

**January 11, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 11, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Peterson to approve the minutes from the meeting on December 14, 2009. All voted in favor of the motion.

Additions to the agenda included; 7-A Lease Rental Agreement with CHS for Propane Gas System and 7-B City Audit. Motion by Chalmers, seconded by Peterson to approve the agenda as amended. All voted in favor of the motion.

No Public Comments were brought before the Council.

Mayor Ferrazzano stated that at the last meeting a petition was received regarding the dismissal of the City Administrator. Each Councilman was given a page of contacts that signed the petition.

Stobb stated that many good people signed the petition but there was no single reason that predominated as to why they signed it. A number simply felt that Audrey had been in the position too long and it was time for a change. Some thought the salary was too high and one was upset that they were not given the opportunity for an interview after they applied for a position with the City. One party had signed because Audrey had said nothing more could be done at that time about the condition of a vacant house adjacent to their house and Stobb was not sure if the compliance code was in affect at that time. Shane apparently had taken some pictures of the house in question and Stobb is hopeful that something can be done this year about it. Some people cited the downtown street lighting and how it was handled. Some felt the City was spending too much money on engineering and legal fees. Some cited that some of the ordinances are too restrictive. A few of the residents felt intimidated in dealings with Audrey and had a fear of retaliation although he could not verify any actual retaliation had taken place. Stobb stated that if that ever did happen that would be something to deal with by the Council. Stobb stated that one individual felt that too many decisions that this person felt were actually quite minor that had to go through Audrey first before the City employees could act on it. Some of the incidences went back as far as eleven years ago.

Snyder stated that he did not contact everyone on his list and he did talk to some people that were not on the list. He said the reasons he heard were City issues and not City Administrator issues. One person told him that they signed it because when the window survey was done and the note they got from that survey stated that their house needed paint, they felt there was more that needed to be done at that house. Another signer stated that they signed it because it was presented to them and did not really have any issues. Snyder stated another resident felt there was too much digging into people's lives and telling them what they can and cannot do on their property.

Chalmers stated that the reasons he heard were similar to what Snyder shared. Chalmers stated that he was able to get in touch with about one-half the people on his list and also talked with some residents that were not on the list. A lot of people just felt it was time for a change and that Audrey had been in the position for too long and it was to get some new blood in there. There was a feeling that Audrey was overpaid but the person that made that comment also stated that they did not know for sure if she was or not and felt the City employee wages should be published because it was the taxpayer's money so they should know what they are spending. Chalmers stated that one person felt that the Council just goes along with what Audrey wants and it has to be done her way or no way and that they do not feel that she always tells the truth. They had an issue where they complained about a neighbor's property and were told that nothing could be done about it because the owner was paying the taxes and then six months later the property was up for tax forfeiture so that obviously could not be the truth. There was another resident that just reiterated the idea that a lot of people are afraid of her and they do not feel that she is professional in dealing with issues and seems to be really happy when she gives someone a ticket. Chalmers stated that he did not know that Audrey could

issue tickets. Everything that he heard was that these people heard that others had a problem or this person was afraid to speak up about something. He did not come across anything that was a direct incident that happened and the issue other than the one that did not feel that the complaint about the house next door was handled properly.

Peterson heard one comment from people that were on the list or not was it was time for a change. The specific things that were brought up were retribution and talked to numerous people that supported the petition but did not sign because they thought their business would suffer or they would not be able to get a permit to build or whatever. That is what bothered him the most was the amount of people that were afraid but basically he heard the same comments that have already been shared.

Enderson stated that he heard both ways on this issue and with like everything in this town, it seems like the City is divided and that was all he is going to say about it.

Martin stated that basically of all the people he talked to stated there was a need for change, property right, and arbitrary enforcement of the new housing codes. A few of them he tried to contact never returned his call.

Mayor Ferrazzano stated that some of things he was told when he contact the people on his list was one person had a problem with a neighbor's garage that had a hole in it and there were a bunch of cats living in there and nothing was done about it. Another resident stated a change was needed and someone else needs a job more than Audrey. A resident was upset about getting a permit for an addition on his garage in 1999 and was upset with Audrey and Jim Kerr about that. Someone was upset about their water bill. They were wondering why we needed a bike trail when no one uses it. There were some that were upset about the pool and they thought there might be a cost savings with a new administrator at a lower salary. Mayor Ferrazzano stated that on Saturday he had the opportunity to meet with some citizens about their concerns. He feels that with the concerns that he got and what has been shared tonight, people are more upset with the City as a whole than particularly with Audrey about certain issues. If people are upset with the City as a whole that is the Council's responsibility and not Audrey's responsibility. For example, if someone is upset with the bike trail, that it is a waste of money that has nothing to do with the job performance of the City Administrator. He felt that there was a sense of frustration and if they have problems they do not seem to get addressed or they are ignored. Mayor Ferrazzano felt that from this day forward, what he expressed to people that he met with Saturday, is that if people in this town have an issue and they do not feel that it is being properly addressed, they need to contact the Council and if someone contacts the Council and they do not respond then they are not doing their job. If we weren't here to visit with the public and try to get issues resolved for the betterment of the City, then why were they sitting in this position. He feels that the petition has more to do with people being frustrated with the way things are and collectively this can be addressed and change this perception by making the Council more available if there issues need to be addressed so that the residents do not feel that they are being ignored. He said he is available if there is anyone that would like to contact him about a concern and hopefully the public understands that and that is what they will do. Martin stated that each of the Council members and Mayor has their phone numbers and e-mail addresses on the City website. Mayor Ferrazzano stated that one of the reasons he changed the format of the agenda was to have a Public Comment section so that people feel the can come and bring issues to the Council. If there are people who feel intimidated about being on television or having to present something in public, they have the option to call.

Chalmers felt that it was clear there are some serious issues that people feel need to be addressed and he agrees that a lot of these issues are more Council's responsibility than necessarily the City Administrator's or other city employees. The leadership function is supposed to rest with the City Council such as the street lighting, bike trail or pool. These are things that Audrey does not have the authority on her own to say yes to spend money on these issues. He would like to see that going forward they have some sort of mechanism of being able to continue to work with the committee and look at some of these issues. He does not feel that it could go so far as to say, that there are some valid points and let it rest. Chalmers feels it is something they need to take the time to work with the residents that have concerns and see what they can do to address them. The impression he got from the people that signed the petition that is all they are asking for is that the City work with them

to try to make things better for everyone. Enderson agrees there is a lack of communication between the city and the public and that is what he hears the most. Mayor Ferrazzano stated that he feels that communication is a two way street and the Council cannot anticipate problems unless they are made aware of them. If the Council is made aware and they do nothing about it, then it is the Council's problem. He encourages residents to contact them and let them know about it. He states it is difficult being the Mayor of a town and people from the town are saying they would not recommend moving to this town. He feels that maybe it is time to look at things and change the way it is operated. Obviously he feels the Council and he should make themselves more accessible and re-emphasize again to the public that they need to talk to the Council.

Stobb stated that the general conclusion was that citizens are not happy with the City government and feel that they are not listening and in some cases, we are too restrictive in what we are trying to do. The City Administrator is taking a lot of heat for that, and that really is the Council that should be taking that heat. Stobb felt they need to be better listeners, whether being too restrictive or not, it is a tough call. They have been contacted by others that say the City needs to get tougher on some things. He has thought about how they can encourage public input and maybe they need to set aside a meeting every so often where there is no agenda and the public is invited and issues can be discussed and goals can be talked about. Mayor Ferrazzano would like to have the Public Comment time on the agenda and hopefully people will be more comfortable with that. Stobb stated that the comments he shared were from him contacting someone else and for himself he was contacted by other good people who did not sign the petition, and gave reasons for retaining Audrey. He stated one of the best reasons he heard was outside the bank last Friday when one of the citizens stated that in these tough economic times, we cannot afford to lose someone with Audrey's experience, knowledge and expertise to help get through these times and that would be a mistake in their opinion. Stobb states that he agrees with that. Snyder stated that everything he heard was a City problem not a City Administrator problem and feels that a lot of people have the misinformation that Audrey runs the City or tells the Council what to do. She presents what she feels is the best course of action and the Council decides, it is not Audrey running the city. Stobb stated they are responsible as a Council, but trying to get into micromanaging is dangerous and as individuals they cannot do it. Only after they reach an agreement of at least four of the council members agreeing to it, can any course of action be taken. They could get more involved with it but they have to do it as a group and not individuals. Mayor Ferrazzano felt that one thing they can do as individuals is listen to their concerns and find out the information but cannot take any action individually. Peterson said that one thing that has been brought to light for him was if you are going to have someone in a management position, you can delegate the authority to do something but you cannot delegate the responsibility. If someone comes in and says they did not get this done right, there is nothing that sets him off quicker than a statement that "that is not my job and so and so did it". That was in the minutes from the last meeting, "I do not deal with building permits, Shane does." That mind set from that office all the way down has got to change. The citizens are the customers of this organization and if you tick them off as soon as they come in the door, they are going to stay ticked off. Peterson states that whoever is in that office is responsible for the behavior and the daily duties of the employees of this community. Peterson states that the Council is responsible for the behavior of the administrator office. Martin stated that specific behaviors by City Council members have to be paid attention to and how they behave in specific situations. He feels this is Kabuki Theater and would like to call the vote. Stobb stated that one of the complaints he heard was that Audrey was involved with too much and they cannot have it both ways. Peterson stated that was not his point. Stobb stated that is what it sounded like. Mayor Ferrazzano stated that Peterson stated that if someone is ticked off they stay ticked off, not everybody is going to be happy. You can have the best approach possible with the public and someone could say they just did not have a good day there and they are going to stay ticked off. There is a percentage that is bound to be ticked off no matter what is done. Mayor Ferrazzano stated that since Audrey has had this position for an extended period of time, she is the face of the City and when the Council is not present, there is a portion of the public that is ticked off because they see her everyday and do not necessarily see the Council everyday. If they did see the Council everyday sitting behind a desk, the anger would be directed at them because they see the Council everyday. Mayor Ferrazzano felt that anyone who is in the City Administrator is going to have a percentage of the public upset with them. Stobb stated that some need an entity to take their frustrations out on and Audrey has been that entity. Chalmers felt they should not disregard what was picked up and there are people that feel that Audrey is not always the easiest to deal with, most courteous, he is concerned there is this feeling that somehow if you voice a

complaint you would be retaliated against. Nobody was able to give a specific incidence of where that happened. Stobb stated he asked that also and could not find any specific incidence. Knowing there is the perception there is a worry to him. He does not feel that these things are serious enough that someone else is needed in this position. If there are issues, you have to communicate those issues and document what they are and let the person know what you expect the change to be. What do we want to come from this? If there is something that Audrey is doing that the Council as representatives of the people are not happy with and expects a different behavior, then the Council has the responsibility to take care of it. She cannot fix something that she does not know is a problem and cannot act any different way if the Council does not know what they expect of her. If the Council expects a different behavior or different way that she deals with her duties, the Council has to be clear in communicating what that is. Mayor Ferrazzano stated those things can be accomplished when the Council does her annual review. Mayor Ferrazzano feels they can leave this with there are people that have been contacted that are unhappy and the Council needs to be more receptive and provide the community with more opportunities to express their opinion. They can contact the Council personally or commenting during the Public Comment period on the agenda. He does not want anyone in the City to feel they are isolated and their opinion does not matter and the things they are experiencing are going to be pushed aside and ignored.

Mayor Ferrazzano appointed Audrey Koopman as the City Administrator. Upon roll call the following vote was recorded with Martin, Enderson, Chalmers, Snyder, Stobb and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carries.

A lease rental agreement for a propane gas system at the airport was presented. Koopman stated that they had electric heat there before and a propane furnace was installed with the renovation project. Motion by Peterson, seconded by Enderson to enter into the propane gas system lease rental agreement with CHS for the airport. All voted in favor of the motion.

Stobb stated that they had contracted with CHS for gasoline and was wondering if that is expired or nearly expired. Koopman stated that agreement was for a number of gallons at 4,000 for diesel and 8,000 for gas. Stobb asked if that was for so many gallons within a year's time. Koopman felt it was the amount of gallons used and once that was used it was expired. Peterson stated they based the bid what the fuel usage was for one year and they contracted for that number of gallons and once that was gone the contract expired. Koopman stated she will check into that for the next meeting.

Mayor Ferrazzano stated they have received a letter from Kinner and Co. regarding the City Audit. The city audit would be not to exceed \$16,700 for the City of Tracy and EDA and the fee for the Tracy Fire Relief will not exceed \$900 for each year (December 31, 2009, 2010 and 2011). Peterson asked if any other accounting firms responded. Koopman stated they did but they were not interested in submitting a bid. Motion by Stobb, seconded by Snyder to accept the bid from Kinner & Company Ltd. All voted in favor of the motion. Nielsen asked if the single audit provision is needed to be included. David Spencer said this provision is only if needed and the City receives a certain dollar amount of federal funds.

The Consent Calendar included the Fireman' Relief Association minutes for November 2, & December 5, 2009, Multi-Purpose Center board minutes for December 29, 2009, Fire Department Annual Report, Hospital Board minutes for November 18, 2009, Economic Development minutes for December 4 & 10, 2009 and Municipal Accounts Payable. Peterson asked if on Check 049746 for \$386.35, if that employee paid the City for his Cobra premiums. Koopman stated that anytime an employee terminates, that employee has to be offered Cobra and they are responsible for any premium. He was over charged and he was reimbursed for the overpayment. Peterson asked if he was employed long enough to do that. Koopman stated that any employee if under the City insurance policy would be eligible. Peterson asked if check 049832 for \$4,551.90 was actually for the snowplow hitch and not a snow blower. Robinson stated it was for the snowplow hitch that was approved at the last meeting. Peterson asked what check 049854 to the Lyon County Auditor for \$60.00 was for. Koopman stated this is for the annual printout with the current property owners and this is used for special assessment verifications. She needs the current listing so she knows who owns the property. David Spencer said that one was a request from the auditors for documents from the 2009 audit. Nielsen commented that the City is charging back on some of the assessment searches that are done. Koopman stated that there is a charge of \$25.00 for each assessment search

that is done and that helps offset that cost. Motion by Peterson, seconded by Chalmers to approve the Consent Calendar. All voted in favor of the motion.

Stobb asked that the Letter of Understanding they received was to be on the agenda. Peterson stated that was from a question that he had asked in the Consent Calendar questions. Snyder stated this was an FYI.

Mayor Appointment include:

1. Deputy Clerk – Rick Robinson
2. Public Works Director – Rick Robinson
3. Finance Director – David Spencer
4. City Attorney – Frank Nielsen
5. Fire Chief – Dale Johnson III
6. Assistant Fire Chief – Mike Erbs
7. Weed Inspector – Tom Greenfield
8. City Forester – Tom Greenfield
9. Building Inspector – Shane Daniels
10. City Assessor – Orlin Bruss
11. Civil Defense Director – Bryan Hillger

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

Council Appointment include:

1. President Pro-Tem – Russ Stobb
2. Community Ed Advisory Board – Charlie Snyder
3. Planning Commission – Tony Peterson
4. Economic Development Authority – Charlie Snyder and Kurt Enderson
5. Attorney Meetings – Stephen Ferrazzano and Mike Martin
6. Hospital Advisory Board – Stephen Ferrazzano and Russ Stobb
7. Labor Management Committee – Tony Peterson and Jon Chalmers
8. Wheels Across the Prairie Museum – Charlie Snyder

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

Mayor Ferrazzano stated that on some of the committees there are multiple Council members on because no one from the public applied to fill them. Koopman stated that Stobb was the only Council liaison on the Planning Commission as Chalmers was a Commission member that had applied. Mayor Ferrazzano suggested that they leave the positions vacant instead of filling them with Council members to encourage people to get involved with these groups. There would be two vacancies on the Planning Commission at this time. Koopman stated one problem that they may have is that one member has not attended for many months and they would need a quorum. Martin stated that he would continue on the Planning Commission and if there is someone from the community that would like to fill that position, he will step down. That way there would be a quorum.

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

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

Motion by Enderson, seconded by Peterson to establish the Headlight Herald as the official municipal newspaper. All voted in favor of the motion.

Motion by Martin, seconded by Peterson to establish Minnwest Bank South, the 4-M Fund and

Salomon Smith and Barney and State Farm the official municipal depositories. All voted in favor in the motion.

Koopman stated that in light of everything that has happened in the past couple months regarding the petition, it is evident that some people are unhappy with the directions the City is heading. She has talked with Robert Gervais and together they thought it would be worthwhile to set up a retreat that would involve not only the City Council, but the Planning Commission, the EDA, Department Heads and the general public to provide an opportunity for everyone to be a part of the decision of setting goals and areas that should be focused on in 2010 as well as five to ten years down the road. She has talked with Deb Munsterman who works with MN West College and actually has worked in this area many times. She would act as a facilitator because it may involve a large number of people. She agreed to do this for a fee between \$350 and \$400. This could involve two work sessions. Koopman felt this would be time well spent and allow people to be a part of the solution. If the Council is agreeable they would continue to pursue it and get it lined up. Koopman feels that she has very strong credentials and has a PhD in rural and social development and has worked with this with other communities as well. They would possibly set this up for sometime in March or April. Mayor Ferrazzano stated that had talked about doing this before but there was the issue with funds. Koopman stated that funds could be taken from Administration Travel, Conferences and Schools and there would be some in the Council account also. Mayor Ferrazzano voiced that if there are funds available that would be okay. He remembers that prior councils when they attended the new elective official meeting they said it was a good idea to have that but it was always a matter of money. Koopman feels it is evident there is some unhappiness in the community and if this would be a method to help overcome that, it would be worthwhile pursuing. Stobb agreed that it would help open some doors of communication between the Council and the public and even within the Council and other Commissions. Chalmers does not feel that \$300 to \$400 is that much if you get a better idea of what you should and should not be spending money on. Peterson suggested they do more research and bring the information back and plan on it at that time. Koopman felt that as far as the research for the classes it will be \$350 and \$400 and just depends on the amount of time it would take. It would not exceed the \$400. Beyond that she does not know what other research they could provide. Koopman envision that Munsterman would prepare some questions to distribute to whomever would like to participate and then those questions once they are answered she would compile the information and they would then set up a couple meetings. Snyder asked if that information could be sent out with the city water bills as an attachment to send back to the City. Doing it in March or April would provide the community time to think about feedback and what they would like to see covered.

Chalmers stated that he had one complaint about snow removal in the alley just north on Highway 14 off of Center Street. They said if it was not for them going out and clearing snow, half the people that had access off the alley would not be able to get out. On his part he wanted to commend the Public Works on what he thought was a fantastic job during the last storm of keeping city streets clear. Even though he could not go anywhere outside of town, he was able to get around in town. Stobb stated that if an emergency vehicle needed to get around it could.

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

ATTEST:

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City Administrator

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Mayor

**January 28, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Thursday, January 28, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, T. Peterson, C. Snyder and T. Stobb. Absent were K. Enderson and J. Chalmers. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Peterson, seconded by Stobb to approve the minutes from the meeting on January 11, 2010. All voted in favor of the motion.

Addition to the agenda included 12-B, Joshua Hunt property on 161 8<sup>th</sup> Street in regards to sewer line repair bill. Motion by Stobb, seconded by Snyder to approve the agenda as amended. All voted in favor of the motion.

Bill Chukuske asked that he and his business partner, Dick Boerboom be placed on the next Council agenda. They have two issues. Chukuske stated that he and Boerboom own homes in Tracy and have a rental properties business and own the building across the street from City Hall. They would like to talk to the Council about the alley improvements that were done on the south side of the building. Also there was a water main break in the front of the Morgan Street building and they would to discuss with the Council any thoughts about looking into the future as when the City is going to look into repairing a 200 year old water main that is causing problems and looks to them that it will continue to be expensive to property owners. Mayor Ferrazzano will place them on the next agenda.

Ken Mettler, Director of Facilities Management at Sioux Valley Health Systems, is the Sanford representative for the hospital project in terms of construction that is being done. He is here to discuss some added work that they would like to accomplish with the project in which includes renovation of the clinic. They are recommending expanding the scope of the work to include updates and bring about some efficiency by moving some things around. It was decided that they would seek a proposal from the contractor and the proposal is higher than what they anticipated. He discussed with Koopman if there was something that could be done within the contract as it exists or if they would have to go through the bid process. They have also discussed this with Nielsen, whether or not best value contract might be an option. Mettler explained that best value contracting is very good approach for new projects but since they are in the midst of a project, it may not work to well. This allows the contractors to submit their proposals and gives us the option of not accepting the lowest bid. Mettler is concerned that if they put this forward in this way, they would have difficulty receiving bids, because they already have a contractor on site and the contractors will see them as having an edge or advantage because they could use this process to exclude them from being awarded low bid. Mettler would like to move forward with the bid process in a competitive manner. Mayor Ferrazzano asked what was being added to from the original project. Metter stated that when the project was designed it was predominantly within the hospital to create a centralized receiving or entry admission area. They knew the dollars would be tight so they purposely concentrated their efforts in the exact needs to avoid the possibility of ballooning the costs. The bids received were very reasonable. They were expecting a \$1.2 million dollar project and the low bid was actually at \$840,000. When they received that information, they thought it would be a good time to take advantage of potential dollars and renovate the clinic. The clinic has had no renovations since its original construction. At this time the carpet is worn, cabinetry is damaged, the ceilings are a bit unsightly, and the lighting is of old technology. They felt the needed to take a look from the bottom up and it is a domino affect, once they started it just flowed and to do one thing you pretty much have to do another. The scope of what they thought they would do grew. They went from a project they thought they were hardly going to do anything at the clinic, to a project that is potentially \$154,000 based on a proposal from the current contractor. Because of that value being much greater than what the contract will allow, they now have to bid it. Mettler said they would like to bid this additional project and has presented a document providing for additional architectural work to make that happen. Koopman stated that she had spoken with Mettler briefly before the meeting tonight and raised the question, rather than going through the formal competitive bidding which has to be

advertised, she asked Nielsen if we could do something that would be called select bidding by using the contractors that bid on the original project. Mettler stated that when it was determined that they would have to bid the project for the remodel, they contacted the five lowest bidders from the original project to see if they would be interested in submitting a bid for the additional work. They all agreed they would like to do so. These contractors bid the first time around and are very familiar with what is going to happen or what was happening but they also qualified them in the early stages so that should one bid fail, the others would be acceptable or find one that is acceptable. To speed the process because of the very tight timelines and to make the work flow, it would help to competitively bid. By pre-qualifying, which has already been done they are putting it into the hands of contractors who can turn the bid around within a matter of a week versus three or four weeks. He was hoping to present five competitive bids to the Council with five pre-selective competitive bids. Nielsen stated he did not know if there is any way to exclude anyone from bidding. Koopman asked if doing it that way would not satisfy the law. Nielsen said that if you are only asking five people to submit bids that will not work. Using the minimum time to ask for bids, you are encouraging these five contractors to bid because they are all ready to go. Others that would spend a month to six weeks preparing a bid would not do so. Nielsen stated he does not know the minimum allowable time. Koopman felt the minimum was two weeks and she would have to check to make sure. Mettler stated that if they were approved to go forward with this project, they would be in contact to make sure they are making the requirements. Mettler stated that they are asking tonight for authorization for the architects to draw up the plans and specifications for the additional work. This process would take approximately one week to complete for the architects and engineers and they would put together new spec books, project documents and something they could have out to the contractors very quickly. Nielsen stated that the current contractors have already “tipped their hand” and now they would be asking others to bid on what they already offered price on. Mettler stated that Kue was approached on two occasions to verify their proposal and in both cases, Mettler pointed out what they felt were redundancies for example general requirements, are over the typical what they would see for a project that size. General requirements include the cost of the trailer on site, the cost of supervisor on site and the cost of trucks, garbage and general items. But the percentage amounts of what they are asking for that seems to be a bit high and they have some other things it was felt was a bit high and they have been given opportunities to review their proposal and in both cases felt it was where they had to be. He can only speculate that they would not be real thrilled to have another contractor on site if they should not receive the additional work as they would be working side by side. From a construction management standpoint it would also be very difficult. Mayor Ferrazzano felt that if they are only authorizing to sign the architect’s agreement to put it out for competitive bids that would basically be the issue tonight. Nielsen said they would be authorizing the architect to prepare the details of what the work is so the contractors can review it and decide if that is what they want to do. Stobb asked if they are increasing the cost of the project should they authorize this, he is thinking of the lease agreement and the payback of our expenditures, is that going to extend the time period of the lease. Koopman stated the lease agreement has changed and they are on a flat lease agreement and is not based on improvements. Stobb asked if the flat rate was a guarantee for as long as it took to repay the cost of the improvements and will the cost of the improvements extend the lease in years. When the lease agreement changed to a flat rate, it was based on funding a \$1.2 million dollar project. Mettler estimated that the clinic renovation will cost approximately \$100,000 more than what they originally thought. When it was first looked at, they put \$58,000 aside, however, the scope of the project grew. You cannot put in new flooring and not replace the case work. The case work does not meet ADA requirements right now. To remove that they need to do some plumbing as the sinks are off and now they are tearing out walls. Nielsen stated that the lease agreement stated the project was based on \$1.2 million and if that is the case, the payment should have been enough to pay that amount. Peterson asked if they have taken into consideration the increase in the change orders. Mettler stated they have money for contingencies, and the contingency dollars are also within the \$1.2 million. They are tracking all change orders by logging them. Motion by Snyder, seconded by Stobb to approve the amendment to the engineering agreement for clinic renovations at the cost of \$10,800. All voted in favor of the motion.

The Mayor opened the hearing to public testimony at 6:45 p.m. on a special assessment hearing. This relates to the construction work recently done on 8<sup>th</sup> Street and the need to make a supplemental assessment in connection with this work. This correction relates to the fact that a parcel previously thought to abut the work area and owned by Richard Jacobson now appears to not abut the work area and would reduce the assessment on the Jacobson property to zero and that amount would be

assessed to the property owned by Richard and Sheila Helleson. Mayor Ferrazzano asked if any comments had been given by the Helleson's. Koopman stated they were contacted in regards to the cancellation of the meeting last Monday but did not know if they would be here. Peterson asked if there is anything in the procedure to avoid this problem in the future. Koopman stated that the assessments were based on the maps the City has available. Peterson stated the reason he is asking is that they did the 8<sup>th</sup> Street project with the waterline and they could have updated the maps then with the information from that project. Koopman said there were no assessments for that project. Peterson stated that he was aware of that but his concern is to send a bill to someone for an amount and then after everything has been approved, to send them a bill for twice the amount. She stated that they are using the maps we have available and that is what the assessment is based on. Unless the City is willing to hire an engineer to physically redo all of the city maps with legal descriptions of the properties that is the only way to correct these types of problems. Peterson questioned when the engineers are preparing assessment rolls, is it in their contract to check for accurate information or are they only responsible to provide the cost per foot. Koopman stated they provide the cost per foot, but if the Council wants to pay the engineers to verify footage by property owner, they would do that. She stated that if you look at the number of assessments we have done over the years, this is the first time in her history with the City that this has happened. If they continue to use what they have available, it may happen again as the person who drafted the maps was not a certified engineer. Motion by Martin, seconded by Stobb to adopt a resolution approving a supplemental assessment for 8<sup>th</sup> Street. All voted in favor of the motion. (Res. No. 2010-1)

Motion by Peterson, seconded by Snyder to adopt a resolution approving change order for the hospital renovation project in the amount of \$9,409 for revising door widths, call lights, replacing roof drain rerouting drain line and revised plan for Cardiac Rehab. All voted in favor of the motion. (Res. No. 2010-2)

Motion by Stobb, seconded by Snyder to adopt a resolution approving payment to Kue Contractors, Inc. for work completed on the hospital renovation project in the amount of \$75,099. All voted in favor of the motion. (Res. No. 2010-3)

Motion by Peterson, seconded by Martin to adopt a resolution approving payment to Horty Elving for professional services in the amount of \$73,824.91. All voted in favor of the motion. (Res. No. 2010-4)

Owners of Shetek Bend would like to open their facility for special event, i.e. Waterfowl Banquet, etc. so they could generate some revenue until it's sold. In order to accomplish this they are requesting authorization to pay the license fee in monthly installments. City Code Section 5.14 states that "All of the license fee shall be paid upon application, unless a different payment schedule is approved by the City Council." Koopman included in her memo that the last couple of years the Legion was operating, they paid their license fee monthly. Mayor Ferrazzano asked if it made any difference that the Legion was non-profit that they could do that. Nielsen stated if there is a monthly payment schedule adopted, Shetek Bend needs to pay every month, not just the ones they are open. Peterson asked if the Legion was charged any interest for handling it that way. Koopman said they were not. Peterson stated that other payments, if you are going to make payments, there is a percent charge to do it that way. Stobb did not feel they should make this more difficult than it is for the business owners and did not see the need for a finance charge. The ones he is familiar with is usually \$2.00. Motion by Stobb, seconded by Martin to approve monthly payments for the license fees for Shetek Bend for the split liquor license. All voted in favor of the motion.

Verdeck stated they did not have library directors meetings in November and December. Numbers at the library have not been terrific numbers but is hoping it is due to the weather. In December she met with the grade school parents and children for a breakfast and books that was sponsored by the Title I operation. They brought in different items from the library such as hard cover books, large print books, magazines, movies and DVDs, books on tape for both children and adults. She also brought library card applications for anyone interested. On January 15<sup>th</sup> they hosted the Wee World children. Library card applications were handed out then also. Verdeck stated that there were three individuals that filled their punch card for the adult reading program and she has been looking for programs for the summer reading program for the children. This year it is "Make a Splash at your Library". She has talked with the Ducks Unlimited people and has decoys of Minnesota ducks and

will bring them in. She has an author/illustrator on line and no date has been set yet. He has a book on how the farm animals saved the barn and a book Barns in Minnesota and she will tie that all together. She is in the process of using the Legacy grant to organize a pool party. She has gotten her basic federal tax forms submitted and has not received the Minnesota tax forms yet. Verdeck stated that on Friday they had leaks in the backroom where they have never had them before. There was rain and the windows leaked and run onto the carpet. Nielsen asked if that is part of the roof that is still under warranty. Verdeck stated it was the southeast corner, way back in the room where the custodian equipment is. This was the one story room. Nielsen stated that if there is someone that needs to come back and fix that, they should find that out. Mayor Ferrazzano asked if there is a move for the library in the future. Verdeck stated the board is hesitant to make a decision at this time and taking things apart and trying to find the right answers. They have not really finalized a plan at this time. Mayor Ferrazzano asked if they have a timeline of when this needs to be accomplished. Verdeck said that no time has been set and maybe that would help. She feels they need to be told a timeline. Mayor Ferrazzano is glad that they are looking at things and if you keep hearing the roof if leaking and the windows are leaking, he feels they should be able to make a decision in the next two months or so. Snyder agrees as they can look at things forever, but there comes a time when a decision needs to be made. Mayor Ferrazzano stated that no matter what decision is made, someone is not going to be satisfied and they have to do what they think is best. Mayor Ferrazzano asked that the next time she comes for a Department Head report, they could have some type of decision. Motion by Peterson, seconded by Martin to have a recommendation from the Library Board by the February 22 Council meeting. Stobb feels they are pushing them into a decision and knows they have been looking into this for quite some time. Snyder appreciates the time they have put in and not trying to short them, but sooner or later they need to move on. Maybe it should be by March council meeting. Verdeck said the board meets once a month. Upon roll call the following vote was recorded with Martin, Peterson and Mayor Ferrazzano voting aye, Snyder and Stobb voting nay. Motion carries.

Verdeck stated that since she has been director of the library she has been approached once a year by someone from the Marshall Library Board asking them to join the Marshall-Lyon County Library. The information provided to the Council is the basic information. Bob Boese and Mark Ranum would be the ones to ask any questions. It would help the patrons by bringing in more money because they can draw from a bigger base, not just the City of Tracy, but from the whole county. Nielsen stated there is a list that he assumed came from the county that talks about the current cost per capita library expenditure with Tracy at \$24 and the county at \$31 and Marshall \$39. He asked if they would then end up paying something along those lines. Verdeck said that Tracy's would probably go down as they will be pulling from a larger base. Per capita for the City of Marshall is higher having to do with the amount of businesses and industry that they have so theirs is higher rate. Verdeck said she is not comfortable talking about the money part of it as she is not sure. The plan was to offer us more money to put towards hours, but with the budget restrictions this would not happen the first year. Nielsen understands that the residents of Tracy do not pay anything to the county for the library and in fact pay less because the City is furnishing the library services for Tracy. If they would join the County, would there be some tax or assessment to the residents of Tracy for library services. Verdeck stated that since we are already assessed at 7.6% and that cannot be stopped and is the local contribution. That is part of the budget money that will be sent to the Marshall-Lyon County Library, that 7.6% that budgeted. That money will go to Marshall and the money will be distributed from there to Tracy. Nielsen then asked if there would be a contract that will say that the City of Tracy agrees to whatever the levy dollars are and that would be paid to Lyon County for library purposes. Nielsen stated that since they want Tracy to be included, there should be some recognition and rather than calling it the Marshall-Lyon County and indicating that Marshall is pulling all the strings. If this proposal develops, we do not want Marshall telling Tracy what is going to be in their library or where the money is spent, etc. Nielsen stated they need to know why it is called the Marshall-Lyon County Library and it should be something that encompasses everyone and treats everyone the same. Verdeck stated that if they sign on, all the libraries in the county will be on the same system and it may be the Lyon County library. She cannot see where the money Tracy would be putting into the Lyon County would get it over the 2/3 for Marshall to get top biddings. Nielsen stated that if Marshall currently has a contract with Lyon County, they are going to want to be part of any contract that includes the other cities. Nielsen stated that if there are four parties that are trying to have a contract, it is not going to happen overnight and it talks about having an April time frame. Verdeck said the end of April deadline would be that they want to look at this

in more detail. The library board could not decide if this is a decision they could do and if it would be a good thing to get into. Verdeck said these things would be ironed out when they have contract negotiations. Koopman stated that a couple pluses would be that since we are down to one person, when Jaime needs to be out of the library they will have someone to fill their spot. The other part was that the County, because they contributed \$500,000 to the new library in Marshall, that would open the door for us when Tracy decides to purchase another building or repair the existing building. Stobb stated that is the message he heard when talking with one of the Lyon County commissioners. In the conversation he had, and he is also concerned as Nielsen is, as the commissioner explained to him, the 7.6% that they are currently contributing should go down. This is because the only financial obligation with the Tracy tax is to the maintenance of the building. The County would then assume everything else. Tracy will be taxed for that part of it as well as everyone in the County, but he would like to see some projections of what that figure is going to be before the agreement is ready to be sealed. Mayor Ferrazzano stated there are concerns and he is also concerned if they have donated money, would that mean it gets divided for everybody. Verdeck stated that if it is donated to Tracy, it stays in Tracy. Stobb felt that the local library board would have responsibility over only the donated money. Verdeck stated they would like a member from Tracy on the Marshall-Lyon County board and that would be another contract issue. Nielsen said that is confusing also, if Tracy no longer has a library, they will not have a library board. Verdeck said they will still have a library. Nielsen said it will not be the Tracy Library, it will be part of the Lyon County library that is governed by the Lyon County Library board and will not be a municipal library. Mayor Ferrazzano said the board would determine how the donated funds would be distributed. Nielsen is not sure the law allows that if they do not have a library to appoint a library board to supervise. Verdeck said the building will still be under the City of Tracy and has to be maintained. Nielsen stated that could make a difference. Mayor Ferrazzano felt this is something they should research if at the end of the day the citizens of Tracy will be taxed less and have more programming it may be worthwhile. Martin agrees with Nielsen that residents are going to get stuck on the Tracy Library being a branch of the Marshall-Lyon County Library. Verdeck said that Tracy was also the last one to join the Plum Creek System and joining them was wonderful. Martin agrees that what they are offering is good, he just does not feel it is going to go if they call it a branch of the Marshall-Lyon County Library. Mayor Ferrazzano stated that if the financial arrangement is the same, why do they care if it is called the Tracy Library or not? Verdeck asked if the Council would like Boese and Ranum to come and run through the numbers. Mayor Ferrazzano did not think they would need to come but if they had some documentation of what they would be presenting, that would be fine. Snyder felt it would be good for them to be here to answer any questions. Verdeck said she would see if they could come to the last meeting in February. Nielsen stated that until they know what some of the contract terms would be, would they put together any dollars and cents and be able to share that with the Council. If the contract provides for someone else to do something with library, would the City maintain it or how that would work out and if that would change the financial status also. Stobb stated that he agrees they need to be here before any agreement is signed, and they need to see that agreement as it is going to be and hear from them at that point. Verdeck stated she did not feel they would be coming with an agreement, but is something they will be working on. Mayor Ferrazzano said they could come to answer any questions that may arise.

Stacy Barstad, CEO of Tracy Sanford Medical Center thanked the Council for their flexibility and support with the additions and changes with the building renovation. There has been a lot of progress the past couple weeks. They are working on installing doors and the ceiling is being installed next week. They will then be working on painting and have the brick on the inside down. The outside they are starting on the brick there so it is coming along nice. It is a fantastic improvement to the clinic and the hospital and for the City of Tracy as well. Barstad said it is a huge benefit for their physician recruitment. There are several locums that come in at this time. They have two physician interviews with an internal medicine physician tomorrow and on February 22 another physician will be touring. To show them the renovation and that they are keeping up with technology and having outreach right next to the clinic is a huge draw for some of these physicians. Barstad stated that the volumes have been a little slow at the hospital with the physicians down. The outreach physicians gets referrals from the established physicians and volumes have been down with the physicians. There was an incident over the weekend with a ceiling in O'Brien Court with some of the kitchen ceiling collapsing due to an ice jam or snow jam. The kitchen had to be shut down and they had to ask for help from PrairieView to help during that time. They were very good to work with to get hot meals for the residents and patients. By last night the repairs should have been

completed and the kitchen again operational.

Radke reported that the year end work has not been completed at this time. The profit/loss statement was presented. Radke stated that with the bad weather he will be at the liquor store by 9:00 a.m. if possible or as soon as the streets are open. He will open off-sale and do book work, stack shelves, etc. He will not open the bar unless he feels that people can make it home safely. If the Council receives any calls that he is not open, this is a decision that he has made with concerns for customer's safety. He has no answers regarding the deterioration of the wall as this will have to be something that will be done in the spring. Stobb asked which half of the roof is scheduled to be redone this year. Radke indicated it will be the back half this year.

Chief Hillger asked for any questions regarding the Activity Report. Stobb said there were 17 parking tickets in December for snow removal and asked how they were doing for January. Hillger stated there were again seven for last Monday night and there was one other night where there were seven also. It is \$50 per ticket. Peterson asked if there were any options for towing them. Carter Towing just started and they did have to tow one about two weeks ago. Robinson said Carter was going to take them to his facility but Robinson talked to Bosacker and he let them put it out at the MEC facility. Hillger said they did tow another one recently that had been sitting on North Street.

Robinson stated that moving snow has been the department's primary work and now have been widening streets to the curb line making room for snow and area for water to run. They have hauled approximately 900 truckloads of snow to the Central Livestock property. The snow field is filling up and if there would be another big snowstorm event they would have to hire or rent a dozer to push the snow out into the tillable acres to make more room for snow. To rent a dozer would be about \$75 to \$85 per hour and if Cooreman runs it himself it would be about \$100 per hour. They have been out at the cemetery trying to open that up as the cemetery caught a lot of snow this year and is about five feet deep in spots and hard to find the roads. At this time they are probably not going to open the roads closest to the tar road as those are very narrow in the old part and they do not want to take the chance of damaging any of the monuments. They will open one area at this time and if they need to, they will open the other area. The Public Works employees worked through Christmas Eve and Christmas day to keep the streets and alleys passable. Christmas decorations were taken down and placed in the heated shop to dry off before being stored on the racks. At the pool, a local contractor will be installing the roll up door and window which were damaged by vandals in 2009. These bills will be submitted to the court system for reimbursement. The Tracy Fire Department and Public Works Departments worked jointly removing snow from buried fire hydrants and there will be some expense as they hired a couple local skid loaders and also used the City's skid loader and end loader. They uncovered about 100 fire hydrants in one day. He would like to thank the Tracy Fire Department for their help. Robinson indicated that with the I/I situation for 2010, it appears there will be a lot of I/I. A lot of money has been spent on this to determine how big the ponds should be and happen to hit at the wrong time and were not able to get much water. Robinson contacted engineering and they are going to put some estimates together on what it would take to put monitors in possibly a little longer. It does cost to monitor I/I but the problem is when they build ponds it is based on so many dollars per acre and if you do not know what the flows are it is hard to know how big to make the ponds. Robinson said they want to know where it is coming from and they segregate the town into sections and in I/I if there is a certain area where a lot of water is coming from, they would go after that area. Stobb questioned if they are mostly concerned about how much is going in there to determine lagoon size, maybe the previous study gave an idea where most of the water was coming from and now they need to know how much is going in. Peterson asked if engineering got any numbers from the last time. MPCA is satisfied that the study has been done and MPCA stated they would not make us do another study. Robinson reported that Keith Lubben has been using City equipment to remove snow off the 5<sup>th</sup> Street apartment roofs. Both blowers were broke down for a while but are now repaired. A final inspection of the airport project was performed on 01/15/2010 and there are a few punch list items to be completed otherwise it looks good. There is a copper line that feeds propane to the furnace and that is on top of the ground right now and needs to be buried. The pad for the air conditioning is not installed yet. There is 5% retainage left on that project and more than enough to cover what needs to be done this spring. Robinson stated that in 2009 they tried not to spend any more of the budget than necessary and by doing that the department ended up at 87%, meaning they \$79,000 was not spent and will stay in the general fund. There were

many things that did not get done. Robinson stated that water meters are going up 8% the end of March. They have been going box by box and there are six meters in a box. If they are going to go up, he will put something together like last year and maybe get five to six boxes before they go up.

Robinson explained that with the ice storm coming, they felt it was wise to have a supply of diesel fuel on hand to run the generators as the diesel generators are needed to power the water wells, water treatment plant and sewer lift stations. We get our fuel from CHS but they have no stand by power so if power is lost, the City cannot get fuel from them. CHS provided a portable fuel tank and pump. Every couple months they run the water plant with the generators and run them for about three hours to make sure everything is running correctly. They could possibly find out from those numbers how long they could run on available fuel. Robinson is recommending that the City consider purchasing a portable fuel tank for such situations and checking today Midwest Supply has a 100 gallon diesel tank with hand pump for about \$500. One hundred gallons of diesel may not go far enough. Snyder said in the winter they could get hit by a ice storm for two or three days and in the summer, a tornado could hit and they could be without power for a week or so. He feels that a 100 gallon tank would be a bit small. The tank they borrowed from CHS was about a 250 gallon tank. Robinson said this is one of the emergency things and does not know if they can store a tank like that indoors. Peterson questioned when they had the pumps behind the shop if they were hooked to the generators and indicated that it may be more cost effective doing that plus they would have more capacity. Robinson said when they had those dual wall tanks behind the shop, they were there for no charge and the City was responsible to have the control panel hooked up. Robinson stated they have generators on wheels and if CHS would put a switch box in they could get fuel that way. Robinson could look into some of the other options and then present it to the Council. Snyder suggested that Robinson talk with CHS as this is something they maybe have not thought about.

