for bearing replacement and have been repaired and put back in place. Four of the department's staff were at the pool for three days getting the pool cleaned and ready to go. In the next couple weeks they will be filling, balancing water chemistry, installing funbrellas, etc. at the pool. Once the pools is ready to go, it will be turned over to the pool staff to maintain.

Robinson met with AquaPower on the parking lot repair and a cost estimate for this was given to Gervais. A cost estimate from D&G was given to Gervais. Kendall Cooreman has estimated it would cost \$1,000 to \$2,000 to level and build up to grade the two lots on the southeast corner of the Central Livestock property,. This information was relayed to the EDA board.

Two part time employees have started with the department in on May 1. Garrels surgery went well and Gary will be out for at least another month or so. There were two insurance claims, one accident where the loader rolled into a pickup and another where the loader damaged a snow plow while pulling it out of being stuck.

Koopman reported on update on the Legislature and issues regarding the budget balancing. In April Koopman prepared for and attended the following meetings: met with Hospital CEO and VP to discuss the Replacement Note with Sanford, Hospital annual safety meeting, Loss Control Workshop sponsored by the League, Downtown Revitalization Committee meeting, three (3) meetings regarding the VMC lease, two (2) City Council meetings, Hospital Advisory Board, two (2) day retreat for Sanford, nine (9) hours was spent conducting interviews for pool staff and used eight (8) hours sick leave.

Motion by Stobb, seconded by Snyder to approve the Gardener's Agreement between the City of Tracy and Kristin Tiegs and Lisa Schaar with a total payment of \$3,100 to be paid in four equal installments of \$775 each on June 1, July 1, August 1 and September 1. This will be paid during the term of the agreement from April 15, 2008 to approximately October 15, 2008. All voted in favor of the motion.

Tennes Eeg called and requested that the Ordinance No. 304, an ordinance vacating 5th Street East be placed on hold. There are some questions that they want addressed and Nielsen also has some questions regarding this request.

Pictures of light pole choices with estimated costs were reviewed. Choices include the Wadsworth, North Yorkshire or Fort Washington series for the base with either a smooth shaft or a fluted shaft for the pole. Koopman explained they would only be bidding for the fixtures and the final plans for sidewalk, curb and gutter replacement will be considered at a later. Motion by Stobb, seconded by Snyder to adopt a resolution approving plans and specifications and ordering the advertisement for bids for the fluted Wadsworth street light poles and also for the previously selected Granville

globes. This is for improvement of Morgan and South Street between 2nd and 4th and on 3rd and 4th Street between South and Rowland Streets. Upon roll call the following vote was recorded with Mayor Ferrazzano, Snyder and Stobb voting aye and Rettmer and Peterson voting nay. Motion carries. (Res. No. 2008-11)

Koopman told the Council that the City of Tracy has received a donation in the amount of \$10,000 from Lou Velta to convert the St. Marks property into a memorial garden with the construction of a gazebo and other amenities with the garden to be named after her husband, Robert H. Velta. Rettmer asked if there were any plans developed for this garden. Koopman said that the Planning Commission has discussed the development of this property with the intent of it being a memorial garden. With the generous donation they would be able to construct the gazebo, put in a water feature and do landscaping. Also they would be selling pavers for the walkway with 8x16 inch bricks that could be purchased for \$100 each. Rettmer asked if the family was being allowed to take over the project. Stobb said that the Planning Commission has been discussing this for quite sometime, but was unable to go ahead with plans due to financial reasons. Koopman explained that with this donation, it makes it possible to move forward. Jo Meidl and Marilyn Roeder have been excited about this project and have contacted others that would be interested in purchasing bricks in memory of their families. The gazebo will be built by the Building Trades class at the High School. Motion by Stobb, seconded by Snyder to adopt a resolution accepting gift and expressing appreciation by naming the museum property after Robert H. Velta. All voted in favor of the motion.

The Consent Calendar included: Municipal Accounts Payable, Planning Commission minutes for May 5, 2008, Cemetery Commission minutes for March 27, 2008, Firemen's Relief Association minutes for April 7, 2008 and Monthly Financial Report.

Koopman provided explanations to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable to</u>	<u>Amount</u>	<u>Explanation</u>
045260	Banyon Data Systems	\$ 197.54	This is an annual fee for updates on the wireless meter reading.
045270	Dakota Supply Group	\$ 656.09	This is for a single wireless read water meter for Tracy Kid's World.
045274	DeSmets Weldors	\$4286.42	Robinson explained that they have not had a water main break and want to try it out before he presents the full budget and they are about \$400 to \$500 over budget at this time. Peterson said he has gone back through March and April and have come with a total of about \$6,600.
045290	MTI Distributing Co.	\$ 941.76	This was repair of the airport mower.
045306	Tracy Publishing Co.	\$ 295.00	This was for the picture in the paper for working women's week and this was taken from the Administration Printing and Publishing budget.

Mayor Ferrazzano asked if they have a comparison report of how much the City is making or losing with the installation of the new meters. Robinson said he and Spencer will need to get together and work out a report. He said all the commercial meters have been replaced and they have completed 250 meters of the 900 total residential meters.

Motion by Stobb, seconded by Rettmer to approve the consent calendar. All voted in favor of the

motion.

Peterson responded to an e-mail received by all Council members regarding the sale of gravel to a Council member. Peterson apologized for his mistake and when he went back and reviewed the minutes from the Council meeting on August 27, 2008 found that it was approved that there would be no sales of gravel and black dirt or renting of City equipment. He thought there would be no sales if delivery from the City was required. He did not take a pick-up load full, but only enough required to fill a hole in his driveway. Peterson felt this should have been explained to him when he presented it in the City office to pay for it and should have not gone any further than that. He stated that he had more to say but felt it would not do any good to go any further with this.

Stobb said he has been approached by residents if there was going to be a clean-up day in Tracy. Koopman said they have not done this for many years. Stobb asked if it was in the garbage contract that they would pick up one item per household per year. Koopman will report back on this at the next meeting.

Peterson requested there be an update on the pool repairs before the next Council meeting.

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

ATTEST:

City Administrator

Mayor

May 27, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, May 27, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Rettmer to approve the minutes as presented. All voted in favor of the motion.

Additions to the agenda included: Reports: 5-B Pool Update and 5-C Labor Management Committee Recommendations. Motion by Chukuske, seconded by Martin to approve the agenda as revised. All voted in favor of the motion.

Motion by Snyder, seconded by Peterson to approve Off Sale 3.2 Malt Beverage licenses to Tracy Eagles Club, Betty's Kitchen and Casey's General Store contingent on payment of fees and submission of completed application. All voted in favor of the motion.

Motion by Peterson, seconded by Snyder to approve On Sale 3.2 Malt Beverage licenses to Tracy Eagles Club and Tracy Lanes contingent on payment of fees and submission of completed application. All voted in favor of the motion.

The following bids were received, opened and tabulated for the purchase of a 2008 Rescue Pumper Fire Truck:

E-One	\$378,393
Crimson	\$375,000

Fire Chief Johnson explained that the new truck would replace two trucks. The new Crimson truck would carry personnel, air pacs and water. Equipment used in fire fighting would be stored on one side of the truck and the other side would hold auto extrication equipment and basic EMS equipment. The E-One truck did not have all the specifications the fire department had requested. Johnson said that Crimson built the last fire truck they purchased and have had minimal troubles with it. The truck is built in Brandon, South Dakota from the chassis up according to bid specifications. Each company enclosed a financial schedule. They would purchase the Crimson truck at 3.9% lease to own rate and make annual payments over a seven year period. After the last payment the City would own the truck. To help make the payments they would be selling the two trucks the new one would replace. At this time there are four interested parties for the one truck and two interested parties for the other truck. There are grants available for the purchase of the new truck. One has been applied for and the USDA loan cannot be applied for until the City purchases the new truck. Signing up for the seven year schedule would allow the fire department to make smaller payments and if things come together financially it could be paid off sooner. Motion by Stobb, seconded by Snyder to approve the purchase of the 2008 Crimson Rescue Pumper Fire Truck at a cost of \$375,000 on a seven year payment schedule. All voted in favor of the motion.

Johnson reported that the department has been in the burning CRP grass in the area and the compensation helps pay for motor fuels and the department members receive training. This coming Saturday they will be dropping a house north of Tracy on County Road 11. They will be doing a Level 1 and Level 2 burn before the house is dropped completely. Before the burn can be done, the home needs to be inspected for asbestos and any asbestos removed, fluorescent lighting and any other hazardous materials need to be removed. This requires a pre-inspection and post-inspection. There is an eleven day window for the permits and if wind does not permit them to drop the house on Saturday, it will have to be done in the eleven day window. If it cannot be done in this time, they would have to reapply for a permit.

Johnson has received many calls concerning the use of fire pits. Johnson recommends that an ordinance be adopted to cover the basic items for compliance and reasonable steps that will be taken for repeat offenders. Chukuske recommended that Johnson put together a draft of what would be required and present it at the next meeting. The Council agreed to this request.

Johnson stated the building account for materials for boarding up homes after fires and the office supply fund are being depleted. Approximately three-fourths of the training budget has been used and the department has two new members that need training at a cost of \$700 per member. If both members were trained they would exceed the budget by about \$1,000 and if one is trained they would exceed the budget by \$300. Untrained members can go to a fire but can participate very little until trained due to liability issues. Stobb felt the cost of this training would be a good use for Other Financial Use budget. It was the consensus of the Council to train both members.

Robinson reported to the Council that the early part of May the staff worked to get the pool ready for the season and broken pipes were discovered and repaired. After filling the pool there was a water loss. They investigated and discovered the loss was occurring in the gutter system. At the joints where the materials were joined together, there are areas where the liner has holes. Brian Pashina was called and he recommended that the Staff not repair these holes and jeopardize the warranty. The Myrtha Company was contacted and they will be sending someone out tomorrow to assess the issue and determine what materials will be needed for repair. Later in the week a crew will come to make repairs. At this time it is believed that it will take approximately 2 days to repair. Robinson said a water loss was noticed last fall and he contacted the contractors and was told that on hot and windy days the water could be blowing off from the amenities and the amenities should be shut down on windy days. When they started the pool this spring, the auto fill was not keeping up. Peterson asked why this issue was not reported to the Council last fall. Robinson stated that he had contacted Aqualogic and relied on their answer to the water loss problem. Stobb asked where Peterson had obtained the water loss numbers. Peterson stated that he had requested them from office staff this morning. Chukuske felt it would be interesting to review an update on water usages and be able to know what is normal and abnormal. He feels the big issue is not the water that is being lost, but the amount of chemicals that are being lost with the water. Robinson said he could provide any records that are available regarding fills and drains of the pool. Stobb asked if lifeguard training had started. Koopman said this has been scheduled in Marshall.

Peterson said that he had been contacted by Koopman and Robinson last week with some concerns regarding issues with employees. The Labor Management Committee was developed to handle issues at a lower level. The Committee met this morning with a union representative present. Updates to the employee handbook were discussed. The Committee is recommending approval by the Council of the following issues.

For elimination of liability issues, City vehicles will be used for all city work unless the employee is requested to use their own vehicle by the department supervisor or department head.

All employees are requested to refrain from making or receiving personal calls on the city phones with exceptions of true emergencies. Also, employees will not be allowed to operate hand free cell devices or texting devices while on duty. With exceptions of true emergencies, all calls should be deferred till employee breaks.

For Compensation time issues and for purposes of accurate recording of hours worked, a time clock will be in use for all employees, including management.

Rettmer asked why there were not time clocks in use. Koopman said they have never had time clocks and the employees have time sheets that are filled out on the honesty type system. She feels that if there are issues with the recording of hours worked, time clocks may be the answer. The Council needs to keep in mind there are criteria in the Fair Labor Standards Act that clearly define if an employee is an exempt employee, which means they do not receive overtime for hours worked in excess of 40 hours. Martin feels that they need to be clear on the laws before making a decision to purchase time clocks for all employees. Mayor Ferrazzano does not want to create an environment where the employees are not trusted. Peterson said the time clocks are not a tool for discipline and feel that management needs to set an example for the rest of the employees. Dennis Schroeder voiced the opinion that there is a trust issue regarding recording of hours worked or not worked. Rettmer agreed that they do not want to violate any laws regarding the time clocks and need to get recommendations from Koopman and look into price of time the time clocks. Chukuske stated that the Labor Management Committee was developed due to trust issues between

management and employees. He has no problem with the use of a time clock and should not be used as a reprimand. He feels that they have operated years without one but it is now time to get these things in line with good business practices and remedy a trust issue both ways. Peterson states that performance evaluations should be done annually and this does not seem to be the practice. Koopman agreed that performance evaluations are important and apologizes for not pushing that harder to get done. Peterson feels this is a tool that defines what is expected of an employee. Koopman said she will set up a timeline to get this completed. These are usually done in May of each year. Rettmer asked if it would be easier to do according to hire dates. Koopman said that she does not do the complete staff as each department head does their staff. Chukuske said that the Council needs to lead by example and would like to set up a time for the evaluation of Koopman. He stated there was also some question as to the content and questions asked in the evaluation. Koopman said that prior to next meeting she will get the evaluation forms to the Council and then set up a date for the review. Stobb felt that Nielsen should provide an opinion on the Fair Labor Standards Act and its criteria.

The Consent Calendar included the Municipal Accounts Payable. Koopman provided explanations to questions raised by Peterson on the Account Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
045367	SKD Holdings, LLC	\$15,000.00	The SKD stands for Shane and Kristie Daniels for an EDA temporary loan.
045373	Badger Meter, Inc.	\$ 3,270.00	When the City purchased the remote Read meters a software program was needed to allow the Badger software to communicate with the Banyon software. This is for annual support.
045398	SEH	\$ 61.22	This is for phone calls made to contractors requesting them to perform punch list items.
045384	Lori Gilb	\$ 92.92	This was for mileage to pick up a part for the pool repairs. She was working that day because she had a sick child at home but was willing to go to Sioux Falls if allowed to take her child with. Due to liability issues she was requested to take her own vehicle.

Robinson reported on the radio read water meters. Due to the fact that the 180 new radio read water meters out of 950 total did not go into homes until February of this year 2008, the DNR report will not reflect the water loss. The DNR report is from January 1, 2007 to December 31, 2007. Robinson will receive a report from Spencer on just the large meters so a comparison could be done. There are some residential meters installed with the large meters but not enough to make a comparison. Peterson said with the cost of the meters and cost of updates for the Badger software, there does not appear to be an increase in revenue by putting in these meters. Robinson feels they need to wait a year and give the 180 meters installed in February a chance to run and then make the comparison.

Motion by Stobb, seconded by Chukuske to approve the consent calendar. All voted in favor of the motion.

Peterson requested approval to attend the League of Minnesota Cities Conference in Rochester. He has reviewed the information for the conference and feels there are issues that will be presented that he could be interested in attending. Rettmer feels that the conference is a valuable education for

anyone on the Council. Motion by Rettmer, seconded by Chukuske to approve the request for Peterson to attend the LMC conference. Koopman will provide him with the necessary materials.

In a memo from Koopman, she indicated that at the last Council meeting questions were raised regarding the responsibility of the garbage hauler to remove appliances and whether there was a provision in the contract requiring the hauler to remove one (1) appliance per year at no charge. After review of the contract, she was not able to find any provision that requires the hauler to remove appliances at no charge to the consumer. The contract states that charges for large appliances shall be at the rate of \$30.00 each or less.

Motion by Rettmer, seconded by Chukuske to adjourn the meeting at 7:30 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

June 9, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 9, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

The Mayor asked for any additions or corrections to the minutes. Peterson said that he did not request approval to attend the League of Minnesota Cities Conference in Rochester. The minutes from the meeting on May 27, 2008 were amended to state that Peterson requested that someone from the Council should attend and if no one would be able to go, he would be available to attend. Motion by Peterson, seconded by Chukuske to approve the minutes as corrected. All voted in favor of the motion.

Chukuske would like to add to the agenda 6-C, a Greenwood Storm Sewer project update. Peterson requested that item 12, Closed Session to Consider Allegations on an Individual Subject to the Council's Authority be an open session. Motion by Rettmer, seconded by Martin to keep this a closed session. Nielsen stated that if the person involved wants it to be open, it can be open. Chukuske stated there are other individuals involved. Nielsen is not aware of any provision in the law that would require it to be closed if one of the parties involved wants it to be open. After some discussion it was the consensus that the discussion would be limited to only the actions taken by the individual involved. Rettmer rescinded the previous motion. Mayor Ferrazzano added this item as 11-B.

Scott Lavoie from SEH stated that on Monday, June 9, 2008, two (2) bids were received for the Downtown Street Lighting Materials. This included 43 poles, 43 luminaries and 43 flag holders.

The bid results were summarized as follows:

<u>Contractor</u>	<u>Total Base Bid</u>	<u>Total Add Alt. #1</u>	<u>Total Base Bid + Add Alt. #1</u>
1. JT Services of MN, Inc.	\$ 99,123.28	\$ 5,346.57	\$ 104,469.85
2. Echo Electric Supply	\$ 102,901.37	\$ 5,541.20	\$ 108,425.57

Koopman said that action the Council needs to take now is to accept or reject the bid for the poles and luminaries and the addition of the flag holders. She said the flag holders are important as the City does display flags on major holidays. She said the acceptance of the alternate bid would be very close to the estimate. Chukuske asked Lavoie if SEH has had any experience with the quality of work that JT Services has done. Lavoie said their electrical engineer has worked with them in the past and feels that they have the experience and ability to provide the materials requested but does not make any representation or warranty as to the actual financial viability of the supplier or its ability to complete the work. SEH does recommend the project be awarded to JT Services, Inc. of Mankato, Minnesota. Motion by Chukuske, seconded by Snyder to adopt a resolution accepting the bid of JT Services, Inc. in the amount of \$99,123.28 with an Add Alternate #1 bid amount of \$5,346.57 for the flag holders for a total of \$104,469.85. Upon roll call the following vote was recorded with Martin, Mayor Ferrazzano, Chukuske, Snyder and Stobb voting aye and Rettmer and Peterson voting nay. Motion carried. (Res. No. 2008-12)

Lavoie reported that they met with the contractor two weeks ago concerning the ditch holding water and other punch list items that need to be fixed for the Greenwood Storm Sewer project. The contractor is requesting more money for work that was done, including removal of tile in the southwest area of 4th Street on property of the Tracy High School. This work was not included in the scope of the project and did this without telling SEH that he would expect payment for this work. This area needs to be graded properly to prevent silt from eroding to the ditch. They did not get this area seeded and mulched which has allowed for erosion. Lavoie said that he and Robinson are working with the contractor to get him back here to finish the project. If they can not get them to come back, they will terminate the contract and bring another contractor in to finish this work.

SEH is recommending to the Tracy, MN. City Council that plans and specifications for the Downtown Lighting and Sidewalk Improvement project be approved for authorization of advertisement for bids. Peterson is questioning, since this project was put back on the agenda as a safety issue, why they are waiting to start construction until after Labor Day this year. Koopman said it was a time schedule issue as they did not want to run the risk of being without light and sidewalks under construction during Box Car Days. Chukuske also felt it would not be advisable to have street lights out and sidewalks under construction during that weekend. Lavoie said it could be 10 to 14 weeks before the poles and lights arrive and they did not want to risk not having any lights, which would be worse. The base bid will consist of removing 43 existing street lights and installing 43 new City provided street lighting units. Other items associated with this project include the replacement of concrete curb and gutter, concrete sidewalk, bituminous patching, and landscape restoration throughout the project area. The concrete sidewalk and curb and gutter replacement identified along South Street, 3rd Street, and 4th Street will be included in the project as Add Alternates. The Add Alternates can be added to the project base bid after the bid opening and prior to the Council Award of the Project pending the results of the bids received. Motion by Chukuske, seconded by Stobb to adopt a resolution approving plans and specifications and authorizing the advertisement for bids for the Street Light Project. Rettmer told the Council she would be voting no on this resolution for the following reasons:

The Council failed to consider the street lighting committee's three proposals that were brought before them.

The petition that was presented was not a petition that could be used for certification of being more than 35% of abutting property owners that would be benefiting from this improvement.

A 4/5ths majority vote is required where less than 35% of the owners in frontage of the real property abutting the streets are named in this petition for the location of the improvements.

It does not appear that the Council passed a resolution by a 4/5ths margin prior to issuing the bond, however, it is clear that they were aware they needed to do so as of June 27, 2007.

There was no evidence that a 4/5ths vote was achieved until the February 2, 2008 vote, which appears to have been after the bonds were issued.

Upon roll call the following vote was recorded with Martin, Mayor Ferrazzano, Chukuske, Snyder and Stobb voting aye and Rettmer and Peterson voting nay. Motion carried. (Res. No. 2008-13)

Robinson said that recently Mr. Ritter from Southwest Sanitation spoke with him about some garbage pickup issues. Residents who have alley pickup pay \$2.00 extra. Ritter states that more and more cans are coming out to the alley and his concern is if the City is collecting the \$2.00. Ritter has some problems with cars parking in alleys and has difficulty with the pickup. Also, overgrown trees and bushes are hitting his trucks causing damage. Robinson said that he has part time workers trimming these branches in the alleys. Robinson is questioning if there is any other action the Council would like to pursue regarding this issue. Chukuske felt that if there are cars in the way, Ritter should not have to pick up the garbage. Koopman said the Council had decided to charge the extra \$2.00 to help cover the cost of maintenance of the alleys. She states there is a sticker applied to the container that indicates if alley service is being paid. Mayor said they could count the number of alley pick ups on a particular day and compare it to see how many of those actually pay for alley service. Nielsen questioned if a residence has the water disconnected, are they still getting garbage pick up. David Spencer stated that if the water is turned off, Ritter is notified.

Robinson gave his monthly report. They have been sweeping streets as time allows. Dunnick Brothers were back to perform some of the punch list items on the 4th Street East project. A loading zone sign was placed on the southeast quad of 3rd Street and Morgan Street. Time was also spent working on the street light project. Vandals did damage to the bathrooms at Swift Lake Park and police were notified. Equipment was repaired as needed. A water leak at 549 Morgan was repaired.

The majority of the department's time this past month was spent at the pool. Robinson said the tree dump was burned. Shane Daniels has passed his Limited Building Inspectors License. A monument that was knocked over at the cemetery was reset and rock was spread on the cemetery roads. Gary Garrels is now back to work half days following his back surgery.

Police Chief Hillger presented a partial report as he has been on vacation. If any of the Council members would like a copy of the full report, he could provide that to them. Forty-eight (48) public nuisance letters were delivered. If there are any questions regarding the nuisance violations, they may review the file. Stobb asked if the officers are trying to control fuel costs with the rise in the price of fuel. Hillger reported that his officers are restricting miles and have been averaging 55 miles compared to his daily average of 80 miles.

Gervais attended an EDA Summit in Mankato. Tim Waltz was present and Gervais said he gained some good information from the meetings. Early Childhood Education is on the fore front and they would like to see the Tracy Kid's World concept duplicated. They feel the better educated the work force become, the better we will be. St. James has contacted Tracy and representatives will be coming tomorrow to view Tracy Kid's World and also agencies from South Dakota have made contact regarding Tracy Kid's World. Health care issues and labor force issues were discussed. There are not enough employees to replace retiring baby boomers. The State is looking at ways for individuals to collect retirement and also work. Gervais reported that the EDA has been working on a potential business opportunity. A professional office is looking to move to Tracy to be more centralized in the area. They are in the discussion phase and Gervais is hoping to attract this business to Tracy. With the aging workforce, there is a shortage of skilled workers in manufacturing and metal fabrication. There are also fewer students graduating from these types of programs. There will be a welding training meeting in Redwood Falls and grant money may become available for skilled welders.

Fire Chief Johnson told the Council that he has met with the fire truck company and things are moving forward with the purchase of the new fire truck. Two (2) firemen have been enrolled in the firefighter class. He said the weather cooperated and the department was able to drop the house north of Tracy on County Road 11. It was very good training for the department. Johnson has received calls regarding the burning of stumps. He has advised the residents that this is not allowed. There are special permits that allow for some cultural issues with burning incense for funerals. They have special containers and these customs are allowed as well as the bon fire at the high school for activities. The fire department is present and does the lighting of the fire and control of the fire. The proposed Open Burning Ordinance allows for open burning as long as it is compliant with the following:

- Fire pit shall be 25 feet from all structures
- Fire pit shall not exceed 4' x 4'
- Fire pit shall have no larger than 1 inch mesh containment on sides and top
- Must have extinguisher or hose within 15 feet
- Must have an attendant, at least 16 years of age, present at all times
- Only natural wood products may be burned.

Burn pit must be extinguished if;

- It becomes a nuisance to anyone
- If ordered by Fire or Police personnel

Punishment for non-compliance:

- Asked to extinguish fire and given a copy of the ordinance
- Administrative fine of \$50 and asked to extinguish fire
- Administrative fine of \$100 and Fire Department will extinguish fire for that year's fee

At no point is garbage or leaves allowed to be burned.

Special permits can be requested at City Hall and will be reviewed by the Fire Department.

Johnson said that he has averaged at least one call a day regarding this issue since the snow melted. Once this ordinance is finalized, it will be published in the paper. Motion by Snyder to wave the

first reading and set the second reading at a public hearing to be held at the next regular meeting at 6:45 p.m. All voted in favor of the motion.

Koopman said a request was made at the last meeting to prepare a report on the amount of water used at the pool to determine what is normal or abnormal. She said this is a difficult question to answer because we have not had back to back years where there has been a full year of water usage without evidence of leakage. She feels there needs to be two consecutive years of operation with no evidence of leakage to have an accurate comparison. Robinson said that he was advised by the pool company that there is a possibility of evaporation of 2,500 to 3,000 gallons a day and with wind and heat and an additional 2,500 to 3,000 gallons can be lost by evaporation. The flows are read daily and placed on file. Chukuske advised that if there is an issue it should be addressed immediately instead of waiting. Koopman said that a letter was sent to the City of Garvin’s attorney regarding a cooperative police project and is waiting for a response. Rettmer asked the status of the construction of the gazebo at the St. Mark’s property. Koopman said they are seeking quotes from local contractors for the construction of the gazebo. Given the time frame it was too late for the Building Trades Class at the school to complete the project and the Planning Commission would like to get the project completed before the upcoming Box Car Days. They are also planning to install a water feature if finances allow. Stobb said that the Commission also asked for a quote to have the gazebo constructed of a composite material along with a quote for treated wood. The composite materials would require no maintenance.

Koopman reported the Month of May included a lot of her time being spent on pool related issues including determining final salaries, selecting employees, being briefed on the condition of the pool and repair progress. She also attended the following meetings:

- Met with the Garvin Mayor to discuss a cooperative police project
- Planning Commission meeting
- Met with the engineers and later the same day with representatives from Rural Water
- Met with Tennes Eeg to discuss the vacation of 5th Street East and proposed project
- Community Ed Advisory Committee meeting
- Cemetery Commission meeting
- Hospital Advisory Board meeting and two City Council meetings

Peterson stated that he had talked to someone from federal and they indicated that the use of a time clock would be an acceptable method of record keeping for hours worked. Rettmer stated that it is not true that if a time clock was used that everyone would have to be paid hourly. Koopman said that she could not find any information in writing that recording hours worked for exempt employees would cause them to lose the exempt status. Chukuske recommended that review of the material on the Fair Labor Act and speaking with most of the department heads, they wait until after they do the evaluation for Koopman. He feels that more things will come to light and it will give them more time to look into the issues. The Council agreed to this recommendation.

Mayor Ferrazzano states that he received a letter from the Southwest Minnesota Arts and Humanities Council asking for a contribution from the City of Tracy in the amount of \$150 to help them leverage additional funding to make arts opportunities available in this region. Motion by Stobb, seconded by Snyder to approve a contribution of \$150 to the Southwest Minnesota Arts and Humanities Council. All voted in favor of the motion.

The Consent Calendar included the Municipal Accounts Payable, Hospital Board Minutes for April 16, 2008 and Economic Development Authority minutes for May 16 and 27, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
45409	Minnwest Bank South	\$70.00	Koopman said this was for bank bags for the swimming pool. Peterson asked where the amount stands for pool insurance claims at

			this time. Koopman said that once all the information is compiled she will let the Council know the total.
45457	DeSmet Welders/Machine	\$ 342.05	Robinson said this was for wheels underneath the trench box. Peterson asked where they are at regarding the budget for this project. Robinson said he would have to check with Madonna. Robinson had spoke with the safety consultant who had looked into this in length and did not feel that this would not have to meet OSHA safety standards.
45479	Lavoy's Repair	\$ 238.70	Robinson explained this was for one tire for the street sweeper.
45514	Thein Well Co.	\$21,481.18	Peterson asked where this was in regards to the budget. Robinson said the budgeted amount was \$17,000, but they had to spend more time and materials than was anticipated. The over-budgeted amount would be taken from the Utilities Fund.

Motion by Stobb, seconded by Chukuske to approve the consent calendar. All voted in favor of the motion.

The Council will conduct a closed session to perform the City Administrator's Evaluation after the regular meeting.

Discussion was held to consider allegations on an individual subject to the Council's authority. Mayor Ferrazzano stated that included in the council packets was a copy of an e-mail that Peterson had sent to a company along with their response. Mayor Ferrazzano stated that he also receive a copy of this e-mail, so it was not just sent to Gervais.

Mayor Ferrazzano: I wanted this on the agenda so everybody could see what was in here and without discussing, I guess, the merits of what this e-mail indicates to this company. What we should talk about is whether or not individual Council members can contact businesses with certain questions and allegations without first getting the approval from the rest of us. I think that is what the issue needs to be, not specifically what you are alleging, but whether or not you have the authority to do that. So that is why I wanted everyone else to see what was in there.

Peterson: What you're telling me then, is because I am a Council member I no longer can ask questions or use any type of verbiage to get a response that does not meet the Council's approval.

Mayor Ferrazzano: I do not have the authority at all to tell you what to do. What I am saying is I want a discussion about it because when we do contact people or individuals, as you're doing with this particular e-mail, it seems to me you are sending this e-mail on behalf of the City Council and I don't like other people speaking for me.

Peterson: That was not my intention.

Chukuske: That is the way it came across.

Peterson: I have shown that e-mail to other people and nobody else could see it that way, but that

is fine.

Chukuske: But when you begin it by referring to the Council meeting, what was said there etc., etc.

Peterson: So when you open something with a comment to tell them how much you appreciate their information.

Stobb: Nice turn Tony, but I don't buy that. You implied Council context with your first few lines. Although I have to admit Tony, that it is confusing because you are implying Council content and you are writing from your employer's e-mail and you have your home telephone number, so I am not really sure where you were coming from.

Peterson: I did it from there because that's where I was at the time. I made several phone calls and did not receive one back, so I tried it this way and I still to this day have not received a response, yet on the 19th and 23rd other people received responses and I still have not been contacted.

Chukuske: What business it of yours or anybody's. What obligation do we have. The Council has no authority or say of what they do in their business.

Peterson: That's fine. Again, I am going to say I did not approach that as a member of the Council, I approached that as a citizen.

Rettmer: They took it that you were doing that because....

Peterson: They could have picked up the phone and called. That is my point.

Rettmer: They have other things to do, Tony. Why you of all, why should they call you and say, hey look....

Chukuske: Why did you single them out? Are you going to call all the businesses and ask them about their company.

Peterson: No, I am going to single out the ones I have facts on.

Chukuske: What business is it of yours?

Rettmer: That is none of your business.

Chukuske: What business is it of yours? I don't understand, Tony. Help me understand this, why is this any of your concern or the Council's concern.

Peterson: It is not the Council's concern.

Chukuske: You have included us in on this, Tony. You have clearly, you are a City Council member and you represent the City Council. In my opinion, when you send out an e-mail like this, I was very disappointed and disturbed over this because you have clearly said that after the City Council meeting and the information was presented and now you are questioning their business practices which is managed by other government officials, not us and then to say "shady". I just have a real issue with that and something has to be done.

Rettmer: I think Tony needs to apologize and explain that he did not do this on the Council's behalf.

Peterson: That is why I wanted this public and I wanted everybody to understand that I did not do this on the Council's behalf, nor was it my intent. But I will also go and I will apologize if it was construed that way, because it was not intended that way. It was a matter of frustration because my phone call was not returned and I had an issue with that, so I punched a button that I knew was there. When you push buttons, things happen, this one swung the wrong way. That is fine, I can deal with that.

Rettmer: You involved all of us.

Peterson: I apologize to you people, but I stand behind what I wrote.

Martin: When you say you punched a button, what are you saying?

Peterson: I used a sentence to invoke a response.

Martin: So when you mention the City Council, did you mean to imply that you were representing the City Council.

Peterson: No, I did not mean to imply that.

Martin: Whenever I talk to folks on my own, I make sure that I let them know that I am speaking as a private citizen and I think any e-mail in the future or any conversation, before you talk to people, I think you need to lay that out.

Mayor Ferrazzano: Because it is clear, to me anyway, from the letter from this business they think you are acting on our behalf. Because it says that Mr. Peterson, who is a member of the City Council. They don't say Mr. Peterson who is a private citizen asking questions.

Peterson: My question is, did anyone receive a phone call from them before they sent that letter.

Chukuske: Why would we?

Peterson: No, I am saying anybody. You got a letter. Bob, did they call you about it?

Gervais: They did not call me. In a conversation I had with them, it was brought up.

Martin: I think they got their buttons pressed.

Rettmer: Regarding these issues, that's none of your business.

Peterson: Well,

Rettmer: It isn't any of your business, Tony.

Peterson: Sandi, you don't know the whole story behind this.

Rettmer: I don't care what the story is. The questions you asked in that e-mail are none of your business.

Peterson: That is your opinion and I respect that. You know that I am not going to shoot from the hip.

Rettmer: It is like Bill said, those things that you mentioned are governed by other agencies.