Mayor Ferrazzano said that he had a number of complaints about the plowing, such as alleys not being done, slush on the streets that has frozen. He stated that Union Street is very rough. He asked if there is a plan in place to identify which streets are done. Robinson said in the downtown area where they load the snow, if they take that big blower and tip it down to dig in to scrape it clean, they wear out the shoes on the bottom of the blower real fast. To replace a shoe is about \$900. They change them out about every three times, but if they dig the blower in it will cost more money. They let the blower float on the street so it easier on the blower but it does leave 4-5 inches of snow there. When they can, they go back out and try and pick that all back up again. The other streets are the same type of thing. Robinson stated some of the streets have dips in them and the plow is a straight edge and it goes over some of that and so snow is left here and there. One of the problems is there are usually a lot of cars around preventing them from being able to put that off to the side. To get rid of it now that it is frozen, they would have to use a serrated blade on the grader. It can take awhile because you have to keep going over it again and again to cut it down. It takes a lot of time and a lot of blades. It can be done but it all costs money. Mayor Ferrazzano stated with the number of people that have talked to him about it, it almost seems like it is worth the money. He feels the one visible thing that residents see is the street and that can be the top priority to get done even if it does take a lot of time. Robinson stated that he has been in the mode to save as much money as possible and if that is what people want, the Council needs to let the street department know and they will do it. Snyder had a number of people ask him why when it was raining out and they were not out scraping it off. Then there is overtime pay involved. Robinson stated they have to wait until it quits to try and get it all at once and make onr run compared to several. Every time they make a run, it costs about \$6,000. There are a lot of repairs and last time they ended up with a field rock in the blower. Snyder suggested that maybe they could put one guy in the grader to work on some of the streets. Robinson stated that they have had both blowers and another person trying to get the cemetery open and that takes about half the staff just to get that done. Mayor Ferrazzano stated that he has had enough complaints to make it a top priority and if money is needed for repairs, they will deal with it at that time. Stobb felt that people need to understand it is winter and there has been a lot of snow and they may have to drive a little slower. If it is a safety hazard, that is another issue. Snyder felt the department has done an outstanding job for the amount of snow they have had this year. Robinson explained that the storm over Christmas they did not want to get behind, so they went everyday, but what happens then is that driveways are going to get plugged. Some residents ask why they did not wait till it was done and they only had to scoop once. Robinson said that people need to understand also that the department now goes back and widens out the streets to make more room and allow for water to run. They did have an incident where they had to call the police

to a residence that did not want the street widened. They have to understand that the department has to do that and they will have to blow as close as they can. Sometimes it gets spilled on the sidewalk or driveway.

Koopman stated that during the month of December she and Verdeck attended a meeting with the interim director for the Lyon County Library to discuss the possible merger of Tracy's Library with the County's. She prepared for and attended the Truth in Taxation hearing for the 2010 budget and the last City Council meeting of the year. Koopman also attended the Hospital Advisory Board meeting.

Motion by Stobb, seconded by Snyder to adopt a resolution approving payment to Dru Larson Construction, Inc. for work completed on the airport terminal building in the amount of \$51,718. All voted in favor of the motion. (Res. No. 2010-5)

The Consent Calendar included the Economic Development minutes for December 18, 2009 and January 15, 2010, Municipal Accounts Payable, Monthly financial report, Monthly Receipts and Hospital Advisory Board minutes for December 18, 2009. Peterson questioned check 049910 to Hebig for street lights was for. Robinson stated that when they put up the Christmas decorations there were a couple lights that did not work and it was something the street department could not repair so they had to have an electrician repair it. It was a warranty item, but trying to get the Christmas lights up, they did not have time to get the other repair person in to do that. Peterson asked if they were still dealing with those GFI outlets on the lights. Robinson stated the company the City bought the poles from bought all new GFIs and they are installed. Shortly after the project was completed, they come out with a GFI that is weather rated and were not available when the project was in progress. Since they were replaced there have been no problems. The company that supplied the new GFI's paid a local electrician to change them. Motion by Peterson, seconded by Snyder to approve the Consent Calendar. All voted in favor of the motion.

Koopman informed the Council that checking back in the record, the fuel contract with CHS ran out at the end of the year. There are still 920 gallons of gas available that was rolled over to this year for an additional \$.05 per gallon. The diesel has all been used. Currently the City is paying \$2.006 for gas and \$3.09 for diesel. Marla Verlinde from CHS has provided some options for the Council to consider for the 2010 contract. Koopman has not talked with Verlinde to see if the prices have changed any since Monday. She suggested the Council consider waiting to renew the contract as long as they are paying a reasonable cost for the fuel. Verlinde suggested that in February there may be better opportunities to contract fuel for the remainder of 2010. Snyder stated the futures are saying that the price of fuel is going to go down. Stobb suggested that they get prices before the meeting on February 22 to see what the prices would be. Koopman stated they contracted last year for about 8,000 gallons of gas and 4,000 gallons of diesel and it would probably be something in that area for 2010.

Mayor Ferrazzano has the issue concerning Josh Hunt property at 161 8<sup>th</sup> Street on the agenda because Jean Larson had e-mailed him. Josh's property is on 8<sup>th</sup> Street and when they did the 8<sup>th</sup> waterline project, Swish's Plumbing had broken a sewer line leading to Hunt's house. When Hunt started having sewer problems he hired Heartland Mechanical to repair it. Heartland has not been paid and Ms. Larson had contacted him about stating that she had contacted the Council in August about this. She wanted to know what could be done about the issue because the Heartland bill was not getting paid. Mayor Ferrazzano said that Swish's had Murrayland Agency guarantee his work. As it stands now, as Heartland has not been paid, Larson is asking for assistance again to help Mr. Hunt as he is currently deployed overseas. Mayor Ferrazzano is thinking there is something they could do to help. Nielsen is aware of this issue being brought up. Mayor Ferrazzano asked if it would be possible for a subrogation claim and the City take the place of Hunt and pay the bill and then wait for reimbursement from the insurance company instead of having him wait for it. Nielsen stated that Murrayland may be the insurance company but their direct role in this contract was the guarantor that guarantees Swish's performance on the contract. The insurance angle is something that is separate. Swish may have gone to Murrayland for the insurance but the contract provided that as part of the work he was doing he had to have insurance, including company liability insurance of up to \$400,000 for property damage. There should have been insurance to cover this incident that happened. Nielsen stated that as far as he knows, and he has mentioned it to several people,

including Jean Larson, that they need to file a claim with the insurance company. Then they get away from this question if it is the City's responsibility or could the City do something for Mr. Hunt. The insurance should have covered both of them. They have to do something with that claim but for some reason no one seems to want to file a claim with the party that has the money to pay this and the obligation to take care of it. He does not know why they do not want to pursue that. Stobb asked if the homeowner would have to file that claim. Nielsen stated Larson may have power of attorney for Hunt to take care of this. Snyder thought that when Larson was at the Council meeting she indicated that she had power of attorney. Nielsen stated that if she did that would be good and if not she could get one and she could do pretty much what Hunt could do about this. Stobb asked if they had the name of the insurance company. Koopman said the agent is Murrayland Agency and the insurance is Northstar Mutual. Nielsen did not feel that the subrogation gets the City any better off than they already are. The city is insured under this policy also and the City is affected by this guarantee. Mayor Ferrazzano asked if it was possible for the City to make this claim and pay the bill to Heartland Mechanical. Nielsen said he is not sure the City has a loss and maybe it would not hurt to do that and work with Larson on this. Mayor Ferrazzano felt that if she is confused about what to do and the City knows what to do, maybe they should pursue that and visit with her and see what they can come up with. This would be a way to not have to ask Swish for money or Murrayland for money under the guarantee. Snyder asked if they could give Nielsen a directive to work with Larson on that. Nielsen stated that he already told her it was there and he does not know if she tried or did not want his help. He can sure mention it to her again and try to convince her to go that way. Koopman stated that Larson had contacted her but not about the insurance part of it. Snyder gets the feeling that Larson is feeling overwhelmed and is not getting what she needs to do. Stobb asked if they could then contact the insurance company directly instead of Murrayland. Nielsen stated they would then send an adjuster to review the situation. Koopman thought the bill was a little over \$3,000 but she has never seen the bill. Mayor Ferrazzano asked Nielsen if he would contact her and tell her that the City thinks the best thing to do is work together on this. Motion by Snyder, seconded by Peterson to have Nielsen contact Larson about working together to resolve this issue. All voted in favor of the motion.

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

ATTEST:

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City Administrator

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Mayor

**February 8, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 8, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present was A. Koopman, City Administrator.

Pledge of Allegiance was given to the flag.

Stobb felt the reference to the 200 years old water main in the minutes from January 28, 2010 should be corrected to 100 years. Motion by Peterson, seconded by Stobb to approve the minutes as amended. All voted in favor of the motion.

Additions to the agenda included 9-A a resolution approving plans and specs and authorizing the advertisement for bids for the clinic renovation and 9-B a resolution approving payment to Kue Contractors, Inc. for work completed on the hospital renovation project. Chalmers would like to add to 11-A Library renovations/move. Motion by Chalmers, seconded by Peterson to approve the agenda as amended. All voted in favor of the motion.

No public comments were presented to the Council.

Bill Chukuske stated he and Dick Boerboom would like to discuss a couple issues relating to the Council's future thoughts for the City's infrastructure. Chukuske stated that they just recently purchased the building on Morgan Street that abuts the alley that runs along the south side of their building and the Eagle's Club. He states the previous owners were probably notified of this project and they had not been. They did see the repairs being done and it is a beautiful alley. They are questioning the cost of it and the necessity of putting in that type of alley. Chukuske and Boerboom received an assessment of \$3,400. For the limited use they have of this alley, they are questioning the benefit they receive from a paved alley. Most of the alleys in the city are gravel and Chukuske felt there probably were some issues that needed to be addressed. Chukuske said the main reason they are here tonight is to talk about 114 year old water main located in front of their property. Their issue is not the cost of the repair. They appreciated the hard work of the City crew involved in fixing the main. The reality is that the hook up of their building to that main did not fail. The pipe failed due to age. There is a copper line coming from that main to their building. The cost on that repair is \$2,789.75 and that does not include the street repair that will have to be done this spring. As building owners and taxpayers they are willing to pay that but the main concern is if the City is going to be looking at repairing these old water mains. Chukuske and Boerboom would much rather have spent this money to put in a new water main rather than fix an old one and they are not done yet. There are other repairs that are going to have to come. They feel this is a band aid approach to the issue. They wanted to come before the Council and encourage the Council to start looking at the old infrastructure in town as they and other taxpayers are going to continue to pay a lot of money to fix them but the real fix is yet to come when they will be replaced with new ones. Boerboom stated they would have rather paid this money toward an assessment for new water lines than just a repair. He stated that Dick Stelter recently had the same issue with a building with an unused water tap that went to his building, which broke and he had to pay the bill. He would also have benefitted to help to pay for a new water line. They understand there may be more taps that extended to his and Chukuske's property that could be there and the same thing could happen. Boerboom is encouraging the Council to replace instead of repair. Stobb stated that he understood it was not their service line that broke. Boerboom said that what actually happened on that cast iron pipe, they drill, thread it and turn the stop in. The threaded pipe did not just pop out, the chunk of pipe around the pipe came out. Chukuske stated the chunk that broke out was an oval shaped piece about the size of an egg. Chukuske stated that building that they own has three water lines coming from it, two were abandoned and one was the new copper line. The one abandoned line did get a new sleeve around it and the copper line was repaired and a band around that. They are concerned that the third could still blow and they would be faced with more repairs. He knows that money and taxes are an issue but at some point they cannot continue with the 100-year-old infrastructure lines and they have to be replaced with new. They are willing to pay the price for new but not so willing to continue to pay for band aid fixes. Stobb agrees with this and has asked himself why they have gotten behind with the infrastructure and they are still behind. Morgan was resurfaced in 2000 and if it had been a

reconstruction, the water lines would have been replaced. He is not sure where Morgan is again on the list for reconstruction. Koopman said that Morgan is unique because of the concrete underneath that creates a solid base to work from. She stated they would be looking at complete rebuild and not just the water main but the sewer and storm sewer due to the I/I issues that the city has already in the downtown area that would have to be addressed as well. This will be very costly and they do not assess for water main replacement. That would be paid through the surcharge fund or utility fund. The street reconstruction and curb and gutter would be the only thing that would be assessed. Chalmers asked if the line the whole length of the street is as old. Robinson said from 5<sup>th</sup> Street to 2<sup>nd</sup> Street is where they have the most problems and there are vintage water main in other areas. To clean this up would take from 5<sup>th</sup> Street to 2<sup>nd</sup> Street and all the lines that tie into a 1972 line at South Street. The problem they run into all the time is the lack of funding in the Utility Fund or Surcharge Fund. They have been trying to build the Utility Fund by raising rates. The last time they tried to raise the rates the Council raised it half as much as what is needed. Robinson stated that you cannot compare Tracy to other towns for utility rates because each town has their own unique needs. Chalmers stated they did raise the rates but not all at once and it was phased in. When they met to see what they needed for repairs, valves and meters, that number was put together and the Council approved half of it. Robinson explained the reason these old mains will blow out is around the threads because they would direct tap them. That is not the way it is done now, they are saddled. A brief discussion followed on how our utility rates compare with other towns. Some have bill differently and some have a higher or lower flat rate, some have higher or lower rate per usage. Robinson stated that his in Walnut Grove runs about \$90 per month. Koopman stated that part of the problem is that they are trying to build the fund for the lagoon problem they are going to be faced with. She stated that the needs for Tracy right now in addition to the old infrastructure, they have a lagoon situation that is going to cost a lot of money. Snyder said it would be interesting to see if there are any grant funds available for rebuilding infrastructure. Koopman said to her knowledge grant funds are limited.. It may possibly become part of a Community Development Block Grant, but it does not seem like public facility is funded anymore. She noted that funding is being cut back drastically. Chukuske is just afraid this could happen again and then at what point can you not afford to have a business in town because you cannot pay to fix these old things. Chukuske just wanted to let the Council know that they are willing to support new infrastructure. Now this money is gone and it is wasted to put a band aid on a problem that is still there and not going to go away. Mayor Ferrazzano felt this was a valid point. Robinson said that sometimes they will take a four to five foot areas and go down the block and put in water main, but then you still have the old service lines going to each building and there are areas where the sidewalk has been fixed in spots and it is hard to work around this. Robinson stated the sewer mains are just as old as the water mains. Mayor Ferrazzano felt that with what Robinson is saying, they do not have to wait for a complete reconstruction to do these things if they do them in small increments such as a block at a time. Robinson stated that at one time when Jan Arvizu was on the Council a priority list was established and on the top of his list was to replace meters, valves and water lines two block increments. That was looked at but did not happen. Mayor Ferrazzano asked if all the businesses downtown have the new water meters. Robinson does not think that all of them do. Chukuske stated that when they had this water line repair, they got a new meter as their meter got ruined from the rust, dirt and mud that came through. Mayor Ferrazzano felt they should look at replacing these lines in increments. Even if they would do the block from 3<sup>rd</sup> Street to 4<sup>th</sup> Street and move gradually out from the downtown area. Robinson said this would get rid of some of those abandoned taps. Mayor Ferrazzano asked if they knew where all the abandoned lines are located. Robinson said they have no idea. They said that in some of the homes in town they will see galvanized lines coming through the walls where they have cut them off. They used to use galvanized lines that would have a problem with them plugging up and then they went to cheaper plastic that would sometimes break. You would have to go in each basement and look at the walls to see if they had any abandoned lines. Chukuske said they did not know they had three lines coming to their building and repairs were kind of hit and miss. Chukuske said the crew did a fantastic job and worked hard in the cold and into the night to get it repaired. Stobb said it was nice to have someone come and express the sentiment that Chukuske and Boerboom did.

Mayor Ferrazzano stated that if they are trying to encourage businesses in the downtown area and if they can, they should start with the infrastructure a block at a time and work outward. Mayor Ferrazzano felt they should investigate this since others have also had problems. He understands that money is tight they may have to put up with this by doing it a block at a time. Peterson stated that

Walnut Grove had a mess for a long time before they got their streets back. That is another part of it if the businesses and residents are willing to put up with it for a period of time. Mayor Ferrazzano stated it can be minimized if they do smaller areas at a time. Some repairs could be done without tearing up the whole street. Stobb asked if that would involve engineering costs as well. Robinson said anytime you do anything with water lines, the Department of Health states it has to be engineered. Robinson stated that he could put together some numbers to give the Council some idea of what it would cost. Robinson stated they have been going by the area where they have breaks. It may be the same vintage pipe in areas, but it is holding together better. With 4<sup>th</sup> Street being a county road will make it difficult in that area. Koopman said that could be a good thing to take an initiative to do some underground improvements. Robinson has been told by the County, the only way they would make repairs on that street is if the City initiates it with underground work. Peterson said that is something that could be put on the priority list.

The Minnesota Waterfowl Association has requested a raffle license for their banquet to be held at Shetek Bend. Motion by Snyder, seconded by Peterson to approve the request for a raffle license. All voted in favor of the motion.

Koopman had informed the Council that the ad to fill board and commission vacancies appeared in this week's paper and will also appear next week. They have had more applications than vacancies for some of the boards and commission. In the past an interview committee was appointed. Mayor Ferrazzano felt it would be nice for the whole Council to do the interviews. The interviews will be open to the public. The appointments need to be made by the February 22 meeting to be in effect by March 1<sup>st</sup>. Interviews would be required for the Planning Commission, EDA, Cemetery and HRA. The interviews will be conducted on February 15, 2010 starting at 6:00 p.m. Koopman will send out letters and schedule the interviews. Mayor Ferrazzano felt they should accept applications till noon on Friday, February 12 so packets with needed materials can be sent out on Friday.

Koopman stated it was important that the Council discuss a work agenda for 2010 and the next five and ten years before the retreat is held on the tentative date of March 15, 2010. She would like to get information to Deb Munsinger who will be preparing questions and wanted to incorporate these ideas. Snyder said his list included the infrastructure, rental and new homes, business development and LGA concerns regarding cost containment. Mayor Ferrazzano felt community relationships should be addressed. Chalmers added city owned utilities to the list. Stobb felt cemetery monument repair and getting the Greenwood water project completed and lagoons. He also suggested that with Emerald Ash Borer issues and if they take opportunities to replace ash trees with other trees a little at a time and stay ahead of the problem. Stobb stated that when the Planning Commission started discussing lighting issues, the downtown was priority because the lights downtown did not work. At one meeting they had discussed getting the most bang for the buck and it would be nice to redo the lighting on Highway 14. Martin felt they should go further than that and discuss the presentation of Highway 14. Chalmers agreed and felt there should be a Highway 14 revitalization overall. Stobb felt that would be a harder project than redoing the lighting but he does disagree with that concept. Chalmers felt that parks and recreation should be on the list. Koopman stated that has been also addressed by the Planning Commission. Stobb said that they have discussed doing something on the public works building and he feels they should do that and look closer at all city property and its appearance. The public is still talking to him about there are houses in their neighborhoods that they would like to see improvements on. He feels they should continue with the maintenance code and also look at city property also. Chalmers felt there needs to be discussion of at risk properties such as the old bank building to keep it maintained. If nothing is done, those buildings begin to deteriorate. Enderson felt they should discuss the airport hangar project. Martin felt that when they are doing reconstruction on city property they need to look at putting more insulation and making buildings tighter to make them energy efficient.

Robinson presented a report on snow removal expenditures. He stated that the cost has increased since his report was prepared as they have had snow removal since. From December 2009 through February 1, 2010, the cost for snow removal has been \$45,253. Robinson stated that some of his percentages are estimates as they did not have all the bills in. He said the department needs to know how well they want the snow removal done. One of the problems they may be running into is that next August and September when they need to do asphalt work and straighten some things on the streets, there may not be money for it as it will have been spent on snow removal. There is no real

snow removal budget, it is just part of the overall budget. If we keep getting snow, there may be a situation where late next year, they may go into the red and may not be able to do some of the projects and then they are back to snow removal season again. Snyder feels they need to keep doing what they are doing and cannot cut back on snow removal. Robinson stated before they can remove ice from the streets they have to wait for the sun to come out. To just go out when it is only 10 degrees it cannot be removed. It is cost prohibitive to salt and sand every street from end to end as they are way over on salt/sand budget. They have ordered more salt/sand but are not sure that they will be able to get any. Robinson said the department is doing the best they can. The ice can be removed but Mother Nature has to help out with that. Stobb said he considers removing ice so the roads are smoother is a low priority. Robinson said at the last Council meeting it was made a higher priority. Peterson said it was not so much going and getting the ice off as it was when it was warm to get it off so it would not freeze with ruts. Peterson questioned the numbers that Robinson provided for January 2010, he has not seen any money go out for salt for 2010 yet. The last time was in November and December they got two loads. Robinson said that they always order salt in October and normally this would have gotten them into 2011. Now they have had to order two extra loads to get by. They plan on getting more in November 2010. Peterson was running numbers on repairs and took out the cost for the hitch that they agreed on, his numbers do not come to the same as Robinson. Peterson said Robinson's numbers were high which is fine, as he would rather give a customer a higher estimate. Robinson said the fuel numbers include oils and lubes. In November and December they get their oils in. Robinson explained that right before a snow season they take the machinery and do oils and lubes. Mayor Ferrazzano asked if there were any numbers of what is spent at the airport. Robinson said they know about how many hours in a snow event it takes to take care of the airport and those numbers are put together in June and they get reimbursed for that. They get reimbursed \$18,500 for the airport and spend about \$30,000. It is a flat fee that is capped each year and does not depend on how much snow is received. Peterson said Tracy is lucky they are getting that as there are communities that are getting nothing to support their airports. Robinson said they have been taking the snow to the Central Livestock property and if there is a lot more snow, they will have to hire a dozer to come in and push it in the field so they have a place to dump it. If that happens it would cost about \$1,200 to \$1,500. Mayor Ferrazzano stated that he has received a lot of complaints and he cannot say that some of the roads are that great and can see why they are complaining. He also understands the expense involved but they have to try and make the streets as good as they can. Robinson said the department knows what they are spending now and when they get to summer and fall to do asphalt work, it may not be able to be done. Stobb stated that Robinson will have to remind them through the year that in 2009, Public Works came in \$79,000 under budget that has gone into the General Fund. They may have to draw on some of that to get through 2010. Mayor Ferrazzano stated that with a winter like this there are going to be more expenses with snow removal. Enderson said he has had some citizens that have voiced concern about the height of snow at the intersections especially along Highway 14. Robinson stated that along the Highway 14 that is the state right of way and they should take care of that. The department is now working on blowing the snow back and cleaning up the intersections. The department usually goes out at 2:00 a.m. and everyone goes home by 10:00 a.m. They are trying to stay away from overtime. They then come back to widen the intersections as they hear this complaint a lot. Chalmers asked if this is the state's responsibility then why is the city doing it. Robinson stated that they are working in the state's right of way. The state is also busy. Snyder wanted to pass along to the street department that he has received complaints but he has also had a lot of comments that the department does a good job of getting the snow taken care of and this is from people that come from other towns as well. Chalmers stated that he has been very impressed by how quickly the department has things cleaned up and cannot think of any incidents where he has had problems after a storm getting around town. Things may be rough but not impassable. Robinson said the problems they have had at times is when to start snow removal. Stobb said if they chose not to go a time that does not totally eliminate that cost because the same amount of snow has to be hauled away and spending more fuel now because the snow is deeper. Robinson stated that if the snow gets driven on too much, and sticks to the road makes it difficult to remove. Robinson said they have been looking at getting rid of the one plow they run in the middle as it is a one way plow and has no down pressure. It is out about two to three years on the depreciation schedule and if they move that up as with a two-way plow there is better down pressure and can be cleaned better.

Robinson provided a memo on the standby fuel issue. The public works department ran tests on how much diesel fuel the stand by generators burn. They found that the water plant burns four gallons

per hour, the well site generator four gallons per hour and the lift station generators also burn that much but would only need to be run periodically to pump the stations down. At a minimum they could burn 10-12 gallons per hour or 144 gallons diesel per day in the event of an ice storm or white out. They would also need a portable tank to transport fuel to the generators. Robinson has contacted CHS and learned that G&R has installed the electrical system for the fuel station. G&R is going to make an estimate of what it would cost for a transfer switch where the street department could hook one of the generators into so the station had power. Depending on this cost, CHS may help with this expense. G&R will also give the voltage and amp draw for the system so we can look at another option of a battery backup system which Martin is familiar with. Peterson asked Robinson if he would show this to Civil Defense so they know what they are looking at.

Stobb asked if anyone other than Horty Elving went over the clinic renovation specs. Koopman stated the staff at the hospital and Gordy Kopperud has reviewed them and everything is in order. Motion by Peterson, seconded by Snyder to adopt a resolution authorizing Horty Elving & Associates, Inc. to be retained for the purpose of preparing plans and specifications for the renovation of the Tracy Medical Clinic and ordering advertisement of bids. All voted in favor of the motion. (Res. No. 2010-6)

Motion by Stobb, seconded by Peterson to adopt a resolution approving payment to Kue Contractors, Inc. for work completed on the hospital renovation project in the amount of \$150,144.00. All voted in favor of the motion. (Res. No. 2010-7)

The Consent Calendar includes Fire Relief Association minutes for January 4, 2010 and the Municipal Accounts Payable. Peterson had a concern about the MCFOA conference registration for Koopman and Spencer. He is wondering if with the money situation it is, if this is a good expenditure. This is \$400 for registration plus costs of meals and hotel rooms. Koopman said that most of the meals are included in the registration and the reason they both go is there are a lot of concurrent sessions that are scheduled throughout the conference and it is impossible to cover it all. Peterson thinks that is a lot of money compared to what can be gained from it. There are not a lot of businesses going to conferences because of costs. Chalmers feels that is not completely true, at his job they still go to conferences and the only question is asked is what the benefit of attending the conference and you need to make a business case for what you are going to bring back from the conference that would be a benefit to your organization. Chalmers said the question is if the information gained there is going to be of more value to the City than the cost. Koopman said the one session will be on Elections and as an election judge you need to be certified. That session is part of the training for herself. Chalmers asked what the impact would be without the training. Koopman stated that you have to have so many hours of training to qualify to conduct an election. She stated that is up to the Council and if they do not want them to go, they will not go. Stobb felt the agenda looked worthwhile. Koopman said it is normally worthwhile because it is focused on cities and they do it in a manner that you can focus on your size city. Stobb asked what was put in the budget for this. Peterson said another reason he brought it up was because of the retreat planned for March is coming from the same budget. Koopman said there is also money in the Council Travel, Conferences and Schools that could cover the retreat. She does not have the budget with her so cannot answer their questions. Chalmers feels there are some things in the agenda such as helping to improve performance and that issue has come up quite a bit lately. Snyder feels they both should go as there may be things that Spencer would pick up that Koopman would not and vice versa. Mayor Ferrazzano asked how many years they have been attending this conference. Koopman stated it has been 33 years. Mayor Ferrazzano felt they should attend. Motion by Chalmers, seconded by Martin to approve the Consent Calendar. All voted in favor of the motion.

Chalmers stated that the only issue he has with the timetable that was discussed at the last Council meeting for the Library Board to have some type of plan is that it may not be achievable. The Library Board meets once a month and they are not able to get this done in any rapid fashion if they are only meeting once a month, but at the same time since the Board is a body that is appointed by the City and governed by the Charter means it also falls under the open meeting law which means they have to publish all meetings in advance. This gives the public an opportunity to attend. Koopman states it does require at least a three-day notice. Some of the things they will be discussing at the next meeting that they need answers to before they can make any decision. The Library Board has received a proposal from a consulting firm that specializes in library planning and use

assessment. They have given a proposal for about \$6,800 and they would come in and work with the Board to look at the current facility and how to make better use of that and also potentially how they can use the space in the Etc. building. They also need to determine before they can make a decision on the move to the Etc. building whether or not they would be able to put an elevator in which they would have to do at some point to make all of it accessible. If they do not have an elevator available they are not gaining much additional space. One of the things that has been identified is the need for more space. In order to do an assessment on the elevator they have to get an architect to come in and look at the building and look at where an elevator could be installed. They will also need to look for an architect. Chalmers states that is what needs to be done before they can make a decision and have a good plan to back up why they have made that decision. Peterson says that sounds like they have made a decision and he had gone back and checked the motion that was made at the last meeting and it was not a complete plan as to when they were going to move and have the door open, it was a decision if they were going to move or stay put. He feels that was part of Verdeck's frustration. They are leaning one way but have not committed yet. Chalmers said the preference would be to move if feasible but there is uncertainty among the members of the board as to whether or not a move is feasible. There is concern the amount of money required to make the Etc. a useable space for the library would exceed what they have available. There is some concern that if they were to make the decision without a good plan for what is planned for the space, if the Council would approve of the purchase of the building anyway since the Council would have the final say on the purchase of the building. These are some of the things they are struggling with and trying to work through. The Board wants to make sure the decision that they have some good rationale to back it up. If moving to the Etc. building is not feasible then they need a good plan as to what they are going to do to stay in the present building and what the costs are going to be if they stay there. Obviously there are a number of chronic maintenance issues with the current building. Chalmers would like to propose that the Council give the Library Board an additional month to look at some of these things. He agrees with the feeling there needs to be some deadline. Mayor Ferrazzano asked the Council if there was anyone that had any concerns of giving them till March 22 to say if they are going to move or not. The Council was agreeable to this request.

Mayor Ferrazzano was also wondering when they would actually formulate the ballot question about the size of the Council. Koopman said that she and Nielsen had discussed this last week and he has written a letter to the Attorney General to make sure this is going to work without doing a special election. They are waiting to hear back from the Attorney General before they move forward on that. Koopman said the question that will appear on the referendum will merely require a yes or no answer to the question shall the City Council be reduced to five members. Koopman stated that Nielsen's concern is that if they hold a special election to reduce the Council size and conduct the normal election for Council members, it needs to be structured on the ballot that to state that if the referendum is successful only the top vote getter will be elected. If it is unsuccessful then the top three vote getters will be elected. She agrees with Nielsen in that to some extent that may cause the voter to change their method of voting. Mayor Ferrazzano asked if they did not feel it would be right, then they would have to have a special election on that question prior to the general election. Koopman feels this would be the cleanest way to do it but the time line is such that they would have to hold a special election in July. If they were to hold a special election, she would be checking into having the polls open 5:00 p.m. to 8:00 p.m. instead of 7:00 a.m. to 8:00 p.m. as this would reduce the cost and feels that should be enough time. Stobb asked if Nielsen gave any indication of how long it would be before he would have an answer. Koopman said that with the time lines that they would have to deal with they would need an answer in March. She feels that the special election would be the cleanest way. Chalmers feels that if they can do a special election before the November ballot would be better. He has the concern that if he does not know if he is voting for three Council members or one, he is going to err on the side of selecting one and that could change the outcome of the election considerably. Peterson asked if Koopman could provide an estimate of what it would cost for the special election. Koopman said with rough figures and without the cost of ballots it should be less than \$200. She is estimating the total cost would be less than \$500. Chalmers feels for that cost they should just go ahead and have the special election. Motion by Peterson, seconded by Martin to call for special election to be conducted in July to determine size of the Council. All voted in favor of the motion.

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

ATTEST:

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

\_\_\_\_\_  
Mayor

### February 22, 2010

The regular meeting of the Tracy City council was called to order at 6:30 p.m., Monday, February 22, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present was A. Koopman, City Administrator.

Pledge of Allegiance was given to the flag.

Motion by Snyder, seconded by Peterson to approve the minutes as presented for February 8, 2010. All voted in favor of the motion.

A deletion to the agenda was 6-E Cemetery Superintendent Contract. Additions to the agenda included 12-A1 Chalmers would like to discuss stimulus funds for City projects and 12-B close meeting to conduct a performance evaluation on Adam Bruder. Motion by Chalmers, seconded by Peterson to approve the agenda as amended. All voted in favor of the motion.

No public comments were presented to the Council.

Gervais presented a subordination agreement with Doug and Sue Nackerud who have a CDBG loan with the EDA. This will expire April 12, 2010 and they will have fulfilled their five years. There is two months that there will be a lien against the property should they continue to own the property. There is \$2,300 left that is part of that and there is no pro-rated forgiveness and it has to go from one year to the next. Nackerud's are refinancing their home. Motion by Stobb, seconded by Snyder to approve the subordination agreement with Dough and Sue Nackerud. All voted in favor of the motion.

Robinson presented the proposal for Engineering services in the amount of \$975 for replacement of the downtown water main. The proposed scope of work includes creating a cost estimate on both a block-by-block basis and a per linear foot basis for the replacement of water main in the following locations:

1. Morgan Street from 2<sup>nd</sup> Street to 5<sup>th</sup> Street
2. 2<sup>nd</sup> Street from South Street to Morgan Street
3. 3<sup>rd</sup> Street from south Street to Morgan Street
4. 5<sup>th</sup> Street from South Street to Morgan Street

In addition, a cost estimate on a block-by-block basis and per linear foot basis for the replacement of water main and sanitary sewer will be included for:

- 4<sup>th</sup> Street from South Street to Harvey Street.

Stobb asked if they would approve engineering this project, would the plans be useable in the future if the project is not done immediately? Robinson said the thing that could change it would be the I&I work and the probable need to install storm sewer in the downtown area. They would do the whole project at once then. Chalmers said this would be based on city maps, aerials and records and given some of the issues with inaccuracies before, would they be comfortable using this method as a basis for engineering this project. Robinson stated the maps are quite old and you can measure fairly accurately from satellite imagery on Google Earth. There are a lot of unknowns until it is dug up, especially in the intersections as to what kind of connections there are. Peterson asked what the additional charge would be to plan it out with the I/I repair along with this project. Robinson felt it would take quite a bit of survey work to get the elevations right for storm water drainage and would be considerably higher. This project would replace pipe that is not dependent on grade. He stated that he could research as to what that would be. Mayor Ferrazzano stated this problem is not going to go away. Peterson felt that they should see what it is going to cost if they do both projects at once. Robinson suggested that they wait for a month or two to see what happens with the I&I work and combine to the two projects. Mayor Ferrazzano suggested that they put this issue on the agenda in a couple months.

Alva Rankin, I/I specialist from SEH presented an engineering proposal for additional I&I work. Rankin explained that over the past two years SEH has been providing flow monitoring services for the City of Tracy and have broken the City into zones. This is to identify those areas that provide the most I&I and they would attack those areas first. They want to be able to get as much of the water out so that when the City looks at new ponds, they can be as small as possible. If no changes was made to the I&I, the cost to the City for new ponds would be about \$8 million and if the I&I is removed it would cost about \$5 million. He explained the City was divided into nine districts and the color shows that the red areas are really bad, orange is medium bad and blue is less bad and yellow is in the middle. District One is the worst I&I area. In discussion with Robinson and all the snow this year and because the last two years have been extremely dry, it would be possible to try and catch the snow melt and that would help focus where the biggest problems are and where they need to go first. If the big contributors to I&I are identified and removed, other areas may be eliminated. He noted that almost 10% of the volume comes from District 9. The first recommendation is to work with the Canadian Pacific Railroad (CPR) to install a new line for the sink and toilet then seal off the manhole and everything else. The second area is District 6 along the southwest border of the City. There is evidence of unusually high volume of I&I in this District based on the limited number of homes in this area. The suggestion from SEH is to televise this line, as there may be drain tiles and things that are easy to find that can be cut off that will help reduce the I&I. They have taken the red area and divided it into Districts 11, 12, 15, 16, and 17. Eight meters are required so they can take the 4 in the middle and pull them out and see which one is the worst. This whole process is not a new I&I and is to help so the infrastructure can be fixed and make ponds that are reasonably priced. There is enough snow here that in the time period that it melts, there will be some pretty significant spikes and anticipate that there will be some by-passing. Today Rankin, Robinson and S. Robinson met with MPCA to discuss this matter because the last years were so dry, there is concern that once the snow starts melting there will be issues. In talking with the MPCA staff, we are trying to come up with a five year plan after looking at all the data. That plan would include infrastructure changes that need to be made, looking at the ponds and determine if land will need to be acquired, coming up with a cost and funding mechanism. Rankin said that from the prospective of SEH, they feel that Rural Development is the best place to go for financing. SEH would like to put the data together with the report and talk to Rural Development about what has to be done to get on their list so that the City of Tracy could get some funding and possibly some grant funding to help pay for these infrastructure changes. Not only is there the issue of the ponds, but there are places where pipe goes from 12 inches to 18 inches and back to 12 inches. This creates a bottleneck and gives an increased chance of flooded basements. Stobb asked if the downtown area is included in the red area. Rankin stated that part of it is and the red area also includes 2<sup>nd</sup> Street, 1st Street, and Park Street. Rankin stated they may find roof drains and foundation drains that are connected to the sanitary sewer and if they need to be taken out it is expensive. If there are foundation drains an external sump pump needs to be put in to drain that water away. Rankin explained that there has to be some type of conveyance system for the pumps to go into otherwise it will cause icing of streets and water everywhere. This leads to the need for more storm sewers. Rankin explained that when the snow melts the foundation drains are the thing that will affect the spike in I&I. Stobb stated that sump pumps will still be discharging into the sanitary sewer at the beginning of this project and hopefully by the middle they will be out. Robinson stated they have been going by the weather conditions of when the sump pumps need to be removed from the sanitary sewer. Stobb asked if this will factor in this study. Rankin explained they will have to coordinate that with the staff to come up with the numbers and hopefully the staff can identify those homes that have pumps and they can be taken out and make a calculation. Robinson stated that it will be announced on radio and the paper when the sump pumps have to be removed. Peterson stated they have done two years of monitoring and questioned if they have enough data right now to fix the problems. Rankin said the biggest issue is because of the way District One is, they need to put in the meters to separate the district and break it down to identify where the problem is. Martin felt that with the less than adequate flow in the past, this snow melt would give an opportunity to pinpoint the flows. Rankin said there is a group in SEH that looks for financing for these types of projects and that group feels that with the points that the City of Tracy has the best chance with Rural Development as their program is ongoing and if the data is collected then the Council will know what they need to do to fill out the applications. Stobb felt that they are not far enough along in this project to think about stimulus money. Chalmers asked if they should still try the PFA route even though this would not be a priority on that list. Peterson asked if this will be enough meters. Rankin stated that they took the street maps and back in the office they broke it up and came out to Tracy

to verify the information. They come out and look at the area because there may be manholes that are not good flow and there is damage. The staff told them that they had missed a bunch of areas and that is the reason the number of meters went up the last time. They have drawn the areas on the map and they will spend a day coordinating with the staff that they are monitoring the correct manholes and they can get good flow numbers from them so there is not a problem. Koopman stated the \$33,320 for this project would come from Utilities. Motion by Martin, seconded by Snyder to enter into the agreement with SEH for the flow monitoring. All voted in favor of the motion.

Koopman stated the Groundskeeper Contract for the Cemetery is identical to last year's contract as far as regular compensation. The only change is that if miscellaneous work is required that was increased from \$10 to \$15 per hour. Snyder questioned if they should hold off on this contract along with the Superintendents Contract as they had discussed last year about combining the two positions. Mayor Ferrazzano asked if they did not enter into this agreement now, would they continue as before. Koopman stated that the Groundskeeper's agreement does not expire till April 1. Mayor Ferrazzano stated they were going to revisit the Superintendent's Contract on March 22 as the Cemetery Commission meets on March 18. Motion by Peterson, seconded by Snyder to revisit the Groundskeeper Contract on March 22, 2010. All voted in favor of the motion.

Al Kruse, President of the Marshall-Lyon County Library (MLCL) stated there has been some inquiries about bringing the Tracy and Minneota Libraries into the County system as those are the only two stand along libraries within the County. Bob Boese, came to them with a lot of experience putting together these types of agreements together and knows the history of library systems. He will explain this to the Council this evening. Bob Boese the Interim Director of the Marshall-Lyon County Library October 2009. The Library Board is currently working on hiring a permanent director. He explained that the Marshall-Lyon County Library is a library created by a contract between the City of Marshall and Lyon County. The library operates three branches in Marshall, Cottonwood and Balaton. Minneota and Tracy are independent libraries because they opted out when Lyon County first began taxing for library services in the 1960's. Minnesota Statute states that whoever taxes first for a library services can continue to tax and so the cities of Tracy and Minneota did not participate with the County levy at that time and maintained their separate municipal libraries since that time. About ten years ago the Plum Creek Library director of the nine county regional system that MLCL belonged to, asked them to allow Tracy and Minneota to join Plum Creek without first joining MLCL. The MLCL Board and the county commissioners agreed to do that. It would previously been expected that those two municipal libraries join Lyon County before they joined Plum Creek. For the past ten years, the Tracy Library has participated with MLCL in Plum Creek Library System and that has done several things for both of them. They share materials back and forth. Last year 725 were sent from the Tracy Library to Marshall and Marshall sent 877 books to Tracy. Also when Tracy joined Plum Creek, that allowed rural residents of Lyon County to come and use the Tracy Library and Marshall agreed to allow Tracy residents to use the Marshall, Cottonwood and Balaton Libraries. They also shared delivery and other Plum Creek programs. The big thing they do not share is any of the revenue. The MLCL gets all of the taxes from Lyon County except for the taxes that go to Tracy and Minneota to support those two libraries. The County is now supporting the MLCL with construction bonds in the amount of about \$500,000 and that is what provoked him to start thinking about what else is going on. Boese stated that not only does Marshall have a building program going, but Tracy and Minneota do also. That provides them with an opportunity because the Lyon County Commissioners agreed to bond \$500,000 for the new Marshall library knew they were crossing a line and they might get requests from the other municipalities for construction as well. One of the conclusions the Commissioners have apparently come to, is that they might provide some construction funds if Tracy joined the MLCL. Tracy is already taxing itself very high for library services. After researching this he found that the lowest taxes are for Lyon County and the highest taxes are for the City of Tracy. In the dollar per capita, Tracy gets the fewest dollars per capita. There is interest among the County Commissioners that if Tracy and Minneota join the County Library, they would consider a request for additional operating funds and for capital improvement funds. Boese explained that a merger would mean that the daily operations of the Tracy Library would be coordinated with the rest of the MLCL libraries. Verdeck's salary would be paid by the MLCL as well as most of the operational costs, such as Plum Creek assessments for delivery and automation, general supplies, telecommunications, etc. would be paid by the MLCL. A merger would not mean that the ownership of the building would change. Whatever building the Tracy Library is in, it would be the responsibility of the City and the City

would be responsibly for heat, electricity and costs to maintain that building. The merger would require the County to raise their levy less than 2%. Boese stated there are some complications, levy limits and maintenance of effort obligations, etc. and he had started to look into those, but he is unwilling to spend a lot of time on those unless someone indicates officially that they are interested in him doing more work and more research and writing up the outline of what an agreement would look like and what some of the consequences would be. Boese stated that if the City of Tracy is interested they need to formally request him to draw up an outline so there is something to discuss and if there are problems or issues that the City of Tracy would like to see addressed, they should let him know that as well. Martin stated that he understand what the advantages would be for Tracy to join this organization, but asked what the advantages are for the MLCL. Boese stated they would get better political support. He stated that right now there are two county commissioners that have holes in their districts that they do not see any of the library tax money going to and it would be better for everyone if some of the tax money from Monroe Township went to support the Tracy Library rather than supporting Marshall, Cottonwood and Balaton libraries. It would cost the MLCL something because the money would be diluted but it would provide better library services for everyone and there would be better political support. Chalmers stated that one issue that has come up with several people is if the library would be a branch of MLCL or a branch of the Lyon County Library. Boese stated the formal name of the entity is the MCLC and he has sketched out three alternatives and one of them would require that to change. He is not sure if that would happen and right now the entity is the MLCL. The Tracy library would still be the Tracy Public Library and they would operate as a branch of the larger entity. Kruse stated that he had talked with Mark Rand of the Plum Creek System and asked him about naming and those kinds of things and he did not see a problem if they chose to go with Tracy –Lyon County Library, MLCL and Minneota-Lyon County Library and then they would have to negotiate with Balaton and Cottonwood to see if they would want to support the library as a separate entity or if they wanted to remain a branch of the MLCL. It would require negotiations with the City Council of Marshall and the Lyon County Commissioners to make a formal name change of the entity. Those are things that can be negotiated and they would have a Lyon County Library Board. Chalmers felt that some of it is semantics but there is also a perception of where the control would be and the difference of being a branch of a county system as opposed to being a branch of another city system. Tracy would get tax dollars from Monroe Township that they do not get now as they are stand alone. Kruse stated a merger would require the County to up their levy a little, but when that is increased over the whole county, it is a little less painful than increasing the levy of Tracy. Stobb asked about the library tax. Tracy is the highest compared to the tax capacity, but on the earlier numbers that they were given, on tax per capita, Tracy is the lowest. Stobb asked what would happen to that figure in the future. Boese stated the tax per capita figure would be less meaningful if Tracy would be getting County dollars as they would then determine whether or not to include those in the per capita figure. At the bare minimum, if the levy for the City of Tracy decreased \$10,000, he hopes they could come up with at least \$12,000 or \$15,000 of county funds to put into the library so that they would see improvement in services and the city levy would go down. Stobb stated that he is not opposed to progressing with this but before the papers are signed it would be nice to see an estimate of what these figures would be. Boese stated that what he needs is a resolution of interest so that he can go back and update the figures and outline the agreement for the lawyers to review to show the City how some of the operating procedures would change. Peterson asked if Minneota has shown any interest. Boese stated they made a presentation to Minneota and they have not heard back from them. Chalmers stated the library board from Tracy did hear Boese's proposal. The consensus of the board was unanimous that this is something they did want to pursue to see what the actual proposal would look like and have something to start negotiating with. Motion by Chalmers, seconded by Martin to have Boese work on a proposal for the Tracy Library to join the MLCL. Verdeck stated that Minneota is a little behind on this as their director had some health issues, so their scheduled meetings were delayed. Peterson stated that he wanted to make sure Minneota was aware of this and does not see any issues with this and maybe if Tracy joined it would help them along and make the process go a little faster. Stobb asked if they needed to discuss at this time about guarantee of the same hours that the library presently has or minimum hours. Boese felt that would be something that would enter into the agreement. Verdeck and the library board can tell them things that are important to the Tracy Library such as increasing hours and materials. Mayor Ferrazzano felt the hours are important because with prior discussions that was one selling point for the merger. Boese stated that are staff hours and open hours are both subject for discussion. All voted in favor of the motion.

Mayor Ferrazzano stated that interviews were conducted for the board and commission appointments. Applications were submitted after the interviews. The advertisement in the paper did not say there was a deadline and the Council had discussed the applications would end on Friday before the interviews were conducted on February 15. The paper stated they would accept applications until the positions were filled. Chalmers stated there is still one opening on the Library Board and now there are three applications for that position.

Motion by Martin, seconded by Chalmers to make the following appointments to the Planning Commission:

- Dick Boerboom – term expires 2011
- Bill Chukuske – term expires 2014
- Allen Haney – term expires 2011
- Eugene Hook – term expires 2012

All voted in favor of the motion.

Motion by Peterson, seconded by Martin to make the following appointments to the Hospital Advisory Board:

- Claire Hannasch – Tracy, term expires 2013
- Colene Nydell – Tracy, term expires 2013
- Linda Fultz – Walnut Grove, term expires 2012

All voted in favor of the motion.

Motion by Snyder, seconded by Chalmers to make the following appointments to the Library Board:

- Peggi Peterson – term expires 2013
- Shirley Anderson – term expires 2013

All voted in favor of the motion.

Motion by Martin, seconded by Enderson to make the following appointment to the Cemetery Commission:

- Peggi Peterson – term expires 2015

All voted in favor of the motion.

Motion by Snyder, seconded by Stobb to make the following appointments to the Multi-Purpose Center Board:

- Katrina Gregor – term expires 2012
- Shirley Anderson – term expires 2012
- Eugene Hook – term expires 2013
- Peggi Peterson – term expires 2013

All voted in favor of the motion.

Motion by Peterson, seconded by Snyder to make the following appointment to the EDA Board:

1. Katrina Gregor – term expires 2015

All voted in favor of the motion.

Motion by Chalmers, seconded by Stobb to make the following appointment to the Police Commission:

2. Bernie Holm – term expires 2013

All voted in favor of the motion.

Motion by Peterson, seconded by Stobb to make the following appointment to the HRA Board:

3. Glen Surprenant – term expires 2015

All voted in favor of the motion.

Motion by Chalmers, seconded by Peterson to make the following appointment to the Charter Commission:

4. Brian Bertrand – term expires 2013

All voted in favor of the motion.

Chalmers asked about the application from Sis Beierman for the Cemetery Commission is dated

February 6, 2010 and was wondering when this was received. Koopman explained that it was received on time and when she was called regarding the interview, she was not going to be available. Koopman did speak with her and she said that when she was contacted she would not be available for the scheduled interview and she was fine with that as long as others had applied for that position. She has indicated that she is still interested if an opening does occur in the future. Chalmers stated this is the only board that Beierman was interested in and they had Peggi Peterson on three boards and was wondering if in the interest in not over loading one person, this might be an opportunity to get someone else involved and lessen the work load of another person. Mayor Ferrazzano stated that Beierman had called him over the weekend about this and she is happy with Peggi Peterson being appointed so he feels they can keep it where it is at and if there is another opening they would consider Beierman for the position. Mayor Ferrazzano stated there is one vacancy on the Library Board and three applicants that will be interviewed on March 8, 2010 starting at 6:00 p.m. Peterson stated there are still two vacancies on the Charter Commission. Chalmers asked when the Charter Commission meets. Koopman stated that they meet once a year unless there is a need for a meeting.

Cookie Cooreman was present on behalf of the Prairie Women's Expo which has become a very successful event. They started out the first year with no expectations of making anything. The first year they attracted 30 vendors 36 the second year and up to 40 last year. Last year they turned vendors away because they did not have room for anymore than the 50 vendors. They are planning for this year they could possibly make room for 52 vendors. At this time they have 37 vendors that have paid their fee to come and be part of the Women's Expo and are coming from as far away as Sioux Falls and some from the north as far as Burnsville. These vendors bring with them people from their community that they have talked to and encouraged them to attend. Of the 37, 12 are new vendors and have heard from someone that it is worthwhile to pack their products and come to Tracy. Cooreman read four comments from last year. From Jim and Addie Miller who had a booth in the auditorium and also had staff at their store location: "The Prairie Women's Expo gave Lights and Beyond great exposure to the area residents and exhibitors. Having a booth at the Expo helped with business for us at the store without standing traffic and sales receipts were generally worth have a booth downtown." Josh Schmidt from the Tracy Bakery and Tracy Computer: "The Prairie Women's Expo was a great opportunity to expose our products to the public. There are not too many opportunities to draw a crowd to our downtown businesses like when the Prairie Women's Expo is going on. I am excited to have the Tracy Bakery as part of the Women's Expo again this year and look forward to see everyone visit Tracy." Glenda Johnson from Four Seasons wrote: "The Prairie Women's Expo was very beneficial to Four Seasons. Some people that came did not know that we have a women's clothing store in Tracy and some of the women from Tracy did not even know the store was here. The Expo day was better than the Christmas season. It really brings attention to downtown Tracy." From Linda Fultz from Summit Place: "I think it is beneficial to get as many women as possible to town to let them know what unique stores are available in Southwest Minnesota, specifically in Tracy." Cooreman stated they had no expectations for making great profits from the Women's Expo, only to put an event in downtown Tracy that was going to do what these people have said. She is here to ask that the Council waive the fee of \$500 for the use of VMC. Motion by Peterson, seconded by Chalmers to waive the \$500 fee for use of the VMC for the Tracy Women's Expo. All voted in favor of the motion.

Koopman stated that the City of Luverne has requested the use of \$52,138 left in the 2007 Airport Entitlement Funds after the payment and completion of renovations at the Tracy Airport. If this is not used it goes back. Motion by Snyder, seconded by Peterson to approve the request from the City of Luverne for the unused \$52,138 2007 Entitlement Funds. All voted in favor of the motion.

Gervais reported that there has been potential interest in someone purchasing the EDA town homes. They are working through that and have shared information with the individuals. They have shown a substantial interest in the purchase. The balance of the 5<sup>th</sup> Street account is just under \$367,000 and the 3<sup>rd</sup> Street East account is at about \$350,000. That is what is left on the bonds themselves and the rough value in talking with the County Assessor would be about \$50,000 per unit for the 16 units so that would be about \$800,000. There has been no offer money wise yet, but they will continue to work forward on that potential. Gervais stated they have had interest from two local individuals about establishing brand new retail establishments here in Tracy and actually building new and not using any existing building. They have done more work with one than the other, but also to continue to move forward with that as well. The EDA is working on an expansion project with another entity

in town, a current business that is doing well in town and hoping to expand their business and do even better. The Pool Hut property has been sold and that loan has been paid off with the EDA. The EDA has also sent a proposal to Premium Plant Services in regard to their existing property to purchase as well. Gervais stated they have hired a Safety and Occupational person within the company and are in the process of hiring about eight additional individuals there. The future dentist has looked at the facility downtown several times and is also in the process of drafting plans for a brand new dental facility as well. Once they have those in place they will be able to look at funding opportunities and see what would be best for him and the community as well. There has been interest in Shetek Bend and he has met with one individual last week and has been in contact with a group of individuals in previous weeks. There is nothing more to report at this point but they are taking steps in the right direction. Gervais wanted to stress the issue of political lobbying. He talked with Representative Seifert for a time a couple weeks ago and would like to stress how important it is to contact your elected officials. Obviously this year with the issues we are facing, it does make a difference and it is important to send those emails, letters and phone calls and they do make a difference. If you contact your local officials, it makes it more of a case and the more they hear from the public, the better the chances are of them actually listening to us. Gervais had discussed with Koopman about members of the Council just going up every once in a while during the session and talking with the legislators and having a chance to discuss some of the issues with them. The EDA board at the last couple meetings have been discussing what they feel are priorities and they have developed a Tracy Community Development Plan questionnaire that was prepared by Deb Munsterman who will be conducting the seminar on Monday, March 15 from 6:00 p.m. to 9:00 p.m. Those questionnaires are available to the public in the City office and has also been announced on radio and T.V. where they can pick these up. Those need to be returned to her by March 8, 2010. Hopefully from this meeting is to have a clear goal on which way the City of Tracy goes and that the Council can help prepare a vision for the EDA on where they see Tracy in the years to come. Mayor Ferrazzano asked if there was anything recent in regards to the gas stations and the buildings. Gervais stated the people that they have had the most contact with are not interested in any of the current locations. He feels that a lot of that has to do with the convenience store itself. Using Casey's as an example, you do not make money on gas so you have to make it up on your C-store goods. A larger store that can house more product, and there are limitations with the stores that are presently available. He has also discussed with Dale Johnson, about pushing the issue with the tanks to either clean up or remove them. They have had contact with someone interested in building new convenience store and gas station, but the existing facilities are limited.

Radke felt January was a good month at the Liquor Store considering there was one day less than last year and the day they lost was a Friday and with the bad weather he felt they did quite well. February looks good so far, but there is one week left to go. For the year off-sale and on-sale was up and the bar portion was mainly cigarettes. He feels that other facilities discontinued sale of cigarettes and they are the only ones uptown that sell them. Radke stated that from the liquor standpoint in regards to political lobbying. He stated the liquor industry lost a vote by one vote and they talked with the representative and he said the reason he did not vote for it was because he had five individuals call him. A lot of the time, calls to make a difference. Radke presented the profit/loss statement and yearly totals for 2009 and 2008. Chalmers asked if there has been any increased activity at the liquor store due to the closing of Shetek Bend. Radke felt it was give and take both ways with Shetek Bend and does not feel it was not a major increase. Radke feels that the big thing is that they need a place with food in town and people want to go out and have food.

Stacy Barstad updated the Council on the building project. She stated that the floor and cabinetry is being worked on in the exam rooms and bathrooms. The counter tops will be put in this week. The paint in the exam rooms is pretty much completed and ceiling grids should be finished next week. The brick work is being completed on the outside of the facility. Hopefully they will have a completion date for the outreach area by the middle of March. The bids for the current clinic project will opened on March 4, 2010. Physician recruitment update there was an internal medicine physician that was scheduled to visit Tracy today but had to reschedule due a work commitment and they will be contacting him to rescheduled his visit. Barstad said they continue to work everyday with recruiters from Sanford as well as many contacts that she works with everyday. There are physician shortages especially in the rural areas which makes it difficult to locate and attract doctors. Barstad presented statistics from the Rural Hospital Association website that 45% of Minnesota physicians are over the age of 50, only 5% of Minnesota physicians practice in rural counties, rural

areas have too few specialists. Inadequate physician distribution and supply is becoming a problem in northern and southern rural Minnesota areas. The population of Minnesotans over the age of 65 will increase by 58% by 2020 and the urban inner cities suffer from lack of primary care physicians. Most are going into specialties and no primary care. Barstad stated that the Community Physician Recruitment Committee continues to meet monthly and they bring great ideas to the meeting. This week she and Cookie Cooreman will be meeting with high school media class and the class is going to help them develop a DVD that focuses on the hospital and the community. When the candidates come in for four hours, the time is very limited and there is not sufficient time to show them everything. They can take the DVD or media card and look at the benefits the community has to offer when they have time. Barstad said there has been decreases in both inpatient and outpatient services which has been a common theme across the region and country. One of the biggest factors is the economy with patients being more sensitive and delaying their elective procedures. There are higher out of pocket deductibles and co-pays and people losing their insurance with unemployment and then not seeing their physicians. Chalmers stated he had a friend who had to go through cancer treatment and had to go to Willmar or Sioux Falls for 15 minutes of treatment. He was curious why that was something that was not available locally and if that is something that would be a service that Tracy could provide. Barstad stated they do have a radiation center in Worthington. You have to work with an oncologist and a radiologist also. Tracy alone, could not sustain this type of treatment, but Worthington is a regional cancer center. Tracy sends a lot of referrals there or Sioux Falls and Worthington has some of the same basics that Sioux Falls has with Sanford as well.

Verdeck had provided the Council with graphs of a whole year identifying the number of books Tracy sent out on the delivery trucks through Plum Creek. She stated there was an increase of 20% across the board so everyone is reading more and borrowing more from other libraries. This shows that the delivery system is a big benefit in that each of those numbers stands for a book or audiobook. The one graph shows where the books from Tracy go and who the patrons are borrowing from. The library has only closed once in January due to weather, but have had a lot of days where there was no delivery. Tracy has deliveries on Monday, Wednesday and Friday. They are thinking of getting a new truck a year earlier but because of the weight put on the truck with so many books, the delivery truck is showing wear before the expected time.

Police Chief Hillger asked for any questions regarding the activity report. Chalmers stated the assault and things like that are higher and was wondering if that was a normal January statistic. Hillger stated he has not compared those numbers to last year, but in the winter there are individuals that are not employed and are anxious to get back to work and some are out of work totally.

Dale Johnson reported that last month the firemen complete physicals and all 26 members passed. Physical consists of EKG, diabetes screening and pulmonary function tests. Each member is required to put on an air pack and do a simulation of tests to make sure they have a good seal. They hosted an event at the fire hall, gave tours of the fire hall and fire trucks and about 100 parents and kids attended this event. The firemen got together with the Public Works department and located fire hydrants that were buried in the snow and in cooperation with Public Works, they were able to mark the hydrants. Duane DeSmith made the poles and the Public Works department painted them and put the flags on. Last week Air Apparatus came and did annual air pack test and all 15 of the packs passed the test this year. They did minor testing and there was some minor cleaning that had to be done and replacement of O-rings. About three weeks ago the fire department was asked by the school to help kids that were snowbound to reach their "snow home". The firemen put the students on the buses and the kids that never have been to their snow home were assisted by the firemen who walked them to the door. The bulk of the firemen have completed their first responder refresher and two new members passed their Firefighter 1 and Firefighter 2 test course. This year this required 156 hours of training. The departments burned the property at 641 Greenwood. They hosted the Lyon County Mutual Aid Fire Chiefs Association meeting in Tracy. There are four grants that the department has applied for various pieces of equipment that are due to be replaced in the next three years and have not heard any results on any of them. They are also part of a grant with all the fire departments in Lyon County to replace the radios that are mandated to be replaced. There are two more grants in the process and have received \$1,000 from Schwan's. Johnson stated there was a fire in O'Brien Court over Labor Day and the building got extremely smokey. The smoke fans the department has are old and they cannot get replacement parts for them anymore. They do not move the air like the new fans do. The funds received from Schwan's and a prior fund raiser provided

funding to purchase two new fans to replace those two. Johnson said the department will be doing an ice water rescue training course on Lake Shetek. There is a house to burn between Tracy and Garvin on Highway 14 which will be a two day training by the time the house is prepped and will do multiple simulation of burning in that house. They are scheduled to do an elevator bin rescue course and there are members signed up to attend the Pipeline Haz Mat Safety Training. They will be signing up for the League of Minnesota Work Safety Shop next month. Johnson gave an update on the regional radio board that will be happening and they now have a grant for all the fire departments in Lyon County and have had some communication with FEMA. The total project is for a five year projection with maintenance costs for the whole county is about \$3 million. The fire entity in that is \$1.6 million. Meetings for that are still held monthly. They had 50 fire calls in 2009 and so far in 2010 they've already had 29. Johnson had received an e-mail from Gervais asking about what grounds the City has on fuel tanks removal. Johnson explained that the state code says that underground tanks that have been out of service for a period of one year shall be remove from the ground in accordance with another section of the state code. Johnson asked the City how far they want to go with this and if they want to move forward. Johnson talked with the retired fire chief from New Ulm, who is now with the State Fire Marshal's office. Before he took the job with the Fire Marshal's office he went through New Ulm and got all the old tanks cleaned out. He said this is a very lengthy and time consuming process with getting the proper paperwork, proper tests, and submitting it. Johnson agrees that something needs to be done with the properties in Tracy as they will eventually end up falling in the City's hands and it would be an additional expense. Johnson knows that the tanks at Ric's Service have been pulled. Johnson stated that one of the properties is in foreclosure as there was an issue with above ground tanks there. Through many phone calls he found some responsible for the building. They had sent someone to finish pumping the tanks out and they never contacted the proper people to come pick them up. A phone call to the EPA helped speed that process of getting them picked up. Mayor Ferrazzano thought that property was done going through court. Chalmers stated there was a public announcement in the paper that there was a bank that owned all those properties in that area. Johnson learned there was a local bank that owned the properties and through all the paperwork, is now with another bank for some other issues. Johnson stated that removing the tanks is a requirement of the City as the City has adopted the State Fire Code and now it is a matter of the City enforcing it. Mayor Ferrazzano felt they should go through with it and if Johnson is spending time talking with attorneys, he should have Nielsen call and he could also help with the paperwork. Mayor Ferrazzano stated they should go forward with the BP and Food and Fuel properties. Johnson stated that he will start on those two properties this next week and will report back in one month. Chalmers asked on the radio issue if Lyon County has made any decision as to what radio system they want to go with. Johnson said that Lyon County through two different surveys found that the Armour System would be the most beneficial system and now they have hired another company to do the final survey to make sure that is going to be the right answer. Murray County and Lincoln County has chosen to go with the Armour System. Chief Hillger stated that Redwood County has chosen to go with a slightly lower program. The Armour system will be about \$3 million and the Sheriff of Redwood County told him they would likely be using bond funds for all police and fire departments in the County. A lot of grants will not fund the digital frequency, but they will fund the Armour System. Some of the counties that have already changed to the digital system and now they are trying to decide on what it would take to convert the rest to digital versus changing everything to Armour. Johnson explained the best case scenario is this whole project, with 7% could be funded by grants. Chalmers understood with the Armour the state takes care of the towers. Johnson said the state takes care of the towers except in areas where a booster tower may be needed, which being on Highway 14 he does not feel that will be an issue for Tracy at this point. The projections the two companies showed at the last meeting, show that the Tracy area would have operability with all agencies with a hand held radio in a building. Chief Hillger stated that he is not sure how it all works, but it is set up in talk groups and is not a radio frequency, it is more like a cell phone. They would have instant line of sight talking with talking with whatever agency is there, ambulance, fire, etc. in the talk group. They can switch over to other talk groups. Johnson stated that when this is complete, all agencies will be able to talk with all other agencies, it is just a matter if everyone does not go with the Armour, there are more boxes that need to be purchased where people can be patched into those frequencies. Chalmers asked when they will know if there will be an financial obligation needed from the City. Johnson stated that right now radios have been purchased due to grant money that was awarded and had to be expended before the end of the year. He stated that right now they are doing the rest of the studies and they will continue to apply for grants when the final time comes and they have not raised enough money and they have

to switch over, there will probably be a county wide assessment made.

Robinson reported that again this month they have been busy moving snow and now they are out widening streets to the curb line making room for more snow and an area for the water to run. They are also working on knocking down the snow on the intersections to make visibility better. This takes time and if the Council receives any complaints, give them to Audrey so she can relay the messages to the Street Department. The repairs from vandals at the pool has not been completed and they are waiting for it to warm up so the sealants will work. Robinson attended an I&I meeting and today in Marshall with MPCA. They reminded them again today that the City is under a moratorium that they cannot build another block for new development at this time until the I&I issue is under control. Robinson stated that the existing pond system was built and designed around 300,000 gallons of waste water per day and after review of the flows, we are up to about 450,000 gallons per day. There is clear water entering the system. Robinson stated that at this time it is not so much the chemistries on it, right now it is quantity of flow and this could get worse when the snow begins to melt. Robinson said they also have the problem of not being able to always discharge the wastewater within the allowable window and have to wait to let it settle out longer. As Rankin explained earlier, they need to identify the problem spots and go after those areas and get as much I&I out as possible. The Utilities Department is going to start getting the pumps out and getting them ready in case there is flooding this spring. Robinson supplied the Council with an FYI report which evaluates City owned buildings. This gives the Council an idea of the condition and what they feel it would take to fix up some City owned buildings. The City Shop has water running through it pretty good now with the snow in the façade and there is minimal insulation in the ceiling in the shop and this gets pretty wet. Stobb asked if the building on 10<sup>th</sup> and Morgan is used for anything and if it could be torn down. Robinson said there are a few things stored in there such as old lumber from when the bleachers were removed from the VMC and some things from Box Car Days, but that building may not be worth trying to repair. Robinson has been working on the 2010-2014 Capital Improvement Budget. He has not heard anything back from G&R Electric on who is to supply the amp draws, voltage and cost of transfer switch for the standby fuel system. Robinson reported that the first Safety meeting was held last Friday in Walnut Grove. They used to spend \$5,000 per year on safety training and this program will be \$600 per year. This group includes Belview, Tracy, Westbrook, Lambertton, Storden, Morten and Walnut Grove. There were 45 employees attending this meeting. The instructor performed a mock OSHA inspection for the City of Tracy and there are some things that will need to be worked on. Robinson stated they have not pushed the snow back yet at the Central Livestock property and after they dump snow, Robinson has been pushing it up. Peterson asked if they could push the snow back to actually build a snow fence on the east side of Front Street. Robinson responded that this land is leased out to the FFA and they have concerns that it is going to make it very wet out there. The reason they go in the grass also is because the snow hauling trucks get stuck in the plowed area.

Koopman said that during the month of January she attended two City Council meetings, Hospital Advisory Board, Community Ed and a Webinar on the future funding for PERA. She indicated that they had planned to have something from CHS regarding a fuel contract by the end of this month. She talked with Marla Verlinde and she is recommending that we wait to enter into a contract at this time and CHS will let us know when the market becomes more stable. She told the Council that from the 2008 unallotment through the projection for 2010, the City's LGA would be reduced by \$395,429. She also stressed the importance of contacting the legislators and on March 25, the League is having a "Make Your Voices Heard Day", a joint legislative conference for cities, counties, schools and townships. She feels this would be something worthwhile attending and the City of Tracy should have some representation at this meeting. On March 24 there is a legislative reception and on the March 25 the first session is a leadership panel on the 2010 legislative session and there are a number of different senators and representatives invited to speak. They will give insights from legislative and administration leaders on the top issues facing cities, counties, school districts and townships. The keynote speaker will address the Road to Economic Recovery and then at the end there is an opportunity to talk directly with area representatives and senators. The deadline for reservations is February 25 and the cost is \$80 per person plus motel accommodations. Koopman feels the more visible you are the more they understand our needs. She talked with Senator Vickerman recently and she feels that it is important to let them know what an impact the loss of LGA is going to have on the community. It is to the point where services will have to be reduced and she does not feel that taxes can be increased enough to make up the difference. Mayor

Ferrazzano asked that anyone interested in going contact Koopman before the deadline.

Robinson stated the water meter replacement program was halted in 2009 and the department was directed to only order meters on a box by box basis. There are six meters in a box. In 2009 they replaced 54 meters for various reasons. Robinson has determined that they will need about 50 to 60 meters for 2010. The meter company has notified him that the price for meters will be going up 8% in late March. The current price is \$198.60 and the cost for 60 meters would be \$11,916. An 8% increase would add \$953.28 to the total. Robinson is recommending that they purchase 60 meters before the end of March so they can save the \$953.28. Motion by Stobb, seconded by Snyder to approve the purchase of 60 meters with funding provided by the Utility Fund. All voted in favor of the motion.

Motion by Stobb, seconded by Chalmers to adopt a resolution approving change orders 5, 6 and 7 for the hospital removal project in the amount of \$4,176. Koopman stated this is for work that was in the existing contract and things that are directly related to the existing contract. All voted in favor of the motion. (Res. No. 2010-8)

The Consent Calendar includes the Municipal Accounts Payable, Economic Development Minutes for January 22, 2010, Monthly Financial Report and Library Board minutes for February 15, 2010. Peterson questioned two check to Ziegler, one for \$653.15 for cutting edges and the other for \$795.15 for CAT bucket repair and it come back they are both for cutting edges. Robinson stated the department has two buckets, one is a dirt bucket and the other is a snow bucket. They used the snow bucket until the cutting edge was gone and then they used the dirt blade until that was worn off. The dirt bucket still had the original cutting edge on it and the snow bucket has been around for quite some time. Peterson asked how much was spent on the last two studies for I&I and asked if any report in writing was received on what was found. Robinson stated they just got the reports. Robinson stated that the total cost of I&I so far is \$105,502.30 with an authorized amount remaining of \$4,700. Peterson stated that after the last report, the MPCA said the City did not have to do anymore and he is wondering if the engineering firm approached the City or the City approached the engineering firm. Robinson stated that he approached the engineering firm. He said there is such a big difference as far as the pond system goes between \$5 million and \$8 million and right now it is a prime opportunity to try and catch this water. There were two dry years that prevented good flow numbers. Peterson feels this is worthwhile but was wondering who is pulling strings and what is going on. Mayor Ferrazzano stated trying to catch the snow melt is looking at the big picture is in hopes when they do the pond project they can save \$3 million. Stobb stated that he did not have the EDA minutes or the Library Board minutes. This will be provided before the next meeting. Motion by Stobb, seconded by Peterson to approve the Consent Calendar. All voted in favor of the motion.

Koopman stated the 2010 Capital Improvement Budget (CIB) is the five year plan that is done each year and is part of the budget. Chalmers stated for the library there was \$15,000 budgeted for redoing the entrance. Koopman stated that was there in previous CIB and it was left there for now because of the unknown.

Chalmers caught a story that talked about stimulus package for Minnesota and one of the things they discussed was St. Peter got new streets, water mains and sewer downtown. He talked with the City Administrator in St. Peter and asked about this and was told because their downtown was State Highway 169 they received stimulus funds to do the project. Chalmers stated that during their discussion he did bring up a number of suggestions that the City of Tracy should look at. There is going to be another round of stimulus that they are going to be going through and one of the things they realize from the last time, is that states like Minnesota did not spend all the stimulus funds they were granted and a big part was because they did not have a good mechanism of releasing it down to City level. This next go around one of the things they are looking at is trying to figure out how to push the stimulus money to a county level and have some better mechanisms for getting the funds out there. The City Administrator stressed that the projects that got the money for were things that were "shovel ready." He suggested that if Tracy had anything going on that they want to get done, the City of Tracy proceed with the engineering plans done so something is ready if the option arises to apply for money. The other piece was that with water related projects, there is apparently going to be a lot of project money coming back into PFA that did not get spent and they will be looking at being able to reallocate those funds. He said that even if you get approval for something, you do

not have to take the funds, but when you are looking at the stimulus funds, that would be in all likely hood doing matching funds with PFA funds. Chalmers felt they should take a look at this and questioned what are some things that are coming up that Tracy could go ahead and get some plans on so things ready to go if there are funds available. Koopman said she does not know what the actual process is for getting stimulus funds but she could find that out. She does agree with what Chalmers is saying, it would be senseless to do it until everything is in place such as engineering done and the project is ready to go. The reality is with the I&I issue from 5<sup>th</sup> Street to 2<sup>nd</sup> Street and running lines down 4th Street, 4<sup>th</sup> Street and so on, a complete rebuild should be looked at with storm sewer, sanitary sewer and water mains. She has no idea what the engineering cost would be, but if we want to take advantage of the stimulus money or grant funds this may be the opportunity we need. At this time with fund restrictions it would seem difficult to and to take on that kind of commitment, but on the other hand, the money is out there. Mayor Ferrazzano says there is also the risk of spending money and no guarantee that you would get any stimulus funds. Koopman states that you can end up with a big bill, but it is a big bill that is not going to go away. The data that is collected now can be used five, ten and fifteen years down the road. Peterson felt if they are going to do this, they need to find out what it is going to cost to do all of it instead of just part of it. Chalmers stated that sooner or later they are going to have to spend the money. Robinson stated that the I&I issues have to be resolved first before any further plans for ponds can be accomplished. There is some grant money, but the sewer bill has to be a minimum of \$45 per household right now and once you are at the point they determine what can be afforded and then grant money will be awarded. Mayor Ferrazzano asked that Koopman contact the League and also follow up with the administrator from St. Peter to see what needs to be done. Koopman asked if it would be worthwhile to talk with the engineers to find out what it would cost for them to prepare a study to look at rebuilding those streets. Mayor Ferrazzano felt there was no harm in getting an estimate. Chalmers said that the City Administrator from St. Peter suggested they talk with SEH as they are up to speed as to what is going on and what needs to be done to get everything prepared. Mayor Ferrazzano also asked Koopman to check with the engineers to see what it would cost to prepare a plan.

Motion by Peterson, seconded by Chalmers to close the regular meeting at 9:00 p.m. to conduct a performance evaluation on Adam Bruder. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**March 8, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 8, 2010 in Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Peterson to approve the minutes as presented for February 22, 2010. All voted in favor of the motion.

A deletion to the agenda was 6-A consider bid award for the clinic Renovation. Additions included 8-C3 Library Board; 9-C a resolution approving payment to Kue Contractors, Inc. for work completed on the Hospital Renovation Project, 12-A2 Cemetery Superintendent resignation and 13 Closed meeting to conduct performance evaluation on Kathie Christians. Motion by Peterson, seconded by Chalmers to approve the agenda as amended. All voted in favor of the motion.

No public comments were presented to the Council.

An ordinance proposing a change to the Tracy City Charter so as to provide for a City Council of five persons was presented. Nielsen stated there are three possible ways that this can proceed. The Council could decide not to go this route and that would be the end of it. The second way would be if the Council proposed to go ahead with this which has to pass by a 4/5 or better majority. In that case the proposed amendment would not be submitted to the Charter Commission. There would be a published notice in the newspaper for a public hearing where this ordinance would be considered. There would be a vote of the people sometime in August in conjunction with the primary election. The election cannot be held within three months of passing the ordinance. If the Council would pass this proposal by less than 4/5, it would have to go to the Charter Commission for review and other procedures. Mayor Ferrazzano asked if they pass the ordinance by 4/5, would there be a public comment period before it goes to the people for a vote. Nielsen stated that this ordinance would be passed in the same manner as any other ordinance that is adopted. If passed by a vote of 4/5 or better it would not have to go to the Charter Commission and would be set for a special election. The 4/5 does not have to be decided at this meeting. Nielsen also questioned if the Council wanted to stagger the terms so that one election would involve electing the Mayor and two Council members and at the next would elect two Council members. If the terms are not staggered, one election we would elect the Mayor and one council person and the next election we would elect three council members. Extra language would be needed is staggered terms are required Mayor Ferrazzano feels this is straight forward and does not feel they need to worry about staggering terms. Stobb asked if this could be decided prior to the 2012 election. Nielsen stated there would have to be another Charter amendment, which they would probably want to avoid. This does not have to be decided at this meeting, it can be decided between now and the public hearing. Either way there will be three elected one time and two elected two years after that. Martin feels it is best to go the way with three people to run for one position. Stobb asked if this ordinance is approved and the voters approve the reduction in council size, from January 1, 2011, until the first meeting when new members are sworn in, what is the make up of the Council. Nielsen stated the way the Charter is worded is that your term does not end until your successor qualifies and is sworn in. Technically, even though someone is elected and their term starts January 1, they are not really a Council member until they take the oath of office. Stobb asked if it would be less confusing if they took the date out and stated effective the first regular meeting of January 2011. Nielsen stated that if the results are what everyone understands it to be, it can be worded the clearest way. Motion by Snyder, seconded by Enderson to waive the first reading and set the second the second reading and public hearing on April 12, 2010 at 6:45 p.m. All voted in favor of the meeting.

Motion by Snyder, seconded by Enderson to grant a plumbing license for S. Zens Plumbing and Heating contingent on payment of fees and submission of requested documents. All voted in favor of the motion.

A request for overnight parking for campers in city parking lot was discussed. Tracy Eagles Club is hosting the 6<sup>th</sup> District Eagles Convention on April 10<sup>th</sup> and 11<sup>th</sup>. Some of the people attending would like to use recreational vehicles to stay in overnight. The nights of “stay over” are usually just Friday and Saturday night and there would likely be no more than six or seven RVs. The Tracy Eagles Club is requesting that these people be allowed to park their RVs in the paved parking lot across from City Hall and the parking lot by the Liquor Store. This would give the convention attendees close proximity and walking distance the meetings held at the different locations. Motion by Stobb, seconded by Peterson to grant the request for overnight parking for Campers in City Parking Lots. Chalmers asked if this has been allowed before. Peterson stated that it was done once before and there were no problems. All voted in favor of the motion.

Motion by Peterson, seconded by Chalmers to appoint RoseMarie Brooks to the Charter Commission for a term to expire in 2013. All voted in favor of the motion.

Motion by Peterson, seconded by Enderson to appoint Elverne Ziemke to the Multi-Purpose Center Board for a term to expire in 2013. All voted in favor of the motion.

Koopman stated there is one position left on the Charter Commission, otherwise positions on Commission and Boards are filled. Martin stated that he would be willing to filling the vacant position on the Charter Commission. Nielsen stated there is a formality to being appointed to the Charter Commission that for some reason the Chief Judge has to confirm those appointments. Martin agreed to fill in until someone else is appointed. Koopman stated that no Council members currently serve on the Charter Commission. Neilsen said that he would have to check to see if Council members are allowed to serve on the Charter Commission.

Mayor Ferrazzano stated they interviewed two people today for the Library Board for one position. The Council decided they would appoint both the individuals to the Library Board and Chalmers who is on the Board now would be appointed Library Board Liaison to the Council to help direct discussions at the Library Board meeting and report back to the Council with any developments. Motion by Chalmers, seconded by Martin to appoint Brian Bertrand to the Library Board with his term expiring in 2011 and appoint Laurie Fox to the Library Board with her term expiring in 2013. All voted in favor of the motion.

Motion by Peterson, seconded by Martin to approve a private bottle club license to the Tracy Eagles Clubs contingent on payment of fees and submission of required documents. All voted in favor of the motion.

Motion by Snyder, seconded by Chalmers to approve a Set-up license to Tracy Lanes contingent on payment of fees and submission of required documents. All voted in favor of the motion.

Dale Johnson, Fire Chief presented an update on removal of gas tank removal. He stated this is not going to be a quick process. He did contact the State to find out exactly what the code reads for the City of Tracy. The State code and the EPA code are similar. If the business has been vacant for one year, the Fire Chief can ask for the removal of gas tanks. Due to the fact that gas stations close and try to reopen, there is an extension period in which they can apply for through the EPA. This requires a test immediately and then testing every other year and they can apply for up to four years. No tanks can be in the ground for more than five years and tanks that are in the ground for five years have to be tested. Johnson stated he contacted the EPA so that when letters were sent to the businesses in town that have vacant tanks, they were all on the same page. Johnson said the BP building on Highway 14 and 3<sup>rd</sup> Street, has failed the initial test. The EPA has given them until June 1, 2010 to be compliant or they will ask them to remove the tanks but the EPA has no strength in telling them they have to get rid of them. Johnson recommends that a letter be sent to the owners of the BP station to give them until June 1, 2010 to be in compliance and if they cannot repair them to have them compliant by June 1, 2010, that the City enforce the removal policy. Motion by Snyder, seconded by Peterson to approve Johnson’s recommendation to send the owners of the BP station to inform them of these conditions. All voted in favor of the motion.

Johnson said the Food N Fuel building is owned by Twin Cities Avanti and at this time and they are in the process of foreclosure. According to the bankruptcy court paperwork, they are turning that

building back over to the previous owner and the previous owner which is a larger fueling company, who right now is showing interest in reopening the business. There is nothing in writing at this time and their tanks have passed the tests. Their tanks as far as the EPA is concerned, will not cause harm for another two years at which time they will have to be retested. The tanks there are a double walled fiberglass tank and the EPA said they could be in the ground fifteen years and not cause harm. They still fall into the five year policy at any point and time the City could override the EPA's decision of how long they have to be there before they are asked to remove them. Johnson is recommending sending a letter to the previous owner when they again take the business over stating that they have passed the EPA test and they are giving them a certain amount of time to either open the station or remove the tanks. He finds it difficult to send a letter to someone stating that their tanks are compliant, but the City wants them out of there when it could be bringing another business to town. Mayor Ferrazzano asked how much time he would like to give them. Johnson felt they should wait till the fueling company takes it over and at that time the EPA is going to have to retest because of change of ownership. At that time Johnson will be notified that they have taken over. They will also need to state their intentions, and it would be revisited at that time whether the City would give them one or two years. Right now they have about 2 ½ years before they have to remove the tanks, even though they are compliant tanks but because they have been empty so long, they will have to be replaced. Johnson was going to send this letter to the bankruptcy lawyer for Twin cities Avanti so that it is included in the bankruptcy papers and the EPA paperwork stating that upon transfer of title and inspection of tanks, that they would like a plan proposal for the property. Nielsen stated that when you are in bankruptcy there is something called an automatic stay and nobody is supposed to be contacting the company directly about anything to do with property they own, or fixing it or in any way implying they have a duty to do something. That is part of the bankruptcy process and Johnson can contact their bankruptcy attorney or bankruptcy trustee and inform them of the concerns. It was a consensus of the Council for Johnson to proceed as he has indicated.

Johnson stated the Caron/CHS/Swen's property can not be dealt with at this time because the EPA has no idea who owns the tank and right now the paperwork is at the Attorney General's office trying to decide who officially owns the tanks. Last time he spoke with them, he was not give a time frame where they would have a decision as to who the owner was. As soon as he hears from them, Johnson will proceed from there. The tanks would be between the last two prior owners. Caron's had sold the tanks to CHS and CHS has sold the tanks to Swen's Fuel and somewhere in between CHS and Swen's Fuel is the responsible party.

Mayor Ferrazzano asked Johnson when the EPA tested the tanks at BP and they failed, are they testing the other tanks without letting him know? The owner of the property is required to request testing of the tanks. The bank is currently holding the cards while the paperwork is being completed, are the ones responsible for the tanks. The EPA required them to test the tanks. This was done and they failed the first testing. The EPA stated that with the winter weather they could not expect them to have the retesting done before June 1<sup>st</sup> and so they have given them until June 1, 2010 to decide if they want to fix the problems they have. Johnson felt that of all the tanks in town, those at Swen's are probably the newest and didn't think there are any problems. All the tanks in town are empty now. BP was emptied about a month ago. The tanks at Swen's and Food N Fuel have spill protection around them.

There was discussion about a City wide clean up day at the last Firemen's meeting and they are interested doing this as a fundraiser. They stated they would pick a Saturday the end of April, beginning of May to advertise and have people come to City Hall and prepay to have articles removed and they would also have prepaying available a couple nights at the fire hall. They will have a set price for articles. The reason for him bringing it to the Council's attention is because the firemen that would be volunteering their time would be technically be on City time if someone was to get injured. He wanted to make sure the Council was aware of what the department was offering to do. Mayor Ferrazzano feels this is a good idea as he had several people that have talked to him over the years about why this cannot be done. At the time he brought it up, it was too expensive to do this. Johnson said that his department has the majority of equipment needed to do this project. The Public Works Department also agreed to help. If it goes over well and looks like something they should continue doing, the fire department would do it or if there is another organization in town that would want to do it the fire department would be willing to alternate with them. Johnson said that the fire department's advertising budget is small and depending on how many ads they run,

that could deplete his budget.