Mayor Ferrazzano: One thing I get concerned about, is what type of environment is this going to create for other businesses that may want to come to Tracy. Are they going to be fearful of being accused of things, because it is difficult as it is enough to attract businesses here and keep businesses here. But I am sure the business community is small enough that word about this could get around and then why would one business say; well gee, why would I go to Tracy because I don't want to be accused of something.

Peterson: That is a stretch.

Mayor Ferrazzano: What do you mean it is a stretch. It is the truth.

Peterson: That is a good argument.

Mayor Ferrazzano: Thank you for saying that is a good argument. Because that is something you need to consider before you shoot off e-mails whether or not you have the information or not.

Rettmer: And if you do have information regarding those instances, then you need to report them to the governing bodies that controls that.

Peterson: I will.

Chukuske: So you are saying you have no issue with what you did.

Peterson: That you find offensive and I apologize for that.

Chukuske: I would think other local businesses would be; I know other local businesses are doing business with this company and I want them to continue doing that. The bottom line is I think a letter needs to come out to these people and I think the Council should approve that. I would like you write that and the Council should approve that and I think the Mayor should write a letter to this company. I welcome them here in town and everybody that I have talked to, are very happy to have them here. I see a lot of vehicles around and I see a lot of activity.

Koopman said that she could not find any information in writing that recording hours worked for exempt employees would cause them to lose the exempt status.

I certainly do not want them to think that the City of Tracy, in anyway, is thinking they are “shady”. I don’t think the City of Tracy wants to come forward that way, I would make a motion that we ask Tony to write a letter of apology and we approve that letter before it is sent and that the Mayor also write a letter confirming the apology. Seconded by Martin.

Mayor Ferrazzano: Motion was seconded and is there any other discussion?

Peterson: I am confused as to where this stands.

Chukuske: I expect you to apologize in writing.

Rettmer: I would like to see something too. You need to apologize and state that this was not a Council action.

Peterson: I will apologize for that if that is what you want me to do. My intent, was for it never to be a Council matter.

Rettmer: As far as the other things in that, I still don’t think it is any of your business. What do the rest of you think?

Chukuske: It is none of our business at all – period. I am concerned that this type of behavior is going to continue with other businesses that try to come to town. Because it sounds to me like, Tony, you think you can do this while you are on the City Council and if that is the case I would ask for your resignation and as a private citizen send out all the e-mails you want. If you are on the City Council, I don’t think this is proper.

Peterson: Who is going to approve this letter?

Rettmer: We are.

Peterson: I can have it done tomorrow.

Mayor Ferrazzano: We can do it at our next meeting.

Rettmer: Don’t you think that is kind of a long timeframe, a couple weeks?

Mayor Ferrazzano: We could have a special meeting tomorrow.

Rettmer: Don't you think this is a little long to respond to something like this.

Mayor Ferrazzano: I think we can wait and we can have Audrey contact this company and let them know what is coming. Say that we discussed this at the meeting and we apologize. Motion made and seconded and all those in favor signify by saying aye. Opposed. Motion carries.

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

ATTEST:

City Administrator

Mayor

June 30, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 30, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, S. Rettmer, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Absent was M. Martin. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Rettmer asked for a correction to the minutes on Page 189 to read: "There was no evidence that a 4/5ths vote was achieved until the February ~~2~~, 25, 2008 vote, which appears to have been after the bonds were issued." Motion by Peterson, seconded by Snyder to approve the minutes as corrected. All voted in favor of the motion.

Mayor Ferrazzano would like to add to the agenda 7-A, 200 Morgan Street. Motion by Rettmer, seconded by Stobb to approve the agenda as revised. All voted in favor of the motion.

Stacy Barstad, CFO for Sanford Tracy Medical Center, was present to request funds from the Improvement Account to update medical records heating, cooling and ventilation system at a cost of \$10,721. The present unit is forty (40) years old and not properly functioning. Stobb asked if this was installation of heating and cooling. Gordon Kopperud, Director of Operations over the maintenance and ancillary services, said this is a split system, as the room is designed; there is no room for duct work. The system is a small roof-top unit that refrigerant is piped into the building and there is a wall unit. The ceiling in the medical records rooms is too low to allow for duct work between the records and the sprinkler system. This cost is the unit and installation. Peterson asked how the medical records area is going to be affected by the remodeling that is scheduled for the facility. Kopperud states that the records area was actually moved do to the CT scan project and this will not be moved in the future. Kopperud stated the room is approximately 25 x 50 feet and the ceiling is an eight (8) foot. This will include two (2) units in the main room and one (1) smaller unit in the backroom and should be viable for many years. Peterson asked the amount in the Improvement Fund at this time. Koopman stated there is \$588,109. Peterson asked if this amount is sufficient to cover the future remodeling. Koopman stated that they have not determined what that amount will be yet at this time. Motion by Peterson, seconded by Stobb to approve the update of the medical records heating, cooling and ventilation system at a cost of \$10,721. All voted in favor of the motion.

Radke was present to request a temporary on-sale Sunday liquor license for the Liquor Store for August 31, 2008 of Labor Day weekend. Motion by Chukuske, seconded by Peterson to approve this temporary license. All voted in favor of the motion.

Donna Bjorklund was present to request sewer service to her property. Chukuske asked if this was on city property and when Tracy Kid's World was built, the water main was extended and the sewer line was already in place. Chukuske asked if they normally have sewer and water going to all properties within the city limits. Koopman said her house as example, they did not have sanitary sewer until 1992 at which time they were assessed for this improvement. Stobb said that they have sewer and in 1997, they had to bring the water in at their expense. Koopman stated the logical route would be to extend it down the county right-of-way otherwise an easements would be needed all the way across the property extending from the Industrial Park to Bjorklund's. . Bjorklund stated that she has city water service. Koopman said the closest main would be the one on their property. The manhole is on their property, so a line would have to extend west and go down the county right-of-way. Robinson said an alternate route is to head southeasterly across the field. One option would be to install a lift pump and have a two (2) inch force main to connect. Roughly the measurement was 1,000 feet of two (2) inch main. They will also have to get a permanent easement from the landowners. Chukuske felt that the property owners were responsible for the connection to the main and assumed there were sewer lines in all city limits. Robinson stated that he had measured from Swift Lake Park and the distance was not shorter to go that route. Mayor Ferrazzano felt the answer was they have never installed sewer service to someone's property that did not already have it. The point to take into consideration would be if that main is going to be designed to accommodate future development along that area, then a portion could be assessed as a system charge. Robinson stated that an eight (8) to ten (10) inch main could be laid right away from Koopman's and McGee's to Bjorklund's property for future development. Right now there

are no plans to develop the land between these properties. Robinson stated that according to our ordinance, they are also allowed to put in an individual treatment system. The estimate to install the requested service would be approximately \$12,000 to \$14,000, with the installation of an eight (8) to ten (10) inch service line down the county road would be substantially higher than that. Mayor Ferrazzano they could put one in and assess it back to the property owner as has been done in the past with the benefit that it could be paid over time as opposed to paying the total amount at one time. Koopman said that if an eight (8) inch line was installed, Bjorklund would be paying a portion of that main, but not the main in its entirety and the City would have to absorb the remaining amount until the property is developed at which time it could be assessed back. Koopman said we would have to determine how many lots could be developed in this area and then spread the total cost equally among the lots. Koopman said that engineers would need to be involved to determine the most feasible route and prepare an estimate of cost. Peterson asked who would be paying the engineering costs. Koopman said it would be part of the project cost. Joe Beierman asked when the lagoons are redone, and she doesn't have city sewer, how would Bjorklund be taxed on that and feels that needs to be addressed at the same time so she knows what the cost would. Koopman said that is a long way off, but feels that anything that is done to the lagoons would be through a user fee. If any tax is applied, they could come before the City Council at that time so it could be waived and she agrees that Bjorklund should not be charged for something that she does not have access to. Further discussion was delayed until after the public hearing.

At 6:45 p.m., a public hearing was held on Ordinance No.304, an ordinance regulating open fires in the City of Tracy. Chukuske expressed disappointment in not seeing residents present as he has received a number of calls from them and he encouraged that they should come and voice their opinion. Koopman said that she was contacted also. Chukuske stated the only issue that has come to his attention is the 25 feet from all structures and the problems this may create for some properties due to their size. Some smaller lots will not be able to have a fire pit. He does not have an issue with that if that is what they want to do, but he sure hopes that we are prepared to enforce this ordinance the same as any other ordinance. Stobb voiced that he also got a call on that same issue and 25 feet may be excessive, maybe 25 feet from the neighbor's property, but if you want it 10 feet from your house it would be different. Dale Johnson III, Tracy Fire Chief stated that 25 feet is already a part of the city code as the city adopts the State International Fire and Building Code each year when it comes available. Twenty-five feet is what is stated in the both the State and International Building Code. Everything in the proposed ordinance is from the International Building Code, it is a condensed version so he doesn't have to hand out 39 pages if someone wants to know what they can and cannot do when it relates to fires. Chukuske stated that maybe they should not allow burning at all since only a small majority of the residents will be allowed to have a leisure burning pit and meet the 25 foot guideline. He said that even if they did not pass this, they would still be dictated by the fire code that is in existence. Johnson states that if there are complaints regarding open fires, instead of trying to reason with and explain the rules to the residents, they can receive a copy and tell them that this is what the City requires for open burning. Everything that is in the proposed ordinance is already in place and nothing that can be done to change it. Stobb asked why there is a need for a new ordinance. Johnson said it does not have to be an ordinance and they can offer the 39 pages of the Fire Code to each resident that inquires it. Stobb asked if they can still have this short version and wonders if it has to be an ordinance. Koopman feels that since they have already adopted the fire code, this is just a condensed version and there are already fines involved as the fire code has been adopted by an ordinance. Chukuske feels that like any other ordinance that they have, it is going to be hard to control this and did not realize there was a big problem. He realizes there is a problem with residents burning garbage, clothes and furniture and to him that is a whole separate issue. He feels it would be difficult to make it fair and also to enforce this. Chukuske asked Johnson if there are any avenues to get an exception to that 25 feet or a specific leisure fire type setting or can they ask for a variance from the state. Johnson stated that he can research that and knows that in a case of a structure fire, if it is caused by an open burning pit, they have to measure the distance from the pit to the structure and as far as insurance coverage is concerned, you have to comply with the state fire and building code. Johnson states that they have tried to get variances on the state level in the past, and it is a lot of paper work that never seems to get anywhere. Chukuske said it would be nice to work something out so that the residents could have a leisure burning pit. Chukuske said that if they vote on it tonight, he would not vote in favor of it as there is a state ordinance in place that they should be able

to enforce and would be in favor of tabling it until they found if there is anyway a variance for 25 feet can be obtained. Mayor Ferrazzano feels that if the fire code states that they have to be 25 feet from any structure and if residents understand that if you have an open pit and the house catches on fire, the residents might want to know that they would not be eligible for insurance benefits. Mayor Ferrazzano feels they should keep this version as a hand-out and appreciates the work done by Johnson to condense this. The public hearing was closed. Motion by Chukuske, seconded by Stobb to adopt this as an informative sheet to be handed out to residents that have questions about open burning pit. All voted in favor of the motion.

At 7:00 p.m. a hearing was opened to public testimony to discuss a grant/loan application with Rural Development for the purchase of a fire truck. There being no public testimony, the hearing was declared closed. Johnson met with Mr. Hastings and Koopman about one week ago and they were told by Hastings that as far as the USDA grant portion goes it looks better if you also finance with them. Their financing was better than what was originally looked at from the truck company. They are willing to do an extended amount of years and are willing to do what works best for the City. Funding with them also helps with receiving of the grant portion. The paperwork has been completed. Motion by Snyder, seconded by Chukuske to proceed with the grant/loan application with Rural Development for the purchase of a fire truck. All voted in favor of the motion.

Further discussion was held regarding the request for sewer service for Donna Bjorklund. Snyder asked Bjorklund if she would be satisfied with her own septic system or does she really want to connect to the City service. Bjorklund states that she pays city taxes for many years and will have to continue to pay city taxes, but does not have the advantages everyone else has if she does not have city sewer service. Chukuske stated that when city sewers go in the residents have this cost assessed to their property. She would also have to pay for her service line to connect to the City's sewer when available. She would not have to pay the full amount if there were more properties that were developed in that area. It is just a matter if she wants to pay that over several years with her taxes and if not then the individual septic would be her better option. Beierman asked if they expect Bjorklund to pay for the engineers cost and asked if the residents of Sunrise Drive paid for the development costs. Chukuske stated this was all assessed to the properties. Koopman felt the best way is to get an engineer to come in and determine cost and the most feasible route and then a comparison could be done. Stobb asked if a contractor could be used for estimates instead of an engineer. Koopman said you are dealing with gravity flow and if there would be a lift station involved, this would all factor in the cost. Robinson said it needs to be surveyed to know what the grade is and if a lift station would be required. Koopman said the best way to go is with an engineer. Snyder commented that if they do not have it done by an engineer there is the possibility of it failing in the future. Robinson stated that the MPCA requires any sewer main extensions need to be approved through the Department of Health. Nielsen said if an engineer is hired, they would look at this and say it will cost about \$14,000 and this is already known, do you want to pay the extra money to come up with that figure and then have the homeowner say they are not going to do it. He does not know what dollar figure would make it acceptable or not acceptable to the homeowner. Koopman stated they have three choices here:

- Hire an engineer to do a feasibility study to determine the most feasible route to run the sewer, which may be to go along County Road 11. Determine the number of potential lots that would be benefitting from this main, which then the cost would be shared by the City.
- Install a forced main, which would become her private line and she would be responsible for the total cost for installation and future maintenance which would include operation of a lift station and tapping into the city line.
- Install her own sewer system.

Chukuske asked if the people owning the farmland would get assessed. Koopman said that assessment would be deferred until such time it is developed. Koopman said that when her sewer was put in, there was a system charge attached to it because it was designed to serve a larger area, so that in the future if that area is developed, that system charge is assessed back to those properties. The City pays the up-front cost. Rettmer feels the best option for Bjorklund would be to put in her

own septic system at an estimated cost of \$10,000 to \$12,000, considering the time frame. Chukuske stated that if they tried to run a sewer line it would not be completed this year. Bids would have to be put out for the engineering project, the engineers would have to prepare a feasibility study, and public hearings would be held since the cost would be assessed back. Koopman said that right now, it is unknown what the cost is until it is determined what type of an improvement will be made. Peterson feels it is not fair to the other taxpayers to get an estimate and then not have a commitment by the landowner. Chukuske asked Bjorklund what she would prefer to do and if she wanted to think about it, they could discuss it at the next meeting. Mayor Ferrazzano indicated this will be tabled until the July 14, 2008 Council meeting and by that time they would have an estimate of engineering cost and give Bjorklund time to think about what she would like to do.

The Tracy Area Chamber of Commerce presented requests for Box Car Days which will be held on Friday, August 29 through Monday, September 1, 2008. Requests included following:

- The admission of Midwest Rides and Concessions from Elk River, MN, for a carnival midway to be held in Tracy and to operate Friday, August 29 through Monday, September 1, 2008 and waive the license fee.
- Use of the City Parking lot for the beer Garden from Thursday, August 28 through Tuesday, September 2, 2008 for the set up, operation, dismantling and clean up of the beer garden.
- Use of Central Park for a “Kid’s Day” on Saturday, August 30, 2008 from 11:00 a.m. to 1:00 p.m.
- Liquor licenses for the sale of non-intoxicating malt liquors from Friday, August 29 through Monday, September 1, 2008 for the Beer Garden, the Minnesota X-treme Bucking Bull Tour, the softball Complex and the Minnesota State Plowing Contest.

Street Closure requests:

For the line up of Grand Parade participants on September 1, 2008 from 9 a.m. to 5 p.m.

- On East Hollett Street from First Street East to Fourth Street East
- On East fourth Street from East Hollett Street to Craig Avenue
- On First Street East from East Emory Street to North Street
- On Emory Street East from East First Street across Center Street to Second Street
- On Park Street from Rowland Street to Emory Street

For the Grand Parade on September 1, 2008 from 10 a.m. to 3:30 p.m.

- On Emory Street from Second Street to Sixth Street
- On Sixth Street from Emory Street to Morgan Street
- On Morgan Street from Sixth Street to Second Street
- On Second Street from Morgan Street to Emory Street

For Midwest Rides and Concessions and other carnival activities on Friday, August 29 at 6 p.m. through Tuesday, September 2, 2008 at 10 a.m.

- On South Street from Fourth Street to Second Street
- On Morgan from Fourth Street to the alley between Third and Second Streets
- On Third Street from Rowland to South Street

Motion by Peterson, seconded by Stobb to approve the Chamber of Commerce requests for Box Car Days. Rettmer commented that for the past several months, they have been discussing about how unsafe the streets are. She has quotes from the past Council meetings. Koopman stated “that the focus really needs to be providing a safe environment for our downtown area. Last Labor Day all the lights on 3rd Street were out and the only light was coming from the rides on the Midway. With cables running every direction, I was very concerned that someone was going to be hurt.” On July 23, 2007 Chukuske felt that safety issues need to be addressed first. Rettmer states that now

suddenly these streets have become safe, and feels that she must have missed something. She further commented these are the very streets that the Council has been talking about for being unsafe, bad sidewalks, no lights, crumbling curbs and the Council still wants to close these streets for the Midway. She states, "I don't get that." She would rather recommend that perhaps if safety is the biggest concern, maybe the Midway should not be allowed to set up on those unsafe streets. The Council should be thankful that they have not been sued for liability; so perhaps, the Midway should be set up somewhere else. Rettmer knows that the City has a lot of property around here, Central Livestock, Sebastian Park; the City Park that would be able to hold this Midway after all that has been gone through with the unsafe streets. She would like comments from the Council if these streets are safe or are they not. Stobb stated that the places that she has suggested have less lighting than downtown. Rettmer said they should maybe think of somewhere else. Snyder said maybe they should cancel the whole thing. Rettmer said that would probably be an option. She felt that Snyder was being facetious. Snyder stated that he was not the only one. Rettmer said she has these minutes since last June of 2007 when that issue was brought forth and got turned into a safety issue. She wants to know if the streets are safe or are they not. Chukuske stated that he is not going to comment on this and feels that she is going back to lighting project and wishes that she could let it go. Chukuske states that she has been against this lighting project from day one, we passed it and are moving forward. Chukuske said, "You are blowing this way out of proportion, Sandi. Our streets are not that unsafe that we cannot have that Midway. As far as the cables running and wires running, the Midway has that all over and does not matter if it is in a park or on a street; you are going to have cables and power lines running all over. I don't understand where you are coming from here and why you are on this soapbox, I really don't. It is obviously personal, and that is why." Rettmer stated, "No it's not personal, no it isn't" Mayor Ferrazzano then stated, "Hold on one second, I am in charge of running this meeting and I don't know whether you should sit there and grill individual Council members as to whether they should answer a question. You may want that but they don't have to answer you." Rettmer said, "I would like it in the record." Mayor Ferrazzano stated, "Fine, it will be put in the record what you just read, that's fine." Rettmer again said, "I would like their responses to this issue, for the record." Mayor Ferrazzano, "I will give you the gavel, you want to run it?" Rettmer, "No". Mayor Ferrazzano, "Because they don't have to answer your questions." Rettmer, "Tony is the only one that has not answered and you of course." Mayor Ferrazzano, "Well, I am not going to answer." Rettmer, "I just think that this Council is speaking out of both sides of their mouth, that is all." Stobb, "What is safe, Sandi?" Rettmer, "You tell me." Stobb, "Our highways are safe for using them, people drive 55 miles per hour, people get killed there also." Rettmer, "I did not say anything about anybody getting killed." Stobb, "There are degrees of safeness. Nothing is perfectly safe. We could have brand new streets, brand new sidewalks and brand new lights and someone could trip over those cables you are so fond of." Rettmer, "Or which has happened, one of the rides could fling somebody a plate glass window, we know that accidents happen." Upon roll call, the following vote was recorded with Chukuske, Peterson, Snyder, Stobb and Mayor Ferrazzano voting aye and Rettmer voting nay. Motion carried.

Mayor Ferrazzano read the apology letter from Peterson to Mr. Mark Parenteau.

June 30, 2008

Dear Mark,

I would like to take time to let you know that the e-mail I had sent you in no way reflects the opinions nor does it have the support of the members of the City Council. I would like to take the time to offer my sincere apology for this misunderstanding. I hope this apology makes it clear that I was not speaking for the City of Tracy or the Council when I sent the e-mail.

Sincerely,
Tony Peterson

Koopman presented a clarification on the Council's action and some of the issues that Rettmer had about the lights and the procedure of getting it passed. Koopman stated that it is rather extensive but felt because it did address both the validity and the legality of the bond sale, it was important that it be clarified that the actions of the City Council were justified and that the bond sale was

conducted properly. Peterson would like this in the records, he is not going to speak for anybody else and is going to speak for himself, when this thing was brought up and voted on, that the original vote would not have made a bond sale and states that this is a fact. That is when it is decided and Koopman had asked Peterson if he would serve on a committee to come to some reasonable agreement and acceptable solution to this light project. At that time he said he would support that and would do his best to get the job done. At the public meeting on February 13, 2008, they discussed the scaled down project and it had become heated. He feels that he was not supported from the day it was started. If he knew that he would be treated that way, he would not have voted for the bond and he would not have voted for the money and the lights. Rettmer wanted to clarify that Concern No. 2, the petition that was presented. Koopman states in her memo the City council ordered the improvement on its own motion on July 23, 2007, it was not initiated by petition. The petition was presented to the Council on October 22, 2007, (the intent of the petition was to show support for the project.) Rettmer feels this is not true because the petition was in hand at the meeting on July 12, when the Committee met with members of the Chamber of Commerce. Koopman stated that she is not arguing with her but the information that she has presented in the memo, was taken directly from the minutes. Koopman said that she could not say if they did or did not have the petition, all she included in the memo can be verified in the Council minutes. Rettmer said she was telling her they did. Rettmer said they had a committee meeting on July 12 and they did have the petition in hand. Rettmer stated that Concern No. 5 is obviously mute, because that was a typo. Rettmer asked Koopman when she called the League of Mn Cities and asked them regarding the 4/5ths vote question, for her own benefit, is that a 4/5ths vote of the Council or the 4/5ths vote of the Council that is present? Koopman states it is 4/5ths vote of the Council. Rettmer asked what 4/5ths of seven (7) would be. Koopman stated it would be six (6). Rettmer stated so than when this vote came up on the 25th of February, there were only six (6) Council members present, as she states that she was absent. Koopman stated that the project had already been ordered. Rettmer is wondering why it was brought up again on February 25, 2008. Koopman does not know why it would have been brought up.

Chukuske asked if there will be anything published in the newspaper regarding the blowing of grass clippings onto the streets and has noticed that some of the city workers are guilty. Chukuske asked that Robinson talk to them about this issue. Chukuske said this is one of the ordinances referred to earlier that is not enforced and causes problems and does not look appealing. Koopman said that something will be published.

Robinson said there have been some recent violations at the compost site and the camera is functioning properly with the pictures being turned over to law enforcement. Koopman stated that is in the hands of the County at this time because the compost site is located outside the City of Tracy. Koopman stated that Nielsen had written a letter to Rick Mays and explained the situation that the City is dealing with here requesting their cooperation and was quite pointed in his letter regarding the importance of their cooperation and are hoping the County will prosecute it properly and if they chose not to, from the City's perspective, the County Commissioners need to be contacted and request their cooperation.

Robinson reported on the progress of the trench box. The cost of a new hydraulic operated trench box is between \$10,000 and \$15,000. To save money, the department built their own in the winter as they had time. It was estimated to cost about \$5,000 and this amount was budgeted. The actual cost is \$6,870.02. The receipts are in a separate file if anyone would like to review them. The trailer used to haul the trench box is not yet complete but they have the materials to finish it and will do so as they get time. There was a water main break on the corner of 4th and Morgan and it provided a safe environment for this repair work.

Robinson informed the Council that there were some expensive repairs to the airport mower and that the repairs exceed the airport maintenance budget. The hydraulic system of the mower failed and the main hydraulic control block had to be replaced. The airport budget for repairs is \$2500 for 2008 and the cost of the parts for the repair was \$2700.

Peterson asked how they were coming on the frost tooth issue. Robinson stated they are getting nowhere with that. A complaint has been filed and E-bay is not able to locate the individual that sold it to the City. This was taken from Fund 602-492-223.

Nielsen states that the property of 200 Morgan is across the street from the Methodist Church and beside the Fire Hall. He stated there has been some action by the City Council in the past. In April of 2007, the building inspector, went inside the property to inspect and generated a report and has been reported that the property was deteriorated in condition and the main concern of the building inspector was that the property was loaded with material and the possibility of something happening was increased by the faulty wiring. The building inspector stressed that the cost to repair would exceed what they would expect to get from the building. The owners expressed a desire to repair the property. A letter of agreement was prepared that they agreed to make improvements within a time frame and get the property within safe and useable condition. This was signed on June 1, 2007. There should have been substantial progress seen on the property by the end of last year and even before that period of time. Nielsen states that at this time there has not been any substantial change in the property and have not followed through with any of the detailed repairs that needed to be done to that property. Since that time the property has not improved and the Fire Chief is very concerned that the roof has deteriorated to such an extent that if there is any wind from the south, it blows pieces of roofing material on the Fire Hall drive way and concerned that they will have a fire truck that needs to go out some day and it comes out the door and hits one of the nails and cause trouble from him. They have also had unsubstantiated rumors that some of the material flying off the roof of the building, residents have been in the area when pieces have blown off and there are some safety concerns. There are birds that are flying in and out. Nielsen stated that two to three months ago when it became obvious that the owners were not going to accomplish what they had agreed to last June. Nielsen has sent them two additional letters and they need to get in touch with the building inspector and explain why they have not done what they promised to do. The building inspector has not received any contact from the property owners. The last letter stated that something could be worked out with them and they would be given a chance to explain why it did not work out for them and this has not been done at this time. Nielsen discussed this with Koopman and she feels that the appropriate way would be to go through the hazardous building process, which requires the Council to research and find that the condition of the building is hazardous and certain repair action be taken to property and the property to be demolished within a period of time. Nielsen stated that it would be the Council's decision as to the time frame that they would be given. Chukuske suggested that they be given thirty (30) days to respond. Motion by Snyder, seconded by Peterson to adopt a document with a provision that repairs be done in thirty (30) days. Motion carries.

The Consent Calendar included the Municipal Accounts Payable, Hospital board minutes for May 28, 2008, Economic Development Authority minutes for June 6, 2008, Firemen's Relief Association minutes for May 5, 2008, Monthly Financial Report, Monthly Receipts, and Cemetery Commission minutes for May 15, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
045560	American Red Cross	\$ 32.95	Rush Shipping and Handling. Koopman explained this was for the pool.
045562	Avenet, LLC	\$ 444.00	12 Month web site hosting, maint. And Customer service. Peterson asked if the link they are providing businesses, is this being recuperated from them. Koopman states that she does not believe that they are, but will check on that. Peterson feels that if they do not at this time, they should charge for this. Stobb said they received a message that they were linked to this larger web site that has a multitude of cities. This also included schools and hospitals.
045567	Dale Johnson III Const.	\$ 375.00	Excavate & Reinstall damage to homeowner's steps 4 th St. E. project. Robinson

explained that on the 4th St. E. project there were some steps that came down that resident's yard to the street that were in the boulevard that were removed with the project. When the contractor went back to put them back in, the subcontractor who did cement did not do the steps. It was part of the project.

045568 Ed Pros/% Bradley Chapuli \$ 50.00

2008 EDA membership. Rettmer stated this was an association membership.

045635 Kruse Ford \$ 181.16

Police car turn signal parts. Peterson asked if this has any warranty left but it could have been due to mileage also.

Motion by Chukuske, seconded by Peterson to approve the consent calendar. All voted in favor of the motion.

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

ATTEST:

City Administrator

Mayor

July 14, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 14, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Stobb, seconded by Peterson to approve the minutes as presented. All voted in favor of the motion.

Motion by Chukuske, seconded by Rettmer to approve the agenda as presented. All voted in favor of the motion.

Mike Kuno, a representative of project engineers from Short Elliott Hendrickson presented bids received from McLaughlin and Schulz and M.R. Paving and Excavating for the Street Lighting Project. He explained that the project was split in a way to allow the City some flexibility to determine the amount of work to be done. There is a base bid which includes all the lighting and sidewalk improvements along Morgan Street. Alternate #1 was sidewalk improvements along South Street, Alternate #2 was sidewalk improvements along 4th Street and Alternate #3 was sidewalk improvements along 3rd Street. The bids received were:

<u>Contractor</u>	<u>Total Based Bid</u>	<u>Alt. #1 Bid</u>	<u>Alt. #2 Bid</u>	<u>Alt. #3 Bid</u>
M.R. Paving/Excavating	\$406,464.02	\$10,270.37	\$49,337.70	\$8,764.25
McLaughlin/Schulz, Inc.	\$431,682.38	\$ 9,875.40	\$52,069.60	\$8,912.50
Engineers Estimate	\$401,558.31	\$ 9,196.28	\$46,940.77	\$6,604.73

SEH recommended that the project be awarded to M.R. Paving/Excavating with the Base Bid, Alternate #1 and Alternate #3. Peterson asked who picked the alternates. Mr. Kuno said they worked with City Staff on breaking the project into what was felt to be logical segments to allow for some flexibility with the bids. Peterson asked why 4th Street was not included and why the bids were higher than the engineer's estimate of \$578,000. Mr. Kuno said they broke it up in a way to do as much construction as possible for that targeted amount. Peterson still is not clear why they had to come up with the alternate bids and why in the beginning they were under the first estimate of \$578,000. Koopman stated that when the original estimate was given prior to the issuance of bonds, a whole year has passed and the cost of materials has increased substantially. Peterson said that last year they said that was all down. Koopman recalled that it was said that contractors were hungry, but by the time this project was actually bid we are way into the construction season which is indicated by only receiving two bids when there were a substantial number of plan holders. Mr. Kuno feels that gas prices have had a large impact on bid prices also. Rettmer questioned if they accept this bid will 4th Street be included? Koopman said the lights would be installed and the concrete work surrounding the light itself would be done, but no sidewalk replacement or curb and gutter work would be done. Peterson asked who decided 4th Street was safe the way it is when it appears it is the most unsafe because they want \$49,000 to \$52,000 to fix it. Koopman said the discussion included a number of things such as pedestrian traffic. Peterson said, "So apparently there is not going to be any walking traffic on 4th Street or is this because of lack of degree of safeness." Koopman said the decision on whether to include 4th Street is made by the City Council's, the staff can only recommend. The staff's recommendation was to eliminate 4th Street so construction cost would be under the maximum total of \$578,000 that was established by Council. Of the streets involved, 4th Street appeared to have the least amount of pedestrian traffic. Rettmer asked who it is when "we" is mentioned. Koopman said that she, Robinson and the engineers that were are the bid opening and prepared the recommendation. Peterson asked if there was a way to scale back on the curb and gutter work or anything that would complete the sidewalk work that would make it safe on all the streets or are they trying to make one street look better than the rest. Koopman said that where the concrete is going to be replaced is interchangeable as the bid is for so many square feet and where those square feet are located, from the contractor's perspective, should not make any difference. Chukuske asked if the bid for the concrete work included for the

disposal of concrete at our dumpsite or if that part of the project could be done by the city employees. He is wondering if there is a way to save some money with the agreement that they have at the dumpsite now, if the City removed the concrete themselves, would that make any difference in the dollar amounts that 4th Street could still be done. Robinson said this could be a possibility. Mr. Kuno indicated that M.R. Paving & Excavating had a base bid of \$6,000 for curb and gutter and \$21,000 in sidewalk removal. Robinson said that eliminating the driveway approach South Street on the West side of the Liquor Store would save approximately \$10,000. Chukuske feels that could easily be eliminated as there is access to that parking lot from two alleys. Martin asked if there was additional documentation that spells out what goes into each alternate. Mr. Kuno said that the base bid includes all of the lighting for the project and sidewalk improvements on Morgan Street on both sides of the street from 2nd Street to approximately 200 feet west of 4th Street. Alternate # 1 is the sidewalk improvements to South Street on the north side of the street between 2nd Street and 4th Street. Alternate #2 is 4th Street along both sides of the street between South Street and Rowland Street. Alternate #3 was 3rd Street along both sides of the street from South Street to Rowland Street. Martin asked why they could not have this information in their agenda packets. Chukuske felt that the alternates are adding a lot of confusion to the whole mix and feels there is a way to get it under the budgeted amount and with nothing to look at, it makes it difficult. Stobb asked if they could approve a dollar amount and then take a further look and see if money can be saved on concrete removal. Peterson said the dollar amount has already been approved. Peterson felt it would probably have to go back for bids. Rettmer feels they need to see this broke down so they are all clear on what they are putting the money out for. Snyder said he does not understand why this was not bid as a total project and asked how the three alternates were arrived at when it went out for bids, when it was voted on to do the whole project. Koopman explained that the Council did vote to do the whole project and feels like she said before, a year has elapsed from the time the project was set at the \$578,000 and when the engineers did the feasibility report in July 2007, it was based on this \$578,000. The alternates were placed to give some flexibility in case the bids came in higher than the \$578,000 and still go ahead with the project, even if they are not able to do it in its entirety. Martin feels they are being asked to judge alternates and there is not enough information about the alternates to make a decision. Peterson said if there is \$10,000 out there for a driveway approach, what else is out there that is not really needed. Chukuske feels they need to know what can be arranged so that the whole project can be completed, with lighting and safety issues addressed. Mr. Kuno said that based on that, he would recommend having a conversation with the contractor and does not feel that re-bidding is the route the Council would like to go because the project would not be completed by this fall. Peterson does not feel comfortable spending the money without knowing what they are going to get. Martin said they have a short window of time to make a decision and they need the information to make that decision. Nielsen did not feel that they should go back to the contractors, because the high bidder can change to now become the low bidder if certain portions of the project is included and other portions are not. The low bidder is not going to be too happy about that. Chukuske said they have not decided which bidder they are going to chose. Nielsen stated that both bidders have laid their numbers on the table. Chukuske asked Nielsen if they decide to award the bid to M.R. Paving and go back to them and ask them to change their bid, are there any legal ramifications to that. Nielsen said they would not be asking them to change their bid, but there are change orders all the time in construction. Rettmer asked if they could see the tabulation before the bids are approved. Koopman said copies could be given to the Council. Mayor Ferrazzano asked if it would be soon enough to act on it at the next meeting or they could call a special meeting. Koopman felt that with the timeline, the next meeting would be time enough. Mr. Kuno said they could do a lot of up front work, such as put the contractor on notice and get some of the contract set and be ready for them to start after Box Car Days. Mr. Kuno said there would be the break down for both bidders as the Council still needs to decide which company's bid they would accept. Koopman said she would get the tabulations to the Council in the mail tomorrow. Stobb asked if they are going to be able to look at the tabulation and know what they are specifically talking about. Koopman said they will have to walk the streets to see the areas where sidewalks will be replaced which have been identified by arrows which have been painted on the sidewalk. Mr. Kuno said the plans have approximate locations of repairs and replacements. Chukuske felt they should select a contractor and tell them we need to be within this dollar amount and here is what needs to be done. Mayor Ferrazzano suggested they could accept the recommendations of the bid of \$425,498.64 and work with the contractor to eliminate things that are not needed so it does not cost that much or figure how the money is going to be spent and designating which areas need to be accomplished. Martin agreed with Ferrazzano to approve the

contractor and it is okay to have change order but would like more information before making a decision. He does not want to tank the project and throw everything in the air because of this. He feels more information is needed. Motion by Peterson, seconded by Rettmer to table this till the July 28 meeting when more information is received. All voted in favor of the motion.