Robinson gave an update on the Central Livestock, South 4<sup>th</sup> Street drainage ditch issue. Robinson informed the Council that the ditch is staying wet all year long. The ditch was designed to be dry unless there were heavy rains. As the project was being constructed they ran into County Ditch 10 which is a 10 to 12 inch clay tile pipe dating from the early 1900's that runs all year long. They had to connect County Ditch 10 to the City's new 42 inch pipe because it was at the same elevation. Now with ditch 10 draining into the City's system it keeps the ditch in Central Livestock wet all year. Robinson has watched the amount of flow in the open ditch from #10 for about a year now and has not seen a very heavy flow, but a consistent 5 to 15 gallon per minute flow. What he is proposing to doing is to install an intake pipe which would take in the water from ditch #10. This would be a 6 to 8 inch perforated plastic tile that would be directed to the side of the open ditch so it did not disturb the bottom and run underground to JD 23 which is the ditch that Central Livestock dumps into. This underground pipe would carry this nuisance water away that is causing the ditch to be wet. Robinson has discussed this with the engineers and they feel it would be a very viable option. He has also talked with a local tiling company and they estimated this would cost about \$6,000. There is still about \$14,000 worth of retainage on that project. They would need to secure a permanent utility easement from a land owner abutting Central Livestock property. Robinson said that he would get a couple bids for the tile installation then start the process of the permanent easement. Nielsen asked where the County Ditch 10 drained before. Robinson said it keeps going east by Swift Company. The County was given a new outlet as the elevations collided so they had to tie the County tile into the City tile. Stobb stated that is an important functioning ditch that drains the whole area, east of the school. He said some of that has been replaced with tile. Stobb asked if it seemed strange to put in a new tile to drain a drainage ditch and if the ditch were properly sloped, the way they thought it originally was going to be, would that also solve the problem. Robinson said it would still be carrying water. He said with the lead abatement that was done, they were not able to put the correct slope on the ditch and that was why it was left flat. Stobb said to have running water is not nearly as bad as having stagnate water. Robinson said it would take a fair amount of money to reshape that ditch again. Stobb said he is curious that if it is going to cost \$6,000 to place tile to drain it, there is \$14,000 available, what would it cost to do the ditch properly? Robinson said he could check on that. Mayor Ferrazzano felt that would be a good idea since it could be done eventually and to check and see if it could be done now and if not, they could go back to the other alternative. Nielsen asked if the ditch authority said anything about when the tiles were hooked together. Robinson said they had meetings with the ditch authority and they did not want anything financially to do with it. Robinson noted they are actually benefitting ditch 10 and they are not recognizing it as a great benefit. Nielsen said he could see if the City would be interrupting what they have that is working, they might say they do not want to pay for that, but down the road when this line is put in, if it would plug or something, then you are back to replacing it again or running it down the open ditch and at what point is it worthwhile going back to the ditch authority and pointing out their benefits from this. The city gave them a freebie by hooking it up the first time, but now they should pay something for maintenance as they do on all their other ditches and get them to fulfill their financial obligations in connection with that. Stobb asked if they would run the tile by the shortest route. Robinson said they would follow the ditch so there is no stripping the bottom or the turf on the sides. The tile would be plowed in with a tile plow. Stobb asked if they would have to cross someone's property to do that. They would have to cross the Thao property where the lead was removed. Robinson said he had discussed this with the property owners and they had no problems with getting the easement. Peterson asked for clarification that by regrading the ditch will still continue to have moisture? Robinson said it would still be wet but you could narrow the bottom and the water can travel faster. Peterson said that he had complaints from residents that they were told it was going to be dry ditch and it has not been. Robinson said it was designed as a dry ditch, until they had an elevation problem with County Ditch 10.

Motion by Snyder, seconded by Chalmers to adopt a resolution approving payment to Rupp Construction for work completed on the 2009 Street Improvement Project in the amount of \$28,707.06. All voted in favor of the motion. (Res. No. 2010-9)

Motion by Stobb, seconded by Martin to adopt a resolution approving the City Council of the City of Tracy urging legislature to reject the Governor's supplemental budget LGA cuts for 2010. This resolution shall be forwarded to Governor Tim Pawlenty, Speaker Margaret Anderson Kelliher,

House Minority leader Kurt Zellers, Senate Majority Leader Larry Pogemiller, Senate Minority Leader David Senjem and to the members of the state legislature representing the City. The City of Tracy has been unallotted state aid in the amounts of \$72,708 in 2008, \$47,366 in 2009, and \$118,415 in 2010. The City's LGA would be reduced by \$156,940 under Governor Pawlenty's supplemental budget for 2010-2011. All voted in favor of the motion. (Res. No. 2010-10)

Motion by Peterson, seconded by Snyder to adopt a resolution approving payment to Kue Contractors, Inc. for work completed on the Hospital Renovation Project in the amount of \$152,243.00. (Res. No. 2010-11)

The Consent Calendar includes the Municipal Accounts Payable, Firemen's Relief Association minutes for February 1, 2010, Multi-Purpose Center minutes for February 24, 2010, Economic Development Authority minutes for January 22, 2010 and Library Board minutes for February 15, 2010. Peterson asked if the payments to SEH for I & I Study was from the previous two studies and nothing to do with the flow meters that they just installed. Robinson said it was for the previous two studies. Chalmers asked if the flow meters had been installed yet. Robinson said they have been installed. Stobb said on the Multi Purpose Center minutes he was surprised to see the estimate on the kitchen has doubled from what they thought. Stobb asked if there were any updates on what was happening there. Koopman stated that she has not seen any documentation to support the increase and does not know what they are planning. Motion by Peterson, seconded by Chalmers to approve the Consent Calendar. All voted in favor of the motion.

Koopman noted for the record that the Board of Equalization is scheduled for Tuesday, April 27, 2010 at 7:00 p.m. Peterson, Chalmers, Stobb and Martin have received training. Koopman stated that for health reason, this will be the last year that Orlin Bruss will be the City's Assessor. Dean Champlain, County Assessor, thought it would be wise for the City to discuss if they would like to solicit bids or send out RFPs or possibly contracting for this service. If the City cannot find someone, the County will do it and charge the City a fee for each parcel. Mayor Ferrazzano felt they should put it out for bids. Koopman said she was going to check with the City of Balaton and see if between the two cities, we could get someone to do this. The two cities could share in the training cost, etc. Koopman stated that Bruss did start with the County and then went private and did a number of other communities. It was the consensus of the Council to have Koopman check with the City of Balaton and see what can be worked out. Stobb suggested they put out an RFP at a later date when it is confirmed that this will be Bruss's last year. Koopman said this can be discussed at the time of the Board of Equalization hearing.

Mayor Ferrazzano read the following letter received from Bernie Holm, Cemetery Superintendent:

March 8, 2010

Honorable Mayor and City Council,

My contract as Cemetery Superintendent expired February 1, 2010. No action was taken on my contract at the last Council meeting. Since then, I have given this matter a lot of thought and have determined it was time for a change. I've held this position for the past twelve years and have been available 24/7 during that time. I've treated all monument companies, vault companies and funeral directors who have worked with the cemetery fairly. The physical appearance of the Cemetery has improved dramatically since I became the Superintendent. I feel confident that I have carried out my job to the best of my ability. This letter shall serve as my notice that I do not wish to renew my contract as Cemetery Superintendent for the coming year. I have enjoyed the time I have served as superintendent.

Currently I have personal tools stored at the storage area in the cemetery including my rototiller that I used for the flower beds, plywood for planking when needed, etc. I will remove these items as soon as weather permits.

Respectfully submitted,

Bernie Holm

Mayor Ferrazzano thanked Bernie for the years that he has been the Cemetery Superintendent and recognized the number of uncompensated hours that he has worked in the cemetery.

Koopman reminded everyone that next Monday, March 15, 2010 at 6:00 p.m. is when the retreat is scheduled. This is for the Planning Commission, EDA, City Council and anyone from the public that would like to attend. She encourages everyone to do so.

Motion by Chalmers, seconded by Enderson to adjourn the meeting at 7:20 p.m. to conduct a performance evaluation on Kathie Christians. All voted in favor of the motion.

ATTEST:

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

\_\_\_\_\_  
Mayor

### March 22, 2010

The regular meeting of the Tracy City council was called to order at 6:30 p.m., Monday, March 22, 2010 in Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Peterson, seconded by Enderson to approve the minutes as presented for March 8, 2010. All voted in favor of the motion.

An addition to the agenda was 7-C Laurie Maeyaert – Summer Meal Program. A change was 8-A – Engineering Update. Stobb asked if there was anything the Council needed to take action on concerning the library issue. Chalmers said there is nothing yet that needs to be decided at this time. Motion by Peterson, seconded by Snyder to approve the agenda as amended. All voted in favor of the motion.

No public comments were presented to the Council.

The Council reviewed and considered bids for the 2010 Clinic Renovation Project.

1. Salonek Construction	\$ 99,300
2. Bladholm Construction	\$113,050
3. Doom & Cuypers	\$ 98,802
4. Kue Contractors	\$115,968
5. Sussner Construction	\$126,700
6. Gopher State Contractors	\$102,670

Koopman said that Horthy Elving, Architect, stated there is no indication that Doom & Cuypers would be unqualified to perform the construction for the clinic renovation and recommended approval of their bid. Stacy Barstad, CEO of Sanford Tracy Medical Center stated that Kue Contractors and Doom and Cuypers will be meeting on April 7, 2010 to coordinate work schedules. Motion by Peterson, seconded by Snyder to adopt a resolution awarding the bid to Doom & Cuypers for \$98,802.00 for the 2010 Clinic Renovation Project. All voted in favor of the motion. (Res. No. 2010-12)

Motion by Martin, seconded by Stobb to grant a Split Liquor and Sunday Liquor license to Margee Kronback and Shirley Matson for the former Mace's building contingent on payment of fees and submission of paperwork. All voted in favor of the motion.

Nielsen provided a letter to the Council stating he found no legal impediment to Martin serving on the Charter Commission merely by reason of his status as a Council member. He is also not aware of any provision in the City Charter that specifically states that members of the City Council cannot serve on the Charter Commission. Motion by Snyder, seconded by Chalmers to appoint Martin to the Charter Commission. All voted in favor of the motion.

Laurie Maeyaert was present to explain the Food Service Program that provides nutritious meals during the summer for at risk children. This program is funded federally and also by the Mn. Department of Education. They provide funding to sponsors for free meals to eligible children and one of the qualifications for this program is that 50% or more of the students are on free or reduced meals. Tracy Schools qualify with 60% of the students receiving free or reduced meals. Tracy would be eligible for the open site that would provide free meals to any child ages one to eighteen. Maeyaert stated that she has filled out applications and applied for two separate grants and should know by the middle of May if they are accepted and the other they would know by the middle of June. The school will be having reading programs in conjunction with the Food Service Program in the hopes that they will have more children receiving the meals. At this time Maeyaert is doing background work, working out menus, getting food and making arrangements for children that cannot get to a site. She will be putting information in the newspaper and planning a meeting where

the community can come to meet with her and help get students to the sites. The meals will be prepared at the high school and Maeyaert is hoping for drop off sites at the elementary school, Sebastian Park and Central Park as these parks have shelters in case of inclement weather. She stated that Pipestone has been doing this for the past four to five years and have found that drop off sites are very popular. She will be working with the local churches, athletic director, summer rec. programs and swimming pool staff to get as many children to the sites as possible. If there are enough children, reimbursement will be provided by the state. Maeyaert recently attended a Webinar with information as to the basic meal which includes a sandwich, fruit, carrots and milk. In the grant application was very specific about equipment such as insulated food carriers and hand wash stations. They will also make sure that flyers are printed in other languages and will post in the churches. Stobb asked if this will be for one meal. Maeyaert said the main focus will be for lunch and one of the grants is provided by a company that promotes breakfast which would be a cereal bar, fruit juice and milk. Stobb asked if the participants would have to eat the meal on site or could it be picked up and taken home to eat. Maeyaert explained that there will be some training involved to prepare paperwork, keeping track of numbers of students using the program and also some volunteer training, so is not sure if that is a possibility. She basically wanted to make the Council aware of what the program involves and how it will be operated.

S. Robinson from SEH presented an engineering report. The first thing he wanted to talk about was the 4<sup>th</sup> Street Storm Sewer and the intersection of 4<sup>th</sup> Street and Front Street to clear up the ponding of water. They have looked at two economical options. One option is to install a drain tile along Front St. to the first existing catch basin of about 400 feet to the East and tie into the back of that catch basin. They would have to reshape the area so that when the water comes from the outfall it would stay in a small area and that would reduce the area that is having constant flow from the County drain tile. They would place a six inch tile so that it does not overwhelm the existing storm sewer downstream. During a rain event that six inch tile is not going to be able to take all the water immediately so there will be some retention of water until the tile can catch up. There would not be a lot of reshaping and it would overflow much like it is now and then drain to the county ditch to the north. The cost estimate would be about \$6,000 by hiring a local contractor. To date there is still 5% retainage on the storm sewer project of \$13,386 from the project two years ago. This would be used to pay for this project.

S. Robinson indicated that another option that was looked at was that they had originally planned that they would have a direct drainage route of an open ditch or swale from this intersection to the County ditch. They looked at taking the most direct route they could and would cross property not owned by the city and an easement would be necessary. It does cut through the highest part of ground but as the ditch is approached, they would be back to where they would want to be for a final grade. The high point is about six or seven feet above the bottom of the ditch and when they got to the bank of the ditch there would be little or no excavation. They would use the dirt excavated at the upstream portion and use it to shape an embankment downstream. He is estimating it would be a 1,000 feet in length if they went that direction and since there is a seven foot cut at one point and none at one end Robinson is estimating three to four feet of excavation through that whole length. An estimated cost of this project would be \$30,000 to \$40,000. If they pursued the drain tile, eventually when the Front St. area is developed, there would have to be some work done to make sure there is flood control from that residential development. That could be done at the time of the development. The advantage of the drain tile is the most cost effective to address the problem today. If the open ditch was pursued directly to the county ditch that would take care of the development area now and for the future and would not impact the development of that residential property if and when that occurs. This would be a more permanent solution and the drain tile could be considered temporary in that future improvements would be necessary. Stobb asked if there was any thought given to just reshaping the present ditch so water will flow to the county ditch. This area could be re-graded so the water would eventually have an outlet. There will always be water flowing in and all that can be done is eliminate the standing water. So the Council needs to decide if they want a ditch with water flowing through it or if they want it as dry as possible. If they want it dry as possible they would have to do the drain tile with an inlet and if they are okay with flowing water then any of the drainage swales with proper drainage and proper construction would achieve that. Stobb felt the original plan was to have a ditch from the inlet to the county ditch and this was stopped due to the contamination. Originally it was designed to cross non-city owned property. Robinson was looking at coming at a more direct where they would come across city property. If

they re-graded what was there they are looking at a cost of less than \$10,000 but there will be water flowing through there and they can only eliminate standing water. Either option is feasible, but the Council needs to decide if they want to spend the \$6,000 or the up to \$40,000 at this time. Martin asked which would be better for future development of that area. Mayor Ferrazzano feels they should do the \$6,000 option and wants to see what happens with the development. Motion by Snyder, seconded by Chalmers to install the drain tile along Front St. All voted in favor of the motion.

S. Robinson indicated that with the I&I study, the recommendation is to pull the meters now and take the savings from terminating early to do some televising of District 17. This involves about 10,400 feet of pipe in District 17. This area is the worse I&I area from 5<sup>th</sup> to 2<sup>nd</sup> St. and from South St. to Harvey St. The railroad area is also included in this district. The ponds are designed to only take in 300,000 gallons per day and there is already that much coming from that area. There is a about 700,000 gallons total per day and we have had to by-pass for awhile now. What the Council had approved was to spend \$33,320 on I&I work and so far they have spent \$6,000 on metering but with it being such a wet spring, they now have the data that was needed. There is approximately \$27,000 left and to jet clean District 17 and televising it would cost about \$16,000. R. Robinson stated that this entails going in and cleaning the sewer and push a camera through there to see where clean water is coming in. Peterson asked if the street department had enough manpower to do the jet cleaning. R. Robinson said they did not have the manpower to do it but they do have the truck required to do this. Mayor Ferrazzano asked how the age of the pipe affects the I&I. R. Robinson stated that it depends on how they are sealed. There can be cracking which causes leaks. They can also check to see if a certain vintage of homes have a lot of footage drains. They need to do this televising while it is still wet. Mayor Ferrazzano asked when they would start this if approved. Infratech said they could be here in about one week. Mayor Ferrazzano asked what type of information would be provided from the televising. R. Robinson stated that they hopefully can find some tiles that are hooked in that should not be hooked in, areas of pipe that are leaking bad and would look for old farm tiles. Mayor Ferrazzano asked how this would be corrected. R. Robinson stated they would dig down and disconnect them. If these problems are in right of ways and if on private property it will be handled differently. The railroad area is taking about 10% of the ponds capacity so that whole area needs to be inspected. Motion by Peterson, seconded by Snyder to pull the meters and televise District 17. Stobb asked if they should be satisfied that because this is coming from snow melt rather than rain and if there is a direct problem from roof drains from the downtown area. R. Robinson said we have not had any heavy rains and that is the inflow part of I&I and infiltration is the snow melt. All voted in favor of the motion.

S. Robinson stated that previously the Council had asked about replacing some water main on Morgan and some of the side streets. There was also discussion about 4<sup>th</sup> Street and SEH put together a proposal for a feasibility study for this. SEH recommends that since they know there is going to be a large wastewater project coming up in the next two to three years that will be eligible for Rural Development funds, the City should consider these other projects and bundling them together and get the water main package in with the overall improvements and including some of the I&I improvements and the city would become eligible for more grant funds through Rural Development. Some of the projects will be put off to be done in a year or two but this would be the most prudent way to do it. There are several steps that need to be taken if the City would want to proceed in that manner. The water main work needs to be put on the Project Priority List (PPL). They do not need the feasibility study, just a cost estimate. There is a May 7 deadline to get the water on the project priority list. The recommendation is to get the cost estimate so they have numbers to plug in. SEH will prepare a cost estimate for \$2,500. Once the water work is on the PPL, they will have an idea of what the total cost estimate of what these projects is going to be. Then they would look at doing a preliminary determination for eligibility where they would put together reports and submit to Rural Development. They will come back with a determination of where the City would stand concerning grant and loan breakdown. R. Robinson stated this would probably be a \$6 to \$8 million project when everything is included. The more that is bundled together the more likely it will go on the grant side rather than the loan side. Once the City receives preliminary determination they can decide how they want to proceed. Once the City makes that determination, the earlier engineering report needs to be revised to include additional projects. The revised report would be submitted to Rural Development and they will have to go through the funding cycles and get the loan to grant break down. In the 2000 census, Tracy medium household

income was \$31,356 so the City is grant eligible. It may be at 2.75% or 3.75% and those rates change monthly or quarterly and this would be a 40 year loan. It is a lengthy process and best case scenario that construction could begin by mid to late summer next year and a more reasonable expectation would be 2012. He feels it is in the City's best interest to move in this direction. Any projects that are sewer and water or I&I related should be bundled into one funding package and the City will end up with the best grant package. S. Robinson stated that if the City would like to move forward with this, he would need authorization to do the cost estimate for the downtown area at a cost of \$2,500 which would be Morgan and 4<sup>th</sup> Street. In addition on 4<sup>th</sup> Street they will want a written commitment from the County as to a time frame after the utilities are installed as to when they will reconstruct the street. There are two blocks on 4<sup>th</sup> Street that do not have any water main. Robinson said they would like to proceed and get the water project on PPL by the May 7 deadline. Peterson asked if this cost estimate would be funded from the Utility Fund. Koopman stated it could either be from the Utility Fund or the Public Works Improvement Fund as this covers a much larger area that originally was intended. Mayor Ferrazzano feels it would be beneficial to bundle all these projects together because the City is going to have to deal with these problems. Stobb asked if the grant money was the one that was dependent on present sewer rates. S. Robinson stated that it was and there will be rate adjustments but the present rate does not have to be increased at this time, but will have to be at whatever level is determined at the time the construction starts. Part of the preliminary determination will give an indication of what those rates need to be and the City can work incrementally to that point over the two to three years. Motion by Chalmers, seconded by Martin to authorize SEH to proceed with the cost estimate at a fee of \$2,500. All voted in favor of the motion.

Stacy Barstad, CEO of Sanford Tracy Medical Center told the Council an outreach area walk-through inspection was done last week. The Mn. Department of Healthy will be coming tomorrow for inspection. On April 7 there will be a meeting with Kue Contractors to prepare plans for the clinic renovation. Barstad stated that they have been working on physician recruitment and have signed contracts with outside firms to help locate physicians for the Tracy facility. They are also working with a long term locums one of which has a Mn. license and has worked in northern Mn. and hoping they will be able to have arrangements by June 1 for six month coverage. Barstad said the volume of patients has increased in March. The medical center is working with quality initiatives to measure where areas of improvement are needed. They have participated in Safe Skin which involves prevention of pressure sores, preventing falls and Safe Count which is preventing instruments from being left inside patients. The facility has received banners for quality in those areas.

Verdeck said she has met with the new Library Board members and they have had two meetings per month to make plans for the library. They have received donations of farm books from Farm Bureau and Vahle's have donated a set of Laura Ingalls Wilder books from the museum in Walnut Grove. Martin asked if with the merger with Lyon County if there would be a name change from the library. Verdeck said Bob Boese; interim director of the Marshall/Lyon County Library has said the activation date of any merger might have to be pushed back to 2012. This is due to the County changing its levy and the current legislative session. There has been no opposition to the merger of the libraries and are continuing to go forward with the paperwork and other plans. One of those plans would include dissolving the current contract between the City of Marshall and Lyon County thinking it would be easier to start over than try to amend. Hours at the library have changed starting April 5 with hours on Monday, Wednesday and Friday from 10 a.m. to 6 p.m. and Saturday from 9 a.m. to 1 p.m.

Police Chief Hillger asked for any questions regarding the activity report. Peterson asked how things are going with the department being short one officer. Hillger stated that the officers and himself are getting tired. The public may have to either get used to the idea of an officer not coming out on calls or not having anyone on call at all. He is not sure how much money they are saving with overtime and paying for two hours on each call out. Initially the officers were in favor of the overtime. Stobb suggested that the Council review the costs and go over them to see what they should do in the future.

Radke reported that the big push right now in legislation is the gambling bill for video gambling. He does not expect anything to happen this year but they will be going for next year. It is estimated

this will bring in about \$1.2 billion for the state. This estimate was made by the state lottery. This has nothing to do with liquor sales. Peterson asked how this would affect charitable gambling. Radke said that everything will be the same as it has been in the past. Martin stated according to the Profit/Loss statement, there was a net loss for the month of February. Radke said February is a short month and last year February was down also. He said he has a plan in place if the sales would be down again in March. He indicated that sales have been good and is not worried at this point. In February off-sale was up approximately \$1,032.02 and on-sale was up \$1,295.97 with total sales for the month up approximately \$2,327.99. Stobb asked if anyone has looked at the condition of the west wall. Radke said that has not been looked at yet.

Gervais reported that the CDBG grant close out report has been done and he will be talking with Western Community Action and SW Mn. Housing Partnership about future grant applications for funding in 2011. He will be asking for bids on the writing of that grant application. They would be applying for owner occupied, some rental units and hopefully some commercial. The grants may be partnered like they were last year with other towns and townships but may be different areas than the last time. They have an agreement for the purchase of 941 S. Center St. to construct a residential home. There was some damage to seven of the eight units of the 5<sup>th</sup> Street town homes. The snow and ice was removed and just about all the repairs have been completed. The EDA board will be requesting bids to replace the shingles to take care of any future issues. Stobb heard compliments on how well the repairs were done. Dale Johnson Construction did the repairs and he did a very good job on the project. Gervais stated that he met last Tuesday with a gentleman that is interested in helping the EDA look at town homes for the community. At this time they stated it would be hard to find private people to look at building town homes but it could be something the City or EDA could look at it similar to what was done on 3<sup>rd</sup> St. E. This individual will be coming to the EDA meeting in April to discuss financial funding opportunities and location sites. They would include two bedroom and three bedroom and two car garages. There is an opportunity for the EDA to proceed with this with the bond rates at a very good level at this time.

Gervais updated the Council on the dentist. They met in Slayton on Wednesday and discussed funding options. There is a more definitive path being 90% sure that the future dentist will be building a new facility and that construction would start in the spring of 2011.

Gervais stated that last Monday night they had the first City vision and planning meeting and there will be another one this coming Monday evening, March 29 at 6 p.m. He felt it went very well and felt there were some clear ideas and goals brought up at that meeting. The next meeting should include establishing some timelines. A large majority of the business owners live outside of Tracy and an invitation to them is important as they are tax payers as well and are impacted by what the vision is and it is important to get their input also. Ideas discussed included cleaning up the community, doctor recruitment, and city goals concerning infrastructure and the city website. Gervais felt that marketing of the city using technology in a positive way with Facebook and other social media was a good.

Gervais introduced Dean Perdew from San Diego who is looking at moving here and has some business opportunities in mind. He said they met for about five hours today and looked at some different sites. Gervais stated that he would be a great addition to the community.

Gervais stated that loan to Four Seasons and Perfect Reflections have been extended with EDA Revolving Loan Funds.

Mayor Ferrazzano stated the next goals and planning meeting is next Monday to put timetables on certain things that were discussed. He said there was one thing in particular that was discussed and that was a website. He does not feel that is something that they have to wait for because the general feeling that he got at the meeting, was that the website the City has now is inadequate and he asked Gervais if it would be possible for him to look into how much it would cost to develop a better website, how it would be managed, and doing things like having a webcams in different parts of the town to advertise the town. Mayor Ferrazzano suggested they could use the advertising budget as opposed to running regular ads in the paper and putting that into a quality website. He stated that the one thing he heard is that the current website is confusing. Gervais stated that he did talk briefly with David Spencer and they could use the same [tracy.govoffice.com](http://tracy.govoffice.com) and go through the same

company that is currently used and get a new web. Dean Perdew confirmed that it was hard to do research on Tracy and he had to really dig and get information from Marshall. It needs to be user friendly for the City in order to attract people. The owner of the respiratory supply store was the one that turned him on to Tracy and he came to see what the city was all about. He stated there are no pictures of the town and it would be a good move for the benefit of Tracy to include some. Gervais stated that when doctors that are being recruited, there is not a lot of time for them to be here so they are doing homework on the community through technology.

Chalmers stated that the Library Board is look at moving the Library to a different location. If that goes through they would have the existing library building as vacant city property and asked Gervais if the EDA has discussed finding a good use for the property. Gervais stated that they have not at this time but there are individuals that have thrown out suggestions. With Mace's opening again, a portion of that could be used for a dining or banquet area.

R. Robinson reported that the street department has been filling pot holes with gravel and regarded 5<sup>th</sup> St. East. This street will be repaved this construction year. He said some of the alleys are in poor shape due to wet conditions and garbage truck. Repairs will be made as soon as weather allows. Part of the pool repairs from vandals has been completed but the contractor needs warmer weather for the sealants to work and to complete the project. On 3/12/10 at 4 p.m. they started bypassing untreated wastewater at the two bypass locations due to excess wastewater in the City's collection system. Both bypass gates are still open and flowing as of today. The bypass was reported to the Mn. Duty Officer and required samples were collected. On 3/19/10 the Utility Department repaired a water main break in an alley east of Park Street. This break was due to the corporation valve rotting off the water main that services Al Demming residence on Park Street. This was similar to the break on Morgan St earlier this year involving the PC&B property. Cooreman Construction was also brought in to help. On 3/15/10 Public Works responded to a call at 5 p.m. where melt water was entering a basement on Highline Road. City crews cleared snow from the ditch so water could run through the culverts. There have been several private sewer lines which have backed up this spring due to the wet weather. The City has received the new street sweeper.

R. Robinson said that it will cost \$1,098 to install the transfer switch for the standby generator. CHS has agreed to pay this cost. The switch gear will be mounted on the CHS office building and the City will provide the generator. The Hope and Hoe garden club has asked to borrow a city truck to haul trimmings when the hedge is trimmed. Peterson complimented the street department on their response to the flooding on High Line Road. Robinson said it was hard on the equipment and there will be some big bills coming in for the Terex loader as one of the brakes when out of it and parts for just one brake cost \$1,800.

Martin had received a complaint regarding snow removal in the alley behind 3<sup>rd</sup> Street and one of the businesses is getting water in their basement. Robinson said he has a file on that issue. This is private property but acknowledged that years ago the city had moved snow back there but have no right to be in there. The area is narrow and with the size of snow removal equipment, if they happen to slide at all, they leave scratch marks on the buildings. Other businesses along that area are responsible to clean their own snow. This area needs to be cleaned by the property owner as the City does not have the right of way and they would be crossing private property to get in there.

Mayor Ferrazzano asked who is responsible for painting the streets to mark the bike path on South St. It has become faded and is very hard to see and asked when it is scheduled to be painted. Robinson said that it is usually painted after seal coating has been done but it is the responsibility of the County to remark the street. Robinson stated that he could call the County and let them know about this. Snyder states that there is a large pot hole on the corner of State St. and Center St. that also needs to be repaired. Koopman stated in relation to the problem on Highline Road. She feels that it would be time well spent to have a meeting with the County and have the County Commissioner and County Engineer present. The problem was created by water that was coming from outside the City and the City had to deal with. The drainage plan did show holding ponds that were to be constructed outside the City would solve that problem. The County Engineer at that time had indicated the County did not want anything to do with it and that is where it was left. That was before the storm sewer was put in and discovered that the elevations were the same, so basically the County did get their outlet at no charge. She feels the County needs to be made aware that they are

getting a benefit that the property owners are not being assessed for and this problem has been totally ignored. Koopman feels the County needs to step up to the plate and recognize they are creating an even larger problem for the City and doing absolutely nothing to offset that problem. They could meet with them and also discuss the 4<sup>th</sup> St. improvements and these problems should be laid on the table for discussion purposes. What the City needs is a County Commissioner that is willing to fight for his district and they need to start applying some pressure in that area. This has been an ongoing problem and the County needs to be aware of the City's frustration of having to be put on the back burner continuously. 4<sup>th</sup> Street construction is not even on their five year plan and it is in dangerous condition. Peterson asked if the City has considered getting on the County agenda. Koopman said that before they take that step, she feels they should meet with the local commissioner and county engineer. Mayor Ferrazzano asked Koopman to set up a meeting and let the Council know when this will be held. Stobb feels they should work with Phil Nelson first and not go around him for an initial step. Koopman stated that she will discuss this with Nelson and if he wants he can invite other commission members.

Koopman reported that during the month of February she attended two City Council meetings, monthly contractor's meeting on the Hospital Renovation, Planning Commission meeting, met with the engineers regarding the I&I study and report and attended the Medisota Conference for the hospital on February 19 and 20. She has continued to monitor pending legislative bills that may impact the City and has been sending emails to committee members regarding the Sick Leave Expansion Bill that has been introduced. This bill would mandate that sick leave be issued to employees who are not currently entitled to sick leave, i.e. part time employees. This would put an even greater financial burden on cities. Another bill that she felt had merit was expansion of sales tax on clothing. She feels this is an excellent opportunity to gain additional revenue especially in light of the Mall of America where people come from all over to patronize this mall.

Chalmers stated that he will be attending Legislative Day at the Capital and asked if there was anything in particular the Council would like him to discuss. Stobb stated that he would be interested in information regarding funding for infrastructure for S.W. Mn. highways.

The Consent Calendar includes the Municipal Accounts Payable, Planning Commission minutes for February 1, 2010, Monthly Financial Report, Cemetery Commission minutes for February 18, 2010 and the Tracy Library Board minutes for March 17, 2010. Peterson asked if the bill for the water heater for O'Brien Court was a single heater for the whole facility. Gervais stated that it was. Motion by Chalmers, seconded by Peterson to approve the Consent Calendar. All voted in favor of the motion.

Peterson stated that he received an e-mail from Matt Miller, the union representative. Koopman also received this e-mail. He would like to set up a meeting on March 25, 3 p.m. Peterson is assuming that Miller has it Labor Management meeting, but it is just sit down and talk with the employees. Koopman said that she did e-mail him back as she was not sure how many employees would be attending and suggested that this meeting be held after hours, as they are already short two people in the street department. Koopman said she has not heard anything back from him. Mayor Ferrazzano asked that the Council be notified when this meeting is set up. Chalmers stated they have not done this before but has been set up for frequent communication between the union members and the city council to discuss any issues there may be.

Motion by Peterson, seconded by Martin to adjourn the meeting at 8:15 p.m. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**SPECIAL COUNCIL MEETING**  
**April 5, 2010**

A special meeting of the Tracy City Council was called to order at 5:30 p.m., Monday, April 5, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, and C. Snyder. Absent was R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Mayor Ferrazzano explained that this meeting was called to discuss entering into a contract with CHS for the purchase of fuel. Mayor Ferrazzano stated that the email received from Marla Verlinde quoted prices that would be good until the end of the business day today and questioned, since the business day has ended would these prices still be in effect. Robinson stated that he had called her on Friday to let her know that they would be having this meeting and the prices would be good. Koopman said the current price is \$2.83 per gallon for diesel and \$2.72 per gallon for gas. Koopman asked Robinson if he wanted to contract for the same amount of gallons as last year. Robinson stated the last amount they had was correct unless they think it may be lower. Snyder felt the cost would only go higher with summer coming. Robinson stated that after Labor Day the price seems to come down. Koopman stated that Verlinde recommended that customers buy some of their needs at these values; however she feels the customers should not purchase the total needs at this time with many variables that could move the market lower. Koopman said that last time they contracted for 8,000 gallons of gas and 4,000 gallons of diesel. The diesel was used and there were 920 gallons of gas that was rolled over into this year with an increase of .05 cents per gallon. Chalmers stated that they could contract for 6,000 gallons of gas and 3,000 of diesel and see what the prices do in the future. Koopman said that the contract price for diesel last year was \$2.29.9 and winter price was \$2.49.9. Chalmers asked when they had to start paying pump price again. Robinson stated that he was early part of snow removal. Koopman said that is the gamble that you take with entering into a contract. This year they had an excessive amount of snow removal and normally would not have used that much fuel. Peterson questioned if the \$2.83 for diesel was locked into till December, was this for the winter price also. Koopman said she does not address this in her email and Robinson stated that the winter blend is usually .20 cents higher. Gas last year was locked in at \$199.9. Chalmers stated they need to consider if they are going to use as much gas this year, they may have to cut down something such as travel and amount of patrol. Robinson said being a police officer short was involved last year. Chalmers stated that only reduced the hours they were patrolling by four hours. Koopman said with budget cuts, the City will be faced with losing \$59,000 for 2010 on top of what has already been unallotted. Motion by Chalmers, seconded by Martin to enter into a contract with CHS for 5,000 gallons of gas at \$2.72 per gallon and 3,000 gallons of diesel at \$2.83 per gallon. All voted in favor of the motion.

Nielsen stated Doom & Cuypers submitted the low bid for the clinic renovation at the hospital. The architects have prepared the contract documents. The contract does call for payment and performance bonds, and insurance certificates. Every thing is in order except the insurance certificate does not have enough coverage based on the contract documents. Nielsen discussed this with the insurance agent and this should be resolved by tomorrow and they will be issuing a new certificate with the appropriate amounts. Motion by Snyder, seconded by Peterson to enter into a contract with Doom & Cuypers for the clinic renovation contingent on receiving the revised insurance certificate. All voted in favor of the motion.

Motion by Snyder, seconded by Enderson to adjourn the special meeting at 5:45 p.m. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**April 12, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 12, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Peterson to approve the minutes as presented for March 22, 2010. All voted in favor of the motion.

Addition to the agenda included Reports 7-A1&2, Hospital Clinic Renovation Project, Sanitary Sewer Replacement and Sidewalk/Curb & Gutter Installation, 7-B Fire Hall Generator and Petitions, Requests, Communications 9-G Trees at Tree Farm. Motion by Peterson, seconded by Chalmers to approve the agenda as amended. All voted in favor of the motion.

Con Rettmer, 236 Hollett St. commented on a recent newspaper article regarding the EDA endorsing the building of eight new town homes. He stated that this would include bonding for \$1.1 million and that does not include the possible land purchase of Glaser property or school property. There was talk a couple years ago about using Central Livestock Property as a site for housing with planting of grass and trees. There are still lots available in the Eastview Addition and he is concerned that they are looking for new property. Rettmer feels that \$875 per month plus utilities is a lot of money and if there are vacancies, the taxpayers would have to make up the difference. Rettmer feels this is not a good time to bond for this project and it should be put on the back burner in light of upcoming projects such as sewer ponds, etc. He stated that he worked with Tom Serie on a housing project. Serie was not too happy when the second town houses were put up by Northstar, but we wanted a different style of home and that is why we went with Northstar. The way Serie was approaching the EDA, according to the newspaper, indicated that he wanted to get bids going in 30 days and fortunately the chairman, Fultz thought this was rushing it too much.

John Domine, 460 Monroe, spoke in regards to a public nuisance warning letter he received from Police Chief Hillger. He stated that everyone appreciates a warning but the violator needs to be told what the problem is for them to take advantage of the fire department doing a clean up day. Domine felt the last paragraph is very combative with a "gestapo" tactic. Domine asked "is the Chief a public servant or is he tyrant and just wants to get his way?" The person that was helping Domine write the comment asked that his name not be used as that person is in fear of retribution by the police or by the city. This brings in negative consequences to Tracy. This does not help the EDA with some of the stuff the Council has been doing and Domine questioned if the Council and should be policing some of this. The workers are only as good as the management is. He asked the Council what their mission statement is and what are they trying to do for Tracy. The Council is the boss here and he does not see how tactics like this are going to help bring business to town.

Stacy Barstad, CEO of Sanford Tracy Medical Center indicated that they have started with demolition in the clinic for the renovation of exam rooms, lab and nurses station area. During demolition, they discovered some piping that was not in good condition and fell apart when it was dug up. Gordy Kopperud, COO said that as the contractors cut into the cement to reroute the plumbing for two new exam rooms, basically the waste water line collapsed. Repair by hooking it into the old pipes cannot pass inspection as it will not hold pressure. The subcontractor under Kue Contractors is held responsible for his part of the project to pass. Kopperud said they are proposing to replace the waste water sewer line that runs through the hallways of the clinic and that cost of \$16,893 would be under the Kue contract even though they will be going into spaces that are under the Doom & Cuypers contract due the subcontractor having to make that work. Kopperud stated that in addition they saw an opportunity to redesign the exam rooms. Presently the exam tables face the doorway. Relocating the vanity allow the sinks to be moved into the corner opposite the doorway, then there would be room to relocate the exam tables so patients would be facing the wall opposite the door. This is not a necessity, but the providers are supportive of this and felt it was worthwhile for the cost of \$7,724. Doom and Cuypers would be responsible for the vanity relocations and the contract will not change. Kopperud stated that these changes will still keep the project within the

guidelines of the maximum project cost. Peterson questioned the cost of cutting and concrete removal is about the same for both projects and the vanities had to be going into the sanitary lines already and felt this was a little high. Kopperud stated that with moving the vanities to the corner, they would be cutting one line perpendicular to the sanitary sewer line and coming with a small line across to meet up with that. Nielsen stated that Harty Elving would have to provide change orders for this work. Koopman stated that the Council would be approving this as a change order because if this is held up, it would be another two weeks before they could start. She said the clinic building will be closed down and clinic operations will be relocated.. Kopperud stated that they had planned on phasing the project and because of having to cut the concrete in the whole hallway, the clinic patients will be routed to the hospital for appointments. The total cost of these projects is \$24,617. Stobb asked if they knew what the condition of the plumbing for the vanities is. Kopperud said that would have to be redone anyway and fed into the old line which they cannot do now. Stobb felt they had to do the plumbing part but asked on a scale of 1 to 10, how important it is that the vanities be relocated. Kopperud felt it was a 9 as this is important for the providers and is not a good set up and puts the patient in a compromising position. Motion by Peterson, seconded by Chalmers to approve the change orders of replacing the sanitary line and vanity relocation with a cost not to exceed \$24,617. All voted in favor of the motion.

At 6:45 p.m. a public hearing was held on Ordinance No. 308, an ordinance proposing a change to the Tracy City Charter so as to provide for a City Council of five persons. There being no public comment, the public hearing was declared closed and referred to the Council for their consideration.. Martin feels this is a good idea and five members for council is appropriate for a city the size of Tracy. He realizes this is tough for those at re-election time, but feels that seven members are too costly for the City. Chalmers understood the ordinance that they are voting on is to take the matter and place it the hands of the public and letting them make the decision. Nielsen stated that was correct. Stobb appreciated the change in the effective date. Nielsen stated that two other changes that were made from the last time, instead of stating passed by majority, it states passed by four. If they would make this change, they would not want to have all ordinances to be passed by 4/5 vote, so that is the reason for mentioning it in Section 3 to change that majority in the normal course of events. Nielsen said there is another area where it mentions four instead of majority for something called the emergency debt certificates. Mayor Ferrazzano stated that if the Council passed this ordinance the special election would be held on August 10, 2010. Nielsen stated that if the ordinance passes he and Koopman will go over how the questions will be worded on the ballot and the Council is required to formally approve that. Nielsen explained that if the Council passes the ordinance to refer to vote by at least a 4/5 vote, then it does not have to go back to the Charter Commission, the election will be scheduled and will be passed or not passed by a majority vote of the people. If for some reason the ordinance would not pass tonight by a 4/5 vote, but would vote by a majority vote, another option would be to refer back to the Charter Commission who would have the opportunity to review the ordinance and approve or not approve or make their own changes and report back to the Council. The Council could then accept or not accept their changes. It does have some time frames included to give the public the opportunity to inquire completely as to all the advantages and disadvantages. Motion by Chalmers, seconded by Snyder to adopt an ordinance proposing a change to the Tracy City Charter so as to provide for a City Council of five persons. Motion passed by unanimous vote.

Kopperud stated that in the original contract with Kue Contractors, there was 60 feet of curb, gutter and sidewalk that was to be replaced. The sidewalk running from the corner of 5<sup>th</sup> St. south is going to look ragged with 60 feet replaced right in front of the clinic. They are requesting approval for cost not to exceed \$8,500 to do the 68 feet which would complete the sidewalk. Koopman stated the sidewalk is cracked and uneven. Kopperud said that would be a change order for Council approval Kopperud stated this is for a six foot wide sidewalk. Motion by Enderson, seconded by Stobb to approve the sidewalk, curb and gutter repair with the cost not to exceed \$8,500. All voted in favor of the motion.

Fire Chief Dale Johnson stated that Sheriff, Mark Mather called and stated they got a new generator when they did the jail project and was looking for someone in the county to hold a back-up radio paging system for the southern half of the county for ambulance pagers, fire department pagers and tornado sirens. Mather offered the generator to the City which is an automatic switch generator. At the last county commission meeting the commissioners felt it was important enough for the generator

to be in Tracy, they then decided not to sell it and give it to the City of Tracy Fire Department to run as a back-up. It comes with the generator, exhaust, tubing and the only thing the department did not except was an extremely large fuel tank that would not work anywhere in the department's area. It was brought to Tracy and Hebig Electric will do the electrical work to make the connection at a cost not to exceed \$4,500. The fire department could build a structure to house the generator and materials would cost approximately \$500. Paul DeSmith stated that it would probably need a fluid change and that would come from the fire department truck maintenance account. The \$4,500 could come from the fund to replace the furnace, hoping the furnace would hold out for another year. Johnson stated the generator puts out about 75,000 watts and is about 15 to 20 years old. This would free up the generator that the fire department does have and that would go to the public works department to provide power for the fueling system. Chalmers asked what the fuel consumption would be for this generator. Robinson stated that he would probably be less than four gallons per hour and a 50 gallon fuel tank would be large enough. Motion by Stobb, seconded by Martin to proceed with the installation of the generator. All voted in favor of the motion.

Johnson reported that he received an e-mail today from FEMA. They received a similar one five years ago when the fire department received a \$74,000 grant. Johnson filled out the multiple page application and they send out questionnaire with 11 questions. When this happened before he had received the \$74,000 grant. He has filled out the questionnaire and asked the Council they would agree to meet the cost share percentage. The grant was written to replace the old tanker and wrote it for \$195,000 and the matching percentages would be from 5% to 20% and they are asking the Tracy Department if they can meet the 5% cash requirement. The depreciation schedule was redone a couple weeks and this truck was listed at \$67,000 and was to be replaced three years from now. If the grant is received the cost to the City would be \$9,000 for a new truck that would run for the next 40 years. They are going to keep the \$50,000 in the depreciation schedule that they had planned on spending and would be spending the \$9,000 next year when the truck would be built. Motion by Stobb, seconded by Snyder to have Johnson fill out the questionnaire and return it to FEMA. All voted in favor of the motion.

The Council thanked Johnson for taking the time to complete the grant application.

Motion by Peterson, seconded by Chalmers to enter into the Memorandum of Agreement between the City of Tracy and Thad Lessman, Cemetery Superintendent. Compensation would be at \$5,500 for the contract term to administer and manage the maintenance of the Cemetery. All voted in favor of the motion.

Motion by Chalmers, seconded by Peterson to enter into the Memorandum of Agreement between the City of Tracy and Thad Lessman, Cemetery Groundskeeper with a change in Paragraph 2 that the position will be supervised by the Chairman and Vice Chairman of the Cemetery Commission. Compensation for the contract term to mow and trim all grass and perform miscellaneous work on the grounds of the Cemetery is \$600 per mowing and trimming and \$15 per hour for miscellaneous work. Koopman stated both positions will be supervised by the Chairman and Vice Chairman of the Cemetery Commission. Stobb questioned that the Cemetery Commission voted three to two to keep these positions separate and because there are two different memorandums, they are still technically separated. All voted in favor of the previous motion.

Bob Zeilsdorf from Zeilsdorf Auction and Real Estate Services from Benson, Mn. was present to discuss the possibility of renting space from the City for a farm equipment consignment auction to be held in July and possibly another in December. The property they would like to lease/rent for this would be the Central Livestock property. He has been in business for 20 years and has expanded the business selling farm equipment and construction equipment. Zeilsdorf stated that they do three consignment sales a year in Benson and the program is getting requests from people in the Tracy area that they would like them to expand their program. He stated they would need the property for about three week's time and would bring approximately 1,000 people to town for the auction from a large area, possibly up to nine states. About seven to ten days before the auction, people are bringing equipment into town and when they get here, they are empty on fuel, have a flat tire, they buy batteries, they eat lunch in town and they buy gas in town. They try to have the sale on a Wednesday or Thursday because it gives them more time to set up. The weekend before the sale there is generally 500 to 600 people that drive through to look at what is being sold. He does not ask for City

protection and does not have a problem with theft from the sale area. The first auction for this area would be somewhere around July 20, 2010. Zeilsdorf uses the local newspaper and shoppers for advertising. One of the questions he is frequently asked is what they do with the stuff that does not sell. He stated that buyers are given a deadline to come and pick it up and if it has not been removed by that deadline, the salvage men are notified and it is gone. They will provide information on their insurance programs to make sure the City of Tracy does not have any liability. They bring their own staff to park cars and have loaders and equipment and if they do not have the right equipment, they would try to rent something in the community. Zeilsdorf would like to position two sales this year at Tracy as that is how it works for a farm community. Stobb asked Zeilsdorf how many acres he would need for this, because the fields are farmed by the school. Zeilsdorf stated that what land is not plowed is plenty of room for what they need now. He asked if there was a small space if they would get something on a pallet that would need a roof to set it underneath in the building. They do not need electricity. If they need help or work, they try to hire local people to come in and help. Chalmers asked if they would be using some of the property for parking. Zeilsdorf had discussed parking with Gervais and options were discussed. Robinson stated that the property is also used as a snow field and with discussion of possibly having a sale in December that this year by Christmas they had already hauled in 700 loads of snow out there. Zeilsdorf said they would be looking at having the sale in the early part of December. Stobb felt like this would be something they should pursue as a city and asked if it would be beneficial for a group to establish the perimeters and amount of lease/rent to be paid. Motion by Martin, seconded by Chalmers to give EDA authority to work with Zeilsdorf Auction to draft an agreement to hold consignment auctions at the Central Livestock property. All voted in favor of the motion.

Gervais stated he would like to address a couple points that Mr. Rettmer brought up earlier. The EDA has looked at town homes for a period of time and talked about it at the recent the planning and vision meetings. He would appreciate it if there are concerned citizens that they come and talk to himself or any member of the EDA Board for facts. Gervais said that concerning the amount of rent, he could provide rent information. These rents would be in line with other housing that is out there. Gervais encouraged everyone that as they move forward with this to drive to Springfield and take a look at town homes that are being built by F & L Management. They are exactly what we are looking to build in Tracy. Gervais stated the Morgan Street town homes are full and rent for \$750 per month. Gervais stated they have a waiting list of 26 names for rental property on 5<sup>th</sup> Street that rent for \$600 per month and \$625 on 3<sup>rd</sup> Street East. He noted that it would be wonderful if a private contractor would construct the town homes, but the difference is where the EDA and City can bond at 4%, compared to a private contractor at about 7%. Gervais stated it would be a similar situation as to what happened in 1995 and 1997 when the EDA could not find private individuals to build town homes and went ahead and bonded for those with the idea at some time down the road they would be sold. Gervais stated they would encourage people to go to Springfield and look at what is built there and try to get some of the town homes pre-rented before they were built. He has not been contacted by any concerned citizens but has been contacted by one person on the waiting list that is excited about the possibility of new town homes. Some of the people have been on the waiting list for quite a long time. These new town homes would be zero depth entry, no steps, wide doors, two car garage and two to three bedrooms. Mayor Ferrazzano asked about the question regarding acquisition of land. Gervais state they are on the agenda for the next school board meeting. An issue that had been discussed in the past would be to swap the softball fields for property by the school. He said the property they are considering at this time is the land that has a driveway west of the elementary school that goes into the property and south of Greenwood Nursery where the pond is right now. It is an area approximately 450 by 450 square feet that they are looking at. If the school district owned the softball fields, community ed and other organizations that use the fields would be more apt to get some volunteers to help maintain them. Gervais and Tom Serie toured the City and Gervais showed him the Glaser property, Front Street, school, Swift Lake Park without indicating a preference for any property. On Front Street the infrastructure is there, EDA owns the property, but that would be number 3 on Serie's opinion. His number 1 site would be the school property. With approval from the Council, Gervais would like to offer the swap of softball fields at Monday night's meeting. Chalmers understood that the MPCA put a moratorium on any new development. Gervais and Robinson had talked with MPCA regarding this issue. Gervais and Robinson have prepared a list of the homes that have been demolished in the past 15 years and some may have been replaced with houses in the Eastview Addition but we still have 30 to 35 properties on the list. Robinson said he had discussed this with the MPCA and they would not allow a permit

for sewer extensions, but would go along with a situation where houses can be traded out and not adding more. Chalmers felt this was confusing from the standpoint that they have removed those properties but still have a problem with the amount of flow and was wondering if this would be putting an additional burden on the ponds. Robinson said they are working on getting the flow down and are a few years out from getting new ponds. Gervais said they would like to start construction of the town homes by summer. Stobb did not feel the MPCA wants to put the breaks on all development within the town. Robinson stated the MPCA is aware that the City is working toward new ponds. Motion by Enderson, seconded by Martin to present information to the school board for the swap of land for softball fields. All voted in favor of the motion. Gervais stated that they will be doing their homework as they move forward with this project.

Diane Weick said they are trying to move this along and do the steps that they are able to do as the Council has their regularly scheduled meetings. No decision has been made yet and they will not be made unless part of her request this evening for a public hearing is held. Weick she would like to explain why this program that they call the Essential Function Bond Housing Program has had great success in Tracy previously and why it continues to be used extensively. The financial and economic climate have not gotten any better since their group built housing in Tracy 15 years ago. It is more difficult for the private sector to meet the needs and that is why it has not been met here in Tracy and there continues to be an extensive waiting list for units similar to these. The main reason is financing on these projects for new construction. There are mechanisms available to the EDA that are not available to the private sector. A 2% difference in interest rates makes it very hard for the private sector to cash flow units at affordable rents. The rents that were being discussed here, if the private sector were to do these projects would be \$250 per unit more per month due to the higher interest rate. This is not low income housing and it is not designed for that and the legal term is moderate income and it is more comparable to market rate rentals. The units are larger and have more amenities and should have higher rent levels compared to low income housing. The smallest unit they are proposing is 1300 square feet plus the double car garage and the larger unit is just under 1500 square feet. They have found there is more and more demand for these size units as people are not willing to accept less in their housing, but as the baby boomer generation retires, they want to get out of home ownership and be able to go south for the winter if they want. The demand for this type of housing will increase. Construction costs and interest rates do not stay the same. Weick said they are hearing predictions that the interest rates are going to start rising again. They feel this a very feasible time for Tracy to consider the construction of more housing. F & L would be asking Tracy at the city level for some additional security on the bond by "backing the bond" with the full faith and credit of the City. These projects are designed to be self supporting and make their own bond payments. The additional security provided by the City with general obligation authority does allow for negotiation of more attractive rates on the bond with the banks. Weicks stated that does not mean the City makes the bond payment and the bonds are issued to the EDA and not the City and the EDA makes the bond payment from the rent revenues on the project. Only in the event the project could not make their bond payment, would the EDA come to the City and ask for assistance. This is considered a contingency debt to the City and does not affect the bond lending limits. Weick said the EDA is very healthy and Gervais stated there is a \$200,000 cash balance on the 3<sup>rd</sup> Street East units and \$9,000 cash balance on the 5<sup>th</sup> Street units. The success has been demonstrated by the EDA. She encouraged interested parties to tour the 6 unit building in Springfield that is being constructed. Koopman questioned when Essential Function Bonds were used when they built the 3<sup>rd</sup> St. East apartments they were not back with a full faith and credit of the City, and asked why this was now changing. Weick said there are two ways that those Essential Function Bonds are issued. One is the way they were issued in 1997 and that was referred to as a pure revenue bond and the security was an Operation and Maintenance Deficit Agreement with the City whereby the City agreed to pay any of the operating and maintenance expenses if the project experienced negative cash flows. That guaranteed the bank would get the principle and interest payment on the bond first out of the revenues and if there was a shortage the City would assist with operating expenses. Weick said this turns this around so that if the EDA has trouble making bond payments they could ask the City for assistance on the bond principle and interest also. She said it is their job to work with the EDA to design a project between the construction costs and bond financing and will be giving the EDA cash flow performance based on the final estimated cost. In doing preliminary groundwork, Weick did get some documents prepared and emailed today. Two of the documents are for the EDA who will be meeting on Friday and on top is the city resolution that F & L would be requesting the City to schedule a public hearing on this general obligation backing of the bond. The EDA will need

to adopt their documents first before the City can officially adopt the resolution. Weick is asking that they set a public hearing at the next meeting. If they do go with the building site that has been recommended, with the infrastructure cost of the site and the building cost, they will be looking at a \$1.275 million bond issue. Weick stated they are working with Drown and Assoc. as a financial advisor as this bond will be a public offering. They also have a long standing with Briggs and Morgan, the bond attorney, who has done all their projects for many years in Minnesota. Weick is asking that at the next Council meeting a public hearing be scheduled. Even with setting the public hearing, this does not mean the project is a go. Chalmers did not quite understand the urgency on this and wonders if there is a particular reason they are trying to move so quickly. Weick said that one reason is interest rates because they are hearing the interest rates are going to go up and even a 0.25% is going to cost \$50 a month on rent for these units. She feels that another reason is for the 20+ waiting list. The demand continues to be there and it is not being met. Construction costs also increase each year. The fourth reason would be the financial health of the EDA with the existing units and they have demonstrated they are successful and doing an excellent job and are not at risk. Stobb stated that they are asking the City, if all this goes through, to handle the bonding for the project and set up. The bonds are issued to the EDA and not to the City. This is all included in the total project cost and bond issue. Weick stated that their job as a developer and project manager is to keep costs at a minimum, especially the soft costs and since they have worked extensively with the financial advisor and the bond attorney, F & L has negotiated their fees downward and she feels they are talking in the five figures that they could save on this project. Gervais stated the EDA has not signed an agreement yet with F & L Management and at the last EDA meeting they agreed to move forward with the conceptual idea of these town homes.

Motion by Peterson, seconded by Enderson to waive the fee for use of the VMC by the Tracy Women of Today and the Tracy Lions Club to sponsor the Jose Cole Circus on May 8, 2010 at 7:00 p.m. All voted in favor of the motion.

Motion by Enderson, seconded by Peterson to give the Tracy Women of Today and the Tracy Lions Club to hold the Jose Cole Circus in the VMC on May 8, 2010. They are also requesting the use of the front end loader with the bucket from the public works department. The Circus will also need to have electricity available to them when they get here in a similar set up that they have done in the past. All voted in favor of the motion.

Koopman indicated Gwen Nelson has submitted her resignation from the Cemetery Commission. During the interview process Sis Beierman indicated an interest in serving and Koopman is requesting that the Council consider her for this position with the term to expire in 2012. Motion by Stobb, seconded by Peterson to appoint Sis Beierman to the Cemetery Commission with a term to expire in 2012. All voted in favor of the motion.

Chalmers asked if they had decided if they were going to hold a public meeting concerning the 4-plex project. Mayor Ferrazzano said they cannot make that decision until the next council meeting. They have to set the public hearing at the next meeting.

Robinson said Steve Johnson from Lyon County and S. Robinson from SEH and himself are going to look at possibilities for sewer service to the property where the 4 -plexes would be constructed

Robinson informed the Council that there are three sanitary sewer services involved in the Rowland Street issue are where Bryan Hillger, Alan Schultz and Muriel Kor live. The Kor residence is currently empty. They've had a long history of sewer problems because the houses were built too low in the ground in relation to the elevation of the City's sanitary sewer main. Many years ago a clay field tile line was installed in the boulevard to serve as a sewer line for these three homes. With the elevation problems this line had very little grade or slope on it. This line was televised in 2008 and found to be collapsing and to remedy the problem with minimal expense; the City had a contractor replace that line with a plastic line as part of a utility project. This line was installed with very minimal grade or slope. This effort to replace the collapsed clay line with a new plastic line has not worked very well as the homes are still experiencing frequent sewer plugging. The correct way to remedy this problem would be to have individual sewage lift pumps installed in each of the three homes basements and reset the grade on the newer plastic line at an acceptable grade or have each of the three individual lift pumps piped directly to the sanitary sewer manhole in the street. Placing

a common lift station in the boulevard for each home to gravity flow into. This may be prohibitive due to the fact that there is also a water main in the boulevard which causes a space constraint. There are several homes in Tracy that have had to have individual lift pumps installed because of elevation issues. Robinson stated these have all been assessed back to the homeowner or the homeowner has installed these on their own. Robinson said the only way to get grade on this line would be to go easterly on Rowland until they could accomplish grade on the main which would be cost prohibited. Robinson said the repairs that were done in 2008 came out of the Surcharge Fund. Koopman said the line that was replaced was a replacement line where the lift station would be a new improvement to the line and that is why this would be assessed. Robinson stated that have been trying to Roto-rooter the line to keep it open but it has come down to where it is getting to be too frequent and something different needs to be done. Robinson said they would go in and create a grade and the residents would then have to install the lift pumps and have it pumped to the line for proper flow. Robinson said the lift pumps are typically placed in the resident's basement. Nielsen asked if these lift pumps would wear out or break who would have the maintenance obligation. If the resident puts it in and pays for it, it is their pump and there would be nothing to assess back. Robinson said if the City would take the project and hire a plumber to install the pump, he feels the equipment would belong to the homeowner after that. Robinson stated the City would provide the graded line and the homeowners will pay to hook into that. Koopman said that this has been an ongoing problem, if the City wanted to help the homeowner out financially if they could not pay for it all at one time, the City would take it on as a project and hire the plumber and supply the lift station and assess it back to the homeowner. The resident would not pay for the grade work as that they already have that sewer. Stobb asked if a common lift station would resolve this issue and what would happen if the residents would like to put in a common lift station on their property and not the boulevard. Robinson said this would work, but then a resident would have to run their sewer line through their neighbor's property. Nielsen stated that this needs to be clearly documented so a new buyer of one of these homes understands and knows the consequences. Robinson said he has seen individual lift stations advertised for about \$800 with an alarm. Peterson feels the property owners should be made aware of the cost before any decisions are made. Mayor Ferrazzano asked that Robinson get cost estimates and it can be discussed at the next council meeting. He does not have a problem with helping the homeowners pay for this project.

Robinson stated that years back they got some trees for \$1.00 a piece and now they should be moved this spring before the trees become too large. With the budget cuts the City does not have the funds for a tree spade to move these trees. There are approximately 40+ trees that need to be removed. Robinson has suggested to the Council to allow Tracy residents to go and get a tree as long as the resident pays all the fees associated with moving the tree. They would limit it to one tree per residence on a first come first served basis. It was the consensus of the Council to allow residents take a tree as long as they paid all the fees associated with moving the tree.

Koopman stated the ordinance on approving material modifications and special enrollment right to the City's Flexible Benefit Plan did not have an impact on any of the employees but is required by the IRS. Motion by Chalmers, seconded by Stobb to adopt a resolution approving material modifications and special enrollment right to the City's Flexible Benefit Plan. All voted in favor of the motion. (Res. No 2010-12)

The Consent Calendar includes the Municipal Accounts Payable, Hospital Board minutes for February 17, 2010, Economic Development minutes for March 19, 2010, Cemetery Commission minutes for March 15, 18 and 29, 2010, Firemen's Relief Association minutes for March 1, 2010 and Multi-Purpose Center minutes for April 2, 2010. Peterson asked if Check #050458 to the League of Mn Cities Ins Trust was all for work comp insurance. Spencer had replied that it was unless the audit for Work comp shows that the City owes more. Peterson also asked about Checks 050530 and 050595 to Sahlstroms Htg & Plmb, Inc. was for work done on the sanitary sewers on Rowland Street. Robinson stated that this pertains to the sewer problem that he had explained earlier in the meeting. Motion by Enderson, seconded by Martin to approve the Consent Calendar. All voted in favor of the motion.

Peterson asked about the status of the Josh Hunt plumbing bill on 8<sup>th</sup> Street. Nielsen stated this has been referred to the insurance adjuster who stated there was no coverage for this type of situation.

He has been trying to get back to the adjuster and find out what part of coverage this does cover. Nielsen will report back to the Council when he has more information.

Peterson asked when the annual performance reviews need to be done. Koopman asked the Council if they want to take part in the reviews of the department heads and if so, when they would like to do these. Mayor Ferrazzano asked the Council if they would like to do them similar to what they did last year with the employees input. Chalmers did not feel they needed to do that this time as many employees were uncomfortable with doing that. The Council decided they would not do this again at this time but the Council would take part in the evaluation of Koopman and department heads. They will do the performance review on Koopman after the May 10 regular meeting and then have a special meeting to do the reviews on the department heads on May 17, 2010.

Koopman reminded the Council and public that the Board of Equalization hearing will be held on April 27, 2010 at 7:00 p.m.

Koopman said that due to the financial constraints she is asking for volunteers to “Adopt a Flower Bed”. She is recommending that the City pay for the cost of the flowers if the volunteers will agree to plant and maintain the flower beds. Last year there was enough volunteers to maintain all the flower beds and they did a great job. Koopman will place an ad in the paper asking for volunteers.

Chalmers stated that the Council has been contacted by residents about the nuisance notification. The main issue was not about the nuisances but were upset about the way the notice was written. He feels an easy way to take care of this would be have Nielsen draft an official form for sending out this warning that states what the issue is. Koopman feels the intent of the letter and windshield survey was to identify properties that may be in violation of the nuisance ordinance. If Hillger and Gervais would have had to take the time to identify specifically what would be a nuisance on these properties it would have taken three times as long. This is just a general notice to let them know there is potential nuisance violation and inform them of the price list the fire department has put together for the city clean-up. Peterson stated that a couple complaints he had from residents is that when they contacted someone about this, they were told they did not know and would find out in a couple weeks. Mayor Ferrazzano felt that even if it did take longer, it maybe should be done. Koopman said that they have not had the clean up day for some years; and felt it would be a good idea to let some people know there was a potential violation before it become an issue. Chalmers said that it should be so that a potential nuisance can be categorized into some general category such as weed, rubbish, etc. A standardized form that can be sent out in neutral language to prevent residents from becoming upset should be developed. Mayor Ferrazzano feels they should have a language neutral form. Nielsen feels there is a form that was used for the annual nuisance inspection that has check boxes and gave more an indication of what was wrong.

Motion by Chalmers, seconded by Enderson to adjourn the meeting at 9:00 p.m. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**April 26, 2010**

The regular meeting of the Tracy City council was called to order at 6:30 p.m., Monday, April, 26, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Chalmers to approve the minutes as presented for April 5 and 12, 2010. All voted in favor of the motion.

An addition to the agenda was 13. Closed meeting to discuss property acquisition. Motion by Chalmers, seconded by Peterson to approve the agenda as amended. All voted in favor of the motion.

No public comments were presented.

Nicole Larson, Kinner and Co. was in attendance to present the 2009 Audit Report. It is not bond at this time as new procedures require that the audit be reviewed and approved by the Council prior to official binding and dating of the reports. Larson stated that Kinner has audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Tracy for the year ending December 31, 2009. Larson stated they found a good report with no material weaknesses or misstatements noted during the course of the audit. Larson referred to the Statement of Net Assets and this is the new presentation where it includes all the governmental assets, depreciated bases as well as all debt. The City is just under \$19 million in total assets and in 2008 that amount was \$17 million. Liabilities are up as well from \$10.4 million to just under \$12 million which is a 15% increase. The overall Net Assets also increased 4% from \$6.7 million to just under \$7 million. Larson stated the overall financial position is stronger in 2009 than it was in 2008. The Statement of Activities showing revenues and expenditures for governmental activities include general operations for the City and business type refers to utilities, deputy registrar fund and those types of things. The governmental activities contributed an increase in net assets by \$247,000 and the business type increased by about \$6,000. Larson stated that special revenue funds, should adhere to budgeted expenditures. There were funds that had more expenditures than was originally budgeted and notations have been made. If a change to the original budget numbers need to be made it should be looked at and the City could consider an appropriation or modification for an expenditure that is going to exceed the budget that was originally passed. There are three funds with a deficit balance including Economic Development Fund, Fire Equipment Replacement Fund due to the purchase of a new truck and 5<sup>th</sup> Street Apartment Fund. In addition to auditing the financial statements as a whole, compliance is also monitored with laws, regulations, contracts and grants and making sure things are done the way the State and granters stipulates. There are some write ups with this, however they are not ones that Larson is concerned with. There is little the City can do to alleviate those write-ups without significant cash outlay on the City's part. Segregation of duties, year end closing procedures and final financial statement preparation are the three write ups and are due to the size of the municipality. It is difficult to maintain separation of duties without hiring additional personnel. This would not be a cost benefit. For a couple years the Liquor Store operated with a deficit and that has been closely watched. Both 2008 and 2009 were positive years and they did transfer funds to the General Fund in the amount of \$30,000 for the two years combined. The 5<sup>th</sup> Street Apartment fund is better than last year but still struggling to maintain its own and did have a \$1,000 deficit of operational income for 2009. This fund should be operating as a positive and the EDA is closely monitoring these funds. Larson presented a summary of 2005 to 2009 of the revenues by the major revenue types. The bar graph presentation shows what has happened over those years. There are pie chart presentations which show where the revenue comes from for each of the different types of revenues. For expenditures there is a break down fund by fund for the past five years. They do not want to see major increases and one that stands out is capital outlay. This is a fund where there can be large fluctuations depending on what is happening in the year. The reason for the rise in capital outlay is the purchase of the fire truck and the medical center remodel. This also contributes to the overall equity and assets of the City. Debt service can also show large fluctuations. Larson did not

see anything that would cause great alarm. There was a \$4,100 difference in cash from 2008 to 2009. Receivables are virtually the same and current assets are virtually the same. Larson feels this is good considering the economy for 2009. Larson indicated that in Liabilities show just the current ones and are only ones that will be paid off and liquidated within 30 to 60 days. They want the liabilities staying about the same or going down. Accounts Payable has increased, however 2008 was a very low year and what is payable at the end of 2009 is related to the CDBG fund. Stobb felt that with all the decreases the City has taken in LGA, he would have expected to see more change in the audit. Larson agreed but felt it was attributed to the City offices being able to make some cuts and tighten the belts. She felt that 2009 was a good year and things are going in the right direction. Larson stated the office staff has been very easy to work with and have information available when needed.

Stacy Barstad, CEO of Sanford Tracy Medical Center reported that Doom & Cuypers started demolition today on the clinic renovation project. The plumbing plans have been approved by the State of Mn. Barstad stated that they continue to work on physician recruitment. They are waiting for a decision from an Internal Medicine physician who is currently doing his residency at Hennepin County Medical Center and would be available to start practice in June 2011. There is a possibility that a friend of the first interviewee may be interested in relocating to this area after his residency and would also be available in June 2011. Peemon Her was chosen as Employee of the Year from a field of 1,800 employees. She works at the hospital as a nurse and also as an interpreter. The Institute for Diversity has invited Sanford Tracy to speak on a panel at the national meeting in Chicago in June. Barstad states that Sanford Tracy employees have had training and teaching in cultural diversity by having Peemon as an employee and have posted signs in the facility in different languages and have also worked with community focus groups. Satisfaction surveys will be distributed in the Hmong language.

Radke reported that he is not satisfied with the bottom line for the month of March. Off-sale was up approximately \$204.87 and On-sale was up about \$361.81. He had karaoke on the Sportsman show weekend with a good turnout but nothing fantastic. Radke stated he would like to see increases in the profit statements but will be implementing things such as changing prices on some inventory and cutting back on contractual things and see what happens in the coming months. The 2010 Minnesota Municipal Beverage Assoc. annual conference will be held May 15 – 18 at the Arrowwood Resort in Alexandria. On April 18 all the liquor store employees attended the liquor assoc. annual liquor training at Breezy Point in Currie. This is mandatory for the Tracy Liquor Store for the liquor insurance coverage.

Police Chief Hillger asked if there were any questions regarding the Activity Report. Hillger provided a report of how much savings there are by having two officers instead of three. When comparing 2008 expenditures to 2009 there was a savings of about \$19,000. He explained that you cannot go by wages alone as there are savings on health insurance, uniform allowance, etc. Another reason for the savings is that Hillger has been taking some calls himself and does not get paid extra for call time. Stobb stated that he has heard from neighboring towns that there are cop grants and wondered if that was a possibility for Tracy. Hillger stated that he could look into this but those types of grants come with some strings attached. Stobb questioned if the \$19,000 savings justified the reduction in staff and questioned where the money would come from to hire another officer. Hillger stated that he did not expect a change anymore this year, but next year the budgeted could include funding for another officer. Peterson asked if the department could cut back on coverage. Hillger stated that they would then have overtime for on call as the officers get paid two hours for a call out. Stobb asked if some of the calls could be transferred to the County. Hillger said that the County is also down two officers and they have no one patrolling after 2 or 3 a.m. Chalmers said that the nuisance warning letters have stirred up some discussion by residents with the complaint that they did not know what the specific offense was or what needs to be taken care of. Chief Hillger stated that the last line of the letter stated that if there were any questions, they could contact him. More than several of them did contact him. Chalmers heard back from some that said they contacted the police and they are not sure what the nuisance was but were told to look around and they would be able to figure it out. Chief Hillger did not know that that was true. Stobb asked if these were individuals that did not talk to Hillger directly. Chalmers stated that Barb Johnson was one of them that did come in and talk with Hillger. Hillger said he told her basically what her problem was and he was told that she had cleaned it up but has not been back to check on this. Chalmers asked that

since they have to go back and look again at these properties, if they need to be written up and go around and try to figure out what it was that the warning was issued for in the first place and get that out to them. Hillger said that they can certainly call if Gervais wants to go out again, they can certainly go around. Hillger stated that the ones that had been coming in with complaints have typically been on the nuisance list from the first time it was started. This was a warning letter and care was taken to not be too specific because the item that you do not tell them needs to be taken care of will continue to be ignored. Hillger also included in the letter that they were to contact him if there were any questions. He said that he had talked with Fire Chief Johnson about the clean up list for May 1 and none of the public nuisance violators have taken advantage of this clean-up that will be done. This public nuisance has been nothing but difficult for his department and asked the Council what they want done about this issue. Chalmers stated that he did not think it had to be anything specific, if at least the violators could be given a general category that the nuisance would fall into. Then if it does come to a citation, they have no reason they could not have known what needed to be fixed. He said that if the Council wishes, he and Gervais can again go around and state more specifically what needs to be taken care of, but this would be very time consuming. Stobb did not feel they needed to do that, but if calls were received about what the nuisance is, Hillger could go and talk to them about it. Mayor Ferrazzano reminded the public that the fire department would be doing a clean up on Saturday, May 1 starting at 7 a.m. so any items that need to be picked up need to be at the curb before that time.

Robinson reported that on April 18, he, Steve Robinson and Scott LaVoy from S.E.H., met with Suhail Kanwar, Steve Johnson, and Adam from Lyon Co. Public Works concerning 4<sup>th</sup> Street (CSAH #11). Discussion focused on what role the County would take in the event the City would replace utilities on 4<sup>th</sup> Street. Robinson attended a meeting with Phil Nelson concerning the flooding issue on Highline Road and at that time he asked Nelson about re-painting the bike path on South Street Nelson said he would look into it. Mayor Ferrazzano questioned if the City would be responsible for this re-painting. Koopman said since it is a County Road, the County would be responsible for the re-painting on South Street. They have indicated they will be doing this with the fall striping program. Robinson said that this is contracted out and all the painting is done at one time. With funding approval from the EDA the sanitary sewer main was televised at the intersection of 4<sup>th</sup> Street and Front Street going south to determine the pipe's length and condition. This sanitary sewer line does not go very far to the south. At one time there was a home by Greenwood Nursery and the main only goes as far as running parallel to that house. Televising was done for the possibility of the four-plex project moving forward. He met with Steve Johnson, Lyon Co., Steve Robinson from S.E.H. and Tom Serie to determine the best method to provide sewer service to the proposed four-plex. What they found was that the best method would be to go south on the west side of the road to Pine Street and then cross 4<sup>th</sup> Street and go to the east and that is where they would pick up the City's sanitary sewer main. A 15 foot utility permanent easement to the school's property would be necessary. That would also service the area on the east side of the road if anything was to be developed there in the future. Robinson said that the Tracy Ready Mix plant is having a plumber install a larger water line to the building so they can fill cement trucks faster. They will need a three inch turbine water meter to meet their needs. The City recently installed a new two inch water meter at the plant. The cost of a new three inch turbine meter is \$999.69. In the past, the City has always bought the water meters but this is a little different because the plant wants to upgrade their system. Robinson asked the Council if they felt the City should purchase this new meter even though the current one is only two years old or should there be a cost share. Mayor Ferrazzano felt it should be a cost share. Snyder suggested that the Tracy Ready Mix plant should pay the cost difference from a two inch meter to a three inch meter. Robinson estimated that cost to be about \$300 plus the installation kit of \$60 to \$80. It was the consensus of the Council to have Tracy Ready Mix pay the difference in the cost of meters plus the installation kit. Robinson stated that the televising and jet cleaning project is complete but have not yet received the reports. He stated that he did watch some of the televising and some of the lines are in very rough shape and there is water coming in from home service lines from footage drains. Robinson said he will be sending an RFP to local plumbers requesting a price quote for the 9<sup>th</sup> Street and Rowland Street sanitary sewer. The cemetery has been surveyed by Bueltel-Mosing Land Surveying. Darold Edwards and the City split the survey cost. There are now pins in the ground at the corners and temporary laths marking the boundaries. The equipment has been switched from winter to summer mode. Robinson stated that he has placed an ad in the LMC classifieds to sell the old street sweeper. So far only one bid of \$750 has been received. He asked how Council would like to proceed. The consensus of the Council was to sell

it to the highest bidder to get rid of it. The parks are being mowed and the bathrooms are functioning. The shelter in Central Park was shingled. The staff has been doing some pruning of trees. Robinson said that people have been asking about the trees that need to be removed from the tree farm. Tree movers said that there would be better success if they wait till fall to move them. The Public Works staff has also been painting picnic tables and patching streets.

Koopman said that during the month of March she attended three City council meetings, monthly Contractor's meeting on the hospital renovation, Planning Commission meeting, Cemetery Commission meeting, two Planning/Vision meetings, conducted interviews for the Cemetery Superintendent and Aquatic Center staff, attended the community Ed meeting and held meetings with the engineers and various members from the public. She also attended the March MCFOA conference. Koopman was informed today by Suhail Kanwar, Lyon County Engineer, that he walked 4<sup>th</sup> Street so he could visually determine its condition. After walking the street he agreed that its condition has deteriorated to a point that it will require a complete rebuild and he agreed that the County's contribution would be equal to what they would spend on a rebuild. The City would be responsible for the design and basically spearhead the project. The County would not have funds available until either 2012 or 2014 and the County has already committed funds to a Federal project in 2013. He stated if this project could wait until 2014, the County would be able to contribute a larger share than they would if it is done in 2012. If the City were able to provide the funding for a complete rebuild including water, sewer, storm sewer, etc., then the County would agree to reimburse the City when they have funds in 2014. Koopman recommends that the City include a complete rebuild of 4<sup>th</sup> Street when the construction package is prepared. During the March conference she was able to question Gary Poser from the Secretary of State's office regarding the City's referendum. Koopman wanted to verify with the change in the Primary election date, (August 10) results in a change in the filing period for City Council (now August 3 – August 17) whether the City could still place the Charter Amendment question on the ballot in conjunction with the primary election. Mr. Poser stated this would not be a problem, because individuals can file anytime during the filing period and if they change their mind due to the outcome of the election, there is still sufficient time for them to withdraw if they so chose.

Gervais reported that last month was busy. He completed the Aquatic Center brochures and distributed them to the school. The re-shingling project of the 5<sup>th</sup> Street apartments was awarded to Dale Johnson Construction at a cost of \$47,630. He has submitted a claim to the shingle company as they were at year 15 of a 20 year shingle. Gervais said to fund this project, money would be borrowed from 3<sup>rd</sup> Street East town homes and would be repaid over a 10 year period. A lot in Eastview has been sold to Darin Horner for construction of a new home. Gervais has also been working with a business expansion and has been working with contacts regarding the sale of Shetek Bend. He explained that the 5<sup>th</sup> Street apartments having been losing money but has been full for the past three to four years. Expenses at the 5<sup>th</sup> Street facility are higher than those at Eastview and this is due to higher maintenance costs. EDA has raised the rents and will continue to monitor this. Gervais, Dick Boerboom and David Spencer met with Bob Zielsdorf and Randy Fragodt in regard to a potential lease of the Central Livestock property for a consignment auction. On a map Gervais has outlined the proposed area needed to complete the auction. They may also need a small space approximately 25' x 75' inside the larger structure to secure smaller items and items that could be damaged by weather. Zielsdorf stated that they would start bringing equipment in on July 12, 2010 and assured that they will have the property cleared by July 28, 2010. Zielsdorf indicated that they would be responsible for prepping the site such as mowing, etc. at their expense. Gervais has asked the City Council to approve the following conditions and have City Attorney, Frank Nielsen draft the necessary documents:

1. Lease the proposed property for \$1,000 for the term of July 12, 2010 through July 28, 2010 payable by June 1, 2010.
2. Zielsdorf Auction provides the necessary insurance and names the City of Tracy as additional insured.

3. Any property remaining after July 28, 2010 becomes the property of the City of Tracy and the City of Tracy has the right to do with it as they see necessary.
4. Zielsdorf Auctions will designate and sign accordingly, interior portion of the large, Central Livestock structure currently being leased to other parties as "Private Property", "Keep Out" and/or "Do Not Enter."

This lease will be used one time and if they decide to have another auction, a new lease will be drafted at that time. Motion by Snyder, seconded by Peterson to approved the listed conditions and authorize Nielsen to draft the necessary documents. All voted in favor of the motion.

Gervais stated that the Housing Partnership has written grants for the City in the past. Diane Timmerman is present from Western Community Action to present a proposal to write the grant for the CDBG grant. Gervais stated that he looks to partner with Milroy and potentially Amiret. He feels that would be a stronger application. Last time they partnered with Currie and two townships in Murray County. DEED has changed over the past years and they like to see communities going into partnership. Gervais stated they have well over 100 people on the home owner occupied waiting list that did apply the last time.

Diane Timmerman from Western Community Action was present to discuss a proposal to write a grant for CDBG funds for Tracy. She also presented information on WCA and what they can do for the City of Tracy. They currently contract with the City and have done some program income dollars and oversee the rehabilitation of properties. Proposed projects have to be a benefit to low and moderate income people. The maximum grant award for a single purpose project is \$600,000. DEED likes to see any grant application to between \$300,000 to \$350,000 range. Timmerman stated that the grant they are looking to write for owner occupied. Tracy would be the lead city on the application if they partner with Amiret and Milroy. The fee would be \$4,500 for writing the grant and that would be split based on the number of projects in each community. They like to see a city wide target area for applications. One of the qualifications for the grant is that the property has to be insured and has to be current. Nielsen asked who monitors that. Timmerman stated they monitor that, not for the longevity of the loan, but before they are determined eligible. If the City becomes aware that one of those properties during their grant period is not insured, that is default on their repayment agreement and the City can call that money due. Gervais stated that he gets statements from time to time if the insurance changes and if there is a change to it the EDA is notified if they are delinquent or dropped. Forgiveness period for each loan is ten years. It is based on HUD income guidelines. There is a timeline as to whoever the City chooses to write the grant and if the City is interested in WCA, they would like to know the beginning of June so they have adequate time to prepare it. If the City would not be funded they would do one re-write for the City and would be included in the \$4,500 fee. If the City is funded and there would be additional \$5,500 cost in help administer the grant. WCA does some marketing with flyers, etc. Gervais said the past two grant applications have been done through Housing Partnership. WCA oversees all the ground work, inspections, etc. Gervais stated there is some savings having it done through WCA. Gervais would like to see some demolition money included like the last application. Stobb said there is a need for single family dwellings, if asked if there is a need for rental or commercial units. Gervais stated the last grant; they struggled to meet all the rental availability, not saying that this time around they could not have any in one of the other communities. Motion by Chalmers, seconded by Martin to approve WCA to write the grant application for CDBG dollars. All voted in favor of the motion.

Gervais stated the EDA has asked the Council to call for a public hearing regarding the issuance of bonds on a proposal for a housing finance program. Gervais made some phone calls in regards to units that are being built by F&L. In Comfrey they finished a four-plex a little over a year ago and it is currently full. The two bedroom units rent for \$755 and the three bedroom units went for \$830. Springfield is just finishing up their sixth four-plex, two units were built in 2002, one in 2003, one in 2004, one in 2007 and one this year. The first unit are two bedrooms and three bedrooms and rent \$615 and \$640 and the units rent for \$800 and \$900. The rent \$775 to \$875 for the Tracy units falls in those guidelines. The school board has agreed to meet and talk about acquiring land from the school. Gervais stated that at this point in the project, they are not expending any dollars and going forward there would be some minimal dollars spent with publishing the resolution in the paper. Gervais does not want there to be a concern in the community that the EDA is spending money

lavishly and all the money that has been spent so far has been on F&L development.

Diane Weick was available to answer any questions regarding the bond. They are looking at a \$1.25 million bond and anything above that \$1.25 million becomes the responsibility of F&L. Weick is asking the Council to set a public hearing for issuance of up to \$1.25 million in bonds to the EDA. F&L continues to work with the site issues and all other issues because they cannot get financing conversation serious unless the banks that are purchasing the bonds know that there is backing in place. Stobb asked if the first bond payments would be due roughly a year after they are granted. Weick said they are structured so that the construction period and little time in addition to get them full and rented. Often times the units are rented and full before they are completed. Springfield has done it the same way that Tracy is doing, having some units and allowing them to be full and successful, build a wait list and then build more. Chalmers wanted to clarify that the funds from the units would cover the payback on the bonds. Weick stated that what they are going to be asking the City after the public hearing for its pledge if the project were to experience negative cash flows the City would help out. Nielsen asked if the financial advisor has told them the difference would be in selling just a straight revenue bond versus the type she is describing. Weick states that they say it typically can be as much as one point interest rate and has not asked him recently what he is finding is they are harder to sell and harder to get banks to purchase them without GO backing. Gervais stated that bid letting may be done in the meantime as they are trying to expedite the process and bids would be subject to approval and financing of the City Council. They want things in place so that construction could begin this season. The units in Comfrey and Springfield were also done with the GO backing. Peterson stated that if they do backing on this project and they have to bond for the sewer project, how that would affect the bonding. Weick said this would not affect that and the reason is unless this backing is exercised or unless the EDA comes and requests the assistance of the City, it is considered a contingency debt and it does not affect the City's bonding authority. Weick stated that the projects are designed to pay for themselves and reason for the GO backing is simply to make the bond sale more attractive and get a more competitive interest rate. Gervais stated there are four on the waiting list the proposed units and does not have a deposit, but there is interest in them. When the units are complete in Springfield, they would get a majority or everyone on the waiting list to view the units there and ask if any would be willing to put down a deposit once they have seen the units. Chalmers asked how many projects like this F&L has done in the past five years. Weick stated that she has been doing this for ten years and they have built 1,300 apartments in three different states. He then asked if any have not paid back. Weick said they have none that were not a success. Nielsen asked if there were some requirements along the line that need to be documented that there will be "x" percentage of revenues over and above 110%. Weick stated this is correct and this will be done by their financial advisor. Weick stated that she would consider Tracy to be less at risk given the demand for the units here. Motion by Chalmers, seconded by Snyder to adopt a Resolution Calling Public Hearing Regarding the Issuance of up to \$1,250,000.00 of the Economic Development Authority of the City of Tracy, Minnesota's Housing Development Bonds to be Backed by the Full Faith and Credit of the City of Tracy, Minnesota and on a Proposal for a Housing Finance Program. The hearing will be held on May 24, 2010 at 6:45 p.m. All voted in favor of the motion. (Res. No. 2010-13)

Motion by Stobb, seconded by Peterson to approve the Satisfaction of Mortgage for Scott and Angela Pryzbilla. All voted in favor of the motion.