Dale Johnson III, Fire Chief said last week they attended the pre-construction meeting at Crimson Fire on getting the final drawing for the new fire truck. There was some concern with where the front axel sits in relation to the truck. Laser shots were taken from the sidewalk to the base of the curb and then out into the street two feet. The road appears to have been over-laid multiple times and there was an eighteen inch variance in that two foot area. Part of the front of the truck needed to be reconstructed, some plumbing needed to be changed around and had to remove a discharge valve from the front of the truck to the rear of the truck. A step was added to the back for easier access to the hard suction hoses. Motion by Snyder, seconded by Chukuske to approve a resolution for approving change order for the fire truck with an increase in cost of \$1,020. All voted in favor of the motion. (Res. No. 2008-14)

Motion by Stobb, seconded by Chukuske to adopt a resolution to approve increase in pledged securities at Minnwest Bank South. All voted in favor of the motion. (Res. No. 2008-15)

Nicole Larson from Kinner & Company gave an audit report for the City for 2007. She stated that overall the city finances moved in a positive direction last year with no major areas of concern. One of the changes this year was the involvement of more individuals in the process. Changes in the audit world includes the increase in attention to fraud and interviewing and talking with individuals that do not work day to day with the financial side but may be aware of issues. Larson stated that in their audit they found that everything was fairly presented and materially accurate for the City of Tracy 2007. The Statement of Net Assets is similar to a Restatement of the Assets for the City for all funds, governmental and proprietary (for profit funds). Governmental Activities gross assets were \$8.6 million and debt \$6.9 million with net assets of \$1.7 million. In 2006 that net asset figure was \$1.3 million. Business-Type or Proprietary Activities showed total assets of \$7.2 with \$2.6 million in liabilities giving \$4.65 in net assets and that is an increase from the net assets in 2006 of \$4.4 million. Larson stated that part of the audit is to check for compliance with material laws and regulations and also look at internal control process to make sure everything is functioning as it should. There are some areas of significant changes from 2006. Prior to 2007, there was an agreement in the audit and government world that it was okay if you were a small municipality, they did not say that the City necessarily does not have segregation of duties it was because of the size and not enough individuals could not be hired and pay for all that staff to have adequate segregation. This was not a write up as it was ten (10) years ago. It is now a write up again. Larson said that is a Council decision to change this, but with cost benefit, this probably would not be cost beneficial.

Larson explained that Finding 2 is a new finding for Year end closing procedures. Now everyone has to operate the same way. There is no software for the City that could provide this, so Kinner & Company has to assist the City with year end closing procedures to attain these reports. Larson does not feel this is something to be alarmed about unless the software is obtained or there is a full-time CPA on staff. In the future it may be the City will need two accounting firms, one to do the audit report and one firm to audit that report.

Larson stated that Finding 3 is very close to Finding 2 in addition to the adjusting entries the firm also needs to assist in preparing the financial statements. This again is nothing to be alarmed about. With these findings the City of Tracy will be in the majority, not the minority.

Larson states that by statute if the liquor operations have had a loss prior to transfers in and out in the two of the last three years, the City is required to have a public hearing 45 days before year end to see what changes can be made in the operation. In 2006 the loss was \$906 and in 2007 the loss was \$12,941. A meeting is needed between now and November 15, 2008 to address this situation. The liquor store has had significant changes with no smoking laws and the construction of the patio. From 2000 to 2005 there has been a positive number. Salaries, payroll taxes, benefits and work comp the last two years have been higher than previously and the large area that is more impacting is the gross profit percentage. It has been running close to 40% every year up till the last two years

and that number has dropped to 36% and 38.6%. Larson said that as prices change, it needs to be watched that the retail prices to the customers adjusted for what the cost is and controlling other costs. The fund is still at a positive balance, but the past two years have ended in the red. Koopman said the Radke is aware of this and they will be meeting to discuss this.

Larson said the 5th Street Apartments have been discussed in the past and in 2007 there was a \$14,500 loss. The increase in loss for this year was the rent and occupancy is down. This fund is operating in the red and debt issue that needs to be taken care as it is higher than the assets.

Larson said another area that needs to be monitored is the Aquatic Center Operations. This fund does not have the requirements as the liquor does and a public hearing is not required.

Graph analysis for the past five years was reviewed. Sales have been steady with an increase this year across the board. Miscellaneous includes interest income and interest rates are down causing a drop in that area. There is a spike in the debt service 2007 due to re-finance of a debt issue was paid off. Capital outlay, there were a lot of projects in 2007 primarily with the 4th Street East project that would cause this large increase. The increase in expenses is not as large as the increase in sales, indicating net income for those funds went up. There is a slight increase in Cash and Investments annually and part of that is due to timing. Late November and late December is when the major distribution for the property taxes is received as well as local government aid and market value assistance payments which relate to property taxes. Those are used to finance the next six (6) months of operation. Other receivables are down and this means that the city is collecting on things and that is a good direction. Current liabilities are things that will be looked at to be paid off in the next 60-90 days at year end. This is not long term liabilities. Sales tax being up correlates to increase in sales.

Robinson told the Council that after the last meeting on June 30, 2008, he took elevation shots from the nearest sanitary sewer manhole to the Bjorklund property. It was found there to be over seven (7) feet of reverse grade, meaning Bjorklund would have to pump uphill seven (7) feet to get to the city sewer. A four (4) inch main with check structures would be placed in the County's east side right of way starting from the intersection of Co. Rd. 11 and Bjorklund's south drive way, continuing south in the ROW for about 750 feet then turn to the east in between Koopman's and McKee's and go east about 100 feet to the city manhole where it would be tapped in the structure. Permanent easements would have to be obtained from Koopman and McKee. Bjorklund would then need a grinder lift pump such as an E-ONE system and bring her force main to meet the City's. Robinson's estimated cost would be:

Excavation/labor	\$ 16,000
Parts/Materials	\$ 7,000
Restoration	\$ 3,000
Legals/Admin.	\$ 2,000
Engineering quote of	\$ 3,000
Misc. unexpected	\$ 1,000
Driveway crossings	\$ 2,000
Total Estimate	\$ 34,000

The cost of this project would be divided between Bjorklund and any future lot developments. Robinson said the funding would come from the Utility Fund and is concerned with other areas that are in need of repair such as the leaking valves, meters and sewer problems. It could be done and the funds put back in the Utility Fund with the next bond sale. Chukuske said the Council needs to know if Bjorklund wants to make a commitment to hook in the City sewer system or if she will put in her own system. Robinson said that she was checking in the cost of what an individual system would cost. If she were to hook into the City sewer system it would cost her approximately \$6,800 based on the estimate of \$34,000 for the project plus additional cost for her to run a line from her home to the City sewer system. Rettmer questioned that with the deferred assessments, if there would be a chance that the area would be developed and have others assessed for that portion. Chukuske agrees that the City does not come out ahead with these types of arrangements. It was the consensus of the Council to table this till the next Council meeting on July 28, 2008 and

Bjorklund has received an estimate on an individual system and will have a decision of which route she would prefer to take.

Robinson reported there are several old valves leaking in the City and the water comes to the top and runs to a catch basin. They are very old and not repairable. Robinson would like to have these replaced before the asphalt patch work is performed so we can have the entire patch work done at one time. There are about 40 non-operational valves and six (6) of these are leaking badly and need to be replaced before fall.

There is approximately six (6) valves to be replaced depending on what we find once exposed. Cost estimate \$11,000 to \$16,000 dependant on if the City performs the work or hire it done.

There is also a fire hydrant on the corner of Morgan and 1st St. that is not repairable and has to be replaced. Cost estimate \$2,000 to \$3,000 depending on if the City performs the work or hire it done.

At the intersection of 9th St. and Rowland going west there is a sanitary sewer line which has failed. We had the line televised and it is sagged and collapsed. This line has a history of backing up 3 times a year and has to be replaced. There are three homes on this line which is located in the boulevard then angles to a manhole in the center of the street. This project would require about 125 feet of pipe replacement along with some asphalt replacement. Cost estimate \$5,000. They would have to obtain local quotes for a local contractor to perform with the City purchasing materials.

Robinson said this could be funded through the Surcharge Fund which is designated for the repair and replacement of existing utilities. Robinson said this estimates may be low due to increase in cost of supplies. Peterson felt this should be put out for bids and have a contractor complete the work instead of having to hire part time workers for the street department to complete the project. Robinson will report back to the Council with quotes from local contractors.

Robinson reported an issue of low water pressure at three homes on 8th Street between Morgan Street and South Street. One of the home owners has been to City Hall and made several complaints. Robinson said there is no water main on 8th Street between Morgan and South and what is feeding these three houses is a ¾ inch plastic line which has a history of breaking once a year. This line is considered a community line and is owned and maintained by the City. To correct this problem would require the installation of a six (6) inch water main between Morgan and South Street and run new services to these homes so that they have adequate water pressure and flow. 8th Street is planned for a total reconstruction/rebuild in 2009 due to the fact that a storm sewer pipe installed by the County has settled causing the street to fail. Robinson said that he will be discussing this issue with the County. Robinson recommends installing the new 6" main this year to give it time to settle over the winter prior to the street project. If they installed the water main with the street project in 2009, the homeowners would have to put up with low water pressure for another year. The cost estimate for 420 feet of water main would be \$20,000 without road restoration. The asphalt would be replaced with the street project. Koopman said the County was approached in the past regarding the failing of the street and was told that it is now a City issue even though it is due to faulty construction. Stobb suggested that they get quotes from a contractor and discuss this when quotes are received. Robinson will get quotes for this project.

Robinson reported that Dunnick Bros. was here to perform the remaining punch list items on the 4th Street East project. Curb and gutter was installed where water main repairs were made. There has been work on South 4th Street Storm sewer project issues and street light project. Trees have been trimmed in the alleys and right of ways. The airport fence was moved to the new setback location and normal maintenance performed at the parks. Equipment was repaired as needed. In utilities a water main leak was repaired at the intersection of 4th and Morgan and also at the airport. Swish Plumbing has installed and repaired several curb stops at delinquent accounts. They have started to paint the inside of the water plant. At the pool Robinson has started putting together the insurance claim from pool repairs and will try to finish that next week as all bills are now in. He will also work on a pool water loss report for next week. The Welcome to Tracy sign on the west

end of town was painted. New leave forms for employees to use for off duty time request was generated. There also has been work done on an illegal dumping incident at the compost site. Stobb asked if there has been any response from the contractors regarding the water in the holding ponds. Robinson answered that States Border has been contacted and told that if the work is not completed as required, the contract with them would be nullified and another contractor hired to finish the project.

Police Chief Hillger asked for any questions on the Activity reports. He stated the dump site issue has been turned over to the County and he will again check to see if there has been any progress in the case.

Koopman reported that her primary focus for this month is to complete the performance evaluations. Most are complete, but she still needs to meet with individual employees to review their evaluations. Meetings attended this past month included: Planning Commission, Sanford Summit, meeting with Shane Hastings from USDA regarding the grant for the fire truck, meeting with Tennes Eeg and Rick Nordahl regarding the possibility of connecting the Nursing Home and Hospital and vacating 5th Street East, two meetings with the Aquatic Center Manager, attended the Hospital Advisory Board meeting, Cemetery Commission meeting, attended a two-day Rural Health Conference and two City Council meetings. Koopman stated that even though there were some questions about her attendance at the Rural Health Conference, she felt the time was well spent. This conference is focused solely on Critical Access Hospitals located in rural areas and the information is geared toward facilities like Tracy. One area addressed was Construction: Moving Your Project From Concept to Reality. Points of interest included material construction costs have risen 8 to 10% in the past three years, hire someone with experience in hospital construction, get your finances in order, determine financial feasibility, hire a project manager, engage the community for their support and involve the State Survey Agency early in the planning stage. Another session addressed dental access through community-based education. The only dental school in Minnesota is located at the University. This session revolved around using dental students to provide dental service to the under served. There are currently two outreach clinics, one in Willmar and one in Hibbing that allow students to attend class in the morning via the internet and see patients to provide dental services in the afternoon, with training provided by practicing dentists. Tracy is a prime example where there is a need for a practicing dentist. Koopman informed the Council that they recently received a generous donation in the amount of \$11,232.34 for the Tracy Aquatic Center from the Chester Johnson Charitable Trust. This was greatly appreciated.

Snyder questioned the reason for the change of hours at the Aquatic Center. Koopman said that between the hours of 7 p.m. and 8 p.m., there are only a very few people using the pool and felt that it would maybe be beneficial to open an hour earlier in the day. This is a trial to see what will work the best.

At the EDA meeting on Thursday, July 3, 2008 a motion was made, seconded and passed to make the following recommendation to the City Council for approval. The Tracy EDA would agree to deed ten (10) acres of property, grant up to \$10,000 to offset the cost of infrastructure (sewer, water and surface street) needed in the property, deed four (4) lots (Lots 3 and 4 of Block 1 and Lots 2 and 3 of Block 2 of the Eastview Addition) for residential development and offer a low interest loan for the period of construction. Snyder said this would allow the Tracy EDA to offer this proposal to any potential business/industry as necessary. If this business subsidy proposal is approved the City Council and Tracy EDA would still need to approve of the potential business or industry prior to finalizing any documents. Gervais has also worked on this with Nielsen and although there may be some question as to whether or not, none, some or all of this would fall into the current Business Subsidy Policy, the EDA would like to proceed with this recommendation and take care of any potential issues that may come up in the future. Motion by Stobb, seconded by Chukuske to approve the Business Subsidy Proposal. All voted in favor of the motion.

The Tracy Business Partnership is planning a special sales promotion on Thursday, July 31, 2008 called "Crazy Times". They are requesting the closure of 3rd Street from South Street to the alley north of Tracy four Seasons to be closed on July 31, 2008. Motion by Chukuske, seconded by Snyder to grant the request from the Tracy Business Partnership for the street closure on July 31,

2008. All voted in favor of the motion.

Koopman had received an application from Lauri Fox to serve on the Library Board. Fox had thought she had submitted her application at the time it was due, but discovered that she had not. She has been attending the Library Board meeting during this time. Koopman asked if Martin would be willing to step down from the Library Board to allow Fox to serve on the Library Board. Martin agreed to step down. Motion by Chukuske, seconded by Peterson to appoint Lauri Fox to the Library Board. All voted in favor of the motion.

The Consent Calendar included the Municipal Accounts Payable, Firemen's Relief Association minutes for June 2, 2008, Economic Development minutes for June 20, 2008 and Planning Commission minutes for June 2 and July 7, 2008. For check number 045714 to Elan Financial Services for \$713.55 for a pool boiler module, Peterson questioned the immediate need for this when the temperatures have been in the 90's. Robinson explained that this was purchased in the lat part of May. At that time the temperature of the water going into the pool was only in the 50's. Motion by Peterson, seconded by Snyder to approve the Consent Calendar. All voted in favor of the motion.

Mayor Ferrazzano told the Council he had asked to put the topic of the size of the City Council on the agenda after reading an article in the local paper at the time of coverage of the 1968 Tracy tornado. There have been concerns that the seven member council is too large for a community the size of Tracy. Mayor Ferrazzano stated that the size of Tracy's council is large compared to other communities and a possible benefit to a smaller council would be a smaller payroll. Koopman said that the city charter was amended in 1974 increasing the Council to seven members and giving the mayor the right to vote, before that Tracy had a five-member council. The Council agreed to have the City Charter commission consider the issue. Mayor Ferrazzano stated that if reductions to the Council are approved, it would not affect those running for office this election year. The earliest it would be effective would be in 2010. Koopman stated it would not be possible to put the issue to a vote this year and that would allow for time to analyze the issue.

Motion by Peterson, seconded by Martin to close the meeting at 8:00 p.m. to conduct City Administrator's performance evaluation. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

July 28, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 28, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson and R. Stobb. Absent were B. Chukuske and C. Snyder. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Stobb to approve the minutes for July 14, 2008 as presented. All voted in favor of the motion.

A deletion to the agenda was 5A – Bjorklund Sewer. At this time there is no additional information for this issue. Rettmer asked that there be an addition 4-B – Request from Wheels Across the Prairie for use of City picnic tables. Motion by Peterson, seconded by Martin to approve the agenda as revised. All voted in favor of the motion.

On the evening of August 5, 2008, the Tracy Women of Today along with the Mason’s club are holding an event known as National Night Out. In the case of bad weather, they are requesting the use of the Veteran’s Memorial Center and are asking the City Council to wave the normal fee that they would be assessed for the use of the VMC. Motion by Rettmer, seconded by Stobb to allow the use of the VMC for National Night Out and wave the fees. All voted in favor of the motion.

Rettmer said that last Labor Day there was an incident with a picnic table at the Wheels Museum. One of the picnic tables fell with a lady sitting on it and was not hurt. The Museum is requesting the use of four (4) of the City picnic table for the Box Car Days weekend and for the City Council to wave the fee for use of the picnic tables. They are having a Whopper Feed on Saturday of that weekend and usually get a good turn out for this. Mayor Ferrazzano stated that the City crew could deliver those tables to the site for them. Motion by Rettmer, seconded by Peterson to allow the use of the picnic tables and wave the fee for use of these tables. All voted in favor of the motion.

Motion by Stobb, seconded by Martin to adopt a resolution approving payment to Midstates Utilities for work completed on the Eastview Groundwater Interceptor Project in the amount of \$3,200. The Council had accepted the low bid from Midstates Utilities in the amount of \$44,948. Due to the need to secure an easement for the installation of the Groundwater Interceptor, the contractor was unable to complete the work and had to re-mobilize his crew a second time, thus doubling the cost of mobilization and increasing the total contract price to \$46,232. A total of \$43,032 has been paid. All voted in favor of the motion. (Res. No. 2008-16)

The Consent Calendar included the Municipal Accounts Payable, EDA minutes for July 3, 2008, Monthly Financial Report, Monthly Receipts and Hospital Board minutes for June 18, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
45769	MN Dept. of Labor	\$ 235.18	This was for the quarterly building Surcharge report. These are funds paid to the state based on the amount of building permits issued in that quarter.
45828	Lyon C. Dev. Corp	\$ 2000,00	This was for a housing study. Koopman indicated that if there were any Council members that would like a copy, it could be e-mailed to them as it is 100 pages long. Peterson would like a copy sent to him.
45846	Tracy Food Pride	\$ 15.86	Koopman explained this was for baking soda which is used to raise the alkalinity or the measure of the PH buffering capacity

or the water's resistance to a change in PH.

45851 WW Goetsch Assoc. Inc	\$ 479.25	Koopman explained this is a mechanical seal kit for the filtering pumps and/or feature pumps. One set is always kept on hand.
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Rettmer asked if the airport computer had been replaced. There was a payment to Tracy Computer for \$180.00 for Airport Computer Repair. Koopman explained this was for repair of a wire that runs from the building to the pole. The wire had not yet been buried and was run over and cut when mowing was done at the airport.

Motion by Peterson, seconded by Rettmer to approve the Consent Calendar. All voted in favor of the motion.

Al Mura, Project Manager from SEH stated that at the last Council meeting a letter was presented to award the Downtown Lighting and Sidewalk Improvements project. They were going to award the Base Bid with Alternates #1 and #2, which included improvements on 3rd and South Street, but not 4th Street. It was the decision of the Council to take a closer look at the work that was being done and see if there was a way to re-scope the project to allow work on all parts of the project. A walk through was done and there were portions that were eliminated that they felt they could live without replacing and then in turn include part of the 4th Street that was not part of the original recommendation made at the last Council meeting. Murra presented a copy of the revisions that were made. Murra recommends that they award the entire project to the low bidder. He further explained that there are two different change orders and recommended moving forward with one of these that would reduce the cost of the project based on the changes made on the walk-through. Rettmer indicated there were a couple items on the list that they thought they should explain to the Council before they were totally eliminated. One of those items was the stationary trash cans that are presently rusty, hard to maintain and empty and as the project was reassessed they felt the trash cans do not need to be replaced. Peterson said that they decided to take that out of the contract completely and the City Crew would remove them and if they need to go back in, they can be repaired. That would reduce the cost of the contract about \$1,000. Koopman said the reason that Robinson wanted it back is to make sure they do not get tossed and that they could be painted and repaired, then reinstalled. Rettmer said there were two (2) light poles that were out of the target area. One is at the end of the Living Farms building by the alley and the other was on South Street by the Ohman building. Peterson stated there is a light in the parking lot of the ADO building. There would then be 41 lights replaced instead of the original 43 lights that were to be replaced. Since the lights have already been ordered, they would keep these two for spare lights in case they are needed elsewhere. Peterson suggested eliminating the "no parking from 1 a.m. to 6 a.m. signs" because this is not enforced and it is not an issue anymore. Rettmer said that some cannot be read. Stobb asked that with the lights that would not be installed, would the electrical work be put in at those sites. Murra said that the one on Morgan Street they would not put the light back in, the sidewalk is to be replaced and with the cost that they have per foot for conduit, it would make sense to just lay that in there and put a tracer wire on that. The light on South Street that would be eliminated would not be included because it requires about 170 feet of directional drilling which is a large expense and with the wire that was about a \$4,000 to \$5,000 cost. Murra stated that he has this left out on one of the Change Orders and that is the difference of the change orders from \$422,816.91 to \$418,618.11. Murra indicated that he did have a discussion with the contractor today and he actually signed both Change Orders, depending on what action was taken tonight. Everything is in place and he did talk to him about quantities and he understands the situation and the project is scattered with sidewalk and other improvements and was not concerned about the adjustments. He is very willing to work with the City for this project. Murra stated that he did mention that the Council should look to award this soon as the subcontractors are starting to contact him with concerns about increases in prices. They would like to get locked in on some of the prices such as for the PVC. Motion by Stobb, seconded by Martin to adopt a resolution accepting the bid from M.R. Paving and Excavating in the amount of \$474,836.34. Upon roll call the following vote was recorded with Martin, Rettmer, Stobb and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carries. (Res. No. 2008-17)

Motion by Martin, seconded by Peterson to adopt a resolution approving Change Order No. 1

reducing the contract amount to \$418,618.11. All voted in favor of the motion. (Res. No. 2008-18)

Mayor Ferrazzano stated that he has had some complaints regarding the hours at the pool. There are some residents that find it difficult for working families to go to the pool when they get home from work because it closes by 7:00 p.m. Mayor Ferrazzano asked if it could be change back to what it was without causing a major increase in budget; could the hours be extended from 1 p.m. to 8 p.m. Koopman stated they would look to probably go to 2 p.m. to 8 p.m. She states hours of operations was done on a trial basis and was intended to receive feedback. Mayor Ferrazzano feels they should go back to the hours that they had in the past. Koopman said that she will set up a meeting with the manager and discuss it with her and see if it something they can change at this time without causing problems with their schedule. Martin would be curious to see if there would be any increase in attendance due to shift of hours. Koopman states there are so many variables in that and one of the most dictating elements is the weather. Koopman stated that they will be giving a monthly report showing attendance, season tickets, coupons and over-all informational sheet. Koopman said they are starting this now and do have last year’s count but do not have an accurate count, but now have a much better system in place so from this year forward will be able to track statistics. Mayor Ferrazzano stated that having it open from 1 p.m. to 8 p.m. there is a budget problem of having extra staff. Koopman said this would be an additional seven (7) hours per week. Mayor Ferrazzano asked if they change the hours back, how long it would take to implement this. Koopman said that she would have to talk to the manager as she does the schedule a month in advance and this could be something that they may have to wait until next year. They are going into the last month of the pool season. Mayor Ferrazzano stated that if this is something that the manager feels comfortable doing, they do not have to wait till the next Council meeting, she can just go ahead and do it.

Peterson stated there have been individuals that have asked if there are any plans to seal coat the bike path as it is starting to deteriorate. Koopman stated there were funds in the budget and when Robinson got a quote for this, it was about double of what was budgeted. The contractor had said that they would be better off waiting and overlay it as the cost difference is comparable. She will have Robinson give a report at the next Council meeting. Stobb noticed that the prairie grass that was planted along there is not there. Koopman stated that the grasses were taken over by thistles and spraying was tried with no change and it ended that they had to be mowed.

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

ATTEST:

City Administrator

Mayor

August 11, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 11, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, C Snyder and R. Stobb. Absent was B. Chukuske. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Rettmer to approve the minutes for July 28, 2008 as presented. All voted in favor of the motion.

An addition to the agenda was 7-A Loan Resolution Security Agreement for the fire truck. Motion by Rettmer, seconded by Snyder to approve the agenda as revised. All voted in favor of the motion.

Rick Nordahl, CEO of Sanford Tracy Medical Center told the council there has been a lease agreement between the City of Tracy and the hospital since 1997. The current lease includes an incentive payment equaling 10% of net annual operating income from the hospital. Only the hospital income was utilized for the calculation because at the time the lease was entered into, a portion of the clinic operations was privately operated. When the hospital became recognized as a Critical Access Hospital the reimbursements received from Medicare and Medicaid changed. Because of the changes in reimbursement and the manner in which bills are processed, Sanford is requesting that the 10% payment include the entire facility, rather than just the hospital to more clearly reflect operational costs. Nielsen asked what the difference in the payment would have been if this would have been done one year ago. Nordahl answered that the estimated difference for 2007, would have resulted in a reduction of \$12,000. The combined income for the hospital and clinic for 2005 was \$501,892 and the hospital income was \$611,138. This was because the clinic lost \$110,000 that year, however the City's incentive payment was based on hospital income only. This is a gain only incentive. Koopman said the Council has to focus on the change in billing from what it was when originally entered into the lease and the way it is now. Peterson stated it was not that long ago a payment back to Sanford was missed for something in the lease and asked why this was not addressed then. Nordahl stated this has been in discussion for several years and thought it had been taken care of. When they went back to the Board minutes, they discovered it had not been taken care of. Motion by Martin, seconded by Stobb to amend the hospital lease agreement with Sanford to include the entire facility. All voted in favor of the motion.

Motion by Stobb, seconded by Snyder to approve the Law Enforcement Contract between the City of Garvin and the City of Tracy for the performance of law enforcement functions of processing nuisance enforcement and other code enforcement as requested by the Garvin City Council. Police Chief Hillger does not expect this to be a large amount of time and can accomplish this on his shift with no extra time. Added costs would be putting someone on call while he is there for these duties. The cost for this service will be re-evaluated after one year. Mileage will be charged at the I.R.S. rates. All voted in favor of the motion.

Jamie Verdeck reported that the library has been busy over the summer with the reading program, seminar by Pam Nowak and music program by Dennis Warner that was done through funding by a grant from Plum Creek Library System. The County Extension has provided a story time leader every other Tuesday afternoon with 8 to 15 children present. Verdeck is still working on getting the mini-bookmobile developed to bring books to the daycare providers. Two new computers with software have been added to the library and the library will be purchasing a subscription to Ancestry.com program that can be accessed on the computers at the library and also some of the program will be accessible at home with a library card. Mark Ranim, Director of Plum Creek Library System presented an in-service with tips and pointers on being a good library board member with discussion on what needs to be done and direction they need to take. Verdeck is planning the visit of two Minnesota authors in September. The bus museum tour will be touring this area. It is on World War II and the German POWs that were held here and is planned for September also.

Radke reported that he has done some checking into serving food at the liquor store. Without putting in a full kitchen, they would not be able to serve food other than pizza and sandwiches which is being done at this time. Radke stated the price for a grill would be \$2,000 to \$3,000.

Mayor Ferrazzano asked what type of plan has been developed to get a better handle on the liquor store finances. Radke met with Koopman, Spencer and Nicole Larson. Radke indicated the system he has presently shows expenses and revenues and does not take into account depreciation and other items. They will be going to an accrual system, so that monthly we will have the information we need instead of waiting until the end of the year. Koopman said that presently they are on a cash basis and the problem with this is when it gets close to the end of the year, from an auditing standpoint, the inventory plays a role. The Liquor store needs a monthly report that identifies a true profit & loss, the current cash reporting system does not do this. The plans are to switch everything to an accrual system. For now, the liquor store will be on an accrual accounting system. If there is a problem, adjustments can be made immediately, instead of waiting until the audit report is complete. He stated that he has increased prices as of July 28, 2008. Looking at the monthly statement, everything looks good, but it does not show depreciation and inventory which can change the whole picture. With the accrual system, that picture will be there each month. Rettmer asked why this had not been changed to an accrual system years before this. Koopman stated the audit has always been a modified accrual. She wants the City to start focusing on converting everything to an accrual system, but that will take time. Rettmer felt this does not answer the question why the liquor store shows two years in the red. If this has been always been audited on this accrual basis, why did it not show before the last two years. Radke feels that some of this has to do with the building the patio because of the depreciation on the patio is huge. Rettmer finds it hard to believe that this has gone on this long. She asked, "Where is our financial officer and would he not have a clue that we should have been doing this?" Koopman said other options will be explored and we will continue to look for ways to increase revenue at the liquor store. The public hearing needs to be held before November 15 and Koopman will plan for this in October. Peterson felt it would be beneficial to have a report of the accrual system for that hearing.

Gervais stated that at the last meeting there was a request for the housing survey and he had e-mailed the Council regarding this. The Tracy portion of the housing survey states in the next 12 years there will be a need for an additional 25 housing lots to accommodate two new home constructions a year. At this time the EDA has four remaining housing lots and the inventory is diminished. This limits options in housing development. When the housing survey is finalized, this will enable Tracy to get more in CBDG funds. The last survey was done seven years ago. A follow up visit with DEED concerning the CDBG. They are questioning the non-use of the demolition money. They are satisfied with the houses and rentals that have been rehabbed. The demolition money was specifically set aside originally for three homes in Tracy and one in Currie. Currie decided to take their money and apply towards an owner occupied rehab versus a demolition. At the last EDA meeting, it was discussed to get a one to one replacement with the demolition. CBDG grant states that if the demolition money is used, that structure has to be replaced with another structure. The EDA thought maybe that if they could show a necessity that old condemned houses are being demolished, they would give a break on the one to one replacement. They would do this and the EDA has decided to come up with an idea using 58 and 62 Morgan Street as example. The EDA owns that property right now and they are developing a Request for Proposal, where they could offer property to a contractor after the demolition is complete using the CDBG money and offer contractors the ability to come back in with an offer to build a duplex on this property. The EDA would deed the property over to the contractor and allow them to build a duplex on that property with some stipulations. The contractor with the best offer and plan in place would get the property. Gervais stated that he is planning to team up with the Chamber of Commerce to offer a GPS program to promote businesses or organizations in Tracy. This program will instruct the businesses how to keep their information up to date and accurate for consumers. The informational meeting for this will be held on Wednesday, August 20, 2008 at the high school computer lab from 6:30 p.m. to 8:30 p.m. Gervais stated one revolving loan has been made to Jim and Ade Miller to purchase Lights and Beyond.

Police Chief Hillger presented the monthly activity report from the Police Department. There were no questions from the Council.

Robinson stated that July was a busy month and they have been working on a variety of projects such as downtown street lights, utility projects and the 2009 budget. A couple water main breaks were repaired. The asphalt patchwork has been performed by Fuller Paving. Garrels and Daniels have been performing the door replacement on the VMC building and replacing some bricks on the

east side of the building. The department was been performing general park maintenance and removing dead trees. They will be inspecting for diseased elm trees soon. In August the department will be doing the usual prep work for Box Car Days. Nielsen expressed his appreciation to the City's Street crew for their efforts to restore the water after the water main break by working late into the night..

Koopman stated that her time has been spent preparing for the Downtown Lighting and Sidewalk project. Also work has been done on the first presentation of the 2009 budget. In addition to routine work, the past month she attended the following meetings;

- 3 meetings with the Aquatic Center Manager
- Planning Commission meeting
- 2 City Council meetings
- Hospital Advisory Board
- Cemetery Commission
- Met with representative of the Prairie View Nursing home regarding the vacation of 5th Street East and their proposed renovation.
- Met with members of the Senior Center Board regarding their budget
- Met with liquor store manager regarding the financial status of the Liquor Store
- Attended a two day Advanced Academy.

Martin stated that he appreciates the memo she prepared concerning issues that will be discussed at tonight's meetings. Snyder commented that it is beneficial to get a "heads up" regarding issues.