Scott Riddlemoser from Balaton introduced himself and announced his intentions to run for the Lyon County Board of Commissioner's District 3 Seat currently held by Phil Nelson whose term ends this year.

Gervais approached the School Board last Monday night to see if they would be interested in swapping the softball diamonds for acreage owned by the School District for the construction of townhouses. The School Board has appointed four members to negotiate with the City. Koopman stated that Mr. Marlette requested to meet with her and she told him that she would be recommending that the City Council appoint a committee to meet and negotiate. She feels that a committee of three members would be sufficient. Stobb suggested that EDA members and Mayor Ferrazzano should be on this committee. Mayor Ferrazzano, Snyder and Gervais were designated to meet with the Tracy School Board. Koopman will coordinate a meeting time.

Mayor Ferrazzano stated that he, David Spencer and Gervais will by meeting to develop a better city website to coordinate links, etc. They will be reviewing the Marshall website for ideas. Martin stated that he would also like to attend.

The Consent Calendar includes the Municipal Accounts Payable, Hospital Board minutes for March 17, 2010, Monthly Financial Report and Library Board minutes for April 19, 2010. Motion by Peterson, seconded by Enderson to approve the Consent Calendar. All voted in favor of the motion.

Koopman reminded the Council members and the public that the Board of Equalization Hearing will be held at City Hall, April 27 at 7:00 p.m.

Koopman said that they have had good response from volunteers for the city flower beds and appreciates the volunteers Peggi Peterson, Tracy Floral and Mary Ann Ankrum for taking on this project.

A Planning/Vision meeting will be held on May 4, 2010 at 6:00 pm at City Hall.

Koopman notified the Council that she will be out of the office during the second meeting in June. She suggested either changing the date or they could meet without her present. The June 28<sup>th</sup> meeting was rescheduled for June 21, 2010.

Koopman informed the Council that Thad Lessman resigned from the Police Commission and she will advertise to fill this position.

Motion by Peterson, seconded by Enderson to adjourn the regular meeting at 8:30 p.m. to conduct a closed meeting regarding acquisition of property. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**May 10, 2010**

The regular meeting of the Tracy City council was called to order at 6:30 p.m., Monday, May 10, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Martin to approve the minutes as presented for April 26, 2010. All voted in favor of the motion.

Additions to the agenda included 6-B Fire Department Update by Chief Dale Johnson III and 8-B Use of Catastrophic Leave. Motion by Peterson, seconded by Stobb to approve the agenda as amended. All voted in favor of the motion.

Barb Johnson stated that her name was brought up at the last council meeting in regards to public nuisance notifications. She stated that she contacted Chief Hillger and she asked what she needed to remove from her yard. Hillger told her he did not know as she was one of 64 other people who received letters and that he would be around in a couple weeks to see what has been done. At the last meeting Hillger stated that he told her what her problem was, but he did not, and was told that she had cleaned it up. Johnson stated if it was the bag of pop cans by the garage, they are gone. She said that she went to him right away because last year she was cited for small piece of carpet. She had pigeons for several years and they were never a problem because at that time she was given a permit. She does not know how many permits have been sold but there are about three others in town that also have pigeons.. Mayor Ferrazzano asked if she knew now what the problem was and she stated that she had no idea.

Scott LaVoy from SEH was present to give an update on 5<sup>th</sup> Street East. He noted that 5<sup>th</sup> Street East was scheduled to be milled and overlaid as part of last year's street project. It was removed from the project due to the construction at the hospital. They will be soliciting bids for this street and the fire department parking lot. When last year's project was bid, there had been discussion of abandoning 5<sup>th</sup> Street East because there was talk about connecting the hospital and nursing home. At that time they did not want to invest money in paving that street. Koopman has talked with the nursing home about this and they are not planning to proceed with this connection in the near future. LaVoy is seeking input from the Council as to how much they want to invest in 5<sup>th</sup> Street East. He stated that last week he and R. Robinson did some testing on the sub-grade of that street to determine the soil conditions and they came up with a couple options on how to proceed. The first would be to implement as planned on last year's project and that was to apply a two inch overlay to get by until the decision was made on what to do with 5<sup>th</sup> Street East. This would provide a life expectancy of five to eight years. The estimated cost for this would be just under \$19,000. A second option would be to restore the pavement to the original condition by applying 3.5 inches of bituminous. The cost for this, excluding the fire station, would be about \$32,000. The life expectancy would be about 20 years. The final option was to reconstruct the entire street to match what was done to 4<sup>th</sup> Street East and State Street. LaVoy said there would be a lot more expenses involved and the estimated cost would be in the range of \$100,000. When R. Robinson and he did some digging in the street they found some unfavorable soils below the existing base. The gravel is sufficient. Stobb asked if they knew about the infrastructure in that street and would they have to dig it up soon for repairs. R. Robinson stated there is a newer water main there and the problem they do have is that the nursing home did run a new water main into the facility as the old main had a history of breaking. The old main is still connected to the existing main. He suggested the service should be disconnected before anything is done to the street. Robinson stated that is one policy the City should consider when a main is abandoned, it should be removed. Martin asked how much traffic goes through there. R. Robinson stated that a few years ago they did do a traffic count before 4<sup>th</sup> Street East was rebuilt and it was about 18 heavy trucks that regularly used that street. LaVoy stated that regular traffic was not as heavy any more than other residential streets. Chalmers asked if there were any legal issues with the fact that the Planning Commission had recommended and the Council voted to vacate the street so that the hospital and nursing home could do their proposed project. Koopman said it was discussed but never finalized and reiterated that she had discussed this matter with Mr. Eeg and they

are not planning anything in the near future. Nielsen noted that 5<sup>th</sup> Street East may be one of the few streets in Tracy that the City actually owns the underlying ground. This street has never been dedicated as a street and was purchased as a parcel by the City to build a street in front of the hospital. Peterson asked if any of the cost to do the street could be assessed back to the nursing home. Nielsen felt that was the only service to that property and they would have to share in the cost. Koopman stated that a preliminary assessment hearing was conducted and their cost would be 25% of the overlay. Koopman questioned LaVoy on the second option with the 3.5 to 4 inch overlay if that would upgrade the street to exceed the 5 ton capacity. LaVoy answered that it would be the same as it is now. Mayor Ferrazzano stated that going with option one does not make sense as that would only be a band-aid. LaVoy stated that Option 2 would not be a bad choice with the life expectancy of 20 to 25 years. Stobb asked if there were funds from the previous bonding to help cover this cost. Koopman stated that the contract was reduced by \$17,076 when this part of the project was deleted. LaVoy stated the parking lot for the fire station would be included in this project and the estimated cost for that would be \$14,000. Option 2 including the fire station would be a cost of \$46,000. Snyder asked how difficult it would be to find the abandoned water line. R. Robinson does not know what fund that would come from but it should be removed. Nielsen felt the property owner should be responsible for that cost. R. Robinson agreed but they do not have a history of requiring the property owner to remove the line. Nielsen felt the nursing home should be approached with the idea that this is the cheap way to take care of it now or if it needs to be taken care of later by the City, they would be responsible for the cost. R. Robinson is estimating that the cost to take care of this now would be about \$2,000. Motion by Snyder, seconded by Peterson to adopt Option 2 to pave 5<sup>th</sup> Street East for \$32,378 and to pave the fire station parking lot for \$13,956 contingent on the available bond funds to cover the total cost of \$46,334. All voted in favor of the motion.

Nielsen asked LaVoy about the indentation in front of the fire hall caused by the project that was done last year. LaVoy stated they are working with the contractor to get that repaired. This is right over the sanitary sewer service leading to the fire hall and the contractor needs to verify there is no problem with the sanitary sewer. They are hoping it is just a compaction issue. LaVoy stated that they originally passed the compaction tests in that area. R. Robinson stated they are planning to have that sewer line televised from the fire hall out.

Dale Johnson, Fire Chief gave an update that the tanks at the Amoco station have been repaired and meet EPA standards. They are currently looking at getting someone back in that building. They have one year from now to continue on in that manner. The generator from the county is here, a cement pad has been poured and the generator was set and secured. A shed was built around it. When Paul DeSmith has the time, things will get set up the way it needs to be done. He does not have a final cost but was able to get a discount from the cement plant and Ace Hardware gave a very good deal on construction materials to protect the generator. City wide clean-up went well. It took the firemen half a day to pick up items. Items that were missed for pick up were not intentional and were picked up at a later time. He has only heard positive comments regarding the clean-up. If there is no one that would like to take it over next year, the fire department would like to do it again. Koopman informed him that the Victor Grant estate will be donating \$12,700 to the fire department. He and Koopman discussed putting that in the equipment replacement fund and use that for matching portion of grants. The City's portion for a new truck with the FEMA grant is \$9,750. Johnson is asking for permission to prepare specifications for bidding that piece of equipment. Motion by Peterson, seconded by Chalmers to authorize Johnson to prepare specifications for the new fire truck. All voted in favor of the motion.

Johnson stated that the county wide radio system is up and they are testing in the area and actively seeking grants. He is fairly confident that we will receive a FEMA grant for the radios. That would be a 15% matching grant that gets divided among everyone in the county and the Tracy department would only be responsible for the portion of the funds that they would use. At this time they should have good trade in or resale value to equal the 15%. Johnson is hoping that the department will not have to ask for funds to replace the radio system that would cost over \$100,000. Johnson told the Council that the Tracy Fire Department has been chosen to have their public protection ranking adjusted and he's hoping that will reduce the rating to lower the insurance. Johnson thanked the Council for authorizing the repair of the fire hall parking lot. The members of the fire department along with their families will be working with the Planning/Vision group trying

to host a public event for kids and parents so they have a better understanding of issues in the community and he's looking for input from them. Mayor Ferrazzano expressed thanks from the Council for the work done by Johnson on the grant writing.

Nielsen stated the issue that he is trying to clarify in the acquisition of the Etc. building for the library is that there has been exchange of offers and counter-offers and the last counter-offer on behalf of the City for the property was "accepted but not accepted" as it was signed by the person thought to be the owner of the property. His understanding is that property is actually owned by a LLC and Koopman was requested to check who can legally sign on behalf of the LLC so there is a binding purchase agreement. Nielsen stated he could briefly go over the purchase agreement as it was originally written to cover some of the language. The real estate taxes will be pro-rated so the City may be responsible for some of the taxes this year. He said the title needs to be examined.. The last counter-offer had the anticipated closing date of May 21, 2010 and since there is no abstract yet, that is very optimistic. The purchase agreement makes clear that in addition to paying the purchase price the City is to be repaid for those obligations. Mayor Ferrazzano asked if it is known what the City would be getting back. Nielsen stated there were two parts to the loan that was made back in 2004 and the one part had parts that were being forgiven as long as the business was being conducted and if the business would have been conducted long enough, the loan would be forgiven. The business was not conducted long enough and 2/5 of that loan amount of \$5,600. Nielsen said the Council could approve the agreement contingent on the proper signatures from the LLC and if they want to wait, the Council can do that also. Peterson said they had intended to have an information type meeting about the cost and use of that building that was cancelled last week. Mayor Ferrazzano felt they should wait till they have the presentation. Stobb stated the owner has agreed to the terms, so they would not be able to agree to other terms with another party. Nielsen said they do have that option as the LLC has not signed the counter-offer at this time. Chalmers questioned why wait with the acquisition. Mayor Ferrazzano said he has some concerns. One concern is paying more for the building than it is worth and not knowing the cost of utilities. He understands it is the library's money, but at the end of the day, the City tax payers are going to be paying the utility bill. Chalmers stated that there was something presented from the realtor what the average cost of utilities and Verdeck had stated that they are comparable to what the average cost is in the present facility. Motion by Peterson, seconded by Snyder to table this issue until May 24<sup>th</sup> after more information is received. Stobb asked for the public's benefit when Mayor Ferrazzano questioned paying more for the building than it was worth, was he referring to the assessed value. The counter offer that is accepted was \$62,500 and the assessed value for tax purposes was about \$34,000. Mayor Ferrazzano has a difficult time accepting paying almost double for the building and then paying utilities when they do not have a cost for that building. All voted in favor of the previous motion.

Koopman told the Council that according to the survey that was done at the city cemetery it was found that a portion of the brick pillars on the north entrance and nearly all of the trees on the East side of the Cemetery are located on Darold Edwards property. Mr. Edwards would like more time to discuss this matter before a decision is made and he assured her that he will not do anything until next fall. The Cemetery Commission did meet to consider trying to purchase or acquire a 50 foot buffer on the east and north sides that would save the trees and prevent any shading problems that the trees would cause to Edward's crops. The Commission decided that the City did not have the sufficient funds to make that kind of acquisition. Koopman approached Edwards about swapping some land at the airport. At this time Mr. Edwards did not feel comfortable making a decision. Negotiations will continue and it will be brought back to the Council when there is something further to report. Nielsen stated that he and Koopman had discussed that the City Council should be aware of all the options. He assumes those trees have been there for about 15 years, which is the adverse possession period of time. During that period of time the City has mowed around those trees and trimmed them. Nielsen assumes that the property owner has paid the taxes on that land, which would not affect an adverse possession claim. Peterson asked if the issue was raised because of the shading of the trees or because Edwards could not get his equipment through there. Koopman felt it was both from what she understood. Peterson asked if Edwards was approached that a couple of the trees would be removed so he could get done what he needs to get done. Robinson said he has discussed this with Edwards and what he wants is to pull his equipment from one end to the other in a straight line and now it bows out. Koopman stated that she did ask Dean Champine what the cost of the land in Monroe Township was and he stated it would be \$4,000 to \$4,500 per acre. Using \$4,500/acre for approximately three acres would cost \$13,500. Nielsen asked what the value would

be with the trees on it. Nielsen said the trees would have to be removed and all roots be cleaned to make it bare farmland and worth that amount of money. Chalmers feels that doing the land swap would be beneficial for Edwards. Koopman said that she had told Edwards that nothing was to be removed or cleared until this was completely resolved and Edwards assured her that he would not remove anything. Enderson said he noted that the Airport Commission has been working on possible construction of new hangars and questioned if this was the land that would be swapped. Koopman said that it was but the hangar that the Airport Commission was looking at would be to replace the existing hangars. Enderson felt the plan was to repair the existing hangars and build more hangars. Enderson said the newer ones would be larger for the newer aircraft as the existing hangars are not large enough for the new aircraft. Nielsen asked if there were other considerations the Airport Commission might have with that land being transferred into private ownership. The setbacks along the runway had to be increased in the past and questioned if there was any prospect of having to do that again. Stobb suggested that they could keep possession of that land but allow Edwards to farm it on a rent free basis or something like that. Koopman said they will continue to try to work something out and will report back.

Robinson reported that the Planning Commission has discussed an ordinance changing the water line repair policy. Robinson reported that the policy now is that the City owns the main and the property owner is responsible for everything leading from the main. He constructed a model of a water main with saddle, including the service line, curb stop, valve and water meter to provide a visual example of how a main is constructed. He stated that probably half the services are direct tap into the main. When that did not seem to be working well, they started putting saddles over it and most of the saddles were made of steel that would eventually rot off. The service line then goes to the curb stop valve which sometimes is bent and the key will not fit to turn it off and on. Koopman stated the Planning Commission recognized that a lot of our water mains are very old and we do not have the resources to replace them. The Planning Commission recommended in order to relieve the huge financial burden on property owners, the city take financial responsibility for the service line from the main side of the curb stop. The City would take care of the main, saddle, corporation cock and service line to the curb stop. In order to fund this additional cost, the Planning Commission recommended charging an additional \$2.00 per use on the water bill. Rather than creating another fund, if approved, this amount would be deposited in the Surcharge Fund. Nielsen stated there will need to be some alternate language for properties without curb stops. Martin said he is for sharing the cost but he feels they need to walk into this with their eyes open. Peterson stated that the bulk of the water main breaks that are occurring at this time, the City is paying for them anyway. This is a means to capture some revenue prior to the main breaking. The Planning Commission unanimously agreed that this would be a better option to consider. Robinson stated that another procedure they use is that if a service is turned off for non-payment if the curb stop does not work, they make repairs or install a new curb stop or hire a plumber to do it. The customer has the option to pay for it all in one lump sum or make arrangements to make regular installments to pay for it. If this is not paid for, it goes on their taxes. Snyder also stated that if that curb stop is the way to turn off services, maybe it should be the responsibility of the City to pay for. Koopman stated that there have been so many property owners that have been forced to pay for that curb stop to now say that they did not have that responsibility, would cause a problem. Nielsen asked if the Council was having second thoughts about how the building across the street was treated and are of a mind, that was done properly and they were treated fairly as far as making them pay for what happened. He is looking at it that there is the city main and if some method was used to attach their pipe to the main, even though it was the main that failed, if their method of using that attachment caused the main to break. It was the decision of the City that it was their fault, even though it was the main that rusted around the connection it was the way that it was attached that caused the problem. Stobb stated that it maybe was not fair, but they acted according to what the ordinances and policies had been, which is what they had to do. It may be fairer in the future but that does not mean the City did something wrong there. Martin stated that what they are agreeing to if the City would do this, they are agreeing to cover the construction on every house of R-1 zone that has the direct tap. Martin stated they need to figure out a fee that will cover that and wonders if \$2.00 is sufficient. Stobb said that another side of that is that he lives in a 12 year old home and does not have that problem in his area. Even though his line is in good condition, he would also be paying \$2.00 per month to help replace those that do fail in the City. Nielsen said there are homes that have the newer construction and would not need repair for many years. Robinson stated there are 950 services in the City and in 2008 there were 21 water main breaks, which was the worst year. In the best year there are about eight

water main breaks. Parts cost about the same from year to year but it is the excavation that is costly depending what they have to get through to get to the break. Peterson stated they are not collecting anything now and the cost comes from the Utility Fund and the city provides the up front money and the cost is then recaptured from the resident. Robinson stated that being short of staff; they may be turning some of these repairs over to contractors if the Utility Department gets too busy. Nielsen asked where the Council is considering making the new division. Koopman said it would be from the main side of the curb stop. If there is no curb stop, they will be installing one. Nielsen asked between now and then where does the City's responsibility start and end. Robinson said the distance from the curb stop to the main varies greatly. If they do install a new curb stop, they place it in the center of the right of way. Nielsen said he would incorporate language to this effect in the ordinance. Motion by Martin, seconded by Peterson to waive the first reading and set the second reading and public hearing for the next Council meeting on May 24, 2010 at 7:00 p.m. for an ordinance changing the water line repair policy. All voted in favor of the motion.

There are two applicants for the opening on the Police Commission. Interviews will be held at 6:00 p.m. on May 24, 2010.

Koopman is asking the Council's permission to allow for her and David Spencer to offer a portion of the catastrophic leave that they have accumulated to give Madonna Peterson during her absence. Motion by Peterson, seconded by Stobb to approve the use of Koopman and Spencer's catastrophic leave by Peterson. All voted in favor of the motion.

Motion by Snyder, seconded by Chalmers to adopt a resolution approving payment to Kue Contractors, Inc. for work completed on the hospital renovation project in the amount of \$53,285.20. All voted in favor of the motion. (Res. No. 2010-14)

Motion by Snyder, seconded by Chalmers to adopt a resolution approving payment to Doom & Cuypers, Inc. for work completed on the clinic renovation project in the amount of \$2,595.60. All voted in favor of the motion. (Res. No. 2010-15)

The Consent Calendar includes the Municipal Accounts Payable, Fireman's Relief Association minutes for April 5, 2010 and Economic Development Authority minutes for April 16, 2010. Motion by Peterson, seconded by Snyder to approve the Consent Calendar. All voted in favor of the motion.

Motion by Stobb, seconded by Chalmers to close the meeting to conduct City Administrator's performance evaluation. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**May 24, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 24, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: President Pro-Tem R. Stobb, M. Martin, K. Enderson, T. Peterson, J. Chalmers and C. Snyder. Absent was Mayor S. Ferrazzano. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Chalmers, seconded by Peterson to approve the minutes as presented for May 10, 2010. All voted in favor of the motion.

Additions to the agenda included: 8-C Engineering agreement for 5<sup>th</sup> St. East Improvement Project, 9-C Downtown hanging flower baskets and 13-A-1 Let's Go Fishing. Motion by Chalmers, seconded by Snyder to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments from the public.

Stacy Barstad, CEO Sanford Tracy Medical Center gave a building project update. Kue Contractors should be done the week after Memorial Day. The sidewalk, curb and gutter have been completed. Doom and Cuypers have completed the demolition work for the clinic renovation and hope to have the project completed by July 1, 2010. Two internal medicine physicians have been interviewed and both like the community and it is hopeful that they would be joining the Tracy Medical Center. They would be finishing their residency and available to start practice in June 2011. Barstad stated that the medical center will be offering two new services in June 2010. Digital mammography will be available which provides a much clearer screening access for the providers. Ophthalmology services will also be available. Dr. Louwagie will be seeing patients at the PBR facility and he will be doing procedures such as cataract removal at the Sanford Tracy Medical Center.

Jamie Verdeck, Librarian, reported that the hours at the library have changed to Monday, Wednesday and Friday from 10 a.m. to 6 p.m. and then on Saturday from 9 a.m. to 1 p.m. Verdeck stated there has been questions regarding the difference in cost of utilities between the present library site and the ETC building. She used her tear sheet for last year to get an annual cost at the present library and were budgeted \$7,000 and this past year the cost was \$4,818.28. The average electrical cost for the ETC building was \$350 per month or \$4,200 for the year. The previous owners ran many more appliances than the library will. Heating was approximately \$190 per month or \$2,280 per year. The total cost for a year for the ETC building would be \$6,480. Verdeck has been collecting information on energy audits and grants that would help pay for replacing the five short, non-opening windows on the main floor and also look at "spray on" insulation for the north wall. There is an author coming to the library on June 2 and has won a prize on her book, "Compassionate Carnivore".

Police Chief Hillger asked for any questions regarding the activity report. The department assisted the Sheriff's Department with a death investigation. Stobb said he appreciated the DVD regarding the public nuisances and it was an eye opener for him. He noticed there were many things that could have been taken care of during the city wide clean-up and was surprised at the amount of building materials that are stored. Hillger stated that was an issue that he will revisit. If lumber is stacked neatly and they are actively working on a project he probably would not look as hard at these properties. But there are some places where it is stored haphazardly and has been there for a long period of time. Stobb said that one can drive down the streets and really not suspect what is behind some of the homes.

The Mayor opened the hearing on the Housing Development Bonds at 6:45 p.m.. Tom Serie stated he was the owner of F&L Management Development in 1995 when the 4-plexes were constructed by the hospital. They were built under revenue bonds and they did not insure that the principle and the interest would be paid to the bank. Since 2007, this type of bonds are virtually impossible to use. With the housing crunch, the bank examiners would come in and criticize banks for buying revenue bonds even though they were completely safe. He is requesting a general obligation bond where the

City would guarantee that the principle and interest are paid by pledging the full faith and credit of the City. The homes that were built in 1995 have approximately \$200,000 in cash reserves that would be used if there was trouble generating enough rent revenue. Serie is requesting a \$1.25 million issue which would provide financing for four two bedroom units with one and three-quarters bath and double car garage and four three bedroom units, with one and three-quarter bath and double car garage. The ones constructed in 1995 have 1,178 square feet. The two bedroom proposed units will have 1,310 square feet with 540 square feet on the double car garage. The three bedroom units will have 1,483 square feet. Nine people from Tracy went to Springfield where they are just completing a four-plex that have the same type of units. Serie invited any members of the Council that would be interested to come and look at these units. He presented a letter from David Drown & Assoc. who will be doing the bond financing issue. The general obligation bond taxable corporate purpose bond would be \$1.235 million because of the way the GO bond is being financed. The EDA would have to put \$15,000 cash into the financing portion of it. This would be a 30 year term that is callable anytime after 2020 and it is a competitive sales process. They recommend the Build America bonds that are part of the stimulus package. Serie is asking the Council to approve the GO financing after the public hearing and set up the sale of the bonds on June 28, 2010. Building America bonds are relatively new and part of the stimulus package. The interest rate is somewhat higher, but on a semi-annual basis, the U.S. Government pays back the EDA for the additional interest expense up to 35%. The interest rate on an average is 6.5074% and taking the 35% refund back to the EDA, the net affective rate would be 4.2509% for the 30 year period. Serie stated they have done several tax free bonds, where there is an effective rate over 5% for the 30 year period of time. The stimulus package with the taxable bonds work well for this type of project. Serie stated the EDA has recommended moving forward with this and he is asking for the Council's consideration for the GO bond backing. Hillger asked since these are GO bonds, does this affect any other bonding that the City may have coming up. Serie stated that this definitely now and these are a segment of the bonding that has limit of \$3 million for housing and only for housing. This does not affect the City's ability to do any other bonding on any other projects.

Clint Peterson stated that he and his wife went to Springfield to see the units there and were impressed with the facility. They are on the waiting list for units. The house that they presently own has a lot of steps and would like to downsize some. They would really like to see these units built in Tracy and they would be a welcome addition to the City of Tracy.

Dennis Fultz stated that Gervais had indicated that there are six parties that are genuinely interested in renting the new townhouses. Fultz feels there is the possibility that other people from other areas that may step forward and fill the units. Stobb asked if work on the building site is progressing. Fultz said that Gervais and others met with the Tracy school board and they are receptive to having the units built on the site owned by the school. There is a question as to the value of the property and they are in the process of getting it appraised.

Marvin Rialson stated that he and his wife went to see the units in Springfield. Afterwards, he and his son went again and viewed the units. He stated that he and his wife are very impressed with the construction of the units in Springfield and he and his wife are very interested in renting a unit in Tracy when they are constructed.

Katrina Gregoire told the Council they need to view this as an opportunity for local contractors and also economic stimulus for the community.

Nielsen stated that he was interested in learning more about the 105% from a legal standpoint. Serie stated that the EDA can select a local contractor if they are within 105% of the low bid. He noted that this has been court tested. The EDA has established the school district as the boundaries that will be used for the 105% provision. Serie stated that he could provide Nielsen with information on this provision.

Dick Boerboom also went with the residents from Tracy to view the town homes in Springfield. He said the design was very impressive and they were of quality construction. He would personally endorse the construction of town homes in Tracy. Stobb asked if they would be identical to those constructed in Springfield. Boerboom said that they would be.

Fultz added that Serie has assured the public that any cost overruns would be the responsibility of

F&L and the project will be built with the figures that he has presented. It is evident there is great interest in this project and feel that they should continue forward on this project.

The hearing was closed to public testimony and referred to the Council for their consideration at 7:00 p.m.

Chalmers acknowledged that overall, the public has a good opinion of the proposed project but he has a problem with the City being asked to “co-sign” a loan for a sizeable amount to the EDA and the closest thing that he has seen on any kind of pro-forma on the business is the attachment given to the Council in showing the bonding payment schedule. Looking at that there estimated payment total for the 30 year life of the bond would be \$2.262 million. The revenues would \$2.483 million, plus 10% coverage. Without actually have seen a break-down of the business proposal of this, Chalmers does not feel comfortable saying the City should co-sign the bond for this amount when they have not been given the same information that the EDA has seen. Peterson asked if Robinson had come up with a cost to run sewer and water service to the proposed building site. Robinson stated they know what the method would be. Peterson asked if this cost was built into the bond issue. Serie stated that it was. Peterson asked if the site has been selected or do they have to purchase land. Stobb stated that Fultz had addressed this earlier and they are still discussing this.

Boerboom stated that land acquisition is also budgeted in the bond. Peterson said if there was a swap of land would the City get that money back. Peterson stated this is the first time he was aware that the acquisition of the land was budgeted into the bond issue and the last time they had discussed utilities, he was under the impression that the City provides the utilities to the main and the bond issue would cover the cost of utilities hooking up to the main and now the bond is going to cover all the utility costs. Peterson stated that he is confused and it seems like they are adding a lot in the bonding. Serie stated that because the bond issue is \$1.250 million and they are a for-fee development company, they pay all costs that exceed the bond amount of \$1.250 million. The bond issue includes the infrastructure and the land. If they did not buy the property from the school, they would save \$40,000 on water and sewer extensions. The EDA would then have a surplus of \$40,000. SW Design Built pays everything if the costs go over \$1.250 million and they do not keep the underages under the \$1.250 million. Serie stated that if they can build the project for \$1.150 million, the EDA would have the same buildings and a \$100,000 in cash. Koopman stated that any excess funds would have to stay in the bond issue to pay off the bonds. Serie stated that the 5% to the local subcontractors is also built in. If they would place these units on the school property and paid for that land, and the water and sewer extensions, they should be \$40,000 to \$50,000 under budget. This information will be in the contract. Stobb asked if Serie had an answer to what Chalmers asked about, the revenues and payments being so close. Serie stated that because it is a GO bond, rents have to include 110% of expenses including principal and the interest. On annual basis there should be a 10% reserve to allow for vacancies in the future. When they take a performing budget, state law must allow the EDA to charge 110%, so on an annual basis, they have a 10% reserve if they are 100% full. He cannot say the project would have 100% in 10 years. If you look at what has been done in Tracy to this date, the two four-plexes that were built in 1995, have \$200,000 in cash so the EDA over that period of time has done a very good job of keeping the rents increased so they continue to pay the reserves. Those two 4-plexes are going to have to be shingled in the near future. He suggested to the EDA that they put in the initial lease; the rents would increase with the rate of inflation on an annual basis of about 2% to 3%. The renters will then know before they sell their houses that the rents could increase by \$25 until it stabilizes and the reserves are built up. Peterson asked if EDA has factored in that reserve, the commitments of the dental procurement of \$50,000 and the loan of \$50,000 to shingle the 5<sup>th</sup> Street apartments. He asked how close they are going to be to that \$3 million debt load. He feels the EDA would take \$50,000 to shingle the 1997 issue as the 1997 issue does not have the reserves the 1995 issue has. Chalmers stated that everything sounds good and compelling, but again feels that when they are looking at an issue this large that the City is being asked to back, he feels that the Council as stewards of the money, are required to do due diligence and see the same information the EDA has seen in making their decisions. Stobb was under the impression the 10% is for random expenditures that could be there. He asked if the EDA was satisfied that these units are going to cash flow themselves as long as there are renters. Martin asked what the timeline was and if they looked at the pro-forma and do the due diligence that Chalmers has voiced would they make it by the end of the construction season. Stobb voiced concern about what construction costs would do when snow may come and feels this is the optimum time to act for construction costs. Chalmers asked if two weeks would make a

difference in making it or breaking it. He hopes the information requested would be readily available to view. Stobb asked Snyder if he felt comfortable with the figures that have been presented. Snyder stated that he is comfortable with these figures. Stobb felt that he is comfortable with the figures that have been shown and it is good to see the public here speaking in favor of these units. If they are found to not have cash flow, then rents would be adjusted and are not locking into something for 30 years that cannot be changed. Motion by Snyder, seconded by Enderson to adopt a resolution approving the housing finance program and the issuance and sale by the Economic Development Authority of the City of Tracy of its housing development bonds, series 2010 (City of Tracy, Minnesota, General Obligation) in an amount not to exceed \$1.250 million backed by the full faith and credit of the City of Tracy, Minnesota. Peterson asked Nielsen what percentage of the Council is needed to approve to have it go forward or is it like any other bonding issue. Nielsen stated that he honestly did not know and had not reviewed any of the legal aspects. Peterson agrees there is a need for housing and would like that question answered to know where the votes would lie. He would hate to see it go down tonight because there is not 100% and would like to see a full Council vote on it and get the Mayor's opinion. He does not feel that a couple weeks would hurt anything. Stobb asked what they want to see in that two week period. Chalmers stated that he would like to see the business proposition and pro-forma on it. He knows that these things have been discussed but would like to see it in writing. Peterson felt it would be nice to have the land issues finalized and does not feel that it would be complete in two weeks. He felt it does not seem prudent to okay the project and not know where it is going to be located. Stobb stated that on June 28 they are to receive bids and award sale of bonds, this would be when the decision would have to be made. Tonight they would be taking the first step in the process. Nielsen assumed that if there is going to be a bond sale, there is going to be some overhead that someone is going to have to pay. Snyder said there will be no money spent until the first spade hits the ground. Serie said he knows that it only takes a majority vote to pass. He stated that he appears in front of Councils all the time and he does not feel that two weeks is going to make any difference. He stated that he provided to the EDA the pro-formas and the Council certainly can have copies. He does not know of anyone on the Council that has gone to Springfield to check out the units there. Serie feels that if they want, they could call the Mayor in Springfield for his opinion on their project. Serie has a close enough relationship with the individuals that people that do the bonding work and the title work that they are as patient as he is as far as getting paid for their fees. Serie is fearful of dragging it on, past early summer construction. They had talked today to the subcontractors about having the units ready in November for occupancy. If there is a couple weeks delay and financing is delayed for a couple weeks, they are into December. Lumber three months ago was \$6.00 a sheet and today it is \$14.30 a sheet. He factored this in the \$1.250 million, but does not know where this will go in two to four weeks. Interest rates are flat at this time and if interest rates would go up one point, rents would go up \$100 to pay that one point. They need 15 days between approving the GO bonds and setting the bond sales. He tried to speed up the bond sales from a month to 14 days and the bond company said they cannot do this; they would need information from the financial people from the City and the County. Serie stated that he has been meeting with the Tracy EDA for two months and two weeks is not going to do anything one way or the other. Koopman stated there is three weeks before the next Council meeting. Stobb asked if they could have a special meeting on June 7 or June 8. Koopman stated there is Planning Commission on June 7 at 6:00 p.m. Stobb stated that if more information will speed this project along, he's for that. Stobb stated there is a motion on the floor and he would need the motion and second withdrawn if they are not going to vote on it tonight. The previous motion and second was withdrawn. Motion by Chalmers, seconded by Peterson to continue the public hearing at a special meeting to be held on June 7, 2010 at 7:00 p.m. Serie stated they are waiting for the appraisal for the land issue. There is usually a very limited success rate in purchasing land from schools and churches. He has absolutely no qualms about this being a good project. Upon roll call the following vote was recorded with Martin, Enderson, Stobb, Peterson and Chalmers voting aye and Snyder voting nay. Motion carries.

At 7:25 p.m. a public hearing was conducted on Ordinance No. 309, an ordinance changing the City of Tracy's policy for water main/line repair costs. There being no public testimony, the hearing was declared closed at 7:30 p.m. and referred to the Council for their consideration. Peterson stated the proposed ordinance states that it is the City's responsibility up to the curb stop but does not include the curb stop. When they redid 8<sup>th</sup> Street, new curb stops were installed with no cost to the residents. He feels this is a great ordinance but if they are going to do this, the City needs to follow precedence that everything from the curb stop would be the responsibility of the homeowner.

Koopman stated this was discussed at the Planning Commission the primary reason the curb stop was not included was because of those properties where they cannot find the curb stop and their water needs to be shutoff. The City would then be providing that owner with a curb stop just so the water can be shut off. Peterson stated they are doing that now with some delinquent accounts and they are installing them. The only difference is they are billing them on their taxes but it is allowing the City to shut their water off and the consumer cannot go back and open it again. He feels the valve and curb stop is the City's way of controlling water service to that property and using that logic, it should be the City's valve. Enderson agrees with that. Martin said he has had people talk to him about this but has had no one comment on that issue. Martin said he is okay with up to the curb stop because with a tool and know how, the public can turn it back on themselves. Peterson said for the most part, the city or a plumber are the only ones that can control that valve. Stobb said that he would like the City to have the ability to turn on his valve so that he could have city water.

Stobb felt they had a problem, they recognized the problem and this ordinance addresses where the water main connects to the service line and feels the City is assuming another at this time. Motion by Martin, seconded by Chalmers to adopt an ordinance 309 clarifying responsibility for maintenance of water service lines and providing for a fee for such maintenance. Nielsen asked if this was adopted, when would the City start collecting that additional surcharge. Koopman stated it would be 30 days after publication before this effective and that would be starting July 1 and would appear on the bill received in September. Upon roll call the following vote was recorded with Chalmers, Martin, Peterson, Snyder and Stobb voting aye and Enderson voting nay. Motion carries.

Robinson reported that the street department has been patching pot holes. All staff attended a safety meeting in Walnut Grove. He had set up a gravel truck to perform a "roll test" on 5<sup>th</sup> Street East. Scott LaVoy from SEH was also present. Nine tons were placed in the gravel truck and as the truck goes down the street if it sinks more than one inch this indicates that there is a poor base for the street. They also dug test holes to determine the condition of the road base. It appears the base of 5<sup>th</sup> Street East is good. Robinson looked into the zoning map issue and found that SEH does have an electronic copy of the map and they will make modifications to the map for a fee. Robinson attended a Planning Commission meeting to discuss clarifying the responsibilities of water service lines. He also presented the proposed changes of responsibility to the Council. He had assembled a sample water main/service line for exhibit to the Council. The cement plant has agreed to pay the monetary difference on the water meter upgrade from a 2" to a 3" meter. He has drafted a RFP to perform utility work on three homes on Rowland Street. This RFP was sent to three local plumbers, GH Plumbing, Wilks, and Sahlstrom by certified mail. He has provided a copy of the RFP to the Council. Robinson reported the lift station serving three homes on Circle Drive has been failing frequently. The pumps have been replaced twice per year. He had sent letters to the residents asking them to not put certain material in sewer that causes the failures. He will be working on a method of rehabilitation of this system in the next month. He feels the wiring would need to be changed for grinder pumps as there is enough fall that a lift station would not be needed and would gravity flow on its own. He has discussed the project of draining the open ditch in Central Livestock property with Al Breczinski and he'll get back to him with a cost estimate. Robinson also met with Tennes Eeg of the nursing home to discuss disconnecting the old water service line from the City water main. Tennes will contact the corporate office and get back to him with an answer. The utility department also repaired a water main break on Morgan Street on May 17. Robinson had met with Darold Edwards concerning lot lines and trees at the cemetery. The street department did move the trees planted last fall to 17 feet away from the lot line. One of the gravel trucks is at Lavoy's Repair for the MnDOT inspection. In the parks they have been doing some painting and general maintenance. They also cleaned up after a wind storm. The sand has been removed from the play area at the pool and black dirt hauled in. Sodding will take place this week. Robinson said that a crew of four people at the pool have been getting the pool ready the past two weeks in preparation of opening. They had to rent an expansion lift to replace a broken glass lens on the high security lights and as long as they had the lift, they also painted the flag pole. They started to fill the pool and getting the filters started. Someone then threw glass and rocks in the pool and it had to be completely emptied and pressure washed to make sure all of the glass and rocks were removed. The lights will be left on at all times and Robinson estimated the cost to be about \$4 to \$5 per day. The value in water was estimated to cost \$700 and then \$250 in chemicals that was wasted due to the pool being drained. It has been suggested to put motion lights and a camera at the pool. The pool will be opening for the season on June 5<sup>th</sup>. Chalmers asked if the lights at the tennis court had been

fixed. Robinson said they were fixed last week. Robinson also reported that the Public Works department had poured the new sidewalk at the airport in front of the terminal building.

Stobb asked if they have employees in place for the pool. Koopman stated that everything is ready to go and they have training next week. She will make sure they have a list of employees for the next meeting. Koopman reported that during the month of April she attended the following meetings: Planning Commission, Loss Control Workshop, Hospital Safety meeting, and met with Phil Nelson and engineers to discuss drainage issues, Cemetery Commission, pre-construction meeting for the clinic renovation, monthly contractors' meeting for hospital renovation, two City Council meetings, Hospital Advisory Board meeting and Planning/Vision meeting. Also performance evaluations and monitoring legislative actions as the 2010 session came to a close, took up a large share of her time. She has been waiting to get a final printout on the actual LGA reduction to know where the City is at. She has estimated that the City is going to be short about \$33,000 which should be fine for 2010 but feels that 2011 may be a real struggle.

Stobb said that a week ago Saturday, Darold Edwards asked to meet with Stobb at the cemetery to discuss the issue of the cemetery property. Edwards has been very cooperative with this and remedies for this issue were discussed. If the Council agrees to decisions that were made, it can then go to the Cemetery Commission to get things in order. One of the first concerns was the new gate post on the northwest corner. This is partially on Edwards's property and he has no problem with it staying there. It was decided that if the Council agrees, a document could be drafted outlining this agreement in case to avoid any problems in the future if there is new ownership. This would protect the City from having to move that gate post. On the east side of the cemetery on the south end, the trees have been moved and there will be no further problems there. In the middle section there are a lot of trees and the property line runs through the middle of these trees. Some are on Edward's property and he is not really concerned about those trees. They do not seem to be taking water from the crops and are growing upward rather than outward. The trees that are on Edward's property, he may remove but is not concerned about the trees on the Cemetery property. On the North portion of the east side of the cemetery, there is a grassy strip that has various trees growing on it. These trees are on Edward's property and they are harming his crops by their water consumption. He is not interested in selling or trading this property due to other expenses that would be involved in doing this. Stobb stated that Edwards would be willing to let the Cemetery use the grassy strip for parking and walking, if about 12 trees were removed on the west side. Edwards said he would donate that strip to the City. This was again discussed and a problem they could see with donation of the land would be that if it was considered Cemetery property, that in the future someone would come along and plant more trees there. Edward's stated that the City could use this strip for \$5 to \$10 per year and it would still be considered his land. Edwards will be removing trees from this area and would pay for the cost of removal and to have the roots ground out. Stobb and Edwards agreed that they would like to see something in writing regarding the preservation of the gate post as not infringing on his property and an easement for the grassy stretch along the side of the road. Stobb suggested that he, Edwards and Nielsen meet to discuss these conditions and present an agreement to the Cemetery Commission and then to the City Council for approval. Snyder felt this was a good solution to this problem. It was the consensus of the Council to move forward with these suggestions and bring it back to the Cemetery Commission.