Robinson stated that in the 2008 budget, he had included \$4,000 for fog sealing the bike trail and since that time oil prices have changed dramatically. The current quotes he received are from \$9,000 to \$13,000. He had contacted some asphalt experts for recommendations on the bike trail and it has been recommended to Robinson to not fog seal and wait until the trail needs an over lay and do only crack filling at this time. Robinson felt there is not a great deal of crack filling involved so will be looking into performing the crack filling by the Street Department. They would borrow/rent the tools needed to perform the work themselves and stay within the budget. Stobb asked how far into the future the overlay would be. Robinson stated that this depends on how well it holds up and keeping heavy traffic off the trail and preventing water from settling in any cracks.

Robinson stated that only one bid was received for the water valve replacement project. The quote received from Swish's Hardware totaled \$90,677.00. Projects in this quote include hydrant replacement on Morgan and 1st Street, 4" sewer main on 9th Street and Rowland, 8th Street main and hookups and installation of seven mainline valves. The money would come from the Surcharge Fund which is designated for replacement and repair of existing utilities and common lines. At the present time there is \$341,000 in the fund. There has been bond payments taken from that account this year, but there is another \$40,000 to be transferred from this fund. With five more months to go this year of surcharge income of \$60,000. By the end of the year, the balance should be about \$360,000. Mayor Ferrazzano asked if there was a minimum that they liked to keep this account at. Koopman said the Surcharge Fund does not require a minimum anymore because of the ongoing repairs that are needed; they needed to continue with the surcharge collection. Robinson feels that this quote is reasonable considering the amount of work that is needed. Robinson stated the problems they are encountering at this time are that the cost of parts continue to climb dramatically. Robinson was told by Swish's Hardware that if the cost of parts went up, they would have to charge that difference. Peterson said it would be beneficial to know the cost of the parts. The proposal only lists project costs. Stobb said that the price quotes included re-seeding after the project is done and wondered if this hindered local contractors from bidding this project. Rettmer asked if it would be possible to get a price list from Swish's Hardware and when would he be willing to start this project. Robinson received this quote today and will get back to him for a breakdown of the parts. Martin feels a decision needs to be made quickly due to the rising cost of supplies. Motion by Snyder, seconded by Stobb to accept the quote from Swish's Hardware contingent on the receipt of a price list. All voted in favor of the motion.

Rettmer stated that in the packet there is some information for a complaint that was received regarding the smell and conditions of a dog kennel. Chief Hillger did go over there after receiving

the complaint and is not saying the kennel does not stink, as any dog kennel will. The day he was there, there were very few bugs and hardly any smell. The day before there were contractors there and the kennel had been wrapped in plastic for the winter and they had just taken the wrap off and the odor was quite bad. Since then Hillger has been through the alley with the window down and he did not get a sense that it was overpowering. Rettmer asked if he had talked with the residents at the address in question. Rettmer said that when she was there, she did not smell anything either and wondered if there could have been some feces in the yard. Hillger said that he has not talked with the residents and he attributes part of the problem to be that the kennel is sitting on dirt and not hard surface. It is hard to determine how much urine and feces have been soaked into the ground. The only reference to kennels in the ordinances is in the dangerous animal section. There is nothing that he is aware of regarding kennel construction in either the building code or regular animal ordinance. Rettmer asked that this be added to the agenda because she is wondering if the nuisance and maintenance ordinance could be amended to regulate the types of kennels and structures that are required if an animal is kept in the yard. There is something that refers to the health and well-being of a neighborhood and no one should be expected to live next to something that they find offensive. Hillger suggested that they could look toward the public nuisance ordinance for enforcement. The problem that he has with this is that it is not going to give any immediate relief as the ordinance process is lengthy and because it is such a subjective ordinance, pictures are taken but there is no way to record a smell. There is no legal standing at this time to force them to do anything about it. Martin asked if anyone had contacted the residents and informed them that the kennel is offensive and ask them if the kennel could be cleaned more often. Stobb suggested that they could make them aware that complaints have been received and make suggestions on what they could do to improve the situation. Mayor Ferrazzano asked what the regulation is on how many dogs a residence may have. They can have four dogs and after that they need an animal permit. Peterson felt it was handled the best it can be handled. Koopman said that standards could be set for kennels and allow them a period of time to meet these standards. One of the things not allowed is for dogs to be merely staked out. Koopman said the philosophy of having animals in the city is that they should never be an imposition on the neighbors and if you have animals, you assume that responsibility and should be able to have a kennel that is structurally sound enough to allow for the cleaning of it. Koopman said the residents of the City rely on the Council to remedy their problems. Chief Hillger will continue to monitor the situation.

Motion by Snyder, seconded by Peterson to accept the Loan Resolution Security Agreement for the City of Tracy fire truck. All voted in favor of the motion. (Res. No. 2008-19)

The Consent Calendar included the Municipal Accounts Payable, election judge’s slate, Fire relief Association minutes for July 7, 2008 and Cemetery commission minutes for July 16, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
45863	American Fence Co.	\$ 5,544.80	Peterson asked if this was to be reimbursed. Koopman said this amount has been reimbursed back to the city.
45871- 45873	Lyon County	\$ 337.00	Koopman said these are all filing fees for property at 200 Morgan Street. This is a decision that the Council will have to make is to bill the property owner personally or apply this amount to the property. Nielsen has filed the papers and the 20 day appeal deadline has passed.
45876	AquaLogic Inc	\$ 909.45	Peterson asked if this is a replacement part or back-up part. Robinson said he is not sure but will have to check with Paul.
45880	Cooreman Con. Inc.	\$ 2,462.50	Koopman said this amount comes out of the Revolving Loan Fund.

45968 Whitey's Body Shop \$ 240.00 Koopman said this was one of the doors that was purchased from last year's budget and the painting was paid from Maintenance and Repair under the Municipal Building. The three main doors have not been installed yet.

Motion by Stobb, seconded by Snyder to approve the Consent Calendar. All voted in favor of the motion.

Donna Bjorklund has informed Koopman that she plans to install her own sewer system and no further action is required by the City. Stobb asked if it is recorded that she will not be assessed for sewer improvements. Koopman said this has not been done and Nielsen has advised that caution needs to be taken in situations like this. She assumed any improvements would be based on a user fee, rather than a general levy. This is something that will have to be dealt with at that time.

Each Department Head presented their requests for the 2009 Budget. Koopman will present a balanced budget at the next Council meeting on August 25, 2008. The preliminary budget needs to be certified by September 15, 2008 and if more time is needed to review the budget, a special meeting may have to be scheduled before that deadline.

Frank Nielsen presented a proposal for legal services for 2009. He is offering to renew the existing legal services agreement with the City for the calendar year 2009 on the same terms as the current agreement, subject to the current office space arrangement being continued on the same terms and also subject to this renewal offer being accepted no later than the first City Council meeting in October. Motion by Snyder, seconded by Stobb to accept the proposal from Nielsen for legal services for 2009. All voted in favor of the motion.

Motion by Peterson, seconded by Snyder to adjourn the meeting at 9:10 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

August 25, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 25, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske and R. Stobb. Absent was C. Snyder. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Rettmer to approve the minutes for August 11, 2008 as presented. All voted in favor of the motion.

An addition to the agenda by Rettmer was 7-A Proposal for an Ordinance amendment. Motion by Stobb, seconded by Peterson to approve the agenda as revised. All voted in favor of the motion.

Discussion was held regarding the Ambulance Agreement for 2009. It is the same as the agreement from 2008. Peterson said he would prefer to see a financial statement rather than the information that has been provided. Rettmer said she would like to see a true balance statement, showing income and expense. She said that they had received a document from the USDA, which the USDA approves in order for the ambulance service to receive monies from USDA. She states this is not a true balance sheet and as she has said before, she would like to see itemized income and itemized expenses and get true handle on what funds they are receiving and what funds are going out of there. Rettmer feels they may not need the total \$13,749. She states the problem with this is they do not get their financials until March 31 of the following year and the 2009 budget needs to be approved before the end of 2008. Peterson feels this information would be beneficial to the taxpayers to know if the total amount is needed. Mayor Ferrazzano agrees and does not mind giving funds to the ambulance as the ambulance service is important for the City of Tracy. He feels they need to show the need for this specific amount and it is difficult to determine that from the information they have provided. He indicates he would like to see information showing the need for these funds. Motion by Peterson, seconded by Rettmer to approve the agreement with Tracy Ambulance contingent on changes to item 12 as indicated. ANNUAL REPORT. AMBULANCE shall maintain in accordance with accepted accounting practice during the term of this Agreement records and books of account recording all transactions connected with the operations of AMBULANCE, and shall prepare and file with CITY on or before March 30th of each year an annual Financial Statement showing income, expenses, assets and liabilities, Budget, Income and Equity, a copy of which report is annually provided the United States Department of Agriculture, which report is prepared in compliance with the privacy provisions of the Federal Health Insurance Portability & Accountability Act (HIPPA) of 1996. Stobb asked if this would require them to itemize and submit individual expenses and disbursements. Rettmer said what she is not interested in knowing who was transferred and when, but knowing a dollar amount of hospital transfers. She is not looking for personal information from clients, patients, or doctors. She wants to know things such as hospital transfers and where is the income coming from and on the expense side, how much they paid for gas, supplies, etc. All voted in favor of the motion.

Al Mura, Project Engineer from Short Elliott Hendrickson Inc., presented a memo with information regarding correspondence from States Borders Construction on the 4th Street Storm Sewer Project. As of last fall the project was considered substantially complete as outlined in the Contract. This spring when the contractor was sent the punch list and the project final quantities, they had hoped of setting up a schedule to complete the work. The contractor sent back a list of extra things he wanted to get paid for before he returned to finish the work. The contractor claims were reviewed and found that some were legitimate and some were not. Frank Nielsen sent a letter to the contractor and bonding company notifying them that the contractor would be in default of the contract unless the work was completed. A letter was received from the contractor's attorney with a list of claims. Murra asked the Council for direction on how they want to proceed. The contractor has money coming to him equally approximately \$25,000 for work that has been done. States Borders Construction is requesting an additional \$15,000. Murra stated that he has proposed two options:

To accept States Borders Construction's offer to complete the work for the amount that the City has agreed to pay plus pay the requested additional \$15,000.

Send a letter to States Borders Construction giving them seven (7) days to respond either accepting the offer or not. If States Borders Construction chooses not to accept this offer, the city will then hire another contractor to complete the work and deduct the expenses from the total due to States Borders Construction, and pay them the remaining balance.

Originally the contractor was asking for \$40,000 in additional claims and now has reduced that to \$15,000 on his last offer. He agreed to come back and finish the work for the \$25,000 that is still owed him, which he is entitled to plus an additional \$15,000. Stobb stated one of the things the contractor claimed was his lack of knowledge of the fiber optic cables and water valves that did not work. Stobb felt that if this lack of knowledge did cause him extra work that he has a valid claim. Murra stated that the storm sewer was originally located on the west side of the street and the utilities did not show up on the plans of the bidding documents. The other bidding contractors visited the site and saw the utilities as they were painted in the ditch, but States Borders Construction bid the project without looking at it. There is a clause that states the contractor is 100% responsible for exact locations of utilities. This was discussed before the project was started and checked to see if there would be another option for the contractor so that he would not have to go through the difficulties of working around the utilities, which the other contractors bid the project accordingly and they would have worked around those utilities. It was determined that the storm sewer could be routed to the east side of the road, which was done and eliminated States Border having to deal with the fiber optics the entire stretch of the way. The fiber optics that he states he had to work around were the crossings across the street which did not change from the original plan because they were still making the crossings of the streets. Murra feels they did the best they could to accommodate him in working around the fiber optic. Mayor Ferrazzano feels that option 2 is going to cost more money in the long run and take a great deal of time. For this reason, he felt option 1 is what they should do. Rettmer asked if there are funds available for the extra \$15,000. Koopman stated that she has not actually calculated out to see if there is. Murra said there is about one month left to get the work done and would be nice to get in there as it has been fairly dry. The biggest issue needed to be completed is the grading of the ditch that has been silting in and it would be beneficial to get this cleared up and reseeded. Martin asked if SEH felt that he was due the added \$15,000. Murra said that SEH does not feel that the contractor has that amount coming. Rettmer asked if they do pay him the \$15,000, what type of guarantee is there that he will complete the project correctly. Murra said that States Border did not get the work completed in time to get the grass established and the ditch continued to silt in and there is no guarantee that it will be done correctly the next time he comes in. It was stated in the letter from the contractor's attorney, there would be no additional claims from this point on if it was agreed on to pay him the \$15,000. Nielsen said he would be expected to come and do this work before he got any of the \$15,000 and the retainage would be held also until the punch list is completed. Murra feels that the ditch is not going to be 100% empty all the time as it was not designed to have grade on it and the ditch is flat for 1,000 feet. Chukuske and Stobb voiced that they were told that the ditch would not hold water unless there were heavy rains. Murra said that one of the unknowns that they came across with some drain tile that they hooked up, has apparently water running through it continually and does not know if Steve Robinson was aware of that or not. This was something that was discovered during construction. Mayor Ferrazzano felt they should let Nielsen negotiate for Option 1 and if there is a special meeting needed to discuss something that has been worked out, it can be called. Peterson asked if the change order one in the amount of \$27,600 was to accommodate moving away from the utilities. Murra stated that by moving the storm sewer to the other side of the street, they had to adjust some of the pipe sizes and the biggest item on there was the asphalt patch on the street was more than what was estimated. Peterson stated that they spent an additional \$27,600 to make it easier for him and now he is asking for more because it was not easy enough. Robinson stated that the other contractors that bid on the project, came down and looked at the situation and called in locates to be done and knew what they were getting into and that caused their bids to be higher. States Border did not come and look at the project until the day he was going to start construction and then realized there were utilities there. It is up to the contractor to call in for locates and find out where the utilities are located before they bid on the project. Peterson stated the City hired an engineering firm that recommends the contractor based on the bids and that they are able to do the work. Koopman stated that States Border was \$90,000 cheaper on their bid. Rettmer asked what they gained because now it is going to cost more money. Martin felt it may still

be less than the other bids with the additional \$15,000 to the cost. Motion by Stobb, seconded by Chukuske to authorize Nielsen to negotiate Option 1 with States Border Construction and their attorney and to call a special meeting if needed. Stobb asked if Jeff Morey has talked to anyone about how the sump pump at his parent's home is running much more than it ever did before this project. He thinks the problem was caused by this project. Morey was to put together a list of things. Koopman indicated that he has not talked to her at all. All voted in favor of the previous motion.

Gervais explained the Request for Proposals that the EDA Board approved at their meeting on August 15, 2008. In the CDBG there is money available for demolition and they are not able to get around the one to one replacement in the demolition of the homes at 58 and 62 Morgan Street. The Tracy EDA would like to offer the proposal that they will clear the property and offer it to a developer/contractor to build a duplex and maintain the unit at their expense/profit. Gervais states there is a waiting list of 25 for the town homes right now, but that may be deceiving as out of the 25 about one-half would be willing to move within the next few months. The rental market in Tracy right now is very competitive. Gervais states that 58 Morgan Street has been condemned and with that they would not have to do a one to one replacement with low to moderate income and after speaking with Koopman today, she suggested using some of the funds that has been put in code enforcement to do the demolition at 62 Morgan Street. Construction of the duplex at 58 and 62 Morgan Street would include, but not limited to:

- 1,100 square feet of living space per unit, Rambler/Ranch Style
- 2 bedrooms per unit
- 2 bathrooms per unit
- 2 stall garage per unit with alley entrance
- Duplex to be built with basement option

Gervais has spoken with members of the Planning and Zoning Commission and have had no negative comments. Martin feels it is a good idea to make Morgan Street look better. Gervais states that there are more and more aging population, not wanting to maintain their own property, and have a desire for rental properties. Motion by Stobb, seconded by Peterson to authorize the plan proposed by EDA, and approve the Request for Proposal for 58 and 62 Morgan Street. All voted in favor of the motion.

Rettmer addressed the problem with barking dogs in the city. She referenced the City Code under Section 8.30 Animal License Permit. It states under Subd. 1 that the purpose of Section 8.30, the City Council finds that the keeping of animals within the City has the potential to cause health and safety problems and negatively impact the quality of life if not appropriately regulated. Such animals can cause friction between neighbors and other individuals. The regulation of animals would benefit the health, safety and welfare of the public. Subd. 2 contains definitions of seven situations describing animal nuisances and the one that pertains to her proposal is "an animal that makes noise in such a manner, with such intensity or with such continued durations so as to annoy or disturb the comfort or repose of any person of normal nerve sensibility with the hearing thereof." Rettmer states under Subd. 4 Animal Permits, Section A-2 states "the application of permit will be authorized if it does not endanger life or property and that the keeping thereof, will not become an animal nuisance." Section 3 under the same Subd. 4 states, "an animal permit may be revoked for a violation of any condition thereof, if any animal subject thereto, has committed or become an animal nuisance. Rettmer feels that the ordinance needs to be amended to add this section under Section C. "If the controlling officer, hereby referred to as the Police, receives four (4) calls in a time period of 30 days for the same address regarding a barking dog, or dogs, they will be deemed an animal nuisance and the owner will be deemed in violation of this City Ordinance. The Police will then be authorized to impound the offending dog or dogs and place them in the animal control facility or pound. If that occurs, the City Administrator shall send a written notice of revocation to the permit holder, who shall be allowed seven (7) days after the notice is sent, to request a hearing before the Police Commission to contest the revocation." Under Subsection 6, which refers to Impound and Disposal, Section B contains the following information. "Animals seized may be reclaimed by the owner thereof, in accordance with the rules of and within the time period set by the animal control facility, after paying all costs associated with the seizure and impound." Rettmer would like to add by resolution, "The animal will not be released until a bark collar has been

attached to the animal in the presence of the Police and the Police are authorized to make unannounced spot checks to see that the bark collar is in place.” Rettmer would like input from the Council on these suggestions and if there is something they feel can be done, the information could be given to Nielsen for a draft to be created. Rettmer said she had an individual come to her house, that had made two (2) calls and the Police did not respond. She had another resident call her and in this particular case, the dog was barking at 10:30 p.m., 2:00 a.m. and the resident was close to tears when she got up at 4:00 a.m. as she was not able to sleep, because the dog was still barking. No one should have to put up with that type of noise and it is totally irresponsible of the dog owner and when that individual went to the house, there was no one home. Rettmer feels that something needs to be done and it is interesting to her that in this section, it has penalties for vicious dogs and every other instance except barking dogs. Martin asked if the four (4) calls in 30 days would be from the same caller or different callers. Martin feels that if one neighbor does not like another neighbor’s dog, and all they have to do is call in four (4) times. Rettmer feels that in that instance, if the owner is notified that the dog license has been revoked, the owner will receive a letter from the City Administrator allowing the owner to respond to the complaint within seven (7) days and they would have the opportunity to come in and get clarification of the matter. Stobb feels that after a complaint the police would arrive at the scene and the owner of that dog should be aware of that. Martin would like to see something in writing to review. Stobb said that a barking dog can also be an indication that they are not being taken care of properly. Mayor Ferrazzano asked that Rettmer meet with Nielsen to draw something up that can be reviewed with the Council.

The Consent Calendar included the Municipal Accounts Payable, Aquatic Center Profit & Loss Statement, Monthly Financial Report, Economic Development Minutes for August 1, 2008 and Monthly Receipts.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
45981	Aqua Logic	\$ 3,353.81	Peterson asked if this was reflected in the Aquatic Center Profit/Loss. Koopman said that it was not as the payment was made in August and the Report was for July. This expense will be reflected in next months report.
45988	Dakota Supply	\$ 303.98	Peterson asked if these were parts for Radio read or the regular meters. Robinson said this is for the bottom of the radio read meters that come separately. Peterson asked if this was in the budget. Robinson said they try to have one box of six on hand for replacement.
46006	Morey’s	\$ 90.53	Peterson thought the City had a jack Hammer and did not need to rent one. This was incorrect and it was actually for a jumping jack (tampering) rental.
46013	David Schmidt	\$ 106.65	Peterson asked if this mileage reimbursement is reflected in the Pool profit/loss report. It will be next month as it was paid in August.
46017	Tracy Ace	\$ 205.97	Peterson asked if the city workers installed the door. Koopman said

			this was for parts needed to install the doors.
46019	USA Blue Book	\$ 287.90	Peterson asked what type of safety equipment this was for. Robinson stated this was for a compact strobe light for the Utility truck and the Ford Bi-directional tractor. Peterson said that he has purchased lights for utility and they were not even \$40 a piece. Robinson said they have had the cheaper magnetic lights before and they have not lasted for a longer period of time.
46053	Peterson Const.	\$ 837.00	Peterson asked if they were just not getting the bill for the graffiti removal. Koopman said he had been billing the insurance company and the City just received the bill.
46056	Tracy Medical Foundation	\$ 50.00	Peterson asked if this was EDA advertising. Rettmer said the Foundation was asked to sponsor a hole for the golf tournament. Peterson asked if this was the proper use of taxpayer's money. Rettmer said it was voted on and approved by the EDA.

Motion by Chukuske, seconded by Stobb to approve the Consent Calendar. Mayor Ferrazzano indicated that it was a tough year at the Aquatic Center. Koopman said it appears better and she had provided two reports, one with insurance included and one with insurance excluded. The report shows there is more cash in 2008 than in 2007. Mayor Ferrazzano stated that when he was at the pool, they were doing a survey as to what the hours should be and feels this is a good idea. Koopman said they tried this now, but are not getting enough responses for a good sampling and this survey will be conducted when there is registration for swimming lessons next year. Mayor Ferrazzano states that the fees for daily admissions is down and also fees for non-resident and resident family. He feels that if the only thing that is changed from last year is the hours, is that the only factor that explains why these fees are down. All voted in favor of the previous motion.

Koopman prepared a memo for the 2009 Budget. She states that the wages that are incorporated in this year's budget are set at 3% based on the AFSCME Union Contract that was negotiated for a two year contract. There will be negotiations with LELS this year. The health insurance was locked in last year and even though there will be an increase of 21%, from the City's perspective, the City will not pay more than is being paid now. Other changes in benefits include a mandated increase in PERA in both the employee's and employer's share. The employer's share went from 6.25% to 6.75%.

In Planning and Zoning Koopman reduced the amount budgeted for the paint program from \$5,000 to \$2,500 due to limited use of these funds, but to give it a fair shot, an effort needs to be made to help promote this as a strong effort has not been made.

Economic Development Koopman recommended a reduction of \$5,000 in the revolving loan fund. With this reduction, it does limit the ability for the EDA to give out loans but we have to look at priorities. The utilities in each budget reflect actual usage.

Koopman did not recommend any changes for the Police Department budget, but did recommend that they develop a plan and present this plan to show that they are going to contain the mileage in

the police vehicles. Their milage continues to increase and with gas prices, she feels there should be a more economical way to deal with it. She has not seen that plan yet, but hopefully will have something before the next meeting.

Koopman recommended some changes in the Fire Department Maintenance and Repair of Equipment with a reduction of \$2,000. She based this reduction with there being a new truck purchased and the sale of two of the older trucks. Maintenance and repair of building was reduced \$10,000 by removing the amount intended for the parking lot. Utilities was increased \$1,500 reflected by actual usage. The transfer out is the amount that appears in the depreciation schedule for 2009. Peterson said that he is going to use the argument that was used last year when he brought it up on the Street Departments maintenance, because they were getting a new loader to reduce it by \$1,000. This was not done and they were getting that new loader within two months. The Fire Department is looking at eight to ten months before the new truck arrives and there are two trucks that need to be maintained until that time. It would not take but one repair and the \$2,000 would be eaten up.

Koopman reduced the transfer out of Building Inspection by \$10,000. The current bank balance is \$40,600 plus this year's transfer still has to be made. Even though it sounds like a lot, when you factor in asbestos removal, it does not go far.

The only change in the ambulance garage was the reduction in the amount budgeted for utilities to reflect actual usage.

In Streets and Parks, Koopman reduced motor fuels and lubes based on current usage. Maintenance and repair equipment was reduced by \$3,900 as with the purchase of a new pay loader there should be less need for repairs. Maintenance and repair – other was left at the same amount budgeted for 2008. Communications was reduced by \$600 at the department head's request. The transfer out was increased by \$5,000 to represent the annual amount set aside for park improvements.

Street lighting was reduced by \$5,000 to reflect actual usage.

Community Ed and Rec was increased by \$640 and reflects amount needed for operations.

Cemetery was also reduced to reflect the amount needed for operations.

Koopman states the Airport was reduced \$1,500 in maintenance & repair building at the department head's request.

Unallocated includes the amount needed to supplement the Multi-Purpose Center operations and is reflected in the transfer out. There is also \$7,000 budget for replacement of the Explorer.

Koopman states they are looking at an overall levy increase of 4%. She asked the Council if this is something they would want to present as a preliminary levy. The preliminary levy can be lowered but it cannot be increased. The 4% gives a slight cushion to play with, but not an awful lot. If the \$2,000 is put back into the Fire Department, that 4% will have a slight increase. Peterson states that based on the numbers that were received from Xcel, they are going to cost more per month to operate. Peterson states that according to a lawyer at the LMC conference on public purpose expenditures, it is illegal by state statute to give annual funds to a museum. The attorney general's office states it does not allow the City to become a member of the Chamber of Commerce or pay dues. Koopman asked for direction if the Council feels that what has been presented is adequate for a preliminary levy. Mayor Ferrazzano felt the adjustments were fair, with the exception of maintenance of the fire trucks. Fire Chief Johnson said the tentative date of getting the new truck is sometime in February and the old trucks would be available for sale when the new truck is put into service. Mayor Ferrazzano felt they should leave the \$2,000 in the budget for repairs on the old trucks. Koopman will research the street lighting questions as well as the information on the museums and Chamber dues. Rettmer asked that the Council receive a copy of the Police Department's mileage report. Koopman said that as soon as she receives it, she will get it out to the Council so it can be reviewed before the next Council meeting. Rettmer felt that it might improve relations if the officers would walk around the business area and stop in and greet the

merchants.

Koopman said that Robinson had distributed an e-mail regarding the utility budget and use of the surcharge fund. Robinson has requested \$7,000 in the utility fund to hire a part time person to exercise the valves. Also included was \$15,000 for replacement of "key" valves and \$25,000 for water meters. If this is included in the utility fund, it puts it way over budget. Robinson states that if they look at the definition of the Surcharge Fund, it is to be used for underground utilities and his contention is that these are underground utilities. He is wondering if these items could be purchased from the Surcharge Fund versus the Utility Fund. Peterson does not feel that the Surcharge Fund has anything to do with hiring part time employees. He states there are employees on limited work that can do that. Robinson said this is something that has to be done in the summer in case there is something that goes wrong with it and it basically takes two individuals to do this task. Peterson does not feel that water meters belong in the Surcharge Fund either. Stobb felt that maybe it did, where you are replacing utility equipment already in place. Peterson stated that he does not feel that they have proved that the radio meters are paying for themselves yet. Robinson explained that according to the last 43 radio read meters that were installed, in one year they have picked up 3.2 million gallons and picked up \$12,800 of revenue. Peterson states that when he looked at the numbers for that year, they actually pumped less water and then put in the cost of the meters, they did not pick up the twelve grand when he figured it two different ways. Peterson feels that the \$25,000 expense is too much until they prove that they can pay for themselves. Mayor Ferrazzano states the fundamental question is if they can use the Surcharge Fund for replacement of water meters. Peterson states it is the want rather than a need. Rettmer says it is known that many of the water meters were installed in 1940 and questioned how accurate are they. Mayor Ferrazzano agrees with Stobb that the Surcharge Fund could be used to replace water meters. He also feels that the radio meters are making it more convenient for the citizens. Robinson said he was looking at part time help for the valve exercising as it takes two people to do this and the department employees are very busy in the summer. He would like to build an inventory of what there is out there as they do not know which valves work and which ones do not work. It was the consensus of the Council that the \$15,000 for replacement of a "key" valves and \$25,000 for water meters could be paid for from the Surcharge Fund. The \$7,000 would have to come from the Utility Fund.

Motion by Peterson, seconded by Chukuske to adjourn the meeting at 8:00 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

September 8, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 8, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Rettmer to approve the minutes for August 25, 2008 as presented. All voted in favor of the motion.

Additions to the agenda included: 4-A Update on Aquatic Center, 4-B Department Head Reports and 10-A Water Meters. Motion by Martin, seconded by Stobb to approve the agenda revised. All voted in favor of the motion.

Robinson told the Council they had some suspicions there was a problem in the zero depth pool and when the pool was drained and shut down, one of the lines was televised and there is a broke line. This is located in the main drain which is designed to allow for water to drain and run back to the surge tank. He felt that what caused this was a plug of ice in it and cracked the pipe. DeSmith called some people today and they agreed they should not have to do anything with that line, but the same thing has happened in other pools. Calls were made regarding repair. This is not a pressure line, it is a drain line so they were looking at having the pipe relined instead of tearing up the cement. Snyder asked if it is a gravity drain, could they insert a plug. Robinson said that was suggested to them, to put in some blow up balls but there is the possibility that the air could go out of them. They may look at putting antifreeze in that line. DeSmith said he reviewed the operation manual and could not find any information that addresses this type of issue. He will be sending the tape that was made today to Infra-Tech to see what can be done for repair. DeSmith said this is one of the circulating lines with gravity feedback to the main surge tank and from there the pumps draw their water. Mayor Ferrazzano asked how far down this pipe is. Robinson answered the drain is 12 to 14 inches deep and the pipe is another foot below that and definitely in the frost area. Rettmer asked when they would be hearing back from the company that could line this pipe. Robinson said they will be sending them the tape and then call to see what their schedule is. Mayor Ferrazzano asked if this is a warranty type incident. This would not be covered under warranty, but Koopman said they would be contacting the insurance company to see if this is something they would cover. Robinson said that if it could not be lined, they would have to excavate. They would pull the liner back, take up the concrete and replace the pipe and cement. They then would bring the liner back together and plastic weld it back in place. This is something that could be done yet this fall.

Radke reported the Labor Day weekend was good for the liquor store. Last week a brick was thrown through the back door of the liquor store and has since been repaired. Nothing was taken from the liquor store.

Police Chief Hillger asked for any questions regarding the activity report. Hillger presented a memo regarding gasoline and vehicle usage. All officers will be required to put on no more than 50 miles per shift, down from 55 miles per shift. If more than 50 miles is put on they will write an explanation on the car log, with the 10-7 out of service entry. Stobb appreciated that Hillger instructed the officers that because mileage is being restricted, that is no excuse for them not to work their job.

Gervais reported that ten (10) people attended the seminar regarding the GPS for businesses and local points of interest. They were instructed on getting the information on the map and how important it is to provide the correct information. More seminars will be held in the future. Gervais will be attending a Premier Leadership seminar to discuss future trends for business leaders in the community and the region. Rich Karlgaard of Forbes magazine will be conducting the seminar and has appeared on the Fox Business channel from time to time. Carbon monoxide detectors will need to be placed in the EDA town homes by August 1, 2009. Gervais is looking for a good price for purchasing these. The EDA will be soon be offering the Request for Proposals following the demolition of the homes at 58 and 62 Morgan Street. At the Tracy EDA meeting on September 5, 2008 a motion was made, seconded and passed to recommend to the Tracy City Council to plant trees from the City Tree Farm along the northern property boundary to establish a visual and sound

barrier for a proposed housing development in that area. He has talked with Robinson and there are sufficient trees to do the project. Because the EDA does not own the property, they are requesting the City to do this. Robinson said there are trees that are in need of being moved and replanted. Some may have to be removed with a tree spade. It was the consensus of the Council for the Public Works Department to remove and plant the trees they are able to and get an estimate on the cost of having someone move some of them with a tree spade.

Robinson reported that the month of August included time spent on developing the 2009 budgets. The Public Works also spend considerable time preparing for Box Car Days in the last two weeks of August. Other recent Public Works activities have been street sweeping, tree trimming, alley maintenance and park maintenance. Diseased elm trees have been identified. Gary and Shane made cabinets to contain license plate tabs for the office. The pool has now been shut down and a suspect pipe on the zero depth pool has been identified and will need repair. The department made a good buy on two loads of road salt which will be delivered soon along with a load of F2 red rock to mix with the salt. The street light project is under way. Swish Plumbing will start their project on Monday, September 8, 2008. There will be areas of town where the water system will be temporarily shut down for repairs. We will do our best to notify customers of shut downs. The E.P.A. has met with the departments and plans to be in Tracy about mid September to clean up lead contamination on a property along South 4th Street. Once this is cleaned up, they will be able to lower the grade on the drainage ditch to complete the South 4th Street project. Robinson said he has had individuals ask about the purchase of the street light poles that have been taken down. At this time they are being stacked in the parking lot next to the liquor store. He asked the Council if they would like to put them on a salvage equipment bid or set a price for purchase of them. Chukuske suggested that they be hauled to a salvage yard and sold. Robinson said the hospital and the museum have asked for one. Chukuske suggested they find out the value of them for sale to individuals. The hospital and museum could be given one each and the once the value is determined for them, they could be hauled to a salvage company.

Koopman said the majority of her time during the past month was focused on the budget. She also spent time on preparing for the primary election to be held on September 9, 2008. She attended two training sessions, one with the head judges in Marshall and another with all the elections judges. Meetings attended were a meeting with Ron Radke, David Spencer and Nicole Larson to discuss developing an accrual reporting system for the liquor store, two City Council meetings, met with the Aquatic Center manager, Hospital Advisory Board meeting and a preconstruction meeting for the downtown street lights.

Koopman presented a memo regarding the Ambulance Agreement for 2009. She had talked with Charlie DeSchepper and explained that the Council is looking for more detail in revenues, expenditures, assets and liabilities than what appears on the document provided. He said that the Council may have to let the attorney's determine what information is needed. Peterson said they are not asking for any information that would violate the HIPPA requirements. Mayor Ferrazzano asked that Nielsen talk with the Ambulance Association's legal representative to see what the basis is for them not providing the information that the Council has asked for. Rettmer suggested that this be done before the 2009 budget is certified.

An update on the South 4th Street Storm Sewer project was given. Nielsen reported there has been no reduction in the \$15,000 amount requested from States Border. There is a little over \$24,000 that is left on the original contract to be paid to the contractor and because of they term as "extra work" they are asking for the additional \$15,000. They have not yet completed the punch list items. Stobb asks who stands by the work already done if another contractor is brought in to finish the work. Nielsen said he talked with the their lawyer and they are hung up on the idea that the project was originally conceived to have the pipe running along the west side of South 4th Street but due to utility conflicts, they changed it to the east side. Nielsen indicated that Al Murra from SEH stated that it could be built on the west side but it would involve special work. States Border's lawyer asked for that in writing from the engineers and the engineers are not willing to do that. Peterson assumed that from this, the engineering firm is not supporting the City in getting this bill reduced and it was a utility issue that moved it from the west side to the east side. Nielsen said the way it was put to him was that it was engineered to be on the west side of the street and everyone bid on it and States Border's bid was accepted. When they showed up to do work on that side of

the street, that they discovered that it is going to be more of a project than they wanted to do for the money bid on the contract and asked if there was some way it could be done differently. The engineers viewpoint was that they have a contractor that is not going to do the job properly or on time on the west side of the road and is there a way to move it to satisfy his concerns and guarantee that they work would get done properly and on time. Chukuske states that his disappointment in this issue is that the engineers should have noticed that bid was so low and asked those questions, because for some reason that bid was much lower than the other bids, which to him should have put a flag up. Peterson asked if this was identified in the specs that there was fiber optics on the west side and this is what has to be worked around. Chukuske feels that the engineers should have told the Council that States Border was the only one that did not have someone come in and flag those fiber optic lines. Nielsen said the engineers have acknowledged to Koopman that they feel some responsibility. Although fiber optics were identified on the preliminary plans, it was inadvertently omitted from the final plans and this opened the door for the contractor to use against the City. Rettmer asked if the engineers have some type of liability insurance for issues such as this. Mayor Ferrazzano asked how much lower this bid was than the other bids that came in. It was between \$80,000 to \$90,000 less than the other bids. Chukuske said the point they are making is that maybe the engineers should pay the difference and not the City. Rettmer felt another issue was that they decided to move the construction from the west side to the east side without coming to the Council. Nielsen said there was a change order issued for moving the construction from the west side to the east and the City Council did approve this change order. Koopman said that the engineers have verbally indicated to her that they are willing to recognize this issue and assume some responsibility and said something about paying half of what is due. Motion by Stobb, seconded by Chukuske to authorize the additional \$15,000 be paid to States Border to get project completed and get something in writing from SEH concerning their contribution to that amount. They will be given a deadline of September 22, 2008 to complete the project and if needed it could be extended one more week. All voted in favor of the motion.

Nielsen stated that according to information he has gotten regarding the expenditure of City funds to the Chamber of Commerce, indicates that the City can contribute funds to the Chamber of Commerce, but cannot purchase a membership. Peterson feels that the contribution of closing streets for them during their activities is a contribution. Motion by Peterson, seconded by Chukuske to remove the \$500 membership fee from the 2009 budget after he preliminary levy is certified. All voted in favor of the motion.

Nielsen explained that Minn. Stats. §471.93, allows for appropriations of money by a city such as Tracy “for the purpose of collecting, preserving, storing, housing,... and exhibiting data and material pertaining to the history of the city ...and to preserve such history data and material for future generations.” He feels that a large part of what the Wheels museum does, would fit in this category. The city needs to make it clearer that it is providing funds for such historical purpose, and can specify that the funds are to be used for that purposes. Nielsen also noted that Minn. Stats. §471.941 allows for appropriating funds to “artistic organizations”, which includes groups that provide an opportunity to participate in the appreciation of artistic activities, including architecture. He feels that St. Mark’s building could be found to be architecturally distinctive and an important structure in Tracy, and the use of funds to preserve and display it which is appropriate under this statute.

Proposed Amendments to Section 8.30 Animal License/Permit included the following.

Subd. 3. Animal Licenses

The license shall be valid for the life of the animal, subject to the conditions set forth in paragraphs B. and C. of this Subdivision, and subject to revocation as provided in Subd. 6E, below.

Subd. 6. Impound and Disposal.

6. Dogs subject to seizure as provided in paragraph E. below.

If any animal control officer or officers shall have confirmed that, at a particular premise within the City, facts existed sufficient to conclude that four or more animal nuisances of the type defined in Subd. 2. D 1, above, have occurred involving one or more dogs during any 30 day period, an animal control officer shall personally deliver to the owner of the

dogs involved or to a person of suitable age and discretion residing on the premises involved a notice stating, in substance, the following information:

1. The dates and approximate times when the four incidents occurred.
2. That because of the incidents, all dogs on the particular premises involved.:
 - a. Must be removed from the City within seven days of delivery of the notice, or that proof from a veterinarian must be presented to the animal control officer, for any dog not so removed that the dog has undergone a veterinary procedure to prevent it from barking, growling or whining.
 - b. If such proof is not presented or the dogs are not removed as provided in subparagraph a. above, the dogs will be seized by an animal control officer and impounded.
3. That because of the prior incidents, all animal licenses and permits issued by the City of Tracy for dogs located on the premises involved or owned, possessed or kept by any person residing or living at such premises shall be deemed revoked without further notice upon the expiration of the period provided in paragraph 2, above.
4. That any such person as described in paragraph 3, above, may not thereafter for a period of two years be issued by the City of Tracy any animal license or permit for any dog, nor shall any dogs be located on or kept at the premises involved for a similar period.
5. That any person having an interest in the dogs, or any of them, involved, may, within seven days of delivery of the notice, may request a hearing before the City Council contesting the action contemplated or required by the notice received.

Any request for hearing as provided for in paragraph 5, above, shall be directed to the City Administrator in writing, and the hearing shall be held before the City Council at its next regular meeting occurring more than five days thereafter or at any special meeting of the City Council. The party requesting the hearing shall be given at least three days notice of the hearing date. Pending the hearing, no further action of the types states in paragraphs 2b, 3 or 4, above, shall be taken. At the hearing, the City Council shall hear all interested parties, then conform the requirements of the notice, set aside the notice, or confirm the requirements of the notice as to some of the dogs involved and set aside the notice as to the other dogs. If the requirements of the notice are set aside as to at least one dog, the consequences stated in paragraph 4, above, shall not apply and the consequences stated in paragraph 3, above, shall not apply to the dog as to which the requirements of the notice were set aside. For any dog as to which the notice requirements are confirmed, the requirements of the notice were set aside. For any dog as to which the notice requirements are confirmed, the requirements of the notice in regards to disposition of the dog shall be concluded by the owner within five days after the hearing, or if such requirements are not met, the dog shall thereafter be seized and impounded by the animal control officer. For any dog as to which the notice requirements are confirmed, any animal license or permit for such dog shall be deemed revoked five days after the hearing. Also, after delivery of the notice, any dog involved has not been removed from the City as required by the notice and no request for hearing to the City Council has been made, the animal control officer shall seize and impound such dog. After any impoundment, the animal control officer shall release the dog impounded to the owner, upon payment of all impoundment costs, only if a bark suppression collar supplied by the owner is attached to the dog before release and the owner agrees to random checks at any reasonable time by an animal control officer to verify that the collar is in place and operating properly. Any dog not so released to its owner may be disposed of as provided in Subd. 6C above and not returned to the owner.

F It shall be the duty of all animal control officers to investigate all complaints that an animal nuisance of the type defined in Subd. 2 C 1. above has occurred, and to document such investigation sufficiently to allow the provisions of Subd. 6E to be properly enforced. An animal control officer who confirms that, at a particular premise within the City, facts exist sufficient to conclude that two animal nuisances of the type defined in Subd. 2 C 1. above, have occurred involving one or more dogs during any 30 day period, shall, as soon as reasonably possible after such second incident, make a reasonable attempt to advise the owner of the offending dog(s or a person of suitable age and discretion residing on the premises involved that continued violations could lead to a requirement that all dogs on the premises be removed from the City and that other sanctions could results.

G. The requirement of four prior incidents as stated in Subd. 6E, above, shall not be interpreted to require that any offending person have been cited for, convicted or received an administrative penalty notice for any of the prior incidents, but only that facts existed from which it appears the specified animal nuisances occurred.

Subd 8. Violations: Enforcement

6. Preventing or attempting to prevent the lawful seizure or impoundment of a dog as provided for in Subd. 6E.

Martin voiced concern that some residents would report the four (4) nuisances in 30 days just to get rid of a dog that they do not like or because of problems between the neighbors. Rettmer felt that it was imperative that the police officers have complete documentation of any incidents reported to warrant the legal right to impound any dog(s) if there are four complaints in 30 days. They will have four (4) opportunities to plead their case before any other action is taken. Nielsen felt that the number of complaints received indicates there is a problem in the City and appropriate action needs to be taken to reduce the number of complaints. Motion by Rettmer, seconded by Stobb to waive the first reading and set the second reading held at a public hearing on September 22, 2008 at 6:45 p.m. All voted in favor of the motion.

The Consent Calendar included the Municipal Accounts Payable, Firemen’ Relief Association minutes for August 4, 2008 and Hospital Board minutes for July 16, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
040656	Fuller Paving	\$18,109.20	Peterson asked if any of this is going to be reimbursed and from what budget. \$4,251.00 has been billed to the insurance company of the semi-driver described in the next question. Another \$294.00 has been billed for asphalt replacement to the Masonic Building for a service line repair. This was taken from Street Dept. Maint./Repair account 101-431-223
046087	Dale Johnson Const.	\$ 750.00	This was for Curb and gutter repair – where and when? This was on south 4 th Street by the elevator. This stems back to January when a semi ran over a hydrant. This has been billed to the insurance company and is expected to be reimbursed.
046891	G&H Plumbing	\$ 2,580.77	How many water heaters were Purchased? The report given to the Council was sorted so that the total dollar amount of the check was listed next to one description. A faxed “resorted” report was provided to describe the water heater price of \$702.44.
046129	City of Tracy – Main	\$ 315.00	What is WSI RMB? WSI is water safety instructor – there were three seasonal swimming pool employees who needed to pay the city back for their WSI certification so it was

taken from their last paychecks.

Motion by Stobb, seconded by Chukuske to approve the Consent Calendar. All voted in favor of the motion.

Koopman said a letter was received from Lyon County Development Corporation requesting a \$4,400 contribution for 2009. She included a \$1,000 contribution which is the same amount that was included for 2008. In the revised budget pages the \$2,000 was added back into the maintenance repair of equipment in the Fire Department and \$9,212 was added due to an employees selecting family versus single health insurance coverage in the Police Department.

Koopman checked with Xcel Energy regarding the new light fixtures in the downtown area. The current fixtures are not metered, however, a flat rate was paid that included a maintenance fee. The new lights will be metered, but will not include a maintenance fee. Koopman talked with Eric Pauli and with his assistance, they estimated the amount of kilowatts these lights will use. At this time, she is not recommending any changes in the street lighting budget. They will need to experience one year of usage before an estimate based on fact can be made.

Koopman stated that with these changes incorporated, this results in a 5.3% overall levy increase. She feels this is not a bad percentage for a preliminary levy as they have until December to adjust the final levy.

Motion by Martin, seconded by Stobb to adopt a Resolution Adopting Proposed Tax Levy. The following sums will be levied for the current year, collectible in 2009, upon taxable property in the City of Tracy for the following purposes:

General Fund	\$550,861
Permanent Improvement	\$ 10,000
Debt Service	<u>\$347,764</u>
TOTAL LEVY	\$908,625

All voted in favor of the motion. (Res. No. 2008-20)

Truth in Taxation hearing will be held on December 1, 2008 at 6:30 p.m. If needed a continuation will be held at the regular Council meeting on December 8, 2008.

Mayor Ferrazzano received a letter from Southwest Mn. Arts and Humanities Council thanking the City for their membership renewal to SMAHC.

Peterson said that in June a discussion was held on the benefit of the radio read meters and it was decided to wait a year to get a good read on the benefits. There is an article in the paper treating the \$12,000 as gospel and this did not set right with him. He referred back to his notes and does not have all the paperwork that he had borrowed from David Spencer before. The biggest thing that he wanted to bring out was the DNR comparison report for 2006 to 2007, there was less water pumped in 2007 and to say more revenue was generated, does not make sense to him. Peterson states that the Council had agreed to not to discuss this issue again until better data was obtained. He would like the record to show that the better data has not been received.

Peterson stated that he had reviewed the contract with SEH for construction administration and the number of hours they are to spend out on the construction site. He states that he has not seen anyone out there yet and the only reason he is noticing is because they are on 4th Street. He had some discussion with the company doing the locating and was a little concerned about the fiber optics that are present. The electrical contractor stated that he was not aware of the fiber optics it was brought to his attention that more concrete than what is marked will have to be removed. Peterson said he is not comfortable with what is being done at this time after getting this information from the locators and the electrical contractor. He had heard that they were to be pouring concrete on Monday. There are people that cannot get out of their garage as the concrete is all tore out. Rettmer asked if the engineer provided any kind of management. Koopman said

they provide some management and that is one thing that was stressed in this agreement that there is limited construction administration on this project at \$10,800. Peterson states that this represents 102 hours and they are going into the second week of construction. There are two (2) hours of client services manager, ten (10) hours project manager, eight (8) hours special engineer and eighty (80) hours of resident project representative. Robinson stated that Scott Lavoie is the project representative and as stated the management is somewhat limited. They count hours such as when they had to come and repaint some of the markings as some of the concrete work was taken out of the project. Robinson will get in contact with Lavoie tomorrow and see when they next plan to be out here and see hours many hours they have. The reason there is a delay in getting the concrete back in, at the pre-construction meeting all contractors were present and were told to call in their own locates so utilities could be identified. The electrical contractor did not call in the locate and that is why the cement guys are not here. He finally called it in on Friday and then had to wait till Monday afternoon. Rettmer asked who is monitoring the electrical contractor and making sure that he does his work on time. Peterson stated that it does not say anything on the bid sheet about line boring anywhere near fiber optics. Robinson states that he feels it is the responsibility of the contractor to call in the locates and walk through the project to find out where the lines are at. Peterson asked how the engineer can spec out a bid if he does not know what is underneath. Robinson explained how would the engineer know if someone installed a new cable between the time he located the utilities and when the final plans are complete. This is why the contractor is responsible for calling in their own utility locations.. Peterson felt they should have it marked that there is fiber optic cables in the area and for them to call and locate. Robinson stated that if this is put on print, you are saying that the fiber optic is right there. Once the electrical contractor gets the wires in the ground, the cement can be replaced.

Peterson said that he has been approached by three or four different individuals asking why there is no handicap ramps on the sidewalk leading from the street to the gazebo. Chukuske indicated that he was one of the contractors working on the project and they are building it by the specs they were given. Rettmer asked who is in charge of the project. Chukuske said technically the Planning and Zoning Commission would be. Dan Anderson was the overseer and it was all volunteer labor and they were all building it according to specs. Koopman indicated the Planning and Zoning Commission will be meeting on September 15 and it will be discussed at that time. Chukuske indicated that it would not be a big deal to do this and all he is saying that this is being done all generously by volunteer labor and if they feel there is something that should be changed it should be brought up and addressed. Rettmer expressed her appreciation for all the work the volunteers have done. Chukuske wished that more people would tell the volunteers that, as they are getting a lot of negative feedback and it is unlikely you will get them to volunteer again, because people seem to be not very appreciative when it comes to things like that. Mayor Ferrazzano states that when they sell bricks appreciation can be extended to the volunteers at that time. Chukuske said there is going to have to be some fund raising activity going on as none of the landscaping has been done.

Motion by Chukuske, second by Rettmer to adjourn the meeting at 8:00 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

September 22, 2008

The regular meeting of the Tracy city Council was called to order at 6:30 p.m., Monday, September 22, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Rettmer to approve the minutes for September 8, 2008 as presented. All voted in favor of the motion.

Additions to the agenda included: 4-B Aquatic Center Pipe Repair and 6-B Hazardous Building at 941 S. Center Street. Motion by Peterson, seconded by Stobb to approve the agenda as revised. All voted in favor of the motion.

Steve Robinson, Engineer from SEH presented an update of the storm sewer project on 4th Street. There has been concern about the water that remains in the drainage area. The original intent of that drainage area was to be a defined drainage ditch or swale that discharged into the county ditch. The obstacle encountered was the contaminated soil that could not be disturbed. One option was to re-route the ditch away from that soil which would have lengthened the amount of ditch that would have to be dug and would have had to run through the higher ground. There would have been a longer ditch and the need to dig more soil. The other issue was the proposed development of that area, if the ditch was placed in a less convenient area, it would have impacted future development and limited how much buildable area that was out there. It was then decided to surface drain that area until the time the contaminated soil was removed and then a more defined ditch could be dug to the county ditch that would alleviate the water ponding. Robinson states there is an area with little or no grade in it, that will have standing water. He stated there is approximately two to three inches sitting at the upstream area. The contractors came back last week and did some minimal improvement on it, but did not accomplish what Robinson had hoped they would do. If they come in and dam up the outlet, this can be done as this will by-pass to another storm drain. This can then be re-excavated for more grade. There are still limitations until the construction can go all the way to the county ditch. Some unforeseen problems were run into and they had to decide if they should proceed and not complete the project the way it was intended, or wait several years until the contaminated soil was removed. The decision was to put the smaller ditch in there with less drainage, but would alleviate the flooding upstream. The farm tile that was connected into the storm sewer system, which alleviates flooding and ground water problems, is still flowing water. Even in the dry season there is a lot of ground water flowing into that storm water system. Stobb understood that the contaminated area was more to the north and west of the present ditch. Robinson stated there presently is not a ditch that reaches the county ditch. It was stopped where they got grade in the farm field so it could surface drain from there but the intent was to have a well defined ditch that would discharge into the county ditch and the most direct route is through the area where there is contaminated soil. Without being able to get to the county ditch, there are limitations on the grade at this time. Rettmer asked if the contaminated soil had been removed. Koopman stated that it will be taken care of next summer. They are removing the contaminated soil on the west side of South 4th Street at this time. Peterson asked what the cost is for extending this ditch to the county ditch. Robinson felt this would have been in the original bid if they had been able to reach the county ditch and he is not aware of how much extra soil needs to be excavated. This is the least expensive way to go to have the open ditch rather than pipe it there. It was never considered to have it piped that distance of 1,000 at a cost of \$30 per foot minimum. This needs to be done in conjunction with a development plan for that area, so the ditch can be located so it doesn't intrude on the area that is to be developed. Peterson asked who made the decision to make it a surface drain area. Robinson said that was a decision made with the City about two years ago. Mayor Ferrazzano asked that when the contractor was here last week, they had done some things but not everything that was expected they would do. He asked what was left to do. Robinson said that he had envisioned they would come in with a bulldozer and grade from where the storm pipe outlets to try and pick up some grade there. When they constructed the swale originally, they did not get it seeded down and it had silted in and feels that some improvements could be made to that area to try and get better drainage there. There are some limitations until it can be taken to the county ditch. Robinson said that when he arrived last week the contractor had already left and he

will get him back here this fall when they have larger equipment to do this. Koopman said the contractor was notified that he had until today to complete that work and she is asking if he felt that the contractor has completed the work. Robinson feels that he could not have completed it without other measures such as sandbagging the storm outlet so that the area has an opportunity to dry and then come to complete the grading. He feels that later this fall would be a better time to do that after things are dried up some. Robinson said he needs to go back and tell him that they need to work with the city to get that sandbagged, so it can dry and have them come back with larger equipment to grade that. Martin asked if they would run into the same problem without the seeding. Robinson said they would work in a much smaller area and the amount that can silt back will be less. Rettmer asked if this was part of the punch list that has not been completed yet. Robinson answered it was and is not aware of any other things on the punch list that need to be completed, but he will check on this. Robinson said the other issue on this is the fiber optic cable that did not appear in the plans and through a glitch in producing the plans, it was in the original plans that were reviewed and when the plans were printed for bid, that layer that showed the optic cable got turned off. This was discussed at length in the design process, knowing it is not easy to work around. It is doable but can be more challenging as the work needs to progress slower and be more careful, but did not think it prevented the contractor from doing the work. The plan was changed, moved to the other side of the street and on that the City had decided to pay the Contractor an additional \$15,000 for the additional work. Robinson feels that if the City pursued this in court, the City would prevail, however prudence says for that amount of money it is not worth going to court. SEH agrees with the City's decision and it was the mistake of SEH that enabled the contractor to use this avenue as an excuse and because of that SEH has agreed to pay half of the damages. The Council voiced appreciation for this. The paperwork is being processed to pick up this difference.

Robinson said there were some questions regarding the street light project and the utility locate. Utility locates are done when they do the plans so they can be located on the plan sheets. When it comes to construction, it is the contractor's responsibility to do their own utility locates and there are some legal reasons with that, and deals with the means and methods of the construction. If the engineers interject themselves into that, then they are being responsible for the scheduling. The utility locate takes 48 hours and lasts for 14 days and if the engineer is responsible for that, then they are taking responsibility for the contractor's schedule. The engineers and the City would be liable if there were problems with that. On the cover sheet in large print it states that it is the contractor's responsibility and it was also discussed at the pre-construction meeting that everyone had to get their utility locates. Rettmer asked if in the street light project, they again run into problems with the fiber optic lines. Robinson stated that he heard that rumor, but no one has showed him where this fiber optic is and he is not involved on a day to day basis and has heard there was a complaint that it was not shown. Rettmer said that it is imprinted on the sidewalk. Peterson said the contractor's complaint was there was no mention of fiber optic on the bid sheet and the only reason it was brought up was because of the storm sewer project. Further discussion was delayed until after the public hearing.

The Mayor opened the hearing to public testimony 6:45 p.m. on an ordinance amending the City Code Section 8.30, Animal License/Permit.

Colleen Nydell, has recently moved to Tracy and she is concerned about the section where it requires mandatory debarking of dogs. She has lived next door to a debarked dog, and states it is loud, noisy, and irritating. In many cases debarking does not work and it becomes a loud, raspy and irritating barking dog. Debarking does not solve the problem, even if debarked, the dog is still going to bark. Veterinarians say that 50% of these dogs, the debarking does not work or within one to two years the vocal cords grown back, and the dog has to be debarked again. There is pain, surgical complications and many other things that can go wrong in the surgery. Scar tissue can form and for the dog it is not good. There is a safety issue here, and some states have banned this procedure. She would like to have the owner, be aware of why the dog is barking. It is usually they are lonely, cold, they have been cooped up and they are bored.

John Domine, stated that he feels the City has bigger issues than worrying about dogs barking. If there is a neighbor's dog barking, go and talk with the neighbor and this can be worked out. The article in the Marshall Independent does not make the City Government look very smart and there are other issues that need to be resolved instead.

Con Rettmer, 236 Hollett Street agrees with Nydell about debarked dogs. He had a neighbor that did this to a dog years ago and it was worse to hear that, than some of the dogs that are barking now. When he was growing up, they always had a dog in the house. He is not against dogs, but barking dogs are a problem. In their neighborhood they have eleven (11) dogs. No one wants to get into a confrontation with the neighbors. His neighbor has two (2) dogs, Labradors and they are good dogs. They are kenneled, fed, watered, and exercised. Both neighbors work and do not know what happens during the day. Across the alley there are a couple more dogs. He would call anyone to come and listen when the dogs are barking and goes on for hours. When the neighbors are home the dog is quiet. Last Saturday night at 10:30, the neighbors were gone and the dogs started barking and this continued for about one and a half hours. He feels it is a large problem in the neighborhood and other neighborhoods in the community as well. Rettmer encourages the Council to “put some teeth” in the ordinance they now have.

Kyle Larson, 1112 N. Center Street and is a dog owner. He does not feel that his dog is a problem. This does not hit at the heart of the problem. The dog barking is not a problem, the dog barking is trying to tell you there is a problem. Dogs out of nature, barks for a reason. He feels that if the ability to bark is suppressed, you may have let a criminal walk into a house as no one would know. An elderly person or child could be hurt. Larson feels the important thing is that the heart of the problem needs to be identified. He agrees that as neighbors, this could be resolved and then if the neighbors cannot get along, then it is time to get the law involved. Larson does not feel this is problem. He does not feel that using an ordinance to punish a dog against what it is normally programmed to do, is an injustice to the animal.

Margie Nielsen, 675 2nd Street states that she has talked to all her neighbors and has not gotten anywhere with that. They say if there is a problem, then call the police. The police have been called and she could probably call everyday. They never hear any feedback from the police as to what they have done with the dogs or if they have issued a ticket. People go away for the weekend and leave their dogs. The police state that unless they do not have any food or water, they cannot do anything. The barking is everyday for hours at a time and the dogs are tied up and ignored. People need to be held accountable for their dogs. One family has four dogs are over their limit and no one checks to see if permits should be issued to have those dogs. She feels they need to change the ordinance or have the police enforce what is present.

Sander Ludeman 320 Hollett Street has neighbor whose dogs that bark all day. In the winter they are in the kennel and have no place to go. He wrote a letter and suggested that they put a dog house out there for them to make them more comfortable and maybe that would reduce the barking all day. Now his neighbors do not talk to him anymore and the dogs continue to bark all day.

There being no further public testimony, the hearing was declared closed and referred to the Council for their consideration. Rettmer states that the police log shows that there have been 115 animal complaints. She feels this is an indication there is a problem in the City of Tracy. The proposed amendment to the ordinance is more inclined to approach the dog owner because for whatever reason, the only one that cannot hear the dog barking is the owner. She assumes that if they care for their dogs, then her question is why they are not out there seeing what the dog is barking about. Rettmer feels the problem is there are a lot of people that work, leave the dogs out all day and the owners do not know that the dogs are barking all day. The proposed amendment would give the dog owners, four opportunities to do something and take care of the barking dog before any significant action is taken. If there are four complaints about a particular dog, within a 30 day period, the owner will then receive a notification and they can address the City Council on what they intend to do about the problem. If something is not done within a seven day period, then the police are authorized to impound the dog. Stobb would also like to strike the debarking portion and does not feel it is humane to the dog and they are not out to punish the dog. Peterson feels there are some issues with it being verifiable by law enforcement and if law enforcement verifies the dog is barking now, they are to talk to the home owner. Peterson feels the City Council is not really the place for an individual that the law enforcement has called four times for a barking dog and it has been verified. He asked why the City Council needs to give them a hearing. They can go stand in front of a judge and have him decide and take the politics out of it. He understands the need, but the way it is written with those specifics, he feels that he cannot support it. Martin feels the police have not been enforcing the dog ordinance, so how would this amended ordinance change any of

that. Mayor Ferrazzano states that one of the issues presented is that the home owners have not gotten any feedback as to what the police have done. He agrees that if the problem is enforcement, ordinances can be written and if it is not enforced now, it is not going to be enforced later. Mayor Ferrazzano feels that they just have to enforce what they presently have. Stobb asked what the present ordinance says the police should do about a barking dog. Rettmer says it does not specify anything for any kind of animal nuisance. Peterson said the ordinance states law enforcement does have the option to cite them for that public nuisance, without putting the four strike rule in. The ordinance has “teeth” and it is a question of whether it is being applied in the manner to satisfy the citizens. Stobb asked if they are cited, what kind of citation is that. Nielsen said it can be an administrative penalty notice for \$50 for a barking dog or go to court and the judge would decide. The law enforcement can write a ticket, penalty citation or give warning. Rettmer said there was a report of a barking dog and the individuals that complained waited for the police and the police drove right past the barking dogs and right past the individuals that were complaining. They did not even stop to hear that the dogs were barking. It would help if the police would stop and talk to the owners, but this is not being done. She stated that perhaps the ordinances in place are not getting processed. The reason she is proposing the amended ordinance is because no one knows how annoying it is to listen to a dog barking for hours on end. Mayor Ferrazzano feels the ordinance should remain as it is and let it be enforced that way as enforcement is not going to change if there is a different ordinance. Chukuske said they need to make sure that the ordinance is being enforced no matter what is done. This has been discussed in the past that there are many ordinances on the books and they are not being enforced now. Martin states the “teeth” in this ordinance is that after four warnings, there is a hearing and he feels that would make citizens pay attention. Peterson said there has to be public trust in the law enforcement, and understands the frustration and they need to talk with the law enforcement and find out what they are doing. Nielsen said this does not work as he knows about the incident that Rettmer was talking about. He told the Council that he had written a letter to the officer about three weeks ago and asked that the officer to tell him what he did when the call was made. He has not heard back from them. He said his next letter is to the Chief of Police and if he does not require that officer to report back to him, he will take this issue further. Peterson said he would have waited a week and then would have given the Police Chief a copy of the letter and asked that something be done about this. Stobb asked if it would be possible to see in a month’s time how many animal complaint calls are there, how many resulted in some type of citation being written or any verbal warnings. Motion by Martin to adopt an ordinance amending City Code Section 8.30, Animal License/Permit. The motion dies for lack of a second. Chukuske felt they need to put a plan in place to do something, as there are citizens not getting response back from the police officers that is not acceptable. He feels they should have a better report that the Council can view. If there are things that are not being taken care of, it is a personnel issue that Koopman needs to be resolved. Stobb expressed sympathy for those that have to put up with barking dogs. Chukuske asked that Koopman to speak with the Police Chief to come up with a plan of action that can be presented to the Council at the next meeting and it can be looked at so they can move forward. Stobb said that immediately they could start enforcing the ordinances. Koopman said she will talk with the Police Chief and devise a plan.

Robinson said that regarding the fiber optic on 4th Street, there are both Knology and Quest lines shown on the plans. He said there are two sets of plans sheets for each block; one is the removals and the other is new installed. The utilities are much more readable on the removals pages and where the new lights and sidewalks are shown, the darker lines and shaded areas may tend to shade out some of the utilities. The subcontractor may not have received a full set of plans from the general contractor, and noted that the electrical contractor may have only received part of the plans. If he did not get the full set, it is really difficult to pick up those utilities as they are blended over by marking on the plan sheets. Robinson had not talked with the electrical contractor so does not know what his complaint or concern was.

Koopman said that a proposal for repair of the pipe at the Aquatic Center was received from Pump Plus in Balaton in the amount of \$6,625. This was the only bid that was received. The company that viewed the video of repairs needed is not going to bid the project. The intent is to get this done this fall. This is for repair of the pipe with a liner and no excavation is needed. This would come from the Aquatic Center Fund. Motion by Stobb, seconded by Snyder to accept the bid from Pump Plus in the amount of \$6,625. All voted in favor of the motion.

Peterson asked if this would include what is needed to prevent the frost and freeze problems. Koopman said it does not and they are still checking to see exactly what type of plug is needed.

Nielsen indicated that he had talked with Attorney James Garvin, and basically what the ambulance personnel said is that the attorneys would have to settle it. Nielsen does not feel that the attorneys have to settle anything. The ambulance is taking the position that what the Council is asking for is against HIPPA regulations and they are not going to provide the asked for information. Rettmer suggested that they draft a balance sheet and ask them to fill in the blanks. Peterson does not understand the HIPPA argument, when the hospital report shows this type of information and it is purely numbers, there are no names given. Martin feels the HIPPA claim is irrelevant. Snyder feels their position is the ambulance service has provided the Council with what they provide to the USDA and that is all they are willing to provide the Council with. Stobb suggested that two or three Council members meet with some of the ambulance staff people that have knowledge of the financial sheets and discuss this. Mayor Ferrazzano does not like the Council being cast as the “bad people” for asking these things. He feels that if an entity gets taxpayer money every year, the Council has to be able to justify that outlay every year. They are asking to have them simply just give us the numbers to justify giving the ambulance what the City does. Stobb feels there is a communication problem between the two sides and maybe with this meeting this can be lessened. Mayor Ferrazzano states they can do that or just simply send the balance sheet and ask them to fill it in and if they do not want to do that, it is up to the Council to decide whether they want to continue to fund them every year. Peterson said that with the last contract the Council decided that if they were not given enough information, they would go back and ask for it. Mayor Ferrazzano said that no one thinks they do not need an ambulance service, it is just a matter of how can it be justified each year to given them funds, unless they need it. There are needs elsewhere in the City where the funds could be used. Chukuske suggest they make a form of what is wanted and then meet with them and talk about it. Martin and Peterson will meet with ambulance personnel. Rettmer asked that Snyder not be one of those from the ambulance group. Snyder said it would not be; that it would be someone from the board and the director. Rettmer will draft a form for approval by the Council.

Koopman said the issue of the hazardous building at 941 Center Street was last discussed in 2006. There was a response from the daughter of the owner and she was trying to cooperate as best as she could, but there was one sibling that apparently is just not participating. Because of that everything has come to a halt. Koopman thought they had processed this in court and come to find out that this had not been done. She put it on the agenda so they can initiate that process as the building is hazardous and needs to be removed as soon as possible. Nielsen has drafted an order and she recommends that they initiate the hazardous building action necessary to remove this building. Stobb said a time is required and need to be put in the paperwork. Motion by Martin, seconded by Chukuske to initiate this process and allow them 30 days to repair the property if they choose to. All voted in favor of the motion.

Rettmer asked where they are in the process with the apartment building next to the bowling alley. Nielsen said it is in the court process of hazardous building. They are in the process of notifying any lien holders on the building.

Motion by Snyder, seconded by Stobb to adopt A Resolution Approving Payment to M.R. Paving and Excavating, Inc. For Work Completed On the Downtown Lighting & Sidewalk Improvement Project in the amount of \$84,540.19. All voted in favor of the motion. (Res. No. 2008-21)

The Consent Calendar included the Municipal Accounts Payable, Monthly Financial Report, Municipal Receipts and Hospital Advisory Board for August 20, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
046161	Credit Bureau of Marshall	\$ 60.00	The city belongs because they are available to do some collections for the City if we cannot do on our own.

If the City cannot assess it because they do no own property in town, it is paid out of utilities, 602-492-321.