Nielsen stated the title for the ETC. building appeared to be in LLC and he did have contact with Duane Peterson and an officer to sign off on the counter offer. This is now back to the city as potential buyers. Nielsen stated there are liens by outside persons along with the City. Technically, the seller would not have to satisfy these liens. In the last version of the counter offer it states that the seller will pay that amount from the proceeds and the City will also get paid from the proceeds of the sale. Motion by Peterson, seconded by Martin to move forward with the acquisition of the ETC. building to be used as the library. Nielsen also brought to the Council's attention that with the CBD zoning requirements a special use permit would be needed for the library to move to the ETC. building. The Planning Commission would need to conduct a public hearing and then recommend to the City Council for the special use permit and to acknowledge that this would not affect the comprehensive plan by purchasing the property. Motion by Peterson, seconded by Martin to move forward with acquisition of the ETC. building contingent on support by the Planning Commission to recommend a special use permit for the library. All voted in favor of the motion.

Motion by Peterson, seconded by Chalmers to approve verbiage for the ballot questions for the special election to read:

### CITY QUESTIONS

#### SHALL THE CITY COUNCIL SIZE BE REDUCED TO FIVE PERSONS?

It is proposed to amend the Tracy City Charter to reduce the size of the City Council from seven to five persons and to specify that passage of ordinances, including ordinances for emergency debt certificates shall be accomplished by a majority vote of the City Council. Such amendments would be effective as of the first regular meeting of the City Council after January 1, 2011.

All voted in favor of the motion.

Koopman stated the engineering agreement for the 5<sup>th</sup> Street East Improvement Project was received today. They propose to have plans and specs ready by next week. This project was removed from the 2009 project so a new agreement is needed. Motion by Martin, seconded by Snyder to enter into the engineering agreement with SEH. for the 5<sup>th</sup> Street East Improvement Project. All voted in favor of the motion.

Two applications were received for the opening on the Police Commission. One of those applicants withdrew their application. Motion by Peterson, seconded by Martin to appoint Bud Hayes to the Police Commission with a term expiring in 2012. All voted in favor of the motion.

Motion by Peterson, seconded by Enderson to approve Off Sale 3.2 Malt Beverage license for Tracy Eagles Club and Casey's General Store contingent on submission of paperwork and fees paid. All voted in favor of the motion.

Motion by Snyder, seconded by Martin to approve On Sale 3.2 Malt Beverage license for Tracy Eagles Club and Trace Lanes contingent on submission of paperwork and fees paid. All voted in favor of the motion.

Seth Schmidt presented a proposal for hanging flower pots for the new light poles in the downtown area. There was no money in the budget last year to do this and there is no money this year. Schmidt stated that he is willing to go around and raise funds to pay for most of the pots that would be needed. He has talked with Greenwood Nursery and they are willing to sell the pots for \$50 each. Schmidt said he would contact the property owners and business owners with a goal to get this accomplished in the next week. He said this would require three things from the City Council. First he would need permission from the Council to go ahead with this project. He asked the Council if they would consider appropriating \$300 for pots to be placed in front of city owned buildings. The third thing would be to assume responsibility for watering the flowers. He suggested that a volunteer group be established to help with the watering. Robinson stated he could work on equipment to do the watering. Peterson asked if they have a hanging pot to try and see what it takes to hang them. Robinson said he will talk to Greenwood Nursery about this. Motion by Chalmers, seconded by Snyder to authorize Schmidt to acquire funds for the flower pots approve the expenditure of \$300 for flowers in front of city owned buildings. All voted in favor of the motion.

In a memo Gervais stated that Dale Johnson III was awarded the bid to replace the shingles on the Fifth Street Town homes. They are also working on a claim with GAF shingles. The Tracy EDA is requesting approval from the City Council to transfer \$47,630 from the Eastview Town home Account into the Fifth Street Town home Account. Motion by Martin, seconded by Chalmers to adopt a resolution approving an inner fund loan in the amount of \$47,630 from the Eastview Town home Account to the Fifth Street Town home Account bearing an interest rate of 3.75% for a period of 10 years. All voted in favor of the motion. (Res. No. 2010-16)

The Consent Calendar includes the Municipal Accounts Payable, Hospital Advisory Board minutes for April 21, 2010, Planning Commission minutes for March 1 and April 5, 2010, Ambulance Financial Statement, Cemetery Commission minutes for April 8 and May 3, 2010, Monthly Financial report and Monthly Receipts. Peterson asked if check 050853 to Bueltel, Moseing Land Survey Inc

was the total bill or the City's portion of the cost. Koopman indicated this is the total bill that will be split with Darold Edwards for surveying the cemetery property. Peterson asked if the contract with the ambulance needed to be renewed for next year. Koopman said date changes will be made to the contract for signatures. Motion by Peterson, seconded by Snyder to approve the Consent Calendar. All voted in favor of the motion.

Stobb presented a letter that Mayor Ferrazzano had received regarding the Let's Go Fishing program. Luann Kern had sent the letter was inviting others to participate in the program and vote on line at [www.refresheverything.com](http://www.refresheverything.com) and enter the word pontoon in the search box. The local group is competing for \$25,000 for a pontoon that would allow seniors and also adults and children with disabilities to go fishing. There is no cost to participate in this voting. Stobb encouraged everyone to vote as often as possible.

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

ATTEST:

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City Administrator

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Mayor

## SPECIAL COUNCIL MEETING

**June 7, 2010**

A special meeting of the Tracy City Council was called to order at 7:00 p.m., Monday, June 7, 2010 in the council chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Absent was K. Enderson. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Continuation of the public hearing on the issuance of Housing Development Bonds was held.

Gervais stated that one of the questions was in regard to potential property sites. He, Mayor Ferrazzano and Snyder met tonight with Dave Marlette and Rod Benson from the school board. They have come to a preliminary agreement and they are going to set up a public comment period for the school district for June 28 and then discuss this at the school board meeting to be held on June 28 as well. Gervais feels confident in moving forward with the school district site as a potential location for the town homes. Chalmers stated that on the pro-forma that was received, it appears these numbers seem to be based on a 2% vacancy rate. He expressed concern that 2% was low compared to statistics provided by the Department of Commerce and Census Bureau using an average of 4% to 5% for rental housing. Gervais stated the vacancy rate in Tracy for rental units is probably 0% to 1%. Using the present rental units as an example, the 16 townhouse units are full and have a waiting list of 22. There are 60 units at Twin Circles that are full and Tracy Area Housing is also full. He is not sure about Country View and there has been an ad in the paper from time to time. Gervais said the housing market in Tracy is extremely tight at this time. Chalmers said the numbers given suggest only an average of one month vacancy for each year. Gervais stated he has received deposits from three individuals that are interested in renting one of the proposed units. This is an indication of the desire and need for these town homes. Chalmers also questioned capital interest or pledged cash which does go down to 2015. At 2011 that is at \$60,500. Serie with SW Design Build introduced Shannon Sweeny from David Drown and Assoc., bond consultant. Sweeny stated that under statute they have to be able to prove 110% debt coverage when they develop a schedule for this type of project. Pledged revenue would be revenue that they are pledging from other resources. In the schedule he is required to demonstrate that we would be able to pledge that cash in the case of insufficient revenues to make the debt service payments. Some of the \$60,500 is actually being borrowed as part of the construction budget and there is a capitalized interest that would go towards that and that is roughly \$28,000 in the construction budget. In order to meet statutory requirements for 110% debt coverage, this means having revenues that exceed what is actually paid by 110%, other revenues need to be pledged from other rental housing in the community to meet that. Peterson asked if this was based off the \$204,000 in reserve on Eastview. Sweeny assumed that is what the City would be interested in pledging. Peterson said the reason he is asking is because he was wondering if that is what they base their numbers from. Sweeny based it on what is required to meet the debt coverage for the bonds. He has developed a schedule based on projected revenues. Chalmers pointed out that is the \$204,000 that they have already borrowed \$50,000 for re-shingling and \$50,000 for the dentist.

Peterson asked if there was an RFP done on this whole project. Gervais stated that not officially. A couple years ago, the EDA went through the waiting list and developed a time and interest list with 18 to 20 questions. This was sent to the individuals on the waiting list and seven or eight surveys were returned. Because of the present rental units being full and the waiting list, but they thought forward they would take a look at it based on the demand. Peterson asked how they got to this point with one single bidder and questioned why developers not contacted. Gervais stated the EDA has discussed for years the need for additional housing in Tracy. Serie had sent a letter back in February and Gervais contacted Serie that the EDA would be interested in meeting with him. Southwest Housing Partnership was contacted and they did not provide any plans but did provide a rough estimate of what the units would cost, but they were not willing to provide any plans for the EDA to review. Serie's group has demonstrated with the 1995 units a cash balance of \$206,000. These units have required very little maintenance and using that as a guideline, Gervais feels this is a good thing to build on. Chalmers stated that the location does seem to be of a concern. Some of

interest in renting the units is contingent on it being located by the school. Chalmers asked Gervais what his confidence level was that the school property would be the construction site. Gervais felt 95% sure about this site. He asked Benson and Marlette at the meeting held earlier if they do not sell that property to the City, what would be there in 10 to 20 years. They both answered it would be grass. This is a chance for the school to pay off a large part of their drainage assessment, which comes back to the City. One of the individuals that has given Gervais their deposit questioned if these are not built, do they move out of the community and move closer to their families. These individuals have been here for more than 40 years. They are not ready for O'Brien Court and are looking for more independent living at this point. Gervais stated that the City needs to provide opportunity to keep people here and feels that this type of housing is going to be more in demand in the future. He feels there are plenty of people in the baby boomer generation that over the next ten years are going to demand housing like this. If Tracy cannot provide this type of housing, they are going to move to where this type of housing is available. Chalmers asked if there as been a formal housing needs assessment. Gervais stated a study was done 18 months or two years ago and it did state in there that rental units are needed and also another housing addition. If someone wanted to come to town and build a house, building sites are very limited. Gervais stated that he has been asked in the past about Central Livestock property. The EDA does not own Central Livestock, the City does. There is an opportunity for housing there but it is not a prime location without some type of vegetative screening to block noise and visuals from the elevator and railroad. It is going to take an investment to do that. Gervais added the reason they are not building the town homes on that location, is that the individuals that he has given him a deposit have stated that if they were built on Front Street, they may or may not take them. The main concern is the visual and audio barrier from the elevator and railroad, Central Livestock and the hog buying station. It can be a good location but will take some time and money to make it that way.

Peterson asked why the numbers changed in the bottom line of the construction budget. Gervais stated they took off \$15,000 for the sprinkler system and also took money from the Miscellaneous and put it into the water softeners and then budgeted 4% to give some cushion. Gervais stated the \$28,000 would be covered and with the Build America bonds, they would get a percentage of that back. They do not pay principle until 2013. With rents they should be able to build up a cushion in those two years to help cover that. Chalmers stated that when they were bonding for the street project, they looked at the Build America bonds and decided not to go for that option as there were some higher up front costs and was not sure at the time how that worked. Sweeny stated that with their firm, there are no higher up front costs. What they were referencing is you are limited to covering 2% of the issuance costs from bond proceeds. There is a line for cash being contributed towards issuance costs. Chalmers stated that the limitation is only 2% of the issuance cost can be bonded, there is then cash that has to be put out and asked where that cash would be coming from. Serie explained the construction cost is \$1.215 million and the \$35,000 includes all the bond placement costs David Drown & Assoc. When the bonds are sold there will be a total of \$1.250 million of which \$1.215 is for construction and \$35,000 is placement. Peterson asked if there is a need to spend more money for a bond rating since one was just purchased last year. Sweeny stated that another bond rating would have to be purchased as every time you go to market a bond rating has to be purchased. The interest rate of having the bond rating will save more than the cost of the bond rating. This money goes to Standard and Poor's. Serie stated that if they are lucky enough to place the bond locally, they would save 1.5% of the issue if they are able to negotiate with the local bank rather than going through a formal bid process. He has addressed this with Minnwest South. Serie cannot report that they have an interest but it would save about \$18,000. He offered to split that with the bank. Serie stated that he does not want to prolong this issue and the reason for the meeting tonight was there were a number of questions that have hopefully been answered.

Peterson believes there is a need for this type of rental unit in Tracy and supports that. He has a problem when there is only one entity steering it and feels they should have done a RFP and gotten some other options. It seems like it is moving fast and they still do not have a definite spot to build. Stobb felt they do have a spot because if all else fails, it could be placed on the Central Livestock Property. Peterson does not agree with this. Mayor Ferrazzano felt the meeting with the school today went fine and he told Peterson that the construction location should be the least of his concerns at this point. Stobb said there are not a lot of school districts that have that amount of land that Tracy does. Stobb felt that Serie's firm has proven their ability with the track record they have in Tracy.

Motion by Snyder, seconded by Stobb to adopt a resolution approving the housing finance program and the issuance and sale by the Economic Development Authority of the City of Tracy of its Housing Development Bonds, Series 2010 (City of Tracy, Minnesota, General Obligation) in an amount not to exceed \$1,250,000 backed by the full faith and credit of the City of Tracy, Minnesota and provide for a comparative negotiated sale. Upon roll call the following vote was recorded with Chalmers, Martin, Snyder, Stobb and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carries. (Res. No. 2010-17)

Stacy Barstad, CEO Sanford Tracy Medical Center, started there was some miscommunication regarding the sewer piping replacement for the clinic. It was discovered that the pipes were bad and the Council approved \$25,000 to do this part of the project. She and Kopperud were under the impression this was all inclusive and included everything needed to fix the problem. Ken Mettler, Sanford Clinic Director of Facilities, will be explaining the additional costs that need approval to proceed with the project. He explained that they had put before the Council a proposal to renovate the clinic. When the project began it was discovered the sanitary sewer needed to be replaced and presented an opportunity to do what they had declined to do in the beginning as it was thought there would be too much expense. This was to create a more viable and efficient exam room set up. The exam rooms at this clinic were backwards from anything they have ever built before. They were inefficient for the providers and non-private for the patient. This allowed for placement of the sanitary sewer to the back of the exam room for the sink. The cost for this did not include that they then had to switch the case work and domestic plumbing. These costs were assumed or thought in the dollars that were asked for last time. Mettler stated that it was a lack of communication from himself to Sanford Administration and therefore, a lack of communication to the Council. He knew those dollars would have to be expensed and that they were getting pricing for that and did not properly communicate this information. Mettler stated they are here tonight to ask for an additional \$29,000. A summary of what has occurred was distributed to the Council and Mettler also put together a total construction budget to date. With all the dollars that are either expensed or proposed to be expensed, they are still way below the \$1.5 million, and that includes \$102,000 in contingency that should not be touched. Mettler said they are very close to completion of the project and once this additional cost is approved, there will be approximately four weeks and the project will be completed. They are on hold right now pending approval of these dollars. Nielsen stated that he was looking at an item on the sheet provided and it says something about a computer system for \$6,000. He was wondering what that has to do with remodeling the clinic and hospital. Mettler stated this was part of the original construction and they include the costs for computer, furniture and fixtures in the total dollars for the project. It has nothing to do with construction, but they want to know where every one of their dollars goes to. Nielsen wants to know if the City's dollars are going to buy a computer system out there. Barstad said this amount was for the wiring of the computer. Nielsen just wanted to make sure that they all understand the City is not funding things beyond what the lease allows. Mettler explained that they track all project expenses through the same format and that is why this is listed. Koopman stated that Brad Schipper previously came to a Council meeting and went through that spread sheet and addressed the furniture and computer issue. He identified those things Sanford was financially responsible for and what the City was responsible for.

Motion by Peterson, seconded by Chalmers to approve the additional costs of \$29,544 to complete the sewer project for the clinic renovation. Snyder indicated the encouraging thing is they are still below that \$1.5 millions. Mettler added this is going to be a very nice addition to the community. The clinic was well run, but was not something that they would be proud of. Snyder stated that what has been done so far is beautiful and everyone is very excited about getting it done. All voted in favor of the motion.

Motion by Peterson, seconded by Snyder to adjourn the special meeting at 7:35 p.m. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**June 14, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 14, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

A correction to the minutes for the Special Council Meeting on June 7, 2010 on page 257, para 4, last sentence: ~~Chalmers~~ Peterson pointed out that is the \$204,000 that they have already borrowed \$50,000 for re-shingling and \$50,000 for the dentist. Motion by Peterson, seconded by Chalmers to approve the minutes as amended for May 24, 2010 and June 7, 2010. All voted in favor of the motion.

An addition to the agenda was 6-D Root Cutter head for jet vac truck. Motion by Chalmers, seconded by Peterson to approve the agenda as amended. All voted in favor of the motion.

George Tanguy from East Hollett Street stated that due to the recent heavy rain on June 11, 2010 he had 4 ½ inches of sewage in his basement. He feels this is a City's problem and does not feel that his insurance company or he should be responsible for the clean up costs and damage to his basement. He feels the City should figure out how this problem is going to be resolved so that it does not happen again in the future. He has photos of the damage and indicated that it took him 16 hours to clean up the mess. Tanguy said that two of his neighbors had similar problems. He does feel the response team did a good job but it was still too late. Robinson said this was due to the I&I problems they have been having. The gates are required to be locked by the MPCA but were opened on this incident after the alarms went off at 1:07 a.m. and they continue to be open while we are bypassing water. Mayor Ferrazzano asked that the other affected households contact the City regarding this issue.

Charles Reinert from Helping To Heal was present to request authorization to perform acupuncture and hypnosis on the sidewalk by Helping To Heal business and to request authorization to hang advertising banners in the VMC. He stated that in January the Small Business Partnership met and suggestions were made that could affect the prosperity of the community. The small businesses tend to need all the positive promotion that can get just to stay alive in this frightful economy. A suggestion was made to arrange to use some of the wall space in the VMC area for commercial advertising. Reinert has followed up with a letter to the editor in the paper, just to judge which way the winds were blowing on the question and received no calls either for or against the proposal. He assumes there may be many businesses which would welcome an opportunity for additional exposure to the many folks who come to our Center from out of town. Reinert stated that he would be in favor of participating in such a project and was interested in how the Council would react to such a proposal. He presented photos of the wall space in the VMC. He said he had no idea what Sanford paid for their ad space or what rent the Council would wish for additional advertising. He had a conversation with Melanie Pamp of Prairie Designs in Tracy and she suggested separate vinyl signs for each business, so that the business could make a year by year decision as to how their advertising dollars were spent. If the business decided in the future that money spent on such hangings was not in their best interest, the sign would be taken down and returned to the business. If the Council is sympathetic to the idea, in principle, the details could be worked out.

Reinert stated that from time to time there have been reasons to want to do "outdoor" demonstrations of acupuncture and hypnosis on the sidewalk when weather permits. His acupuncturist would have greater exposure if able to do demonstrations right on the sidewalk that would allow people to just walk by and peek, instead of walking in the door and "committing" themselves to being interested in what he does. With the new restaurant in town, maybe they would like to put a few tables out in front of their establishment and there are already businesses which use a portion of the sidewalk for decorative purposes. He is not aware of any objections to that use. He stated that he has walked down the streets of Slayton and was able to inspect some of the merchandise right on the sidewalk easily without having to walk in. There are other businesses that would wish to display their wares on the sidewalk as well during the summer months when people just like to walk around outside.

Reinert does not feel that the sidewalk traffic would be unreasonably obtrusive to even take up half the sidewalk for such use. He thought it would be beneficial to use the expensive sidewalks, new street lamps and baskets of flowers and help downtown businesses to be better able to pay its bills.

Mayor Ferrazzano stated that he does not have a problem with this concept. Peterson questioned if there would be problems with having room for the equipment needed to water the flower baskets. Mayor Ferrazzano suggested that the watering could be coordinated with the business hours of the businesses. Stobb felt they would need to have some guidelines set that the business could use one-half the sidewalk and allow room for the watering equipment to go through. Nielsen did not feel there were any legal issues that would prevent this type of activity. The Council would have to make a decision as to the price of advertising for the banners in the VMC. Nielsen stated there has been some commitment from those that advertise at this time and if there would be a different amount; those businesses may feel slighted if space was given on different terms. Snyder indicated that Sanford and Panther Booster club paid for the scoreboards for their space. Koopman said others donated \$1,000 towards the purchase of the floor were listed on the banner. Chalmers suggested having some mechanisms to charge for so much square footage on the wall. Businesses can then choose the size of advertising they want and would not have to establish a set fee. Reinert said that he would discuss this with the Small Business Partnership and put together some guidelines to present to the Council. Nielsen asked if there would be some guidelines established regulating the type of advertising. Chalmers stated that with the small business community they would have to decide on a fair price and have a filtering point for what is tasteful and what is not. Mayor Ferrazzano asked if this would be limited to in town businesses or could out of town businesses also advertise and they could charge more if it was an out of town business. Reinert stated that the discussion at this point has been for businesses in town. Mayor Ferrazzano also stated that he was in favor of using the sidewalk for businesses to demonstrate their services or merchandise. Reinert will present guidelines for the Council for their review.

Motion by Enderson, seconded by Stobb to allow the business of Thelma and Louise's to block off the alley behind their business for their open house on Friday, June 25 from 5:00 p.m. till 1:00 a.m. All voted in favor of the motion.

Jamie Verdeck, Tracy Libraian, stated that this past Monday the Planning Commission met and passed a motion to recommend to the City Council to grant a special use permit to move the library to the ETC building site and waive the 10 day waiting period so that this could be presented to the Council at this meeting. Motion by Snyder, seconded by Peterson to grant the special use permit to move the library to the ETC. building. All voted in favor of the motion.

Stobb asked if the purchase agreements for the library acquisition have been finalized. Nielsen stated there is still some work that needs to be done to close the transaction and this was dependent both the Planning Commission and City Council's action. There are still some requirements that need to be done by the seller.

Robinson stated that with the recent heavy rain there was sewer back up on East Hollett Street. In 2006, MPCA required the City to install a lock gate and alarm regulating the bypass on Hollett Street. The alarm went off and the on call person was there within ten minutes. The gate was opened but it was not fast enough. This problem relates to the I&I problems which we are working on. Robinson said that when they get further along with the lagoon issue and downtown water mains, they will be looking at replacing those sewer lines. Under Tanguy's house there is a 42 inch pipe about 1.5 feet under the house which is the by-pass line. This information was disclosed at the time Tanguy purchased the house. There are sewer lines in that neighborhood which travel across properties and those will be addressed in the lagoon project and corrected. In front of the neighboring house there is a 36 inch pipe and 24 inch pipe that outlet into a 12 inch pipe that heads for the lagoons. Those are old storm sewer pipes that were converted to sanitary sewer pipes. Robinson notified Tom Rignell, who handles the City's insurance. The H.S.I. house has been disinfected and Goltz's have contacted someone about disinfecting their basement. They are still by-passing on East Hollett and the bike trail stations. Tanguy needs to file a claim with Rignell. Stobb asked if the City insurance has been paying all the costs. Robinson stated that Rignell has been working on this. Peterson asked how many homes were affected. Robinson said that three homes were affected that he knows of. He said they are trying to lower the flow level and it is down

quite a ways but looking to lowering it more for earlier detection. If it is down too far and flows are high, the alarm is going off all the time. They are trying to find a happy medium. The water came very fast and they had to open the by-pass gates. Martin understood from Tanguy that by the time the alarm went off, there was already about four inches of sewage in his basement. Robinson said they are also looking to see if they can move the alarm further back in the system and if they get a structure built, then a phone line and power to it will be needed. Robinson said they are aware of the problem and feels they will be remedied when the lagoon system is corrected. They would like to leave the by-pass gates open but with MPCA they cannot do this. Koopman indicated that this was an unusual rain and this is not a common occurrence. There is a problem area in Park Street. Robinson said that night the department had two employees out all night cleaning catch basins and monitoring the flows.

Robinson said the issue with the root cutter is that on the bike trail there is a 12 inch line that carries the waste water to the ponds. They know there are some problems on that 12 inch line. It is an old clay line and starts at the ball fields. There have been root problems there in years past and they are having root problems again at this time. Robinson explained the closest place with a root cutter is Watertown, SD. They get \$6.00 per mile mobilization one way and charge \$300 per hour for cutting the roots. He estimated the total cost would be \$1,800 to \$2,000 for them to cut the roots from that area. They have the same machine the City has except the City does not have the cutter that goes on the end. It is a pump that is driven by the water from the jet machine that turns the blades. It is a long process to go down the line and cut these roots. Robinson did find a demo blade that would cover four inch to twelve inch lines at a cost of \$2,203.00. Robinson recommended buying the root cutting head. There is another area behind Mrs. Bicek's home that they would do if they had their own root cutter. He said the company would come down to orientate the staff as there is some fine tuning that needs to be done with the unit. Due to the staff shortage, Peterson asked if they would still have time to do other jobs that need to be done. Robinson said this is important enough they would like to get it done. The Street department has two part-time employees right now and one part-timer that is working with the utility department. The companies that Robinson had contacted about cutting the roots would not be able to come out before two weeks. He stated the root cutting head is available so they could ship it right away. These blades do not cut service lines. Occasionally there is an old clay service line that will fall into a main and block them. They have hired companies at this \$300 rate to come in and cut those clay service lines out. If they wanted to do this they would have to purchase a clay cutting blade in the future. The money for the root cutter would come from the Utility Fund. Motion by Enderson, seconded by Snyder to purchase the root cutter blades at a cost of \$2,203.00. All voted in favor of the motion.

Mayor Ferrazzano asked Robinson if he has received a report from the company that televised the lines. Robinson said they have received the report and reviewed it. He has turned it over to the engineers that are working on the I&I issue. They knew the railroad was a hot spot and the downtown roof drains. The problem is pretty much wide spread with it being an older system. There are still footing drains and sump pumps. There are a lot of services that are leaking water and means they have a clay pipe going to the house with joints that suck in water and acts like a field tile. Mayor Ferrazzano asked if the Council could get a copy of that report. Robinson said there was one copy and the engineers would reproduce it.

Peterson stated that he was unable to find in the Ambulance Agreement where it stated that the income/expense report was to be presented to the Council along with the required USDA forms. Koopman stated this was to be included and was mistakenly omitted from the agreement. She will correct this before obtaining signatures on the agreement. Motion by Stobb, seconded by Peterson to enter into the agreement with the Tracy Ambulance Service for the year 2010 in the amount of \$13,749 to be paid to the Tracy Ambulance Service. All voted in favor of the motion.

Motion by Stobb, seconded by Chalmers to adopt a resolution approving payment to Doom & Cuyper, Inc. for work completed on the Clinic renovation project in the amount of \$21,006.90. All voted in favor of the motion. (Res. No. 2010-18)

Motion by Chalmers, seconded by Peterson to adopt a resolution approving payment to Kue Contractors, Inc. for work completed on the Hospital renovation project in the amount of \$92,070.00. All voted in favor of the motion. (Res. No. 2010-19)

The Consent Calendar includes the Municipal Accounts Payable, Economic Development minutes for May 7 & 21, 2010, 2009 Deputy Registrar Review, Election Judges Slate for Primary Election, Firemen's Relief Association minutes for May 3, 2010, Aquatic Center Staff and Planning Commission minutes for May 3, 2010. Snyder congratulated the administrative office staff for work well done based on the Deputy Registrar review. Once again they exceeded the standard. Nielsen commented that there are minimal errors for the large number of transactions that are done in the office. Peterson asked if the payment to MacQueen Equipment for a broom was for the new sweeper or the mower. Robinson stated it was for the side broom on the new sweeper. Motion by Stobb, seconded by Chalmers to approve the Consent Calendar as presented. All voted in favor of the motion.

Mayor Ferrazzano asked how it was determined to have the recycling sheds where they are presently located. Koopman said that was determined by the County after asking permission from the landowners to locate them there. Mayor Ferrazzano asked if they were still needed since the residents are required to have the recycling carts. Koopman stated the shed was for those that live out of town to bring their recycling to. Mayor Ferrazzano stated there have been complaints that with no latch on the door, things blow out of the shed and onto other property owner's lawns. Chalmers has also heard this complaint. Lyon County will be contacted and asked if some type of latch can be placed on the doors.

Mayor Ferrazzano asked who puts the agenda on the city website as he has had comments that the agenda is not complete. Kathie Christians stated that she does and is not aware of what is missing. The information that is given to her regarding the agenda is put on the web site when she receives it. The only incomplete information that she is aware of is any changes in the agenda that are provided at the Council meeting. He was wondering if in the future, it would be possible to have the attachments for the meeting also provided on the website. Christians will find out if this is possible.

Enderson asked who is responsible for repairing the area on High Line Road where the drainage problem was this past spring. The gravel on the west side of the road has washed out and is undercutting the road. Residents are having difficulties getting this area mowed. Robinson stated that the City had damaged the culvert there when they were repairing the drainage problem. The County did repair the culvert. Robinson will take a look at the area and will contact Steve Johnson at the County.

Enderson stated there is a dip in the street in front of the fire hall. Robinson said they have been working on this and are looking at the possibility that a fitting came loose on the sewer service line in that area. They have been trying to get a camera down the clean out for the fire hall to inspect the area but are unable to make the corner in the line. They will be doing some excavating in the boulevard and run a camera to the fire hall and through the line to the main to see what the problem is. They have been monitoring this closely.

Chalmers wanted the Council to be aware that someone was ticketed for a dog barking and Police Chief Hillger has done what is expected of him and issued a ticket. He feels this may be something that will become more of an issue in the future as people are upset about getting ticketed for violations.

Mayor Ferrazzano reminded everyone that the Kid's Night Out will be held tomorrow night at the fire hall beginning at 6:00 p.m. The times for activities and events is listed in the local paper and local T.V. channels.

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

ATTEST:

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City Administrator

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Mayor

**June 21, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 21, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Martin to approve the minutes as presented for June 14, 2010. All voted in favor of the motion.

Additions to the agenda included: 10-A a resolution ratifying the correct payment to Kue Contractors, Inc. for work completed on the hospital renovation project, 13-A Sewage Problems and 14-B call for special meeting for bond sale on June 28, 2010. Motion by Peterson, seconded by Enderson to approve the agenda as amended. All voted in favor of the motion.

Mayor Ferrazzano presented an award for Katy Baskerville on her achievement of receiving the Girl Scout Gold Award which is the highest achievement that girls may earn in Girl Scouting. Only 5% of girl scouts are eligible for this award.

Radke reported that May off-sale was down approximately \$2,377.29 and on-sale was down about \$723.28 which made sales for the month down approximately \$3,200.57 for the liquor store. The last Karaoke was held on June 19 outdoors and had a fair turnout. The next outdoor Karaoke will be on July 17 weather permitting. Radke stated that after reviewing the April Profit/Loss statement it appears there are some problems that will require immediate action. The major problem is the net income has decreased by \$17,153.57. He would like to see the May Profit/Loss statement before making any major changes or decisions. All aspects of the operations are being evaluated. For the time being, the bar is not opening until Noon and off-sale will remain open at 9:00 a.m. That will result in savings of between 20 to 29 hours a week in wages. They will be changing credit card companies which would save between \$80 to \$100 per month. The HOPE DAC service has been cut in half which saves about \$30 per month. They may be canceling it completely. The price structure is being evaluated. Stobb asked if this could have anything to do with Thelma and Louise's opening next door and if other managers are seeing a similar trend. Radke did not feel that Thelma and Louise's opening had anything to do with this but feels that the economy is starting to take it's toll. Radke would like to see a Liquor Committee established to discuss all these issues and he does not feel that all matters concerning the day to day operation of the liquor store need to be brought up at every council meeting. Peterson asked how many he felt he would like on that committee. Radke stated that his initial reaction would be to have Koopman, Spencer and two members of the Council to serve on this committee. He felt they could meet before Council meetings so a report could be given when other department head reports are given. Motion by Peterson, seconded by Martin to establish a Liquor Committee. All voted in favor of the motion. Motion by Enderson, seconded by Chalmers to appoint Peterson and Martin to the Liquor Committee. All voted in favor of the motion. Snyder questioned why on the profit/loss statements the Beginning Inventory data is the same for each month. Radke was unsure why this was. Stobb commented that the gross sales are consistent and the cost of goods is pretty much the same. Radke felt that there is benefit of doing the profit/loss statement so they are made aware immediately of any substantial changes.

Gervais stated that the Tracy School District has agreed to sell the land next to Greenwood Nursery for \$35,042.28. That figure was part of three drainage assessments that they intend to pay off. Once the land is surveyed they will be able to go ahead with finalizing the agreement. He had a conference call today with Standard and Poor's in regards to rating the bonds. Shannon Sweeny from David Drown & Associates and David Spencer were also there. They plan on accepting bids for the bonds until 11a.m. and the Council would need to meet June 28, 2010 to accept one of those bids. He provided the Council a housing survey that was done in 2008 by Maxfield Research, Inc. The survey indicated that there is a need for 15 housing units in Tracy over the next 12 years and the remainder of demand will be for general-occupancy rental units – or about 10 to 12 units. It also talks about the need for rental housing for older adults and seniors and they recommend that they are one level with attached garages as the EDA is doing. Besides being appealing to seniors, these unit types

should also be appealing to young professionals to the community, such as teachers and hospital workers. Monthly rents should be kept low, excluding utilities to be within the range that the target market would be able and willing to pay. Gervais has also provided a bid tabulation sheet and he does not know if letters have been sent out in regards to the bid awards. He does know Tracy Ace got a majority of the material package and Daniels/Peterson has the drywall and concrete work, G&R has the appliances and he is not sure about the other areas at this time. Ace is in the process of ordering materials before the cost rises. They have come to an agreement with GAF on the 5<sup>th</sup> Street shingles. The EDA Board agreed to accept the settlement of just over \$3,000 in cash. The intent would be to shingle the Eastview apartments in the next one to two years. Gervais recommends taking the cost of those shingles that they would use for the Eastview apartments and take that off the loan that they would have with the 5<sup>th</sup> Street units. There is a problem with the sprinkler system at O'Brien Court. The black pipe that is in there has a microbiological organism eating through the pipes creating pin holes in them. It is a dry system so there is an air compressor constantly keeping pressure in that line. They are trying to figure out the best solution and have three estimates for replacement. Gervais said that a good deal of his time has been spent with business expansion. There is a business here in town that is looking for a new location and also working with a business from out of town potentially looking to relocate in Tracy. They continue negotiations with Premium Plant Services. He had a conference call with Western Community Action on the CDBG. They should have a contract with them shortly for review and will be pairing with Milroy. WCA said the commercial side of things does not look real favorable right now by DEED so WCA is recommending that we not pursue commercial sites in their application. They recommended pursuing homeowner occupied and possibly some rental and some demolition money. Gervais said they would probably look at doing 18 to 20 homeowner occupied units and Milroy would be in that three to five range.

Koopman reported that in addition to the day to day issues, during the month of May she attended two Cemetery Commission meetings, Planning Commission meeting, two City Council meetings, Performance Evaluations for Department Heads, Hospital Advisory Board and a workshop sponsored by the Coalition of Greater Minnesota Cities on Labor and Employee Relations. She has spent a great deal of time on complaints and complaints are channeled to the proper authorities but sometimes the general public expects immediate action. Work will start on the budgets for 2011. She explained that this will be a difficult budget year due to the economic downturn. She has not received any information on how to prepare for it. Stobb asked if everything has been set for the primary. Koopman said that election judges will attend training in July and absentee voting has started. The City will no longer be required to distribute absentee ballots. Everything will be done by the County, including counting them.

Motion by Snyder, seconded by Peterson to grant Satisfaction of Mortgage to Tracy Auto Bath, LLC and Michael J. Ritzko and Melanie A. Anderson with the indebtedness secured, fully paid and satisfied. All voted in favor of the motion.

Bids for the 5<sup>th</sup> Street East and Fire Hall Parking Lot were received, opened and tabulated and the following bids were received complying with the request:

<b>CONTRACTOR</b>	<b>AMOUNT</b>	<b>START/COMPLETION DATE</b>
McLaughlin & Schulz Marshall, MN	\$53,012.50	07/06/10 07/26/10
Duininck, Inc. Prinsburg, MN	\$59,525.50	08/07/10 07/27/10
Central Specialties, Inc. Alexandria, MN	\$54,867.50	07/05/10 07/26/10

Motion by Martin, seconded by Peterson to adopt a resolution awarding the bid for the 5<sup>th</sup> Street East and Fire Hall Parking Lot to McLaughlin & Schulz. All voted in favor of the motion. (Res. No. 2010-20)

Bids for the fire truck were received, opened and tabulated and the following bids were received complying with the request:

U.S. Tanker	\$199,711
Midwest Fire	\$205,780

Motion by Enderson, seconded by Peterson to adopt a resolution awarding the bid for a new fire truck to U S Tanker. All voted in favor of the motion. (Res. No. 2010-21)

Motion by Snyder, seconded by Stobb to adopt a resolution ratifying the correct payment of \$125,215 to Kue Contractors, Inc. for work completed on the hospital renovation project. The total of \$92,070 represented the amount remaining on the contract and not the actual payment due to Kue Contractors, Inc. All voted in favor of the motion. (Res. No. 2010-22)

The Consent Calendar included: Municipal Accounts Payable, Hospital Board minutes for May 19, 2010, Economic Development minutes for June 4, 2010 and the Monthly Financial report. Peterson stated that on the Accounts Receivable, the City received a payment for jet vac truck rental. He was of the understanding that the Council had decided they would not be renting out any of their equipment due to maintenance issues. Koopman stated that since Robinson was not here, she would report what she knew about the issue. She said that it was Kendall Cooreman that had rented the truck, he contacted the Mayor and apparently there was no problem with him using it. He has done a lot of work for the City. Peterson felt that if they have made the decision not to rent out any equipment then that is the way it should be done for everyone. If someone else comes to ask to use something, what will they be told? Koopman stated that if that is the way the Council felt on this issue, then that is the way it would be done. Peterson asked if Revere was the only City that bid on the old sweeper. Koopman said it was advertised and theirs is the only bid received. Motion by Chalmers, seconded by Stobb to approve the Consent Calendar as presented. All voted in favor of the motion.

Martin questioned if the sewer problem on Hollett Street had been resolved. Koopman said that two claims were filed and is not aware if Mr. Erickson or the HSI house have filed claims to the City's insurance company but have been informed to do so. It is up to the insurance company to determine if the City is liable.

Enderson asked if there is another Council member that could be assigned to his position on the EDA Board. He has no interest in the issues they are working on at this time. Peterson stated that he would fill that position. Motion by Chalmers, seconded by Snyder to appoint Peterson to the EDA Board. All voted in favor of the motion.

Martin has received communication from a citizen that the City of Tracy has a large number of parks and no one seems to be looking after them. He feels it would be beneficial to have a Park Commission so that issues can be discussed. Koopman stated that up until five years ago \$5,000 was set aside annually for park improvements. With the budget cuts, that was one area that has been cut. Martin said that it appears that the interest is there, but there are no funds at this time and may not be for awhile with the cuts in LGA. Koopman said prior to the budget cuts, an inventory was done of the equipment they have and some replacement was done at that time. They also painted some of the playground equipment. There is a definite need for updated equipment for Central Park and Swift Lake Park. Chalmers felt that even if they know the issues and the question being what can we do right now. Personally he would like to see that the community as a whole take interest and if they see something that is a real need they could get businesses or residents to bond together to donate supplies and labor. This was done with the St. Mark's property and it is beautiful compared to a vacant lot. Nielsen stated that some individuals need to be aware of a specific project so they can see the satisfaction in donating supplies or labor and to select things that are not costly. Martin felt that looking at things and paying attention to the condition of the parks would be a viable thing. Koopman said that at one time they had discussed taking the equipment from Central Park and moving it to Swift Lake Park. Nielsen stated they need to identify specific projects to work on and set priorities. Chalmers felt this was maybe one area that the Planning Commission could explore.

Koopman stated they could also explore any grant opportunities as they did for Sebastian Park.

Chalmers said the Council had discussed repairing monuments at the Tracy City Cemetery. Now that it is summer, a date should be set to do that. Mayor Ferrazzano suggested that the next time the Cemetery Commission meets, they could discuss a date to work on this project.

Peterson asked if the library purchase is still moving along. Nielsen stated he did have correspondence from the seller's attorney and they are working on things that need to be completed before the purchase agreement is finalized.

Mayor Ferrazzano informed the Council there will be a special council meeting on June 28, 2010 regarding the sale of the bonds for the town house project. Koopman will let the Council know what time the meeting will be held.

Motion by Peterson, seconded by Chalmers to close the meeting at 7:15 p.m. to conduct the EDA Director's Performance Evaluation. All voted in favor of the motion.  
be paid off.

ATTEST:

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City Administrator

\_\_\_\_\_  
Mayor

**SPECIAL CITY COUNCIL MEETING**

**June 28, 2010**

A special meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 28, 2010 in the Council Chambers of the Municipal Building. Council members present were: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb.

The purpose of the special meeting was to consider the approval of the sale of \$1,235,000 Taxable Housing Bonds, Series 2010A.

The following three bids were received:

<b>Northland Securities, Inc.</b> <i>(taxable bid)</i>	Purchase Price	\$1,220,180.00
	Net Interest Cost	\$1,611,034.58
	After IRS Payment	\$1,052,359.48
	Net Interest Rate	6.5688%
	<b>After IRS Payment</b>	<b>4.2909%</b>
<b>Cronin &amp; Co., Inc.</b> <i>(taxable bid)</i>	Purchase Price	\$1,220,210.80
	Net Interest Cost	\$1,669,474.20
	After IRS Payment	\$1,090,334.45
	Net Interest Rate	6.8071%
	<b>After IRS Payment</b>	<b>4.4457%</b>
<b>Dougherty &amp; Company, LLC</b> <i>(tax-exempt bid)</i>	Purchase Price	\$1,220,180.00
	Net Interest Cost	\$1,172,950.42
	After IRS Payment	-
	<b>Net Interest Rate</b>	<b>4.7826%</b>
	After IRS Payment	-

Shannon Sweeney, David Drown & Associates stated that three bids were received this morning with the low bid of 4.29% being received from Northland Securities, Inc. of Minneapolis. That was .04% different than was projected which amounts to approximately \$10,000 savings over 30 years or roughly \$330 per year. They felt it is a good bid. This would be issued as a Build America Bond whereby the federal government would reimburse 35% of the interest payment on each interest payment date. That reimbursement program is performing better than tax-exempt bonds. One tax exempt bid was received that was 0.5% higher and that would amount to approximately \$120,000 over the life of the issue. The Build American program offers significant savings and is worth utilizing. As part of this process, the bonds were rated and Standard and Poors and did reaffirm the City's A rating. Sweeney asked if there were any questions.

Stobb stated that on the second line there is net interest cost. Sweeney stated this is prior to the reimbursement. The After IRS Payment is the actual interest cost after reimbursement is received. Chalmers felt that to compare it fairly you would have to take the Net Interest Cost on the tax-exempt and compare it to the interest after IRS payment for the total interest. Sweeney stated the numbers used to do that are called the Net Effective Rate and that is the interest rate in bold. This is the actual average interest after the reimbursement that is paid over the life of the bond issue.