046220	U of M Regent	\$ 100.00	This came from the EDA budget, Travel, Conference \$ Schools for the GPS seminar.
046281	Ziegler, Inc.	\$ 84.60	This is for a test kit that is required for the first oil change on the loader. A sample is then sent to their testing lab to see if there is any fibers or wear present. If this is not done, the warranty is void. There are six different oil systems on the loader and these need to be tested. The \$84.60 includes all six tests.

Motion by Chukuske, seconded by Peterson to approve the Consent Calendar. All voted in favor of the motion.

Peterson stated that he would like to have the Public Works Director to come up with a plan to reduce fuel costs for the Public Works Department. Koopman will talk to Robinson regarding this and have him present a plan at the next Council meeting.

Motion by Peterson, seconded by Chukuske to adjourn the meeting at 7:45 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

SPECIAL MEETING
September 29, 2008

A special meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 29, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, C. Snyder and R. Stobb. Absent was B. Chukuske. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

The purpose of the meeting was to discuss the contract with Swish's Hardware for the valve and water main replacement. Koopman sent an e-mail indicating that Swish's Hardware was no unable to get a performance bond. The suggestion was to amend the contract to include the subcontractor in the contract so that the subcontractor could get the performance bond.

Robinson stated the specs on what was in need of repair were sent to five (5) different contractors and one bid was received back from Swish's Hardware. Koopman said the bid from Swish's Hardware was accepted on August 11, 2008. A contractor cannot get a performance bond until a contract is in place. The bid was accepted contingent on the price list that Swish's was to provide to the Council so the City could take advantage of those existing prices. Materials were purchased and we were assured the performance bond was forthcoming. Work began and the City was led to believe that a performance bond was forthcoming up until last Tuesday. At that time Koopman was informed that Swish's could not get a performance bond because he is a fairly new contractor and does not have enough experience for an agency to issue the bond. Koopman discussed this with Nielsen and he has offered a number of different options. The best option at this time is a guarantee provided by Murrayland Agency, who is the provider of liability insurance for Swish's Hardware. They are going to guarantee the contract and the warranty period. This is not as good as a performance bond, but it is the best that can be done at this time. All that remains on the contract is to connect three houses to the water main and then the entire project will be complete. Peterson asked if it was part of the contract, to tap the three houses in. Robinson said there were three homes on 8th Street that did not have any water pressure, so the existing line was found and they are tapped into the main. Peterson felt this was part of the homeowner's responsibility and the city provides the water main and the home owner provides the hook up. Robinson said these three homes were already receiving water service from the City. The City is merely restoring what they already had. The scope of the project was to get them better service. Robinson said the existing lines were found and then they run cooper from the main to a curb stop and where ever they could find their line, they were hooked to the curb stop. Peterson then asked, "so if I don't have a curb stop and I want one, I call you and you come and put one in for free just like these guys." Peterson said the way he understood and the way the information was presented to him when he agreed to this, they would be provided a main and they would hook themselves up to it. Peterson said the \$90,000 was okayed on August 11, 2008 and asked when they started work. Peterson asked who's responsibility it was to make sure there was a performance bond in place before the contractors started digging. Koopman said it is her responsibility to make sure the contract documents are in place. Contractors that the City has dealt with in the past have indicated that they cannot get a performance bond until they have a signed contract. Rettmer said that normally that is part of the bid specifications that the contractor will provide the necessary documents before it is even considered. Koopman said a bid bond is required at the time of the bid and the performance bond cannot be issued until a contract has been granted. The performance bond is issued for the contract amount.

Mayor Ferrazzano asked if this is the first time that a contractor has not been able to get a performance bond. Koopman said it was. Mayor Ferrazzano suggested that they put some type of language in the contract that states the City would sign the contract but if they are unable to get a performance bond, this contract would become null and void. Mayor Ferrazzano asked Nielsen why this agreement between City of Tracy and Murrayland Agency is not as good as a performance bond. Nielsen stated that performance bonds are issued by an insurance company to guarantee and have money available to make good on contracts that are not done properly by the contractor. This agreement is a guarantee or promise by Murrayland Agency stating that they are willing to guarantee the contract. This is not their regular business and they are not issuing a bond. It is a promise by that company that is only as good as the company that is giving it. Murrayland Agency is a separate company that is associated with the bank in Currie that does their insurance work and

sells real estate. Koopman said that she had faxed this agreement to Don Hanson who is the President of Currie State Bank and he has signed and notarized the agreement. Mayor Ferrazzano asked why this agreement was a better option than what she stated in her e-mail. Koopman said that at the time she offered this, three of the Council members agreed to amending the contract and three disagreed, so she looked at other options. Mayor Ferrazzano asked Nielsen from a legal standpoint, would the City be in the same position to have this project done and covered if there were damages whether or not we are doing it the way it is being presented at this meeting or with the subcontractor getting the insurance. Nielsen said a performance bond from someone that would cover everything is best. Rettmer asked who the individual was that has agreed to get the performance. Koopman said it was Ryan West; a subcontractor with Swish's Hardware and he has done a lot of work in the area. It is a disadvantage for Swish's Hardware and it is never going to put them in a position to accept a contract of this size because unless he can show a record of having performed the work for this size of a project. He was denied a performance bond on this project, as he did not have enough experience for the insurance company to grant it to him for a contract of this size.

Mayor Ferrazzano suggested that since they are about finished with the project, to go back and amend the contract to include the subcontractor who will be able to secure a performance bond. Nielsen said since the project is about done, the area of concern at this time is, on the performance end of things and warranty. The payment bond is designed to guarantee that Swish's are paying their subcontractors, supplies and employees and it does not fall back on the City if he does not do this. Koopman asked if this agreement would guarantee that, because there is the reference in the agreement that coincides with the contract itself. Nielsen said it is guaranteeing this from a different perspective and the guarantee is good as the person giving it. He has no reason to doubt Murrayland Agency, but they are not a bond company. With the bond company there are capital assets to pay for the things that go bad and there is not that assurance with Murrayland Agency.

Peterson asked where they are in regards to time line and budget with their contract. Robinson said they are definitely on time and on budget. Robinson said he has been observing their work and feels they are doing a good job. Koopman said they did submit a pay request and that is what prompted this action since she did not want to follow through with the pay request until the performance bond was in place. They did submit a pay request for materials only and that was for \$19,000. Stobb asked if it is positive that a bonding company will give Ryan West a performance bond on a project that is almost complete. Koopman said she is not aware if that can happen. She said they do have a signed agreement with Don Hanson from Murrayland, who is guaranteeing this. Mayor Ferrazzano suggested that they go ahead and have West get the performance bond and if he cannot get it, the Council agree to go with the agreement from Murrayland. Martin agreed with both options. Snyder felt they should go ahead and sign the agreement.

Peterson said that what he understands right now is that Swish's is in breach of contract and the contract is void. He would like to see some type of system set up so this does not happen again in the future. Mayor Ferrazzano said they can do that next, but right now they need to decide what to do. Motion by Peterson, seconded by Martin to amend the contract to include Ryan West and have him secure a performance bond. Stobb asked if there is a problem, is there going to be a problem as to whose mistake was it and who is going to fix it, Ryan West or Swish's Hardware. Nielsen said the contract with Swish's would be amended to say that Ryan West is taking the responsibilities of the contract.

Rettmer felt that maybe they should have waited until spring to do the project and maybe would have had more bidders. Mayor Ferrazzano said there are still people with no water pressure. Rettmer said "they haven't had it so though, so what is another six months." Mayor Ferrazzano responded "it is easy for you to say if you got water pressure." All voted in favor of the previous motion.

Mayor Ferrazzano indicated he would like to have a motion that if the amended contract does not go through, that we authorize the Murrayland agreement now, rather than call another special meeting. Motion by Martin, seconded Snyder that if Ryan West is denied a performance bond that satisfies the terms of the contract, then the agreement between the City of Tracy and Murrayland Agency be implemented. Upon roll call the following vote was recorded with Martin, Mayor Ferrazzano, Snyder and Stobb voting aye and Rettmer and Peterson voting nay. Motion carries.

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

ATTEST:

City Administrator

Mayor

October 13, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 13, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, T. Peterson, C. Snyder and R. Stobb. Absent were S. Rettmer and B. Chukuske. Also present was A. Koopman, City Administrator.

Motion by Peterson, seconded by Snyder to approve the minutes for September 22, 2008 as written. All voted in favor of the motion.

Additions to the agenda included 5-B Ambulance Report and 6-C Call for public hearing to determine continued operations of the Tracy Liquor Store pursuant to MS 340A.602. Peterson asked that a closed session be held to discuss some personnel issues and possible disciplinary actions. Deleted was 6-B Ordinance #304. Motion by Peterson, seconded by Snyder to approve the agenda as revised. All voted in favor of the motion.

Dick Stelter told the Council that he received a bill for a water main break on Morgan Street. This is an abandoned line and no one knows who did the work or when the work was done and the line was stubbed. He indicated that he gets his water from 3rd Street and this is where the meter is. He does not feel that he should be responsible for this bill. Koopman understood that it headed towards his building and the employees felt they used to receive their water from that line, but there was no way they could prove it because of the way the walls had been redone. Koopman said she had explained to Mr. Stelter that the City owns the main and anything that leads from the main is the property owner's responsibility. Mr. Stelter said the bill is \$1,750. Koopman said it is difficult to be able to give details on this. Koopman said the one on the east that Mr. Stelter is referring to was put in when there was a beauty shop there about 20 to 25 years ago. Mayor Ferrazzano felt they should table this till October 27, 2008 to discuss this again when Robinson is present to explain this situation. Stelter felt that he had discussed this with Robinson and he really does not have any good answers either. This matter was tabled until the next meeting.

Gervais reported the EDA apartments are still currently full and in the last two years and especially over the past six months, they have received numerous phone calls for people looking for rental property in Tracy. The waiting list is now up to 27 and on that list there are people that have been on that list for a number of years that want to be on there so when they are ready to move, hopefully, there will be a place open. There continues to be a shortage of rental properties in the City. The carbon dioxide detectors have been installed in all the apartments now except one apartment. This is a new law that will take effect till August 1, 2009. The EDA will be discussing the Central Livestock property and more marketing ideas for offering that property. They can maybe come up with some ideas to better utilize that property than what it is currently used for. Gervais said there is a meeting tomorrow in Marshall of Southern Minnesota Regional Competitive Project. This is a roundtable discussion with communities in southwest Minnesota that get together to discuss how more business and employees can be attracted to this region and be more competitive with the rest of the state and surrounding states. Dentist recruitment is ongoing and Gervais had a meeting this morning and a potential feasibility study down the road that will hopefully lead in the right direction. The housing demolition at 58 and 62 Morgan will start soon and they are currently waiting on a historical study that has to be completed when using federal money through the CDBG fund. This takes 30 days. A lot has been sold in the Eastview Addition which leaves three lots left and there is one just north of the recently purchased lot and two lots along Union. These are basically free lots as long as the individual would pay the deferred assessments on those lots. He noted that there are only a limited number of housing lots available. The Front Street lots will be seeded with some dormant seed and this will provide more lots for the future. A date has not been set for the tax forfeited property auction. Gervais said he receives many calls from people looking for tax forfeited property. He was told that the auction would probably be sometime in December. Gervais said in the past the City has had the opportunity to buy properties to acquire them for demolition. CDBG funds could be used for demolition.

Verdeck said things have been going about the same as before and they usually get three to five individuals in each week for new library cards. They got the Sesquicentennial flag back for display and a certificate is displayed with the flag so that individuals can understand where it came from

and why it is there. She said they have changed the lease for the copy machine and now has one that is compatible with all the computers so when patrons need copies it does this from the one machine. There are no requests from other departments of the City for the old machine and Verdeck is requesting they donate the Canon copy machine to the Girl Scouts. Mayor Ferrazzano said that would be fine. Verdeck received three quotes on the price of acoustic ceiling tile for the library. This would be for 392 panels which would be 49 cartons with 8 tiles per carton.

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|----|------------------------------|-------------|--|
| 1. | ACE Hardware, Tracy | \$7.76 each | Have to order in |
| 2. | True Value, Marshall | \$6.25 each | Have on hand and would be \$50 per carton |
| 3. | Independent Lumbar, Marshall | \$6.90 each | On hand. \$47.78 per carton
Will reduce to \$5.97 and will deliver for \$49.29 per carton |

Mayor Ferrazzano stated that he would prefer to go with ACE Hardware. Verdeck said the tiles have to comply with the fire code and ACE does not have them on hand. Stobb also felt that the should be purchased from ACE and feels that the reason ACE does not have the lowest price is that they do not have them on hand as the other two companies do. Verdeck said the ceiling tile was in the budget for this year and next year they would be doing painting and paneling the walls. Verdeck felt they would still be within the budget with the price from ACE Hardware. It was the consensus of the Council to purchase the ceiling tile from ACE Hardware.

Police Chief Hillger asked if there were any questions regarding the activity report. Stobb said that according to the police report in the newspaper, he was expecting more animal calls than what is in the activity report. None of the offenders have been issued a citation at this time.

Koopman said that in her report, in addition to the general overview of what transpired the past month, the area she wanted to bring to the Council's attention was the possibility of the City initiating an accrual accounting system for the entire City. If they choose to proceed with this, it would require the purchase of \$395 worth of software as one time expenditure. She would like permission to go ahead with this purchase now so that the next few months can be training months so that it can be implemented by January 1, 2009. Mayor Ferrazzano asked what the benefits of having an accrued accounting system would be. Koopman explained that it gives more up to date information on the financial status of each department. As an example, the street department wanted to buy spray and Robinson was concerned if there would be enough funds in the budget, as that is one of many expenditures that comes from that line item. That is the problem with the cash basis, is you do not know till about two to three months later where you are actually at whereas an accrual system will give an up to date status. The software will be purchased from Banyon and since this will involve all departments, this cost will be split out between the departments. Motion by Stobb, seconded by Peterson to purchase the software needed for the accrual accounting system. All voted in favor of the motion.

Snyder asked if any update was available regarding the ambulance assets and expenses. Martin said they are waiting for a response from the ambulance regarding a time to meet and talk regarding this issue. Peterson also commented that he has not heard anything from the ambulance. Koopman said she did initially call Charlie DeSchepper after the last council meeting and told him that a committee has been established from the City. Jeff Meyer stopped and asked for a copy of the form that had been developed; he then took them and presented them to Garvin, the ambulance's attorney. Snyder feels that Martin and Peterson should contact them to meet. Peterson will contact DeSchepper tomorrow.

Koopman stated in the agenda packet is a resolution ordering preparation of a report on improvement identifying the streets identified in the Pavement Management Plan. Koopman is recommending that the Council authorize the engineers to prepare a feasibility report for all the streets listed. Council can decide to proceed with the total project or to reduce the scope of the project. If it is determined to reduce the scope of the project this can be done at the time the feasibility report is presented or at the hearing before the project is ordered. Al Murra from SEH was present to answer any questions from the Council. Koopman said that if it is decided to go

ahead with this project, they would like to be able to get this lined up for bidding to be held no later than March. Phases 1 and 2 of the Pavement Management Plan have already been completed. The cost of the feasibility report is \$8,500. Motion by Stobb, seconded by Snyder to approve the engineering proposal for a feasibility report on the streets as listed. All voted in favor of the motion.

Koopman stated they are required by law to hold a public hearing pursuant to MS 340A.602 as the liquor store did show a negative balance for two consecutive years. This has to be held within 45 days of the end of the fiscal year and Koopman recommended that they hold the hearing at the next meeting. Motion by Snyder, seconded by Stobb to hold this public hearing at the next council meeting on October 27, 2008 at 6:45 p.m. All voted in favor of the motion.

Motion by Stobb, seconded by Snyder to adopt a resolution Ordering Preparation of Report On Improvement of the following streets:

- State Street from 3rd St. E. to 4th St. E. – Phase 1 (reconstruction)
- Alley from Harvey St. to Rowland St. between 4th St. and 5th St. – Phase 2 (to be determined)
- Alley from 4th St. to 5th St. between Morgan St. and south St. – Phase 2 (to be determined)
- Alley from Morgan St. between 2nd St. and 3rd St. – Phase 2 (to be determined)
- 8th Street from South St. to Craig Ave. – Phase 3 (reconstruction)
- Elm St. from Park St. to 2nd St. E. – Phase 3 (reconstruction)
- 1st St. E. from Morgan St. to Elm St. – Phase 3 (reconstruction)
- 10th St. from South St. to Morgan St. – Phase 3 (mill and overlay with partial reconstruction).
- 2nd St. from South St. to Rowland St. – Phase 3 (mill and overlay with partial reconstruction)
- Hollett St. from 5th St. to Center St. – Phase 3 (mill and overlay)
- 2nd St. E. from Hollett St. to Craig Ave. – Phase 3 (mill and overlay)
- Summit Ave. from 4th St. E. – Phase 3 (mill and overlay)
- Phase 4 Crack Seal and Seal Coat streets

All voted in favor of the motion. (Res. No. 2008-22)

Murra stated that States Border Construction has completed most of the punch list items for the Greenwood Storm Sewer Project. There is still some additional ditch grading that should be done when the weather is a little dryer and colder. Motion by Stobb, seconded by Snyder to adopt a resolution approving payment to States Border Construction, Inc. for work completed on the Greenwood Storm Sewer Project in the amount of \$26,528.88 and pursuant to contract documents 5% of the total cost shall be retained. All voted in favor of the motion. (Res. No. 2008-23)

Murra stated that M.R. Paving will have the downtown lighting and sidewalk improvements done this coming week. It was stressed to them to have the work on 3rd St. and as much as they could on Morgan St. completed by Thursday evening. And the rest of the lights should be on by the end of the week. Motion by Stobb, seconded by Snyder to adopt a resolution approving payment to M.R. Paving and Excavating, Inc. for work completed on the downtown lighting and sidewalk improvement project in the amount of \$259,718.10. All voted in favor of the motion. (Res. No. 2008-24)

Peterson said he never received a phone call regarding the payment to Swish's Hardware. Koopman said that she sent an e-mail to the Council and a majority of the Council responded positively and the payment was authorized with the understanding that they would be ratifying action at this meeting. Peterson said that is not the way he understood it and to do this early is not right and that is why there is a Council. Koopman indicated they are finished with the project and the contract did allow for partial payments throughout the contract period and a majority of the Council did approve this payment. Peterson also stated that Swish's needed a performance bond. Koopman indicated that the Council did act on that issue. There is still a payment of \$11,475 due to them. Motion by Snyder, seconded by Stobb to adopt a resolution ratifying payment to Swish's Hardware for work completed on the water line/valve replacement project in the amount of \$79,202.00. All

voted in favor of the motion. (Res. No. 2008-25)

Motion by Snyder, seconded by Stobb to adopt a resolution approving increase in pledged securities at Minnwest Bank South. All voted in favor of the motion. (Res. No. 2008-26)

Motion by Snyder, seconded by Martin to adopt a resolution expressing appreciation to individuals who volunteered their labor to construct a gazebo located at the corner of Second and Center Street. Those that generously donated their time, talents and efforts included:

- Dan Anderson
- Northstar Building System
- Dru Larson Construction
- Daniel-Peterson Construction
- Bill Chukuske
- Dale Johnson III
- Dick Boerboom

All voted in favor of the motion. (Res. No. 2008-27)

The Consent Calendar includes the Municipal Account Payable, Election Judges Slate, Economic Development Authority minutes for September 19, 2008, Firemen’s Relief Association minutes for September 2, 2008 and Planning Commission minutes for September 15, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
046301	Tom Rignell	\$ 75.00	This was for the purchase of an office safe. The tumblers in the safe went bad and they had to break into the safe which destroyed it. The cost of a new safe would have been about \$500-\$600.
046319	Swish’s Hardware	\$79,202.00	Peterson asked why he did not receive a phone call for this payment. This was explained during the adoption of Res. No. 2008-25
046383	JT Services	\$63,999.89	JT Services is the vendor who we purchased the lamps and poles for the street lights.
046359	Campbell Tree Service	\$ 315.00	There were nine dead trees at the ball field that the Street Dept. removed and then had Campbell stump them out. This was not budgeted for but they did not expect the trees to die. It was also a hazard to the bike trail.
046363	CHS	\$ 259.34	The high cost was due to the expense of the chemicals used to spray for weeds.
046437	CHS	\$ 4,130.18	
046371	Dell Business	\$ 1,431.36	This was budgeted for in the Capital Improvement Budget
046372	Denny’s Napa	\$ 68.05	Peterson asked why they are buying synthetic oil. Purple Power is a parts cleaning fluid that the shop uses a lot of

and because it was on sale, they bought a case instead of singles.

046380	G&B	\$ 260.35	Utility tiles were purchased to repair the storm sewer tile on 4 th St. on the south side of Twin Circle because the county had no intention of fixing it.
046393	Lyon Co.	\$ 150.00	The City submits the application to the County and they bill the City directly. This will be recouped through the contractor.

Motion by Stobb, seconded by Martin to approve the Consent Calendar. All voted in favor of the motion.

Koopman has no updates regarding the budget at this time. The Council will have an opportunity from now until the Truth in Taxation hearing to make any changes in the current preliminary levy of 5.3%.

Koopman informed the Council there will be a Local Board and Equalization training session on Wednesday November 5, 2008 at the Lyon County Government Center at 6:00 p.m. Currently Peterson is the only one trained which will remain in force until 2011. Martin and Stobb stated they will try to attend.

Motion by Peterson, seconded by Snyder to close the meeting at 7:20 p.m. to discuss personnel issues and possibly disciplinary action. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

October 27, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 27, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske, C Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Stobb to approve the minutes for October 13, 2008 as written. All voted in favor of the motion.

Motion by Snyder, seconded by Peterson to approve the agenda as written. All voted in favor of the motion.

Steve Robinson, Engineer with SEH, stated that they had attempted to gather data for an I/I study last fall and had meters placed at nine locations beginning in February and in July they discussed the lack of rainfall that occurred and determined that they were unable to gather any useful data. He explained that the meters are rented monthly and in concurrence with the MPCA the meters have been removed and will be placed back in service in February then they will attempt to gather data from that time until June of 2009. There is an additional cost with the rental of the meters for another season at a cost of \$25,200. There would be no additional engineering costs. There is some clean water that is groundwater or surface water and that in addition to the wastewater flows that need to be determined if some of this could be eliminated and if some type of system needs to be constructed to handle those flows. Without good data, they would have to guess what type of capacity they would need in the ponds. Robinson said it is as big a problem to over-guess as it is to under-estimate how much flow is coming in. If it is over-estimated, the ponds are constructed too large and there are problems with transferring and discharging and not getting enough flow for proper discharge. Stobb asked if there was any useful data that has been collected this year. Robinson said there was some collected but they did not see the high flows that would be anticipated that would be more of an average as the spring was dryer and there was less snow. Robinson said that he was surprised as the spring seemed normal but it was not coming in through the wastewater system and has no specific answer as to why that happened. Mayor Ferrazzano stated that maybe there is no problem. Mayor Ferrazzano asked if the data that was collected was presented to the MPCA, would they see there is no problem. Robinson said that is only one of the problems, as there are still additional issues that need to be addressed, it is a question of the size or magnitude of the correction that will need to be done sometime in the future. There are still by-passes that occur and the ponds are not large enough to treat the water coming in. Mayor Ferrazzano asked if the MPCA would require them to put the meters back in, and what would happen if the City refused to have the meters placed back in and feel that the data collected was sufficient. Robinson said it could be taken back to them to find out what their response would be. He is not opposed to that. Robinson said that he would like to see something in writing with direction from the MPCA and he can tell them that the City of Tracy is questioning whether good data could be collected next year and would there be the need to do this year after year until the MPCA is satisfied or can the City proceed with the data they have and make some assumptions as to what the design flow would be. Mayor Ferrazzano felt they should do this instead of spending the \$25,000 for something that may not be needed. Robinson will proceed with that and will then report back to the Council with the answer from the MPCA.

Peterson stated that he and Jeff Meyer discussed the ambulance contract on the phone and thought at that time they had some type of agreement. Martin said they have been trying to meet with representatives from the ambulance but circumstances have not allowed this to happen yet. Jeff Meyer stated that two to three weeks ago Peterson and Martin were directed by the Council to meet with representatives with the ambulance. This has not happened at this time. Meyer stated that he had talked with Peterson on the phone and he feels that everything has been addressed. There has been correspondence between James Garvin, the legal representative for the ambulance service and Frank Nielsen, the City Attorney. Meyer stated that as a comparative between the two page "wish list" from the City, Meyer feels this is similar to the report from the USDA that has been provided to the City. USDA requires that each year the ambulance service submit information and it is not line by line but is broken down as far as expenses. Some of the income did not show up on the 2007 sheet and this is because in 2007, the ambulance was not paid from the City of Tracy, because

of the contract that was going on at that time. It was not actually paid until 2008. Meyer stated that it was his understanding that the information from the USDA for 2006 and 2007 was provided to the City office. Martin stated that he would like to have met with the ambulance representatives before the Council meeting so that things could have been discussed. Meyer agrees with that. Chukuske stated that it was over a month ago that Martin and Peterson were asked to meet with them and asked why this was not done. Peterson was under the impression after the phone call that the ambulance would be willing to fill out the two page form from the city and he is not getting that impression tonight. Meyer stated that he went over the USDA reports and there were only two or three lines on the form from the City that were not filled in. Peterson stated that he would like to see all lines on the form filled in. Meyer said that he would do that with the information provided off the USDA report form. If there is further breakdown between the USDA report and the two page form, he does not have a problem with that. Rettmer asked what the USDA require of the ambulance, just the fact that they are able to repay the loan from the USDA. Meyer stated they do a review of expenses for the whole year, and do a much more detailed report than the one page report that is received from them. That is what is released as public information. The form is filled out initially by Charlie DeSchepper and Wendy Gleis and Greg Shaw who is their accountant. Rettmer asked why they cannot go hand in hand with the figures that are supplied for the USDA report and fill in the lines that the City is asking. Meyer stated they would be happy to do that if that is provided on that one page USDA report. Rettmer stated that he did not answer her question and why they cannot put the same information on the two page form that is given to the USDA. She asked for one good reason. Meyer stated that he is not the lawyer or accountant that does that, but it is filled out the same as all the other ambulance services on the USDA report that is acceptable to the State of Minnesota. Martin stated the only thing they are doing is trying to justify to the taxpayers the amount paid to the ambulance by the City. They appreciate all the work the ambulance service does for the city. Stobb stated that they are telling him that the information provided by the ambulance, they can essentially fill out the two page form from the City. Meyer stated that other than a couple line items, the two page report was filled out. Further discussion was delayed until after the public hearing.

The hearing was open to public testimony at 6:45 p.m. on the continuation of the Municipal Liquor Store. The reason for the hearing is for the past two years the liquor store has had a deficit balance. Mayor Ferrazzano asked if there was anyone from the public that would like to make a comment on that issue. For the record, Radke read the following document prepared by him regarding the liquor store.

“Since I have worked at the Liquor Store, (1985), we have always gone off the tear sheets to know where we are sitting financially. The tear sheets list all expenses and I add all revenues taken in. By subtracting the two, I would come up with how the liquor store was sitting financially. Since starting the patio project, that changes how one must read the tear sheets. On the tear sheets, equipment and improvements are listed as expenses. In the same token I am also reading all monies taken in as revenue. This includes all transfers. In the audit however, equipment and improvements are not listed as expenses and transfers are not listed as revenue; thus what I perceived as a \$12,000.00 profit turned into a \$12,000.00 loss.”

“Seeing as how the audit does not get returned to the liquor store until late June or early July, the liquor store does not really know how it stands financially. This does not give the liquor store much opportunity to correct any problems, as the year is half over by then. To correct this problem the city is going to an accrual accounting system. This will give up to date information as to how the liquor store is sitting financially. Then if there are any problems, they can be corrected immediately. This will also coincide with how the audit will be presented.”

“In 2007, \$60,508.28 was spent on the patio and \$6,966.65 was spent on a new computer for the off-sale. The old one crashed and was no longer useable. The old computer was about 14 years old. In 2007 the cost of health insurance also increased by \$4,098.85.”

“After the audit was received in 2008 prices in the on-sale were increased by about 9%. The liquor store also shopped around for Dram Shop Insurance with the help of the Municipal

Liquor Association to save about \$3,000.00. Prices in the off-sale are constantly being monitored and changed as the liquor costs change. Employee hours are always being watched to save costs where we can and the City has put a cap on health insurance expenses.”

In 2007 Sales were up \$32,321.85 or about 5% and expenses were up \$41,487.75 or about 14, 7%. In 2008 thru September sales are up \$45,294.21 or about 8.2% and expenses are down \$48,804.36 or about 8.7%. So far October sales, (thru October 18) look good and I predict a \$10,000.00 to \$15,000.00 sales increase. This is a good sign as normally November and December are very good months. In September the liquor store started using the accrual system, we are still trying to work out the kinks, but according to that it look like the profit should be good.

I do not believe that there is any reason to panic, as sales continue to increase and with the new accounting system, the liquor store not has the means to accurately see where we stand at all times. This is not to say that everything does not need to be continually monitored and no one knows what’s going to happen in the future with the economy, but I can assure you that everyone at the liquor store will do everything they can to promote, provide service and control expense within our means.

Municipal liquor stores started after Prohibition as a means for cities to control the distribution of alcohol in their communities. Later, cities found their municipal liquor stores could be a method of generating needed non-tax revenue. Today, the purpose of municipal liquor stores is to ‘control the distribution of alcohol – while simultaneously generating income for the community.

If you look at the City of Tracy Summary of Liquor Store Activity for the years ended December 31, 2000 through 2007 you will see that the liquor store has contributed \$220,000.00 to the cities general fund. Over that period contributions have ranged from \$40,000.00 to \$10,000.00 per year with an average of \$27,500.00 per year. Over that same period you will see that the percent the General Fund Levy would have increased without the liquor store operating transfer would be anywhere from a high of 23.41% to a low of 2.19%. Also take note of the Gross Profit % and you will see that in the years with highest Income that the Gross Profit % was between 39.94% and 42.30%. If you look at the Profit/Loss Statement – September, 2008 you will see that our Gross Profit % is 45.10%.

Over the past 60 years the liquor store has been a fixture in this community and the liquor store will do everything it can to continue to be. The liquor store has met many challenges over the years and it has withstood every one. The liquor store has a history of being proactive; it has gone from being a store where just the on-sale stands, to buying the building next to it which was the Kelly Furniture Store and turning that in to a lounge. With the coming of the Med Club and facing decreasing revenues in the lounge the liquor store one again remodeled and turned the lounge into the off-sale you see now. Now with the smoking ban and facing possible decreases in revenues the liquor store bought the building on the other side and made a patio, which has turned into a very good addition. The liquor store may also face challenges in the future with the pending economy but I am positive that the liquor store will withstand those also.

The citizens of Tracy and the surrounding communities have supported the liquor store well over the years and I am sure they will continue to. The employees of the store, (and they include hundreds) have worked tirelessly over the years and have continued to live and support the community. At this time the liquor store employees, two full time and eight part time employees.

To conclude, I would like to tell a little story. The first day that I came to work after having been hired in 1985; the liquor store manager at that time asked me if I was looking for another job. He told me tat the time that the city was looking at closing the liquor store and the prospects for long employment did not look good. Well, after having been here for the last 25 years, I think closing the liquor store at that time would not have been a very wise

financial decision. As things look now, through September the liquor store is making a profit of between \$29,000.00 and \$32,000.00 with the good months of November and December left. I feel that with the new accounting system, the employees that we have and with the new addition of the patio, that the future looks good.

The public hearing was closed. Motion by Chukuske, seconded by Stobb to continue the operation of the Municipal Liquor Store. All voted in favor of the motion.

James Garvin, legal representative for the Tracy Ambulance Service asked if everyone had seen the Statement of Budget, Equity and Liability from the USDA. He stated that he had sent a letter to Koopman back in December of 2007. This was discussed last year and was all "put to bed". It was a complete surprise to him when about a month ago it was brought to his attention that the issue is back on the table again. What was sent was a change in the agreement between the City and the Ambulance Service where it relates to the annual report. He understood what was accepted was; "Paragraph 12 – Ambulance shall maintain in accordance with accepted accounting practice during the term of this agreement, records and books of account recording all transactions connected with the operation of the ambulance and shall file with the City on or before March 30th of each year, an annual statement of budget, income and equity, a copy of which report is annually provided by the USDA, which report is prepared in compliance with the privacy provisions of the federal health insurance portability and accountability act." Garvin stated that one of the problems is wanting this and that and there is something called HIPPA that states there is information that cannot be provided. There is a lot of information on that form from the USDA. It shows the operating income, payroll, supplies, insurance, rent, net income and loss and equity. Garvin asked where this is all coming from and if there is an accountant out there that states that more information is needed. Martin states that they should not be using City Council time and they should have been nailing this out in the task force that was set up. This was something that they wanted to talk about. Chukuske said this was not done and that is the Council's fault. Peterson stated that last year the Council decided to see what they were given and it was decided by the Council if it was not enough. Mayor Ferrazzano felt that what is being said, there is no purpose in meeting because the ambulance is not willing to give any more than they already have. Garvin said that one issue that came up in discussion, it did not indicate on the form how much came from the City of Tracy and he discussed it and the ambulance service would be happy to amend the form to include that. Garvin said there is a form with a lot of information on it that has been provided in the past and why is this now an issue. Mayor Ferrazzano stated that there was a time in the past when there was no contract. Meyer stated that the contract that was in place with the City of Tracy, at the end of 2002, for whatever reason, lapsed. At that time it was not felt by the ambulance service that it was in their best interest to try and "run" after the City and make a contract. The contract states that the money is a donation for services rendered from the ambulance service. He understands that the contract lapsed for whatever reason in 2002 and this was trying to be corrected at the end of 2007. That is where Item 12 was wanted to be changed from the City's perspective and wanted to add that in about a statement of budget, income and equity. Peterson stated the statement of budget, income and equity came from the ambulance and the request from the Council was a complete financial statement and the compromise was the budget, income and equity. It was agreed the UDSA form would be used on a one year term to see if it would work. It did not, and the Council requested a different way of doing it and that is where it is today. Meyer stated that his understanding from the ambulance point of view, just because they did not write the contract, the City still paid the donation to that service and had for 2003, 2004, 2005 and then they tried to write a contract at the end of that time is why it did not show on the 2007 report. The books for the ambulance are closed in March. Mayor Ferrazzano feels that basically the ambulance service has given the information they want to and they are not going to change anything, then the City needs to decide if they are going to continue with the \$13,700 donation. Motion by Chukuske, seconded by Stobb to continue with the donation to the ambulance service as is. For the record Snyder will abstain. Martin stated that he would like to meet with the ambulance service once. Chukuske asked, "Are you going to let another month go by and not get it done?" Martin stated that they have been available from 5:00 p.m. every day and would like to meet and talk with them. Stobb said they are dealing with people, some are farmers and very busy right and in addition to the ambulance service. He stated at one of the last meetings, it would not surprise him if this meeting did not occur until after harvest. Chukuske asked how many attempts were made to contact the ambulance personnel in the past month to set up this meeting. Peterson stated that he called Charlie Deschepper and left messages

and tried to contact him personally as that was who he was told to contact. He got no return phone calls on that and on the 17th of October he sent an e-mail to Charlie Snyder asking if there was a better way to get in contact with Charlie Deschepper. Peterson got a response that he had just received an e-mail and has not had time to respond back. On the morning of October 20, Charlie called and said to contact Jeff Meyer or James Garvin as he did not have time to get involved in it. Peterson then contacted Meyer and left a message that he would like to get this resolved before the Council meeting. Peterson stated that he was out of town on October 21 and got a call from Meyer on October 22 and they had a discussion and Peterson felt they had come to an agreement that they were going to set up a time to meet. Rettmer felt that the timing was immaterial as they are not going to meet. Meyer states there has not been time to meet. Mayor Ferrazzano stated there has been a motion and a second and it has to be voted on. He feels that: 1. that they have found out through this whole process, whether or not a donation is made, the ambulance is still obligated to provide ambulance service to the City and; 2. if people want to meet and if they have not had an opportunity for whatever reason to meet, they should be given until the next Council meeting to do that, if they are willing to do that. Mayor Ferrazzano stated that he was going to vote no, but he wants to give them an opportunity to meet after this. Stobb said that he would also like to see them meet because he feels that when the financial form is combined with the Council's form, there are not going to be many blanks. He feels setting two weeks deadline may not be realistic. Stobb asked what the rush is since the budget does not need to be finalized under December. Meyer said there was a two page statement that he had received from the City office and it was directed from the Council and that is what was supposed to be filled. He asked if all the Council members were aware of what is on that balance sheet. Upon roll call the following vote was recorded with Chukuske and Stobb voting aye and Mayor Ferrazzano, Martin, Rettmer, and Peterson voting nay. Snyder abstained. The motion failed.

Mayor Ferrazzano feels that two weeks should be efficient to set up a time to meet. Meyer stated that he was appointed as a board member representing the ambulance service. It was decided that they needed legal counsel and he cannot tell from looking at the sheet what the problem would be. It was decided at the ambulance board meeting to appoint himself and James Garvin. Garvin said he would not feel comfortable with this meeting unless Nielsen was also present. Rettmer asked if they would have the figures available at the meeting. Meyer said that he would have the numbers available from the USDA report. Meyer felt that it would not be possible to meet within the next two weeks due to harvest. Mayor Ferrazzano stated they would have to have an answer by December 1, 2008. Meyer said that if the Council members needed a copy of the 2007 USDA form, he would provide them with that. Peterson said the 2008 payment should go without any issue. Mayor Ferrazzano stated that if two weeks is not enough time, they should provide an answer by the November 24, 2008 meeting so that a decision can be made if they are going to enter into the agreement or not. Koopman said the 2008 payment of \$13,336 has been made.

Steve Robinson presented the 2009 Street Improvements Feasibility Report. The estimated project cost of these public improvements for the 2009 Street Improvements is \$2,428,312.05. Robinson stated at this point the City has completed Phase 1 and Phase 2 and SEH was directed to prepare a feasibility report to complete Phase 3 and Phase 4. The phases of the street work are staged to mix segments of street reconstruction and then stages of overlay and crack seal. Phase 1 and 3 contained the majority of the major street reconstruction. Two years ago Phase 1 and Phase 2 were completed. Along with the street work would be selected utility improvements. City staff identified specific areas of improvements that would be necessary. 8th Street was the only area where it was identified complete curb and gutter replacement and the other streets would be partial and spot repairs. Peterson asked what they used to identify the infrastructure repairs needed. S. Robinson stated that for the sewer they put an estimated number or 10% of the linear length of sewer and to identify that accurately they would televise the sewer to identify specific locations so that when the plans were prepared and the construction done, it would specify specific areas that would be repaired. On the streets that are scheduled for reconstruction is where they would look at sewer replacement as needed. Peterson asked if the County was going to help with the repair of 8th Street. S. Robinson recommended that the work done there has led to the premature deterioration of that street. The County should be sharing in the cost for the repair. They do not know at this point of the storm sewer has settled or if the street bed above has settled and this needs to be investigated. If the pipe needs to come out and be reinstalled, it is going to be very costly avenue to take to correct what essentially is the County's mistake. The City Staff has talked with the

County and this may have been at a time when there was no county engineer in place and they received a negative answer. Robinson stated that they should continue to pursue that and feels there is a good argument that some deficiencies in the work they did several years ago has led to the deterioration of 8th Street. Stobb asked if there are interceptor lines planned for this project. S. Robinson stated that on the street reconstruction areas and also two of the streets that are scheduled for mill and overlay, the existing pavement two to three feet inside the curb is in such bad condition it is recommended to take a two or three foot path and excavate that out and as long as they are tearing out the pavement, they should look at putting in the storm sewer interceptors on those streets and then coming back and overlaying the remainder of the street. Stobb asked if the interceptor lines that have already been installed, have they proven themselves to work. No problems were reported. S. Robinson said the ones on the south side of the hospital in the Eastview Addition have benefited the lift station by diverting the groundwater away from there. The ones done on 4th Street East have benefited the sanitary system. Stobb asked if the manholes that are to be replaced, are because they know they leak or just based on their structure. S. Robinson stated that if the manholes are brick and they are leaking they will be replaced. They are replacing only those that have been identified for repair. R. Robinson said that some would not survive the street reconstruction and would probably collapse. He stated they did a test the storm sewer on 8th Street today and according to the results, the settling appears to be the soils above the pipe. R. Robinson stated that typically the answer from the County is that once they put utilities in our streets, they turn them over to the city. Chukuske felt that this should have been resolved before this time. Koopman stated that she was not aware there was a problem right away. Chukuske stated that it has been since he and Rettmer were first on the Council and they were told it was a county project and there was nothing that could be done about. Mayor Ferrazzano felt it should be put on the agenda for the county commissioners. Koopman said that at this time they are trying to gather some data as to the date when this took place and what action transpired and then send a letter to the County Engineer and copy to the County Commissioners and arrange for them to come out and meet with our engineer and find out what can be done to resolve this. Nielsen asked what the purpose of this pipe is. R. Robinson stated this was an extension of Judicial ditch 36 and they wanted to get the water through town. Nielsen stated there may be some benefit to real estate within the city being drained, but a lot of the water that is being drained is coming from elsewhere. He does not see how the County can come to the City and say that now it is the City's responsibility. S. Robinson feels that the person that was approached did not have the authority to say anything but feels that going through the County Commissioners and Engineer would be the approach to take. Mayor Ferrazzano directed Koopman to write a letter and see what can be done.

Stobb said it is not included in the project list, but there is a similar dip in the street on the east end of Morgan Street and feels that this should also be repaired. One of the residents contacted Stobb about 1st Street between Morgan and South, which is currently graveled. The resident is asking why they are not paving this when they are doing all this other work. Their point was that there are the apartments there now which were not there before when this came up. This could be more of a reason to do it.

Peterson asked S. Robinson when they thought they would have an idea on the cost of the water treatment ponds. S. Robinson stated that the worst case scenario on the treatment ponds if there is a need to move to a new location and based on the size of the City of Tracy, they would be looking at about 30 to 40 million gallons of storage at a cost of between \$4 to \$6 million project plus land acquisition. R. Robinson stated that the secondary ponds are not large enough. According to the I/I study, typically they have had to by-pass at times and this year they did not have to by-pass as the ground was not saturated. They want some by-pass events to find out where the water is coming from. Prior to the past two years there were several by-pass events and that is what the MPCA looks at. They would not like to set up ponds that are too small and still have to by-pass and R. Robinson feels that it is important for the meters go back in the spring. S. Robinson feels the waste water ponds are several years off and there are many steps in the process that they would have to go through. Peterson was concerned that the MPCA could come in and say that there is not enough data on the I/I and the ponds need to be fixed now and there is so much time to get it fixed. S. Robinson stated that when the MPCA says there is so much time, it is usually three to four years. These are very slow processes to go through because of the various funding applications that have to be gone through, data that has to be collected from the field and working with the different agencies. These ponds could not be built in a year as it generally takes three years to design and

construct the ponds. They have worked with cities that have no sewer system and it has taken four years. Steps are taken so the City is eligible to apply for funding. By the time the funding is in place the design would have to be done and a timetable would be prepared to start design and then let bids. Mayor Ferrazzano also has concern about how long they can keep the MPCA at bay before they drop the hammer and say that something has to be done. Snyder asked if the cost of putting the meters back in for another season help for financing in the future. S. Robinson stated that the more accurate data that is collected, the more accurately the size of the ponds can be determined. Peterson asked if the price on the feasibility study for asphalt is the cost based on prices from about a month ago or now. S. Robinson stated that it is on the high side. When the 4th Street East project was bid, Tracy got the lowest bituminous prices for that season.

Motion by Snyder, seconded by Chukuske to adopt a resolution receiving the report and call for a public hearing on the improvement of the 2009 Street Project to be held on November 24, 2008 at 6:45 p.m. Koopman stated that if it this hearing becomes too lengthy, there could be a special meeting on November 17 or hold only one meeting in November and delay the regular business till the December meeting. Nielsen states the law requires a feasibility report that addresses if these improvements could be made in conjunction with other improvements that are needed in these areas. Nielsen asked Robinson if there were any other improvements that could be included in this project. R. Robinson said they will not know what improvements need to be made until they televise the sewer system and see what condition they are in. The televising machine is in Walnut Grove this week and \$800 could be saved if the City had them televise now because we could save on mobilization. If they had to go back and then return to do the televising, it would cost more. R. Robinson said there is not way to tell what shape the sewer system is in without the televising. They would televise just the areas of total reconstruction. One of the areas that is in need of total replacement is the area in front of the fire hall. S. Robinson stated that is one of the streets that will have partial reconstruction. All voted in favor of the previous motion. (Res. No. 2008-28)

R. Robinson stated that he had contacted a company in the area that does cleaning and televising sewers and they have been doing some televising in Walnut Grove. This would save the City substantial mobilization fees. If this cleaning is done during the week of October 27, 2008 the cost is approximately \$3,600 and if done after the week of October 27, 2008 the cost is approximately \$4,400. Stobb asked if the City crew would be able to use their jet-vac truck to do the cleaning. R. Robinson stated they are trying to get the doors done here before election day and there are staff that are on vacation. R. Robinson stated the jet cleaning is about \$1,700 and they could save that if they did it themselves. Motion by Snyder, seconded by Peterson to spend up to \$3,600 for cleaning and televising of the sewer system. All voted in favor of the motion.

Nielsen stated that there were two areas of the self-perpetuating ordinance adopting the Minnesota State Building Code that need to be addressed a little more closely. Nielsen stated that the purpose of this ordinance was to make it self-perpetuating and if there were any changes in the state building code, those changes would automatically change without any action on the part of the City. Nielsen states that this is already in the code and there is already a self-perpetuating clause in the building code. The problem is that when the building code was enacted, there are optional provisions in the building code the city could adopt. There were many that were adopted and those are not within this self-perpetuating and that is what is confusing everything. The other area that Garrels and Daniels are looking at is revising the fee structure for the building permits and make it more equitable. Nielsen stated that he met with Garrels and Daniels and went over if there are new optional provisions that need to be included in the building code and make the whole thing perpetuating so this will not have to be done again. They are reviewing that along with the fee structure again and this proposed ordinance will be revised and come back to the Council with a complete statement of what needs to be done.

R. Robinson and Dick Stelter got together last Friday and they went back into his building and looked the situation regarding his water service line over again. Stelter is not stating that the line did not come from his building, but he is not using that line now. His concern is there may be other abandoned lines going to his building that he doesn't know about. On July 29, 2008 the City of Tracy Public works Dept. excavated a water leak on Morgan Street approximately 30 feet east of Third Street as they believed there was a water main leak there. When they dug down they found a ¾ inch service line tapped into the City water main which was leading to the Stelter building.

There is a potential for more of those lines that could leak in time to come. The city has set precedence in the past that the city takes care of the mains and anything attached is the property owner's responsibility. Peterson asked if the city has an ordinance or policy that if a business or resident abandons a line, that they could pinch it off at the property line. R. Robinson states there is no ordinance that addresses that. If a resident or business has to abandon a line and have it removed, it is more cost to them. Koopman said there is one point that has to be made and that is the city's policy and practice has been that the city owns the main and anything else is the property owner's responsibility. Chukuske said if they do not uphold this now, they are going to have to go back and redo a lot of others that have come before the council in the past. Stelter asked if there are ten lines, would he be responsible for all of them? Chukuske said he would be liable, but it is not known how many are there. Mayor Ferrazzano stated that the problem is that if you own the building, you inherit the problems that come with it. Stobb felt that when they are doing reconstruction, that is something that should be looked at. Stelter stated the bill is \$1,750. R. Robinson stated that if they know it is a service line, they contact the owner and give those 10 days to fix it by whomever they chose. In this situation they thought it was the main that was leaking and did not have an opportunity to contact the owner of the property. Chukuske voted that they not change anything as they already have a policy in place and should remain the way it is. Mayor Ferrazzano said they could reduce the cost because they did not give him notice that it needed to be fixed. Snyder felt that having it done by a private plumber would probably have cost more. Chukuske is concerned about the can of worms that would be opened by doing that, because any building or property that is purchased in Tracy is bought as is and if they start making these exceptions the future Councils are going to have people coming in all the time. Once the exception is made, you have to live by that. It was the consensus of the council that they would not be able to make an exception in this situation. Stelter asked why the job was not completed and they just put a clamp on it and now he would still be liable for it. R. Robinson stated the 3/4 line has been removed and a sleeve was put over the holed and there are no remnants of a service line. Stelter asked if there would be an extension for payment before this would be turned over to the county. Koopman stated that if he wanted, they could set up a payment plan.

Peterson asked if there was a punch list started for the downtown lighting and sidewalk improvement project and asked why the lights are on during the daylight hours. R. Robinson stated they have been working on that as they will have to do some trial and error with the photo cells to get them adjusted properly. Motion by Chukuske, seconded by Snyder to adopt a resolution approving payment to M.R. Paving and Excavating, Inc. for work completed on the downtown lighting and sidewalk improvement project in the amount of \$38,959.74. All voted in favor of the motion. (Res. No. 2008-29)

The Consent Calendar includes the Municipal Accounts Payable, Economic Development Authority Minutes for October 3, 2008, Monthly Financial report and Hospital Board minutes for September 17, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
46515	M.R. Paving/Excavating	\$ 180.00	Removal of concrete and saw cut for water main break. A water line got hit with the directional boring machine as there were no maps for it. It was in their project area, so they saw cut it for the City and removed the cement.
46524	SEH	\$ 6,596.60	Streets Lights. \$108.09 still remains on the contract. Peterson asked about the hours for engineer support. Koopman does not have that here but can find that out.

Stobb indicated he had a question on the Davis Supply bill, if that was for something that was not available here. Koopman stated that it was discussed with staff and basically they try to buy from Duebers, Tracy Computer or Tracy Publishing and buy items from Davis when it involves substantial savings. He also had a question about a donation that was recorded on the receipts. Koopman said this is a transfer from the General Fund to the Library Trust Fund which will be dedicated for that donation received so the transactions can be audited and all the expenses that have been incurred have been transferred to that fund also. That is why it shows a negative balance in the General.

Motion by Chukuske, seconded by Peterson to approve the Consent Calendar. All voted in favor of the motion.

Stobb asked if there are any savings on fuel money with the lower prices right now that can be kept in that fuel budget for next year so that there does not have to be funds added to it. Koopman states that in the monthly report, there are budgets that are over in the Motor fuels and lubes. One of those is the police as the bulk of their time is spent driving. They are trying to stick to the plan that was devised by Chief Hillger. The department heads are aware of this and are trying. Chukuske stated that at one of the past meetings they had requested a plan from all the department heads. Koopman does not have a written plan but has discussed this with Robinson. R. Robinson stated that he has discussed this with the Public Works employees and they have looked at what they can do to save. One of the problems is that they have an older fleet of equipment and it is not very fuel efficient.

Koopman stated the Council has been invited to the Senior Center on October 30, 2008 to celebrate the Center's 35 years of operation. This starts at 11:00 a.m. and if anyone is planning to attend they should RSVP by October 29, 2008.

Motion by Chukuske, seconded by Snyder to adjourn the meeting at 8:20 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

November 10, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 10, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, C. Snyder and R. Stobb. Absent : B. Chukuske. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Snyder asked for a correction on page 252, paragraph 3. The estimated project ~~cost~~ cost of these public improvements for the 2009 Street Improvements is \$2,428,312.05. Motion by Stobb, seconded by Snyder to approve the minutes as corrected. All voted in favor of the motion.

Motion by Peterson, seconded by Rettmer to approve the agenda as written. All voted in favor of the motion.

Radke reported that things are going well at the liquor store. Radke said with the new accrual accounting system it is difficult for him to have the complete report by the first council meeting of the month. Mayor Ferrazzano suggested that he present his report at the end of the month as with the new accounting system information, profit and loss will be available at all times.

Koopman said that a majority of her time last month was spent preparing for the General Election. She also conducted a department head meeting to discuss the initiation of an accrual accounting system and also conducted a monthly meeting with the Street Department. Koopman attended the following meeting, Hospital Advisory Board, weekly meetings with the Police chief, video conference at the hospital, met with Radke, N. Larson and D. Spencer to prepare for the Liquor Store public hearing, attended the Regional League meeting in Westbrook and a Charter Commission meeting. She stated that the Christmas decorations are in process of being constructed. The prototype that they had was not sturdy enough and too large. A smaller three foot diameter wreath and banners have been ordered. This change in the order will stay within budget. They should be ready to put up at the end of November. The cost will be equally shared by the City, Downtown Revitalization Committee and the Chamber of Commerce.

Koopman stated that States Boarder company has not responded back concerning regarding the ditch of the South 4th Street drainage project. She spoke with Steve Robinson, Engineer from Short Elliot Hendrickson and they will be getting sandbags from the City of Worthington to block off the tile to allow the ditch to dry up. They will hire another contractor to finish the project and that amount will be deducted from the contract with States Border. Koopman said that what she remembers that the letter that was sent to States Border the City would authorize the additional cost of \$15,000 contingent on them completing the project by September 29, 2008. She questions that if they did not complete the project, is the \$15,000 approval nil and void. She will make sure that this is clarified before they go any further with this project.

Glen Larson of Enviro pump was unsuccessful in lining the broken pipe at the pool. The Public Works is currently in contact with another company who says they can line the pipe at the pool. The second company will be in contact with the city early next week with quotes and schedules. Koopman stated that nothing has been paid to Enviro pump even though they tried to repair it and they could not make the turn in the pipes.

Motion by Martin, seconded by Stobb to canvas the election to certify the following results of the November 4, 2008 State General Election:

Charlie Snyder	665
Kurt Enderson	427
Jon Chalmers	423
Rhonda Fredericks	421
Sandi Rettmer	387
Write-ins	152

All voted in favor of the motion.

Koopman stated that she received a written request for a recount from Rhonda Fredericks, one of the candidates and that is in accordance with law. She spoke today with County Auditor/Treasurer and she will not release the ballots to Tracy because of the recount that they are required to do on the Senate race and also asked that the City coordinate their recount with the County's. The recount will be done at the Lyon County Courthouse on Thursday, November 13, 2008 at 9:00 a.m. The recount will be conducted by two of the election judges and Koopman will act as the administrator for the recount. The City will be responsible for the cost of the recount. Koopman stated the recount will be open to the public and the candidates are also welcome to attend. Motion by Stobb, seconded by Snyder to authorize the recount for the City Council to be held on November 13, 2008 at 9:00 a.m. in the Lyon Council Court House. All voted in favor of the motion.

Mayor Ferrazzano indicated that the Charter Commission, at their last meeting, considered and approved reducing the City Council from a seven member to a five member Council. Koopman indicated that she had done some research and found there were 50 communities with a population between 1,500 and 2,500 and only five of those 50 communities had a seven member Council. Mayor Ferrazzano stated that his only question was what discussion took place during the Charter Commission meeting. Koopman said there was input from all of the attending members of the Commission and there was only one negative vote. The others felt it would be more efficient to have a five member Council and as the Council had stated from an economic standpoint it would reduce costs. Peterson asked if there was any discussion as far as the attendance of the Council and quorum requirements with the lower number. With the reduction in size the quorum would require three members instead of the four members that are required with a seven member council. Stobb asked if the communities that have a five member council, have members on the Planning Commission, Hospital Board, Community Education Boards and other committees which will have fewer individuals to fill those roles. Koopman used as her point of reference was the book of Minnesota Cities that gives information on number of Council members that serve and how frequently they meet and population. She does not have information relating to committee appointments and this was not discussed at the meeting. Martin was concerned that if the City of Tracy were to grow, would a five member council be enough to fill the needs of the city. Nielsen stated that the procedure has a lot of time limitations and one of them is that the public hearing cannot be held before two weeks after publication but has to be done within one month. Nielsen also stated this is a charter amendment and this is handled differently than just another ordinance. There is one way that the Council can approve the amendment to the Charter and that would require unanimous vote of the entire council. Not only does the entire council have to vote for it, but the entire council needs to be present at that time the vote is taken. Motion by Martin, seconded by Stobb to waive the first reading and set the second reading at a public hearing on December 8, 2008 at 6:45 p.m. All voted in favor of the motion.

The Consent Calendar includes the Municipal Accounts Payable, Planning Commission minutes for October 6, 2008, Charter Commission minutes for October 29, 2008 and Economic Development minutes for October 17, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
46560	Fuller Paving	\$ 2,077.90	Peterson asked if this is anything that can be recouped from property owners or contractors. Koopman stated that there would be no reimbursement because this repair was solely related to water main breaks.
46598	City of Tracy	\$ 1,520.00	Peterson asked if this was for copies made. Koopman explained that each department is charged for copies made and this is charged out to the equipment replacement fund so there

are funds available for the purchase of the next copy machine.

46613 American Eng. & Test	\$ 485.90	Peterson asked what the 8 th Street Soil testing was for. Koopman said was for a soil compaction test for the sewer project and this was not included in the contract with Swish’s Peterson understood this was included in the contract and it was Swish’s responsibility. Koopman will check on that to find out for sure
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Motion by Peterson, seconded by Stobb to approve the Consent Calendar. All voted in favor of the motion.

Koopman reminded the Council that time is running out in regards to the 2009 Budget and if there are any changes the Council would like, they need to let her know. Koopman said the budget is still at 5.3%. Koopman said that a reduction in each percent is a reduction of approximately \$8,000.

Rettmer asked if the ambulance issue has been resolved. Peterson indicated he and Martin did meet with the ambulance representatives and it was a very positive and productive meeting. Meyer was going to bring the information back to the ambulance board and will give the Council an answer as soon as possible. Rettmer asked if the Council decided not to give the donation to the ambulance, if that would reduce the percentage. Koopman said it would lower the budget approximately 1% to 1.5%. Stobb asked if it would be feasible to make cuts across the board on items that are not fixed expenses. Koopman said that is the difficult part of doing a budget, as there are many things that are far beyond the control of the Council. Peterson asked if the price of fuel has been negotiated. Koopman indicated that the contract with CHS is on a monthly basis and is determined by the price at that time. Koopman can check and see what the terms are and if there is anything that can be done to lock in a price.

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

ATTEST:

City Administrator

Mayor

November 24, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 24, 2008 at the Multi-Purpose Center. The following Council members were present: Mayor Ferrazzano, M. Martin, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Absent was S. Rettmer. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Martin to approve the minutes from the meeting on November 10, 2008 as presented. All voted in favor of the motion.

Additions to the agenda were: 4A-1 Consider adoption of a resolution ordering the improvement and preparation of plans; 4A-2 Enter into an agreement with SEH, Inc. for engineering services for the 2009 Street Improvement Project and 5A Update on agreement with the ambulance service. Motion by Peterson, seconded by Martin to approve the agenda as amended. All voted in favor of the motion.

Martin said that he and Peterson met with Jeff Meyer from the ambulance service and talked about the differences in the information received from the ambulance service and the information the City was requesting. Meyer brought it back to the ambulance board where it was discussed and one report was filled out for 2007 and they agreed that is what they would provide going forward. They will fill out the requested information and submit it to the Council with a copy of the USDA form. Motion by Peterson, seconded by Chukuske that Peterson and Martin will meet with Nielsen to amend the contract and bring it to the next Council meeting and approve it at that time for payment to the ambulance service. For the record Snyder abstained from the vote. Martin, Mayor Ferrazzano, Peterson, Chukuske and Stobb voted in favor of the motion.

Chukuske said that he has been brought to his attention and was wondering if there is a need to verify that all the candidates for the local election are residents of the City of Tracy. Mayor Ferrazzano felt that they could not file for an office they were ineligible to file for. Koopman said she has not verified this and if the Council has any questions she will follow up on that. Chukuske said that this is something that he had heard and wanted to verify that all the candidates were actual residents of the City of Tracy. Candidates have to be actual residents and not just a business owner. Motion by Peterson, seconded by Stobb to canvas the election recount to certify the following results:

Kurt Enderson	428
Jon Chalmers	427
Rhonda Fredericks	424

All voted in favor of the motion.

Motion by Stobb, seconded by Snyder to adopt a resolution approving final payment to Duinick Bros. Inc. for work completed on the 2007 Street Improvement Project in the amount of \$30,790.03. All voted in favor of the motion. (Res. No. 2008-30)

The Consent Calendar includes the Municipal Accounts Payable, Cemetery Commission minutes for September 18, 2008 and the Monthly Financial Report.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
46685	Campbell Construction	\$ 1,674.00	Peterson thought the O'Brien Court window project was complete. Koopman stated the project is complete. This was for labor and installation for two windows in the dining area which was not part of the original project.

46711	Signs by Patti	\$ 115.00	This was for VMC window painting which was taken from 101-418-251 General Fund, Municipal Bldg. Printing, Publishing, Advertising.
46715	Tracy Ace	\$ 1,393.53	This is for the purchase of the actual Windows and installation supplies.
46716	Tracy Bakery	\$ 43.55	Peterson asked what budget this was taken from and why. Koopman said the EDA hosted the Canadian Pacific meeting in Feb. and never received the bill before this. This came out of the EDA reserve. The Charter Commission rolls and coffee were for their annual meeting, and this was from the General Fund, Administration, Misc.
46750	SEH	\$ 168.03	Peterson thought the I&I study was suspended. Koopman explained this was for work completed up to the suspension.
46754	Sweetman Gravel	\$ 2,215.20	Peterson asked why we needed more gravel since they are not selling gravel at this time. Robinson stated this is for the stock pile which will be used for winter water main breaks and winter and fall alley maintenance. This was taken from the General Fund, Street Department, Other maintenance.

Motion by Chukuske, seconded by Snyder to approve the Consent Calendar. All voted in favor of the motion.

Mayor Ferrazzano asked if there were any budget concerns that needed to be taken care of. There were no comments at this time.

A public hearing was held at 6:45 concerning the proposed 2009 Street Improvement Project. Al Murra for SEH gave an overview of the project. SEH was directed to produce a feasibility report for the October 27, 2008 Council meeting and that is when the Public Hearing was called. This project would include Phase 3 and Phase 4 as outlined on the City's Pavement Management Program. There are four types of reconstruction that they are planning for this project:

Complete Reconstruction Streets

- a. Curb and Gutter
- b. Total Reconstruction
- c. Groundwater Interceptor Connection

Mill and Overlay w/ Partial Reconstruction Streets

- d. Curb and Gutter
- e. Groundwater Interceptor Connection
- f. Mill and Overlay w/ Partial Reconstruction

Mill and Overlay

- g. Curb and Gutter
- h. Mill and Overlay

Crack Seal and Seal Coating
New parking lot by the firehall.

Dallas Petit, 230 2nd Street, asked if they were going to put in a new water main in that street. He asked if they do the construction and find water lines that should have been replaced, what do they plan to do. Robinson stated that some of the service lines in that area are not in good shape and some of them are lead. Robinson stated that if they do find lead lines, they are to be replaced. Robinson stated that sometimes the City has stubbed new lines and sometimes they have not. Petit asked if the City pays for the new line up to the curb stop and replace the curb stop or is that the property owners responsibility. Robinson stated that once the line is in place it is the home owner's responsibility and the saddle that is attached to the main and to the curb stop has been the responsibility of the home owner. Robinson stated that in the past there have been some projects that service lines have been stubbed to the property line. Koopman said the practice has been that everything from the main to the house is the responsibility of the property owner. Robinson added that in projects like this, services lines have been stubbed to the property line to avoid later digging the street up to install service lines. Petit said the lines from the main to his property are lead. Robinson explained there is low water pressure in the area of 2nd Street due to the main that is pretty much corroded shut and also the service lines are also just about corroded shut. Snyder and Chukuske felt that the lines should be replaced to the curb stop. Mayor Ferrazzano felt the City should be responsible for the lines from the main to the curb stop and the home owner would be responsible for the lines from the curb stop to the property. Peterson felt this needs to be defined more accurately than corporate memory. Nielsen explained that if this is done for this project, it needs to be noted that in the future it may be the responsibility of the property owner as it is the property owner's responsibility to the water main. Koopman stated that a motion is needed if they are changing the procedure for this project. Motion by Chukuske, seconded by Snyder for the City to install the service lines from the main up to and including the curb stop for this street improvement project. All voted in favor of the motion.

Clint Peterson, 125 Elm, stated that in looking at the local paper, from Center Street to 1st Street East on Elm was not marked as being included in the project, but according to the information that he received, it goes from Park Street to 2nd Street East. Koopman said this area is included in the project. Murra explained that this area will be a total reconstruction with a new base. He indicated that they are trying to save some of the curb and gutter as there is some that has not deteriorated that badly. Robinson stated that they will be installing some new gate valves and interceptor lines where the sump pump lines will be put into. Peterson stated that his sump pump drains into his backyard. Robinson indicated they are trying to get all the ground water into the storm water system and this is a mandatory expense. On 4th Street East, this line was run within five (5) feet of the house and the home owner was responsible for connection from the house to that line. Robinson explained there are problems with I&I and there is too much groundwater in the waste water system and the MPCA indicates there is excess clean water that does not need to be treated. Chukuske asked how much this would cost the homeowner. Local plumbers do the connection from the house and does not know what the cost of this is. Murra indicated there would be approximately 86 property owners that will need to connect to a groundwater interceptor. Chukuske felt they should get a price to have this done and maybe come up with a compromise to have one contractor to that with all the homeowners and come up with a price and do some type of cost share.

Barbara Vinson, 513 Summit Avenue, asked since she does not own the property of the street, why does she have to pay for the resurfacing of the street. She feels it is the City's responsibility to pay for the repair of the streets. The City paid for new street lights and no one uses them and that money could have been used for the streets. She asked if there is a law that states she has to pay for this and Nielsen answered that there is a law in the state of Minnesota.

James Kerr, 506 Summit Avenue, asked what engineering standards are used by SEH and what do they observe when they determine whether there needs to be total reconstruction, partial reconstruction or mill work and overlay. Murra stated there was a pavement management program put together for this City of Tracy and a pavement rating 1-10 system that rates each of the streets. There are different criteria for each of the different levels. Murra stated that he is not sure who generated the formula, but many cities use this system. Kerr asked if they redid the rating of some of the streets since the first rating was done in 2006. Murra stated they did make one change from

the Pavement Management Program, one of the streets changed from a mill and overlay to a mill and overlay with reconstruction due to deterioration. Kerr asked what the significance of the cracks in Summit Avenue that have been sealed at some time. Murra stated that over time when the cracks separate, moisture gets in the cracks and gets into the sub-grade and over cycles of freezing and thawing it will deteriorate the street. Murra states they do not do boring until they start looking at the construction. If the Council directed them to do borings on all the streets involved, this would get expensive. There is a pavement rating system in place and streets are evaluated on that and they will do some borings before they move forward with this and if something different is found, there may be some poor soils underneath that have to be corrected. Kerr commented that the ratings are then only based on visual observation if they do not do soil borings. Murra stated they are rated on visual observation and engineering judgment. Kerr feels this is very subjective. Murra agreed but when someone does this for a living, they get an idea of defects in the surface. Kerr asked if SEH will be awarded the engineering contract and Murra did not know who would be awarded the contract. Kerr said that Mayor Ferrazzano already alluded to that. Murra said they were asked to prepare a feasibility report and said he did not know who would be awarded the contract. Kerr said that when he discussed this with Koopman, he was told that the cost on Summit Avenue would be \$41,748.50 and the running foot cost is \$12.02/ft. Kerr asked how many feet are on Summit Avenue. Murra said this is their best estimate of what this may cost and all the mill and overlay streets were combined and the total cost was divided by the total footage and then took the percentage that gets assessed to come up with the numbers that are presented. Robinson stated that the pavement rating system was developed by the Wisconsin Transportation Information Center and this is used in Minnesota. Summit was rated at a four (4) with ten (10) being excellent and one (1) being failed. A rating of four (4) is severe surface raveling, multiple longitudinal and transverse cracking with over 50% of the street involved. Patching in fair condition with significant aging and first signs of need for strengthening. This street would benefit from a structural overlay of two (2) inches. Kerr asked if there were any assurances this would do the job. Murra stated that they cannot predict what will happen in the future and this system has been used by SEH and other firms.

Elaine Fischer, 740 2nd Street East, voiced concern that with only 2nd Street East being done and not the surrounding streets, could cause faster deterioration of the streets being used more frequently during the construction time.

Kerr asked if the cost per foot includes any engineering and legal fees. He was informed that it does.

Koopman stated that a request will be submitted to the county regarding repairs to 8th Street. Robinson said the street condition of 8th Street was in poor condition at the time that the county put the pipe in. The city had hired the County to overlay 8th Street and this was done in 1998.

Clint Peterson asked if they would be putting a new water main in Elm Street. Robinson said they will be only putting in new gate valves. Robinson said they are rated by how many water main breaks occur. The one in front of the fire hall, there has been several breaks in that main and the inside of the pipe is deteriorating. There has only been one break on Elm Street. Peterson asked when they are doing a complete reconstruction, by statute they are to replace any mains at that time. Nielsen stated that it has been discussed that when a project is done, there should be consideration if there is anything else that can be done at the same time. Robinson said that at that time they have the sewer mains televised and after televising they review the tapes and spot repair any areas that need it. Water mains are determined by history of breaks or water pressure.

David Spencer, 401 State Street, questioned the need for reconstruction for his block on State Street, when the rest is got by with an overlay. Robinson stated that State Street is a borderline street and is showing some cracking. The edges could be just fixed up. If the hospital plans go through and there is heavy traffic, there will be deterioration. Spencer stated this is a 5-ton road and drain tile was installed to drain water from the road. There are no water mains or sewer lines along that area. Snyder also questioned the need for reconstruction on that block and feels this should be re-evaluated. Stobb felt that with the prospect of construction equipment, this street could be overlaid. Murra indicated they will re-evaluate the need for reconstruction on this block of State Street. Kerr asked why they do not leave it the way it is. Mayor Ferrazzano stated that has been the practice in the past and now they are faced with this larger project.

Spencer also presented some financial information. He said the Council may want to consider the magnitude of the project as to how it will effect everyone's taxes with an increase of close to 20%. This is without assessments according to information received from the financial consultants. The cost of replacement of water and sewer lines is to come from the Surcharge Fund and right now after the last project was done, there is \$224,000 left in that fund and there is a debt obligation of \$120,000 which leaves a \$100,000 to do underground work on this project. In the next year's budget there are some maintenance and capital expenditures to come from this fund.

Peterson indicated the League had developed a long-term financial software and he asked Spencer if he had done any follow-up on this. Spencer stated this was discussed at the regional conference they will be having meetings around the state for that purpose and thought that it may be up and running now. He had talked with someone regarding the regional meetings and he is hoping that it will be out there in the near future.

Mayor Ferrazzano read a letter received from John and Lucille Almlie stating they had received their letter regarding street improvements and they feel this is not the time, with the economy at its lowest and job security in jeopardy to raise taxes for the street improvement. They feel this should be delayed until the economy up and running and not putting our city in further debt.

Peterson received a letter from Adeline Johnson. She does not see anything wrong with the road and the curb is not ruined and she believes there are other streets in town that need repairs worse than State Street. With the economy as bad as is, she does not feel there are that many people that could afford the expense now. She votes against repairing State Street till a later date.

The public hearing portion of the meeting was closed at 7:30 p.m.

Mayor Ferrazzano states the letter from the Almlie's states distinctly what we are dealing with and we realize there are improvements that need to be made with streets and infra-structure, but this is not the time to this. He was hesitant to state that as prior Councils were also hesitant and that is why there is the failing infra-structure to deal with. With the increase in taxes they need to consider if they should delay the project or decrease the scope of the project.

Peterson agreed and that is why he is asking about the software as it would give a tool to have information available to the Council to make a decision. He does not feel that they can afford a project of this size at this time.

Stobb stated concern about the overall cost of the project. He was wondering if there are any bond issues that are soon to be paid off a new bond issue could replace. He does not feel that at this time they can afford a project of this size. He feels that they could maybe do what is essentially necessary at this time or put it all off. With construction the way it is, prices may be very good next summer for doing this type of work.

Martin agreed with Stobb and there have been delays put on projects and the costs of construction increasing doing it in the future. They could choose the necessary parts of the project to do at this time.

Koopman stated that a bond issue will be paid off in three years. Spencer indicated there were two bonds paid off last year and there is a possibility that the next bond could be paid off in two years. Koopman said that what ever would be bonded for on this project, it would be structured to coincide with existing debt. Murra stated they have had contractors notify them of the good bidding environments this coming spring as there is not work out there for them.

Mayor Ferrazzano asked what streets would be considered a one or two on the 1-10 scale. Robinson stated that 8th Street needs something done. He states they are waiting to see if the County will take any responsibility for the condition of that street. Mayor Ferrazzano states they are in a difficult spot as they know there are things that need to be done, but there are not the funds to do it. If they are going to take advantage of lower costs in getting it done and the cost of materials being cheaper, but they will have to prioritize. Robinson stated he would like to see the seal coating and crack filling done as this would help. Koopman said that part of it cannot be

assessed and would have to be coordinated with bonding.

Peterson asked what could be done to scale back the project but still have time to get something done during the construction season. Murra said the biggest thing would be getting the survey data for streets that need reconstruction. Murra felt they may lose a little bit on the competitive bidding, but scaling back and getting it started in March and April could get them through the construction season.

Motion by Peterson, seconded by Snyder to table the project to allow for scaling back and getting more financial date and revisiting the issue again in the spring. Stobb asked how much money is being “wasted” if they would approve the project as if they were doing the whole project, wait for bids to come in and select the projects to be done at that time. Peterson felt there would be more engineering costs if done that way. All voted in favor of the motion.

Peterson felt that the purchase of the software discussed previously would be a great benefit to making decisions on projects. Spencer stated that when he gets information on how the software works, he will let the Council know. Spencer stated that there may be problems with bonding with all the banks closing and economic stability. He also stated that he does not know how much this software would cost. Peterson said the cost was population based. Mayor Ferrazzano stated the engineering services will be put on hold till the project is initiated.

Motion by Chukuske, seconded by Peterson to adjourn the meeting at 8:00 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor

December 8, 2008

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, December 8, 2008 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, B. Chukuske, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Stobb, seconded by Snyder to approve the minutes from the meeting on November 24, 2008 as presented. All voted in favor of the motion.

An addition to the agenda by Chukuske was 11-B City Computer System. Motion by Peterson, seconded by Stobb to approve the agenda as amended. All voted in favor of the motion.

Koopman indicated that since the last meeting in regards to the proposed 2009 Street Improvement Project, the Public Works Director and the Engineer have reduced the size of the project to \$981,000. This includes the cost of the priority portions of the project. Koopman handed out a cash flow analysis prepared by Ehlers and Associates. Todd Haugen will be coming to the meeting this evening but may be late due to road conditions. Koopman and Haugen did discuss a couple scenarios that could possibly work if the Council was interested in addressing the priority streets and then looking at a later date of addressing the other portions of the project. Koopman felt the best solution for the City was to do a temporary bond for a three year period that would finance the projects listed in the report.

Crack fill/seal coat \$155,000

Rebuild the alley south of the Eagles Club, high use area \$32,000

8th Street as planned. \$634,000

2nd Street. Only rebuild the one block between Morgan and Rowland to include some spot repair of sewer and water main replacement to provide adequate water pressure and flow instead of the two blocks as originally proposed. Estimate \$160,000.

At the end of the three year period they would look at doing the remainder of the project or a portion of the remainder of the project. Koopman hopes that at that time the economy is more stable and the City would feel more comfortable committing to a long term debt. They would then re-finance the temporary bond. The \$981,000 averages a tax increase of just roughly under 8%. Koopman stated this is a very preliminary overview. Peterson asked what they would do if the economy is not better at the end of three years. Koopman explained that temporary bonding is exactly what it says and they would only be paying interest only during the temporary period, not principle. Koopman stated this would be a way to meet the immediate needs without committing to a \$2.5 million dollar obligation. Stobb asked if the \$981,000 is still based on the original estimate. Koopman said the costs in the memo reflect those of the feasibility report. Koopman said they were banking on the idea of coordinating our bid letting date to coincide with Murray County. They will be doing 27 miles of hard surface streets and plan to let bids this spring. By bidding both projects close together we may end up with a more favorable bid. Steve Robinson stated that SEH has not had anything bid in the last several months and still looking at numbers from last summer and the estimate that they have for bituminous is rather high. He said the estimated cost with this project is rather conservative and given with what has happened with oil in the last couple months, he feels confident that this is a very conservative estimate. R. Robinson stated that he would really like to see some crack fill/seal coat done. S. Robinson stated that they had met with the Lyon County engineer and discussed 8th Street and they developed a cost estimate if they paid for the 12 foot wide path for three blocks of 8th Street, that cost would be \$65,000. If the Council wants to proceed with this project, they would make a formal request to the county that we think that amount is what they participate in. Their cost would be to excavate 32 inches of the 12 foot wide path and coming back in with new gravel fill and then a 3.5 inch bituminous over the top of that to remove the soils that are suspected of causing the settlement of the road. The other costs with 8th Street are curb and gutter, sidewalks, driveways, and utilities. Chukuske asked that if the road had not been left in the condition it was in, would anything have to be done with it at this time. S. Robinson said that their position is that settlement has really aggravated the condition of the street and is moving forward the need to replace it. If this had not occurred, the street would not have had to be done at this time. Koopman said that if they would move forward with the high priority items, the residents would

again be notified of another hearing. Chukuske stated that surprisingly he has received calls from residents who want the work done and there are some where there are water and other issues and they feel the Council should do something. S. Robinson felt that if they could bid the project in conjunction with the Murray County project, they are looking at late March or early April and good bidding could be received like they got in 2007 with 4th Street, where the contractor had just gotten a big project in Nobles County and set up a mobile bituminous plant. R. Robinson said that he would have dropped 2nd Street off the priority list but there is one block with low water pressure. Peterson is concerned with the temporary bond sale when it is unknown what will happen in the future. He feels there are resources out there that could forecast long term debt and that needs to be looked into before buying something that cannot be paid for down the road. Koopman indicated that is why it would be best for Todd Haugen to explain the situation. Peterson said he realizes that but Haugen also gets paid a commission on every bond sale he gets so he is going to give the City "let's sell it" portion. Koopman said she realizes that but he can better explain how it fits into the existing debt and what kind of obligation it would tie the City into. Nielsen stated it was mentioned about federal government incentives to stimulate infrastructure improvements this coming spring and those who are first in line are better off than those that have to play catch-up. R. Robinson said he attended a meeting and the speaker was talking about those incentives and those projects would have to be ready to go. S. Robinson indicated that Koopman received a notice from the LMC asking for a list of projects and this was presented back to the League as inventory of projects that would be ready for construction within 120 days. Peterson asked if the City would lose their LGA where would that put us with a \$1 million bond issue. Koopman said that if LGA is lost, that is money that is anticipated as revenue for the City, the debt obligation is over and above that. Mayor Ferrazzano felt that if they send notification to the affected property owners on the priority list and have another public hearing in January, there would be no obligation to the bond issue just because there is a public hearing. Mayor Ferrazzano feels they should do this and everyone realizes there are problems that need to be fixed and see how things sit in January as opposed to guess now. Peterson asked again if D. Spencer had received any information on the financial planning software. Spencer indicated that he had gotten the phone number and as he had told the Council earlier, our own particular association has washed their hands of it, and the company that has worked in conjunction with the League on it is using it more for marketing tool than they are for an educational tool. He will get information on it. Spencer stated that the amount that the City would be cut back, would be homestead and agricultural aid credits. The bond funds and debt obligations which are not a part of it. He said he has been in contact with Haugen in regards to the ability to pay the 2002 bond issue off early, which will prevent a big "hiccup" in the debt obligation for the first couple years. Spencer stated that the state aid is all general fund money.

Motion by Martin, seconded by Chukuske to send out notifications to the affected property owners for the \$981,000 2009 Street Improvement project and discuss in January. Stobb felt it is wise to do this now because in the next month to six weeks there may or may not be a commitment to move forward with this and if we do, the City would be committing to the engineering costs and if in April when the bids come back and if they are not to the Council's liking, or the economy has changed, the Council can decide to not move forward. All voted in favor of the motion.

A hearing was open to public testimony at 6:45 p.m. on Ordinance No. 304, an ordinance amending City Charter Section 2.03, COUNCIL COMPOSITION AND ELECTION. This amendment would include new language as outlined below. Changes are indicated by underline; deletions by ~~strikeout~~.

Section 2.03. COUNCIL COMPOSITON AND ELECTION. The City Council shall be composed of a Mayor and six (6) ~~Councilpersons~~ council members who are qualified electors to be elected at large. The Mayor and each ~~Councilperson~~ Council members shall serve a term of four (4) years and until his/her successor is elected and qualifies. Effective January 1, 2011, the City Council shall be reduced in size and shall thereafter be composed of a Mayor and four (4) council members who are qualified electors to be elected at large; in order to implement this reduction in the size of the City Council, at the time of elections for the City Council in November, 2010, there shall be elected one (1) person for the office of Mayor and one (1) person for the office of council members rather than elections of one (1) person for the office of Mayor and three (3) persons for the office of council member as would have occurred had there been no reduction in the size of the City Council.

There being no discussion from the public, the hearing was closed for Council discussion. Stobb stated he had received no comments either for or against the proposed change and if the Charter Commission thinks it is a good idea, then maybe they should try it. Martin felt that a four member council would speed things along and issues could be taken care of more efficiently. Stobb felt that reducing the size of the Council could create more responsibility for the each of the four Council members. Peterson stated that he had done an informal poll and 98% of those he contacted felt the Council should stay the same size. He also stated that the Charter did not have a unanimous vote on this ordinance. Peterson felt that the larger Council would be better represented and there would be more members to cover the committees and more members for Council discussion. Motion by Chukuske, seconded by Stobb to accept the Charter Commission's recommendation to reduce the size of the City Council to four members and the mayor. Upon roll call the following vote was recorded; Mayor Ferrazzano, Martin, Rettmer, Chukuske, Snyder and Stobb voting aye and Peterson voting nay. Motion failed due to lack of unanimous vote.

Police Chief Hillger asked for any comments or questions regarding the activity report. Stobb indicated that it was brought up to him that when the Marshall Independent reports the crime log, quite frequently there is something that is described as an incident described as "all other" and questioned what this means. Hillger indicated that he could give an explanation but does not know if they will be able to get more specific. All of the night calls go to Lyon County dispatch and when they are dispatched to the Tracy Police Department, they go to the call and they may not give a description back to the dispatcher. The next morning the Marshall Independent goes to check the ICR for the county, and they clear the ICR by saying "all other". Martin asked if there have been many dog barking complaints lately. Chukuske felt there were still problems with dogs barking but it is not as noticeable this time of year when everyone has their homes closed up during the winter months. Hillger announced that there is a snow emergency on for tonight and they will be plowing the streets so vehicles will have to be removed off the street.

Radke reported there have been no problems or issues at the liquor store. A Profit/Loss Statement for November 2008 was included with his report.

Robinson reported the month of November was busy with utility projects, street light project and 2009 street project. The Public Works activities have been street sweeping, gravel maintenance, putting up Christmas decorations, flushing hydrants, discharging ponds and setting up for winter. The pool has been winterized and they had another separate public works employee triple check the winterizing procedure. Glen Larson of Enviro pump was unsuccessful in lining the broken pipe at the pool. Another quote was obtained from another company and they have turned this quote into the insurance company. When approval from the insurance company is received, they will proceed with the repair. Robinson said they had checked the pool earlier for any leaks and had checked all the pressure pipes, but have not checked the gravity drains and that is what is broken right now. Normally a gravity drain is not checked because it goes by gravity out to the storm sewer. Robinson stated they had talked with some other pool people and they said it has happened before where a frost plug develops and that is what they think happened. This was in the zero depth pool where the maintenance manual states that you do not have to do anything with those drains. Apparently it went through some freeze/thaw cycles and built up in the pipe and caused a frost plug and then backed up and then froze. Robinson stated there was a surge tank added on the newer pool and the old system, the surge tank was part of the gutter system. There is no problem with the large pool because of this. Diseased elms have been removed during the months of November and December by Campbell Tree Service. Robinson stated that he attended a one day school which included information on Red Flag Rule, OSHA rules, asset management for utilities, performance recognition (performance evaluations) and managing a multi generational work force.

Koopman state the month of November started off with the General Election. She complimented the judges for doing an outstanding job. She spent time preparing the special assessments for certification and worked to meet a deadline regarding a response to the EPA on the history of the Central Livestock property, the abutting property and the property across the street and also time was spent with the engineers developing preliminary assessment rates for the 2009 Street Improvement Project. Koopman attended two City Council meetings, health insurance meeting, Cemetery Commission meeting, dentist recruitment, Library Board, Hospital Advisory Board and also met with the County engineer and County Commissioner to discuss 8th and 4th Streets.

Motion by Stobb, seconded by Chukuske to approve the legal services agreement between the City and Frank Nielsen, Attorney at Law providing legal services to the City of Tracy for the calendar year 2009. This agreement provides the same terms as the 2008 agreement. All voted in favor of the motion.

Motion by Chukuske, seconded by Peterson to accept the Satisfaction of Mortgage between the City of Tracy and Haney Industries, LLC. All voted in favor of the motion.

Motion by Peterson, seconded by Chukuske to approve the renewals for cigarette licenses to Tracy Food Pride, Tracy Liquor Store and Casey's General Store contingent on submission of completed paperwork and fees. All voted in favor of the motion.

Motion by Chukuske, seconded by Snyder to approve the renewals for plumber's license to Christianson Plumbing, GH Plumbing and Heating, Heartland Mechanical, Kropp Sewer Service, Sahlstrom Heating, Cooling and Refrigeration, Sanderson Mechanical, Swish's Hardware, inc and Wilk's Plumbing contingent on submission of completed paperwork and fees. All voted in favor of the motion.

Motion by Chukuske, seconded by Snyder to approve the renewal for a Split Liquor license for Shetek Bend Banquet, Bar & Grill contingent on submission of paperwork and fees. All voted in favor of the motion.

Motion by Chukuske, seconded by Snyder to approve the renewal for a Sunday liquor license for Shetek Bend Banquet, Bar & Grill contingent on submission of paperwork and fees. All voted in favor of the motion.

Koopman indicated that she talked with Marla Verlinde from CHS to see if the City could lock in a fuel price and she indicated that they could. They would like to try to coordinate the amount of gallons that the City purchases to coincide with either a six or twelve month contract. Looking back the amount of gallons used it averages for one year 10,000 gallons of gas and roughly 4500 gallons of diesel. The question is when do we lock in the price. Peterson asked what the average price per gallon for 2008. Koopman stated that she does not have that information now but can get it. Peterson also stated that now that CHS has a diesel pump, do we need to keep the diesel at the shop when they can drive down there to fill. Stobb asked if they have been in the agreement long enough that we would be able to get out of the diesel portion. Koopman stated that the agreement was started in October 2007. Mayor Ferrazzano felt that they should contract a price for at least one year. Motion by Chukuske, seconded by Martin to have Koopman talk to CHS and come back with a price to consider and a term. All voted in favor of the motion.

Mark Seager made a request to the Planning Commission for a special use permit until September 2009. Stobb explained that Seager has been running a business for several years over the internet selling medical supplies and the business has become too large for his home and is asking for consent to be able to store inventory in the building located at 163 3rd Street without being open as a commercial store. Currently it is open by appointment and will have an office there. He will also be selling through the internet. In September he expects to have the time to be there during more regular store hours. Nielsen commented that using the a building in the downtown business area for storage does not mean that Seager is planning to use this as a storage building similar to other buildings in this area. We are allowing storage for individuals who are not as conscientious as Seager. The zoning ordinance does not allow storage in the downtown business area. Chukuske stated that it is happening and the Council is doing nothing to enforce it. Nielsen feels that because his plan is one where he is going to open this building in a relatively short period of time that it should be considered a permitted use. In reality he is not asking to use this building for storage, he is going to store his materials there while he is getting his business up and running and feels that is an incidental use, preparatory to starting a business that is authorized in that area. Nielsen feels that he can do what he is asking to do without a special use permit. Stobb stated there were members of the Planning Commission that wondered if this step really needed to be done, but as a precaution it did no harm. Chukuske stated that there is going to be more and more E-commerce and basically he will be opening an internet based business and as that business grows, he is going to have local people that instead of ordering through the internet, are going to walk right in there

and buy their productt. Stobb said that he has no inclination that Seager is not going to do what he says but suppose someone else in the same situation and they end up not opening a store later, there is still the ordinance against storage and it can be acted upon at that point. Mayor Ferrazzano stated that it is not necessary to grant a special use permit for this business. Chukuske stated that he hopes that the Council in the future addresses the problem of allowing downtown business buildings to be used for storage which is happening right now in the old bakery building. Nothing is being done to enforce the ordinance right now. Stobb does not see why the police cannot go in and enforce it because you can look in the window and see it is being used for storage. Rettmer feels this needs to be investigated and enforced with a letter coming from the City Attorney. Koopman suggested having the Planning Commission review the ordinance. Not allowing downtown business buildings to be used for storage has been discussed in the past however no concrete solution has been determined. Koopman also suggested a penalty clause attached to the ordinance for enforcement purposes. Chukuske stated that he has had residents ask him why does the City care if the building is being maintained and there is no retail business in it anyway, what is the issue. Maybe the whole ordinance needs to be looked at if it is a proper ordinance because they do not want the building to deteriorate. Mayor Ferrazzano felt that having a penalty provision is important because then it is known what to do. Chukuske states that now there are people that own very nice buildings in town and want to sell them and cannot find a buyer and eventually they are going to say they have stuck enough money into this building and are just going to leave it. Koopman felt that maybe through a combination of the maintenance code as well as the zoning ordinance there may be some provisions that collectively will provide a resolution for this issue.

Koopman explained to the Council that in January 2008 the City was required to submit a pay equity report to the Minnesota Department of Management & Budget. On October 21, 2008, a letter was received that the City was not in compliance. Since that time Koopman has been working with Faith Zwemke, Pay Equity Coordinator to achieve compliance. The problem faced is that notification of noncompliance occurred after the preliminary levy was certified. Also part of the problem of noncompliance stems from the reporting requirements. Previously the City had reported every three years, then the State changed the law to five years and it has been five years since Tracy last reported. Since then it has again, been switched back to three years recognizing that noncompliance was occurring too frequently due to the length of time between reports. The Statistical Analysis Test shows the average difference in pay from the predicted pay for female jobs is a negative \$261 compared to male jobs with a positive of \$43. In order to achieve compliance, the difference in actual pay and predicted pay for the nine female positions was applied to their actual pay. Recognizing the financial burden this creates for the City and acknowledging that the late notification by her office compounded this problem, Ms. Zwemke was agreeable to a revised pay schedule that was split in two segments, rather than applying the full amount in January. The plan would include 25% paid in January with the remaining 75% being applied in August. Compliance will require an additional \$13,000 in the General Fund and approximately \$4,500 in the Liquor Fund. A copy of the resolution approving the payment implementation plan needs to be sent to the Dept. of Management and Budget. Koopman also needs to send in verification that 25% was applied in January and then send them verification that 75% was applied in August. By September 1, 2009 she will submit a new report that passes all compliance tests. If the City is still not in compliance at that time a penalty of \$100 per day retroactive January 1, 2008 or 5% of Local Government Aid, whichever is greater, would be imposed. Motion by Chukuske, seconded by Snyder to adopt a resolution approving the pay equity implementation plan and having it funded by using the cash reserves from the General Fund. All voted in favor of the motion. (Res. No. 2008-31)

Motion by Chukuske, seconded by Snyder to adopt a resolution adopting the 2009 budget for the City of Tracy, Minnesota with the budgeted expenditures as follows:

GENERAL FUND	\$1,995,940
PUBLIC ENTERPRISE	\$3,403,290
DEBT SERVICE AND BONDS FUNDS	\$ 696,706
OTHER	<u>\$ 300,939</u>
TOTAL ALL FUNDS	\$6,639,375

All voted in favor of the motion. (Res. No. 2008-32)

Motion by Chukuske, seconded by Peterson to adopt a resolution approving the 2008 Tax Levy collectable in 2009 for the following purposes:

General Fund	\$550,361
Permanent Improvement	\$ 10,000
Debt Service	<u>\$347,764</u>
TOTAL LEVY	\$908,125

All voted in favor of the motion. (Res. No. 2008-33)

Motion by Snyder, seconded by Chukuske to adopt a resolution approving budgeted transfers as follows:

AMOUNT	FROM	TO
\$ 9,500	General – Police	Equipment Reserve
\$ 47,535	General – Street	Equipment Reserve
<u>\$ 3,750</u>	General – Airport	Equipment Reserve
\$ 60,785		
\$ 6,000	Refuse	General
\$ 33,000	Licensing	General
\$ 65,000	General – Comm Ed	Aquatic Center Operations
\$134,000	Utility	Water Revenue Bond
\$ 18,000	Utility	Surcharge Fund
\$178,100	Utility	General
<u>\$ 16,000</u>	Utility	2007 Bond
\$346,100		
\$ 32,000	Utility Surcharge	2007 Bond Fund
\$ 27,500	General – Fire Dept.	Fire Equipment Replacement
\$ 10,000	General – Building Inspection	Code Enforcement
\$ 10,000	General	Economic Development
\$ 46,423	General	Senior Center Fund
\$ 5,000	General – Street	Park Improvement Fund
\$ 3,000	General – Cemetery	Cemetery Operating
<u>\$ 20,000</u>	Liquor	General
\$121,923		
\$664,808	TOTAL TRANSFER	

All voted in favor of the motion. (Res. No. 2008-34)

Motion by Chukuske, seconded by Snyder to adopt a resolution approving increase in pledged securities at Minnwest Bank South. All voted in favor of the motion. (Res. No. 2008-35)

The Consent Calendar includes the Municipal Accounts Payable, Economic Development Authority minutes for November 21, 2008 and Planning Commission minutes for December 2, 2008.

The following explanations were provided to questions raised by Peterson on the Accounts Payable.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
046801	Frank Nielsen	\$ 199.50	Peterson asked why Nielsen paid for this in the first place. This check was made out to him and he used the check to pay for legal advertising for 58 Morgan Street.
046804	Hebig's Electric	\$1,307.64	Peterson asked why it was paid from the CBDG Grant money. Koopman explained that it was paid with money from the Revitalization funds that are located in the CDBG account
046810	Arnold Motor	\$ 96.61	Peterson questioned what shop and why it was taken from the General Fund. There is only one Public Works Shop and this was taken from Account 101-431-233 which is Street/Park Maintenance/Repair Other.
046816	Jim Christian	\$ 400.00	Peterson asked what account the EDA grass seed was taken from. This was taken from 806-417-331, the EDA Reserves, Misc.
046823	DeSmet Welders	\$ 353.52	Peterson asked for what broom Repairs were needed and why the payment was from the General Fund This was for repairs to the sidewalk broom and was taken from account 101-431-221 Street/Park Maint./ Repair of equipment.
046831	Gary Garrels	\$ 9.24	Peterson asked why employees are reimbursed for meals and why is this done since they have to eat anyway. This was taken from the building inspection budget. Meal reimbursement for out of town travel while conducting City business is required by both the employee handbook and union contract.
046832	Robert Gervais	\$ 50.31	Peterson asked why this city car was not used. Koopman said that the city car was already in use by another department.

Motion by Chukuske, seconded by Snyder to approve the Consent Calendar. All voted in favor of the motion.

Chukuske asked what has been put into place to make sure that the public cannot get into our City computers. On Friday a.m., Tracy Computer Supply come over and encrypted the router to prevent access to the Police Department files. D. Spencer indicated that when the computer system was first installed, the person that did the installation was from Granite Falls and the only place that was wireless was in the office as nothing could get through the concrete walls and since that time, it never occurred to him to have that updated. Chukuske felt this was something that needed to be

reviewed routinely.

Mayor Ferrazzano said that someone mention to him that the flag outside the Municipal Building is getting tattered and should be replaced.

Mayor Ferrazzano assumed that everyone got an e-mail about the state budget deficit, indicated that they are considering unallotment which will impact our LGA. The League wanted City representation on Wednesday as the Senate Tax Committee hearing. If anyone from the Council is able to go that would be great and if not, he would like to have Koopman go and let that committee know what the dire consequences would be if we lose any or a portion of our aid.

Mayor Ferrazzano stated that the next Council meeting will be held on January 12, 2009.

Motion by Chukuske, seconded by Peterson to adjourn at 7:45 p.m. All voted in favor of the motion.

Todd Haugen from Ehlers and Associates arrived at 7:45 p.m. for discussion of bond issues for the 2009 Street Improvement Project. Motion by Chukuske, seconded by Peterson to rescind the previous motion to adjourn. All voted in favor of the motion.

Haugen has reviewed the 2009 Street Improvement Project and possible options for financing. He had worked up some numbers in the past based on the total amount of \$2.5 million over a 15 year period and it resulted in a high tax levy. Since then he has done some research since he is familiar with the City's utility funds and what debts may be dropping off and if any need to be refinanced. He came up with a couple scenarios. This project deals with streets, various forms of reconstruction and some utility work. These scenarios talk about pledging some revenues towards the bond issue and this has been done in the past. Haugen picked 10% as he did not have that broken down into what projects the Council is thinking on doing. With the engineer, they would separate out the utility projects and will not be assessed and not levied for and they could possibly use pledged revenues to help lower the levy down. Haugen stated there are some bond issues that could possibly free up some levies. There is a 1998 Improvement Bond and it is maturing February 1, 2009 and that one helped out with the 2007 projects, clearing up a \$50,000 a year levy for that. This cannot be used for any kind of help on the 2009 project. There is also a series 2002 bond issue that after this year's payment there will be \$210,000 left on that one and there is no excess balance of any monies in there to refinance. If there are any utility fund balances or balances in the General Fund, one technique that could be used would be to call the bonds with cash from a fund that has a balance in it. The \$210,000 would go away and the special assessments would continue to be payable to that fund that would be borrowed from to pay off these bonds. Money will be saved as that bond issue has probably 4.5% or 4.75% interest on the remaining four to five years of life left on that bond. The levy being payable on that bond is \$45,000. The \$45,000 could be re-levied for this bond issue by keeping the tax rate the same. Also, there is a savings that will be realized on the 2001 bond that was refinanced in 2008. That bond issue will be taxes payable in 2010. This would create \$9,000 savings per year.

Haugen stated that on the \$1 million bond issue, that would equate if you used 50% being paid from special assessments, 10% pledged revenues, leaves a 40% City share which would be a levy of about \$40,000 and that could be off-set by the series 2002 bond issue. This would create a 0% tax rate increase over the 15 year bond issue. If the City decided to go long term that would seem to work. Haugen states that he always plans for the long term bond on these issues. Temporary bonds are three year balloon payment, interest only and third year it is all due. This would fit into this scenario if this was a two phase project. The temporary bonds are used for an uncertain project cost which might fit in this scenario. Koopman asked if the three year temporary bond would be for \$1 million or the total project cost for \$2.5 million. Haugen said that it depends on what projects are going to be done and when they are going to be done. If the \$2.5 million was done on the temporary bond, the projects could be phased over a couple years. It could then be re-financed at the end of the three years with a long term bond. Haugen said he would use the temporary bond as a back-up to the long term bond because of where the market is right now. The Council could decide to "hedge" the bet and do a temporary bond with a call feature to re-finance for a twelve month period to get back in the market. Haugen said he would use the temporary bond for short term interest

rates in the future. This can be risky to do. Haugen states that Spring 2009 is a ways off and long term bond rates are going down. The supply for purchasers has gone down and there are not as many bids on bonds as before. Haugen suggested that the Council plan on a long term bond issue for the payback structure as eventually it will turn into a long term bond. Haugen also suggested using the short term bond as a "hedge" for interest rates if the project is approved, spec it out, bid it out and in order to get money when needed, that would be Plan B. With Ehlers and Associates constant monitoring of the market, they feel that rates may do down within three years and issue a temporary bond at maybe 4% instead of long term at 5.5%. That is a decision that would be made at that time, to keep the project moving and make sure it gets funded. This would prevent, at the end of this saying, long term rates are way up and this is not a good time to be locking in as bonds cannot be prepaid or refinance for eight to ten years. Mayor Ferrazzano feels they are all on the same page and from the discussion they would be doing the \$981,000 project and not the \$2.5 million project.

Haugen stated that another scenario for doing the whole project using the same sources of funds, then over a period of 15 years with the tax capacity growth of the City has been at 5%, but has been at 1.5% in the last year because values are not going up as fast, but it is unknown how long that will last. Haugen put a 5% growth on the value of the homes in the City and over the 15 years it varies from 7.4% to 3.86% as growth occurs. An average of that would be 5.38% tax rate growth. This may be doable as well. It comes down to freeing up other funds levy money that has been pledged to another bond issue or one that matures. Haugen states that if the balance in whatever fund that may be used, if the City wanted to call in those 2002 bonds, it is an opportunity cost thing. With the cost of oil down and a lot of contractors out there are looking for work so more bids may be received. When it is looked at from that angle, the City may want to look at doing the whole project as they may be saving 25% from estimates. Mayor Ferrazzano stated they can review the information provided by Ehlers and then at the next meeting Spencer or Haugen can give an analysis of what the City has and what impact it would have on doing the \$1 million and what impact it would have to do the \$2.5 million project. Chukuske feels like now there are some options where before it did not seem like they had any options and now maybe they can do the right project.

Motion by Chukuske, seconded by Peterson to adjourn the meeting at 8:10 p.m. All voted in favor of the motion.

ATTEST:

City Administrator

Mayor