Peterson asked if the sale of this bond would in any way effect the City 12 to 18 months down the road when they want to do another GO bond. Sweeney answered that this would not affect the City's ability to borrow money for a sewer project. He feels that this would be the case because the City does not have a lot of outstanding debt and anticipates that if the City needed to be rated again, unless the City significantly drew down the cash reserves or stopped making payments on other bond issues, they would not have a problem getting a rating. Gervais stated that there are a couple bonds that are coming due shortly that would help with the rating as well. David Spencer said the O'Brien Court and 3<sup>rd</sup> Street East would probably be paid off within four years.

Motion by Snyder, seconded by Chalmers to adopt a resolution approving the sale by the Economic

Development Authority of the City of Tracy of it's \$1,235,000 taxable Housing Development Bonds, Series 2010A (City of Tracy, Minnesota, General Obligation) (Build America Bonds – Direct Pay); to Northland Securities, Inc. at an interest rate of 4.2909% and allocating small issuer rebate exception authority. Upon roll call the following vote was recorded with Chalmers, Enderson, Martin, Snyder, Stobb and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carries. (Res. No. 2010-23)

Motion by Peterson, seconded by Enderson to adjourn the special meeting at 6:50 p.m. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

### July 12, 2010

The regular meeting of the Tracy City council was called to order at 6:30 p.m., Monday, July 12, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Chalmers, seconded by Peterson to approve the minutes as presented for June 21 and June 28, 2010. All voted in favor of the motion.

Addition to the agenda included: 6-D Drainage Ditch Tile: G&B Construction and 7-D Satisfaction of Mortgage. Motion by Peterson, seconded by Chalmers to approve the agenda as amended. All voted in favor of the motion.

Mayor Ferrazzano stated that he has had several people comment about their concern of when the tornado siren is sounded. Chief Hillger stated in his memo that the sirens are for bad weather and bad weather only. He said that each person is their own best defense against bad weather and they should turn on their radio or TV to see if there are any weather warnings for our area when the weather looks threatening. Hillger stated there is no "all clear" siren and the residents should continue to monitor the radio or TV for an all clear. The siren does not necessarily mean there has been a tornado sighted or other bad weather, it simply means that you are to take cover and should not be standing outside to check the weather or driving around in your vehicle. Chief Hillger stated that he is responsible for activation of the sirens. He listens to the Sheriff's Department dispatchers, Tracy Fire Department, Marshall Radio and the National Weather Service and from that makes the determination to have the Sheriff's Department activate the sirens. Stobb said that the community needs to get rid of the idea that the sirens means there is a tornado on the ground. What is done in Tracy is not unusual as to what other towns do when there is Doppler detected activity, the radio and TV announce that the sirens should be going off in those communities that may be affected. Chalmers asked if the sirens continue to sound until danger has passed. Hillger stated that the sirens sound for a certain period of time and it is best to rely on TV or radio for the all clear.

Homer Dobson reported that the MPCA did an inspection at the Tracy Airport on June 23, 2010 and the following violations were noted:

- 7150.0100 subp 13     Shear valve anchors improperly installed or not installed.
- 7150.0300 subp. 7     Failure to inspect dispenser sumps, spill buckets, and pump sumps monthly.
- 7150.0340 subp. 4     Failure to conduct annual function test on piping interstitial monitor.

In his memo, Robinson stated that some of the violations they can correct themselves while others will require an underground tank company. He has received a quote for repairs from Dakota Petroleum Equipment LLC for \$995. With Council approval he would authorize the work be performed for the quoted price and that this is not a budgeted expense. Robinson and Dobson were surprised by these violations as two years ago extensive work was done on the valve and pipes and everything was in compliance. Dobson stated that if these repairs need to be made or a fine in the amount of \$550 would have to be paid. Koopman said the necessary repairs need to be completed by September 3, 2010. Motion by Enderson, seconded by Chalmers to authorize Robinson to have the required repairs as indicated by the MPCA done at a cost of \$995 by Dakota Petroleum Equipment LLC. Koopman stated that a new owner/operator certification program requires owners/operators of underground storage tanks to become certified by taking and passing an exam on the tank system by August 8, 2012. Currently there is no one that is certified. Stobb felt it could be up to the Airport Commission to decide who should be certified. Nielsen stated that it could also be someone from the fire department. All voted in favor of the motion.

Dobson also stated there will be a pay request from Dru Larson in regards to a countertop that was needed for the office at the airport. The renovation is complete and very useable. He has heard many comments from those that have used the office how nice the building is now.

Koopman stated that she has been in contact with the City of Balaton regarding the Assessor's position. They have discussed the pros and cons of sharing an assessor and agree that there are advantages in doing so, but have agreed that we may be better off advertising separately for this position because there may be someone that is interested in doing only one community. Proposals would be due by August 4<sup>th</sup> with interviews being conducted sometime during August 9 through August 20. The ad will appear in the paper on July 14 and 21 and any applicants will be able to bid for one or both positions. In the interview process, Dean Champine will be instrumental in making the selection of the assessor. Motion by Stobb, seconded by Peterson to authorize Koopman to place an ad in the paper for the assessor position. All voted in favor of the motion.

Koopman said that Mr. Brezinski presented an estimate for the tile for the drainage ditch and installation at the Central Livestock property. Brezinski said he had discussed this with Robinson last fall about putting in a 6 inch tile up to the ditch from the County ditch. Robinson stated then they would rather just go over to the existing storm sewer on Front Street and he asked for an estimate to go that way. He has provided two estimates, one for a 10 inch tile and the other for a 12 inch tile. Brezinski stated that if the purpose is for mosquito control, this will probably not do the job because if they go to the storm sewer it is only going to dry up the top 400 feet of the ditch and the rest of the way below that will still be wet. If it is to mow that first 400 feet to make it look better, it would probably do that. Martin stated that he felt the object was to dry the ditch out. Brezinski stated that if they would like to have it completely dry, they would have to go to the County ditch. The continuous water in the ditch is coming from a County tile. Brezinski stated the water is coming from the outlet across from the bus garage and runs all the way to the County ditch. Stobb said that he had not walked that ditch but though most of the standing water was in that first 200 to 300 feet. Brezinski stated that in dry weather it dissipates further down as there is field tile under some of that. Stobb goes back to what the engineers talked about when they presented this project, the City wanted to dry up that section of the ditch, but did not want to put so much water into the storm sewer that it would overload it. Stobb felt the primary concern is the first part of the ditch. Brezinski stated that talking with Robinson, the engineers looked at the older storm sewer and they said there is not a danger of overloading that and could handle a 12 inch tile. Koopman said the Council needs to consider the cost of \$12,000 for the 12 inch tile and a little over \$10,000 for the 10 inch tile. The existing waterway has water in it, but questioned if this problem justifies the expense of \$10,000 - \$12,000. Is this something they can look at down the road if that area is ever developed. If this area is ever developed, this tile would have to be ripped out. Stobb stated that the engineers promised that there would be a dry ditch and this was their solution to getting a dry ditch. Koopman stated that the original promise was actually made prior to tying in as much field tile as they ended up doing and they had not anticipated that at the time the original design was presented. Stobb asked if there have been any complaints to the City office. Koopman has not heard any in the office. Peterson said the only complaint that there has been is that Morey's property the sump pump never run before, but now it is running constantly. Brezinski felt that the system that is there should not have changed Morey's situation at all. Chalmers felt that with all the other things going on and budget cuts from the state, he has a hard time saying they should spend \$10,000 to \$12,000 on drying up the ditch if that means in the future explaining to someone that their hours are being cut because the money is not there for their wages. Peterson asked where the funds go from what was held back from that project. Koopman said if there were any funds left it would go to the bond fund. Martin asked how much has been held back. Koopman is not sure of the amount. Peterson stated the Council voted to give the contractor more money if he came back and finished the project, but he did not come back and finish it. Koopman stated that he did get about \$15,000. Nielsen stated that he has been trying to get a full accounting of the project and feels that he should not have gotten paid that much as the deal was that he would finish and then get the payment. He came back, did a little bit and got paid and then the contractor walked away and came back and asked for more money. Mayor Ferrazzano asked if they could go after that contractor for this entire amount because they are fixing what they did not do. Nielsen stated that part of it was fixing what he did not do, but the other part about drying up the ditch is not related to that. The plans that the contractor received and as they started out with, the ditch would have been dry if it would have been done as first presented. Then they added in those other tiles is what made it partially wet there and

there was nothing he could have done to change this. Motion by Peterson, seconded by Chalmers to table the issue for now until they get an exact accounting of what is going on with that project, funds available and options. All voted in favor of the motion.

Koopman said that part of the duties listed in Exhibit "A" of the Cemetery Superintendent's contract requires the Superintendent to daily open and close the gates. The Cemetery Commission has determined that this is no longer necessary and is recommending that this provision be removed from his list of duties. Stobb stated that he would like to know what the rationale is for this and feels that they would be inviting vandalism. Vandals are more likely to have a vehicle if they are going to do something. He would like to see the gates continue to be opened and closed daily. Koopman said part of the reason for this is because Lessman is now living in the country and it is a ways for him to travel back and forth. They have tried this and there have been no incidents of vandalism at the cemetery. Peterson understands Stobb's concern but feels that they could be open. Stobb asked if the Superintendent has someone designated to help him with these jobs. Koopman said that the Superintendent can appoint a deputy that could do those types of tasks. Nielsen asked if the Superintendent's compensation would be reduced if these duties are removed. Mayor Ferrazzano states that the Council approves requests from other Commissions regarding changes and does not feel that they should be second guessing the Cemetery Commission's rationale. Stobb did state that he did not feel they should be doing this solely because of an inconvenience for the Superintendent. Peterson does not believe that the Cemetery Commission would do it for that reason. Mayor Ferrazzano suggested that they table this issue until the minutes from the last Cemetery Commission are reviewed. Motion by Enderson, seconded by Peterson to table this request until the minutes from the last Cemetery Commission are received and reviewed. All voted in favor of the motion.

Koopman said the Cemetery Commission is recommending a number of revisions to the Rules and Regulations of the Cemetery. These changes were discussed in the Cemetery Commission minutes from May 20, 2010. Motion by Peterson, seconded by Snyder to approve the revisions to the Rules and Regulations of the Cemetery as recommended by the Cemetery Commission. All voted in favor of the motion.

Nielsen suggested that in regards to the proposed Grant Retainer Agreement, that the following or similar language be added to the Agreement:

The Small Cities Development Program Proposal, signed by Chuck Swanson, Housing Programs manager for Western community Action and attached hereto, shall be a part of this agreement and shall specify additional terms of this agreement.

A copy of the proposal should then be attached to the agreement and if the agreement is executed by the City, both the Mayor and City Administrator should sign same. Motion by Snyder, seconded by Martin to enter into the Grant Retainer Agreement with Western Community Action including the language suggested by Nielsen. All voted in favor of the motion.

Motion by Snyder, seconded by Stobb to approve the Satisfaction of Mortgage for Lavonne G. Johnson, Ernest F. Rosa, Jr. and Roxanne L. Rosa, David D. Spencer and Sheryl Spencer, and Ruby May Hines. All voted in favor of the motion.

In a memo from Val Lubben, Tracy Area Chamber Director, she states that the Tracy Area Business Partnership is planning a special sales promotion on Thursday, July 29, 2010 called "Crazy Days". They are requesting authorization for closure of Third Street from South Street to the alley north of Tracy Four Seasons be closed on that day. Motion by Peterson, seconded by Martin to grant the request by Tracy Area Business Partnership to close Third Street from South Street to the alley north of Tracy Four Seasons for "Crazy Days". All voted in favor of the motion.

Motion by Snyder, seconded by Stobb to approve the following requests from the Tracy Area Chamber of Commerce in preparation for the 83<sup>rd</sup> Box Car Days celebration to be held from Friday, September 3 through Monday, September 6, 2010.

1. The admission of Midwest Rides and Concessions from Elk River, Mn, for a carnival

midway to be held in Tracy and operate Friday, September 3 through Monday, September 6, 2010 and waive the license fee.

2. Use of the City parking lot for the Beer Garden from Wednesday, September 1 Through September 8, 2010 for the set up, operation, dismantling and clean up of the Beer Garden.

3. Use of Central Park for a “Kid’s Day” on Saturday, September 4, 2010 from 11:00 am to 3:00 pm.

4. Liquor license for the sale of non-intoxicating malt liquors from Friday, September 3 through Monday, September 6, 2010 for the Beer Garden, the Minnesota X-treme Bull Riding Tour, and the Softball Complex.

**List of Street Closure Requests to the City of Tracy for Box Car Days  
Friday, September 3 through Monday, September 6, 2010**

- For the line up of Grand Parade participants on September 6, 2010 from 9 a.m. to 5 p.m.
  1. East Hollett Street from First Street East to Fourth Street East
  2. East fourth Street from East Hollett Street to Craig Avenue
  3. First Street East from East Emory Street to North Street
  4. Emory Street East from East First Street across Center Street to Second Street
  5. Park Street from Rowland Street to Emory Street
- For the Grand Parade on September 6, 2010 from 10 a.m. to 3:30 p.m.
  - Emory Street from Second Street to Sixth Street
  - Sixth Street from Emory Street to Morgan Street
  - Morgan Street from Sixth Street to Second Street
  - Second Street from Morgan Street to Emory Street
- For Midwest Rides and concessions and other carnival activities on Friday, September 3 at 6 pm through Tuesday, September 7, 2010 at 10 am
  - South Street from Fourth Street to Second Street
  - Morgan from Fourth Street to the alley between Third and Second Streets
  - Third Street from alley south of Minnwest Bank South to South Street

All voted in favor of the motion.

Motion by Peterson, seconded by Martin to approve an On-sale intoxicating Liquor and Sunday Liquor License for The Caboose contingent on payment of fees and paperwork. Koopman stated that a background check was conducted and there was nothing cited.. All voted in favor of the motion.

Robinson submitted a memo for approval for the purchase of a second weed whip for the Public Works Dept. priced at Morey’s Repair for \$399. Koopman stated that the department cannot keep up with the trimming and the one they have right now is 15 years old. Martin felt that this cost was a bit expensive. Koopman said this equipment is used a lot and they need something more efficient than a residential type weed whip. Motion by Stobb, seconded by Enderson to approve the purchase of a second weed whip from Morey’s Repair at a cost of \$399. All voted in favor of the motion.

Koopman stated that there have been many positive comments on the flower baskets and the only negative comment was that they are up too high. Robinson had a rod made to lower them to see if that would work. He had then contacted DeSmet Welding about getting enough rods for the rest of the baskets. The total cost of the rods would be \$175. Peterson asked if there would be another function for the rods if the flower baskets were not used next year and since they are half way through the summer, maybe they should wait and see if any changes need to be made for next year. Snyder stated that the baskets have already been purchased and all they would need to do next year would be to put the flowers in them and the expense would not be as great. Koopman said they are in need of volunteers to help with the watering of the flowers. If they could organize a schedule to split the duties for the weekends and with the baskets lowered, it would take less time and be easier to do the watering. She has heard a lot of positive feedback regarding the flowers and feels that this

project will continue. Motion by Chalmers, seconded by Snyder to purchase the rods to lower the flower baskets at a cost of \$175. All voted in favor of the motion.

Mayor Ferrazzano stated there is a memo from Spence regarding the Tracy website. It outlines the start up cost to get the website. The start up cost would be \$2,000 with the Chamber paying at least \$500 for that amount. After that the City would be paying a \$500 annual fee. Mayor Ferrazzano stated that he has had some good examples of websites from different cities and he feels that would fit for the City of Tracy as well. Chalmers asked if the start up fee included constructing the site and design. Mayor Ferrazzano stated that they will send them what they want and then the administrators can do the data entry. If a different layout is wanted, there is an extra fee to get that done. The website that they would be getting would be tracymn.org. The money for this would come from Other Financial Use and feels this would be beneficial to the City and be user friendly for the citizens. They would have access to different things such as minutes from meetings, agenda packet and more other general information. Stobb asked if they would be selling advertising on the website, but since the Chamber is contributing, he is assuming that would not be the case. Stobb feels they need a good website. Motion by Stobb, seconded by Martin to approve spending not more than \$1,900 for the new website. Snyder stated it cost \$100 annually but if purchased for five years it would be \$400 in addition to the \$2,000 start up cost. Chalmers felt the cost on the domain seems high versus the normal going rate and usually the most you see for domain registration is \$35 to \$40 and questions what else the \$100 would cover. Mayor Ferrazzano said they could put a cap on what they want to spend. Mayor Ferrazzano told the Council they could contact Spencer with any questions they have regarding the website. Koopman stated that \$27,000 was budgeted in that fund and nothing has been spent from it at this time. Chalmers stated that it would be more professional to have the e-mail address for the Council at tracymn.org. Mayor Ferrazzano stated they did have that at one time and it was very costly. Stobb stated they could have Spencer check into that. Mayor Ferrazzano stated that the more e-mail accounts you have the more expensive it is. All voted in favor of the motion.

Motion by Stobb, seconded by Peterson to adopt a resolution approving payment to Dru Larson Construction, Inc. for work completed on the Airport Terminal Building in the amount of \$2,722.00. All voted in favor of the motion. (Res. No. 2010-24)

Motion by Chalmers, seconded by Snyder to adopt a resolution approving payment to Doom & Cuypers, Inc. for work completed on the clinic renovation project in the amount of \$7,650.00. All voted in favor of the motion. (Res. No. 2010-25)

Motion by Snyder, seconded by Martin to adopt a resolution approving payment to Kue Contractor's Inc. for work completed on the Hospital renovation project in the amount of \$42,070.00. All voted in favor of the motion. (Res. No. 2010-26)

The Consent Calendar included: Municipal Accounts Payable, Multi-Purpose Center minutes for June 22 and July 6, 2010, Police Activity Report for May, Cemetery Commission minutes for May 20, 2010 and Fireman's Relief Association minutes for June 7, 2010. Peterson questioned the need for internet at the Aquatic Center. Koopman stated it will be used for instant alert to parents in the event of the cancellation of swimming lessons or closure of the pool. Koopman feels this would be very beneficial and they are in the process of getting it set up. This will also provide WiFi at the pool. Motion by Peterson, seconded by Martin to approve the Consent Calendar as presented. All voted in favor of the motion.

A complaint was received about furniture and weeds at a property in the city. Stobb stated that he drove by the property and it has now been cleaned up and mowed. At the time of the letter it was not. Peterson said there were other families in that neighborhood that were also concerned about this property. Koopman said the person submitting the complaint is aware of what has been going on but asked that the letter be included in the agenda packet.

Mayor Ferrazzano asked if the City would be spraying for mosquitoes. Koopman stated that the Public Works Department is aware of the problem and they do have the spray that needs to be mixed and once it is properly mixed they will go out and spray. Peterson said that the temperature and wind conditions need to be right for them to do the spraying. Stobb said there are areas where they do not

spray as residents on those areas have problems with the spray.

Koopman said that Board of Review Training will be held in the area. Mayor Ferrazzano and Snyder will attend the one in Lyon County in September and Peterson will call with the location that he would be able to attend.

Motion by Enderson, seconded by Peterson to adjourn the meeting at 7:35 p.m. All voted in favor of the motion.

ATTEST:

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

\_\_\_\_\_  
Mayor

**July 26, 2010**

The regular meeting of the Tracy City council was called to order at 6:30 p.m., Monday, July 26, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Absent was K. Enderson. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Peterson to approve the minutes as presented for July 12, 2010. All voted in favor of the motion.

An addition to the agenda was 9-C authorization for chain saw purchase. Motion by Chalmers, seconded by Snyder to approve the agenda as amended. All voted in favor of the motion.

Con Rettmer of 236 Hollett Street stated that he was not against the concept of the town homes being built, but felt that the timing may not be right with the economy as it is. He is concerned about the bidding processes for the town homes. On bid opening, it was stated that if local contractors were within 105% of the low bid, they would get the job. When the bids were received Quenzer Electric of Mobridge, SD was the lowest bidder at \$40,600 and the bid accepted was from Hebig Electric at \$43,410.75 which was actually at 106.9%. Rettmer stated that he had discussed this with Gervais and Koopman and felt that it did not make sense to bid the job and not take the lowest bid. Rettmer asked Snyder and Peterson who are on the EDA board why it was done this way. Snyder stated that they had talked about this at great length and this was not an easy or quick decision. The EDA felt that Hebig Electric was local and Quenzer Electric didn't object to giving up the job.

Dale Klein, Cemetery Commission Chairman, stated that he was the one that had authorized Lessman to leave the gates open at the cemetery. Before this was done, he visited many cemeteries in the area and did not find many that had gates and if they did, the gates were not closed. Security was lost when it was decided to remove the chain link fence at the cemetery. Milroy Cemetery does not have gates and have never had problems with vandalism. Marshall Cemetery is located in the city, but has also not experienced any vandalism. Klein stated that he would rather Lessman spend his time with other issues such as trimming and cleaning up the cemetery than using time to open and close the gates. Klein feels that Lessman is doing a good job. He said there was a misunderstanding about the mowing and the grass got long before the July 4<sup>th</sup> holiday. Klein did not know that the mowing had already been budgeted and that is why three weeks before the July 4<sup>th</sup> holiday, he had instructed Lessman to not mow until right before that weekend. Now that this has been cleared up, the mowing will be done every two weeks. If it becomes dry, this may change. He had suggested to Lessman that if it became too dry, to use a trimmer rather than a complete mowing to take care of the weeds. Klein prefers that they leave the gates open as they have recently been doing. Klein also questioned who would be liable if volunteers were working at the cemetery and someone was injured. Koopman stated they would have to check with the insurance company as to who would be liable. Members of the Cemetery Commission have been maintaining the flower beds at the cemetery and Klein feels that they are doing a good job. Koopman asked for clarification that Klein had instructed Lessman to trim rather than mow the whole cemetery and questioned how he would be paid for this. Klein said that Lessman stated it would slip into the superintendents list of things that needed to be done instead of in the mowing pay. He stated that sometimes tasks are not accomplished at the cemetery due to misunderstandings and not that issues are being ignored. Stobb stated that in the past when the gates were closed they were locked and wondered when they stopped locking the gates. Klein stated that about seven years ago he was aware that they were not locked. Peterson asked if a deputy superintendent had been hired by Lessman in the event that he was out of town or could not be reached. Klein stated that at this time, those duties have been the responsibility of the chairman or co-chairman. Stobb felt that the superintendent should hire a deputy that is approved by the Cemetery Commission. Klein stated this will be discussed at the next Cemetery Commission meeting. Motion by Peterson, seconded by Martin to amend the Cemetery Superintendent contract to allow the gates to remain open at all times. Upon roll call the following vote was recorded with Martin, Peterson, Chalmers, Snyder and Mayor Ferrazzano voting aye and Stobb voting nay. Motion carries.

Gervais commented on Rettmer's concerns on the bidding process for the four-plexes. SW Designs and F&L Management along with input from the EDA board, made the final decisions on which bids to accept. The electrical bid was awarded to Hebig Electric and they were \$780 over the 105%. Gervais had talked at length with Tom Serie concerning this matter and Quenser has bid many projects for Serie in the past. He talked with Quenser and felt that with politics in the community, this was the right decision to make. Quenser Electrical from Mobridge, South Dakota got the bid. Gervais never spoke with Quenser directly. Gervais stated that is a little more money and in talking with Serie and his opinion was that as things progress and maintenance issues arise, it would be beneficial to have a local contractor rather than someone many miles away. This decision would keep the work local whereas Quenser money would probably have left town. Rettmer mentioned taxpayer money being spent, but the fact is this money was bonded for and taxpayer money would not be spent as long as scheduled payments are made on the bond. Chalmers was bothered by the fact the bid was advertised and stated that local bids would have to be within 105% of the lowest bid received and did not stick by what was advertised and took a bid at 107%. Gervais stated that is why Serie contacted Quenser about this and they worked it out. If Quenser Electric would have said, yes, that is my bid and we have an agreement, then his bid would have been accepted. Quenser allowed it to happen when he pulled back and said that he understood and it was the right way to do it. Chalmers said he can see that someone could look at that and say that is not what you said you were going to do and defeats the whole purpose of the bidding system. Chalmers stated that personally he would rather have seen them go back to Hebig and ask if he would be willing to come down to the 105% so he would be meeting the criteria for the bid as it was stated. Stobb felt this would be opening a new can of worms. Peterson said it is great to have local bidders be awarded but if local government is not going to follow the rules they set, than they cannot expect the community to follow the rules. Gervais stated that they need to keep in mind it was not the EDA that awarded the bids; it was F&L Management. Chalmers was concerned that it would only take one person to file a complaint as to how this was done and there are some strict rules as to what can and cannot be done with bidding procedures. Gervais offered to provide anyone that wanted with information to contact Serie and discuss this with him. Gervais stated they are still about \$40,000 under budget so when they chose the contractors, being under budget there is some room to play with. If they go over the budget, it is Serie's responsibly. Nielsen asked if they were under budget would the money be coming back to the City. Gervais answered that it would. Nielsen stated that by awarding a bid that is more than it should have been, it has in fact caused the City loss of money that would otherwise have come back to the City. Gervais stated that if they wanted to pick it apart, taking Ace Hardware for an example, was under the 105% and there were items that they were over, but they chose to go with Ace for the package. Gervais feels the correct decision were made and feels the town homes will be built very well. They hope to start the excavation for the town homes within the next couple weeks and they are staked. The street will be called Orchard Lane. They will be going over the lease to make any additions or corrections. The EDA has made a revolving loan to Tracy Area Funeral Home, Nathan Stephens. He will be building a new funeral home between Food Pride and Casey's. Gervais feels this will be a great addition to the community and Stephens and his staff will do well.

The EDA is working on a city ad with the Marshall Independent including the hospital, school and EDA town homes. They are moving forward with the Eastview town home shingles and were able to take the shingles that were given by GAF for the 5<sup>th</sup> Street apartments and will be shingling the 3<sup>rd</sup> Street East town homes and he's getting quotes on those right now. They have been working with new property owners and a new potential business. The EDA has also been working on the 2011 budget. Nielsen stated that Gervais had been working on the funeral home for a long time. They started to meet last November or December and finally getting close. They plan to break ground in August. Nielsen stated that even before that the business owner had talked about the property. This is something were some persistence has paid off.

Police Chief Hillger asked for any questions regarding the activity report. Snyder asked if the dash on the police car had been repaired. Hillger stated that it was and the delay was that the vehicle had to be taken up to Marshall for repairs. He had to do it when he was able to get a ride back to Tracy. Stobb commented that overall, June seemed to be a busier month. Hillger informed the Council that he will be having knee replacement surgery in October with recovery time of six weeks to two months. This means they would be down to two officers during that time. He had discussed this with Koopman. They checked into the possibility of getting a cop grant but all money has been

designated at this time. Mayor Ferrazzano asked if partial coverage from the County would be possible instead of hiring an officer. Koopman said the County is in the same predicament and as we are faced with more budget cuts there are no easy solutions to the problem. Snyder said his initial reaction would be to look at hiring a part time officer. He suggested using County deputies that live in town to see if they may be able to pick up shifts. Hillger stated that the problem with that is that would be taking an officer who is paid \$20 or more/hr and giving them \$15/hr in Tracy. Koopman said she and Hillger would discuss this with Sheriff Mather to see what type of arrangements would be possible. Martin asked if there were any intern possibilities. Hillger said the problems with that is hiring an intern would take someone to supervise them for the first couple months. This sometimes could be detrimental. Part time licensed officers are rare because of the difficulty in getting a part time license and the amount of supervision required for them. Stobb asked if there would be a possibility of a retired officer to pick up some of the shifts. Chief Hillger stated that getting another officer in 2011 would be difficult due to budget cuts so he is hoping that things will change in 2012.

Robinson reported that 5<sup>th</sup> Street East and the Fire Hall parking lot were paved on July 13. There was also some warranty work performed on 2<sup>nd</sup> Street where there was settlement. There is still an issue with settlement of an area on 2<sup>nd</sup> Street that the Engineers are still investigating. Asphalt patches were also placed where there were holes from water main breaks. City crew prepared the holes and McLaughlin Schultz place the mix. City crews have been raising and lowering selected manholes in town as time permits because some manholes are too high and are hit by snow plows and some are too low affecting ride ability. 2009-10 downtown sidewalk snow removal bills have been sent out. Mosquito spraying was started on July 23. Trees have been trimmed on rights of way. Trees branches that obstruct signage and low hanging branches on sidewalks have been trimmed.

Robinson said that the pump in the jet-vac truck has failed and estimated cost of repair ranging from \$6,000 to \$11,000. Prices were secured from two different companies. The best option is to order a rebuilt pump from McQueen's Inc. with installation being done by the city mechanic. The failed pump would then be sent to McQueen's Inc. and they take it apart and rebuild it and then charge the City for the cost to rebuild it. The rebuilding by the city crew was looked into, but would require too many special tools and they cannot be without this machine in case of an emergency sewer problem. The utilities department felt the best option is to order a rebuilt pump. Stobb asked if there was any warranty on a re-built. Robinson said that the warranty is for one year. The sanitary sewer manhole on E. Morgan Street has collapsed. This is an old brick manhole that will have to be replaced. It has temporarily been secured with cold mix. The estimated cost of repair is \$4,000 to \$5,000. The new root cutter tool and has been received and works well. They have removed the roots in the 12 inch trunk main going to the ponds. There was a sewer plugged on 1<sup>st</sup> Street and Morgan and the line will be televised in the future to determine what is causing the obstruction. What has typically happened is that old service lines have fallen in to the main and if this is the case they will be using the root cutter to go in and cut those service lines. On High Street there was a water leak which turned out to be the responsibility of the homeowner. This happened four days prior to the new ordinance taking affect and the cost to the homeowner is over \$5,000. Four weeks later the water main broke in the same area but was the City's responsibility.

Robinson met with Lessman at the cemetery and there are seven trees that the Cemetery Commission would like removed. Campbell has quoted a price of \$1,400 for removal of those trees. There were more trees that went down in the recent wind storm and there are two more that are heavily damaged from the storm. Robinson is estimating the cost to remove those would be about \$600. If not removed there is the possibility of them falling and causing damage to the monuments in that area. Motion by Stobb, seconded by Snyder to authorize the removal of the trees at the cemetery with the cost not to exceed \$2,000. All voted in favor of the motion.

Robinson said that there is a length of road in the cemetery where the Cemetery Commission wants gravel added. This would take approximately thirty yards of gravel at a cost of \$300. There is some gravel salvaged from 5<sup>th</sup> Street that does have some chunks of asphalt in it. This is stored across from the ambulance garage. The City Council approved using this gravel.

The airport mower had a fuel injection pump go out and the repairs cost \$1,500. Now the hydraulic pump has gone out and will cost \$1,900 for repairs. This will overrun the airport repair budget. The

fuel system was repaired and brought up to code on July 22, 2010. The original quote for repairs was \$995 but ended up costing \$425 more due to more problems with the pump leak detection system. This will also overrun the airport repair budget. Koopman was wondering since there is only one fill required each year, if it is worth the cost to make repairs when it is not used that much. Peterson felt that if they could not provide fuel, no one would stop at the Tracy Airport. Snyder voiced concern that when the MPCA returns for another inspection and there would be more problems, we could be spending another \$5,000 to \$6,000 which may equal the 5% City's share for a new fueling system. Chalmers agreed that it would be beneficial to know what the cost for the City's share would be for a new system. Mayor Ferrazzano asked if this 5% would be funds that they could get from other cities that are not using their allotment of funds. Koopman said the 5% would have to be local funds. Nielsen said those funds from another city could be used towards the 95% cost.

Robinson said they have added some pea rock under playground equipment for safety and have replaced GFI outlets in the band shell. They will also be removing some trees at the parks. At the last meeting there was a question on rental of a main lift from Doubler Construction. They had this aerial lift for six days but only used it two of the days while they waited for the glass panes to be made. Robinson has been in contact with Doubler Construction trying to get a revised bill.

Robinson said on July 21 there was an inspection from the DNR Forestry Division in New Ulm who issues the burn permit for the City. During the inspection, there were found to be items such as building materials, plastics, garbage etc. on the site. The presence of this material in an unburned pile raised numerous concerns including:

1. Illegal dumping of garbage that violates State law.
2. Prohibited material in a burn pile indicates to site users that dumping of this materials is acceptable
  - Some of the prohibited material was pushed up into the pile, implying that site workers intended to burn this material.
  - Burning of prohibited material is a misdemeanor, and violation of burning permit conditions.
  - Those individuals and groups that are seeking public and legislative support to severely restrict or ban outdoor burning are presented with a photo opportunity.

Greg Johnson from the DNR suggested and has found that the following actions have a long, successful track record in resolving burn site problems:

1. Schedule days/hours of operation when the site will be open.
2. Revise the entrance sign, indicating permissible and prohibited materials, times of operation, the penalty for nonconforming dumping, and other pertinent information of use to the public.
3. Staff the site when open to the public – to ensure that no prohibited material is left at the site. Often, sites are open for a few hours one or two nights during the week, and a few hours on Saturday or Sunday.
4. Lock the entrance gate when the site is not staffed.

Johnson stated that if this continues the City's burning permit will be pulled and the site shut down. The Public Works has removed the prohibited materials. Johnson also would be willing to attend a Council meeting if asked to do so. Robinson said they have tried cameras and they do work, except one of the cameras is now broke. A problem is that someone has to watch all the film for hours to see the violator and the Public Works Dept. is too short staffed at this time. There are also issues if this is a city police issue or county sheriff issue. Johnson also stated in his inspection that MPCA may come and look at the grass clippings/leaves area which contains lots of garbage and material which does not belong in the compost site. Mayor Ferrazzano felt they should have Mr. Johnson come and talk about this. Peterson suggested that the site be locked up and if someone had things to take out there, they would sign out a key and then bring it back when they are done. Robinson felt that would not work after office hours and on weekends. Peterson said there is no good answer to the problem without spending money to make it accessible. Nielsen suggested that the City issue an annual permit to use the compost site. Koopman felt they needed someone to monitor what is

being brought into the site. There is only a handful of violators that ruin it for others. Martin suggested using a webcam. Stobb said that even having the video of someone bringing in items that are not permissible, legally there is nothing that can be done to prosecute. Peterson said that maybe the DNR has legal responsibility and they could help with this issue. Peterson also felt that one step to resolving this would be to have a dumpster at the site where they can put the garbage that cannot go on the compost or wood material areas. Mayor Ferrazzano questioned the issue that the site workers intended to burn materials that were not allowed. Robinson said that what happens is that people put things behind the piles and when they are pushing the piles together, the items that are not allowed get rolled up in the pile and are not seen. Stobb felt they could have someone out there monitoring what is brought in if the users have an annual pass. Maybe a fee could be included with the residential water bills for solid waste. They do need to keep the site open and they need a way to generate funds to pay to have someone out there monitoring. Chalmers suggested that the site be locked and have limited hours and have someone monitoring the site when it is open. Stobb said it would be a burden to collect the money there and there is a possibility that someone could be confrontational. Snyder felt it would be better if the fee was put right on the utility bill. Peterson said there are people without utility bills that bring in things and feels an annual permit would be the fair way to go. Stobb asked if the part timers in Public Works could monitor the site if there was a way to pay them. Robinson said they have been doing more mowing with the wet weather and funds would have to be saved for part time help for snow removal. Stobb suggested using other financial use money and get someone out there as soon as possible to monitor what is being brought into the site because it would not be good if they had to close the site down. Snyder volunteered to help with the initial clean up. Robinson said that until a decision is made on how to handle this issue, the gate will be open at 8 a.m. and then will be locked again at sunset for this week. After this week it will be closed down completely until a more definitive plan is in place. Motion by Chalmers, seconded by Snyder to hold a public hearing at 6:45 p.m. on August 9, 2010. All voted in favor of the motion. Koopman was authorized to run an ad in the paper for someone to monitor the gate at the compost site. Mayor Ferrazzano asked that the Public Works Department and the Police Department work together to monitor the site several times daily to try to prevent anyone from dumping things that are not allowed and to report illegal dumping so that the materials can be removed before another inspection is done.

Robinson and his crew have concerns about having a December consignment auction at the Central Livestock building. If an auction is held, the street department would not have any place to dump snow. Central Livestock property is where the City dumps the snow and last year in December it was nearly full of snow that was hauled out. They need room there to turn side dump semi trailers. They thought it would be better if the auction was held in October or mid November at the latest. Snyder asked if they could put more of the snow on the north side of the property. Robinson said that putting the snow there causes problems with getting rid of the snow piles early enough from the tillable acres. Stobb suggested having the auction on the tillable ground. Robinson said this is uneven and rough and would make walking difficult on the frozen ground. Stobb said this issue can be discussed when a new contract is made with Zielsdorf Auction Services.

Martin asked about the status with the insurance company and residents that had sewage in their basements. Robinson stated that the League of Mn. Cities would be making their decision within the next five days. Snyder asked if there were any issues this past Friday night with the heavy rain. Robinson stated that they are bypassing at this time. The alarms did go off as they did before and the on call person came and opened the gates and there was no back up. The type of rain that fell on Friday night was a more typical inflow than the one they had before when it backed up after receiving three inches in a very short time. The alarms did go off, but water came up so fast.

Robinson said that the Public Works Department is in need of another chain saw. Because of the immediate need for one, the department had rented one today from Morey's. The quote for a commercial saw from Morey's Repair was \$509.95 for a 16 inch Johnsrude. Peterson stated that they could get a couple commercial grade saws and then they would have more equipment available and they could pick up two for about \$300. Robinson stated that he discussed this with the other employees and they felt they would be better off with the higher quality saw. Motion by Martin, seconded by Snyder to authorize the purchase of a commercial chain saw from Morey's Repair for \$509.95. All voted in favor of the motion.

Koopman stated in her memo that during the month of June, some of her time was spent preparing for the primary election by selecting election judges and attending training sessions. She has attended training sessions for City Clerks, one for assisting nursing home residents and another for election judges. During June she also attended three City Council meetings, Planning Commission meeting, Planning & Vision meeting, Hospital Advisory Board, Cemetery Commission and a Region V workshop in Pipestone. She also attended a two day conference in Duluth for Minnesota rural Health. She is now working on the 2011 budget which will be presented for the first time by the Department Heads at the next regular meeting.

Koopman said that the initial unallotment to LGA equaled \$118,415 which was recognized when the 2010 budget was prepared and additional cuts were not needed. When the final budget was passed by the legislature an additional reduction equaling \$59,528 was made to the 2010 LGA and MVC. Koopman prepared a list of recommended budget adjustments that need to be made to the 2010 budget. Koopman has discussed these changes with the Department Heads. This does not reflect anything for 2011.

**\$ 2,000 – Mayor and Council** delete the contributions appropriated for Lyon County Economic Development and the Southwest Initiative Fund.

**\$ 1,500 – Administration** reduce office supplies by \$500 and Maintenance & Repair of equipment by \$1,000

**\$ 5,000 – Planning**

**\$ 5,000 – Economic Development** reduce transfer out

**\$ 2,000 – Municipal Building** reduce utilities (based on percentage used)

**\$ 5,000 – Fire** reduce equipment replacement transfer based on revised depreciation schedule

**\$ 5,000 – Building Inspection** reduce transfer out to Code Enforcement used for removal of dilapidated buildings.

**\$17,300 – Street and Parks** regular wages was reduced by \$19,000 (savings due to one less employee), part time wages was increased by \$4,000 to hire additional help when needed, and both PERA and FICA were adjusted.

**\$15,000 – Other Financial Use** approximately \$10,000 remains

**\$ 2,000 – Multi Purpose Center** reduce regular wages by \$1,000 and utilities by \$1,000 both based on percentage used.

The total of these cuts equals \$60,000. Stobb asked what the \$5,000 in Planning was. Koopman stated that the intent at that time was to reinstate the paint program they had offered. Koopman stated that some of these things could be permanent but most of this is temporary fixes. They will still have to make some very difficult decisions in the near future. Motion by Peterson, seconded by Martin to adopt a resolution to make budget cuts as outlined above due to aid reduction. All voted in favor of the motion. (Res. No. 2010-27)

Chalmers asked if the staff had looked at the worst case scenario and planned a budget without incorporating any LGA. They need to have all the facts and show the state the bare minimum needed to run the City and why the City cannot do with less and how it would impact the life in the city. Koopman stated that LGA represents 60% of the revenue in the General Fund..

Motion by Peterson, seconded by Chalmers approve a satisfaction of Mortgage executed by Mark A. Evers and Denise A. Evers. All voted in favor of the motion.

Koopman stated in her memo that during the last Planning & Vision meeting it was suggested that a park committee be established to determine the needs of individual parks, i.e. equipment,

maintenance, etc. and develop a plan to finance the proposed improvements. This was discussed by the Planning Commission and they felt that a park committee should be established to develop a plan and present it to the Planning Commission. There was a park committee in the past, but they have not been active for a number of years. It was suggested that we try to get younger families and representatives from the Hmong community to serve on the committee. Motion by Chalmers, seconded by Martin to establish a Park Committee. All voted in favor of the motion. Koopman will put an ad in the paper asking for volunteers to serve on the Parks Committee.

Motion by Chalmers, seconded by Snyder to adopt a resolution increasing pledged securities. All voted in favor of the motion. (Res. No. 2010-28)

The Consent Calendar included: Municipal Accounts Payable, Cemetery Commission minutes for June 30, 2010, Hospital Advisory Board minutes for June 16, 2010, Economic Development minutes for June 18, 28 and July 2, 2010, Liquor Store financial report and Monthly Financial report – Expenditures/Receipts. Snyder had some questions on the Liquor Store report regarding lines 221, 222 and 231 under Operating Expenses. He questioned why these lines were not accumulative as all others are. Chalmers felt it would be good to have David Spencer come and explain the Profit/Loss statement to the Council. Martin stated that the Liquor Committee had met after reviewing the numbers a mistake was made in calculations and the loss for May was much less. Spencer is looking at comparing some options that will be reported at the next Liquor Committee. Motion by Snyder, seconded by Stobb to approve the Consent Calendar as presented. All voted in favor of the motion.

A letter was received from S.E.H. regarding the 4<sup>th</sup> Street Storm Sewer Improvements. Koopman reported that the City has retained \$13,386.56 from the contract for the 4<sup>th</sup> Street Storm Sewer Improvement. Steve Robinson recommended to basically move forward with whatever steps are necessary to alleviate the wet problem and if the Council choose not to do it, then that full amount is paid to Greg Vold. Peterson questioned that the funds would be given to the guy that did not finish the job properly. Stobb felt that was what the letter stated, but that cannot be right. Koopman stated this is the bid that the contractor made for the work and even though he did not do some of the work, basically that is money due him. Peterson asked if this also represents the additional money that was agreed to give him for additional work that was not in the contract and he still did not come back and answer the council. Koopman stated the thing that is confusing to her is that she knows they agreed to pay him the \$15,000 for additional work and that was done to avoid to go through another lawsuit. She cannot find any evidence of the City paying that, unless it was combined with one of the previous pay estimates that the Council had approved. The pay estimate that was actually paid to the contractor coincide with what appears on the pay request. Peterson asked that this contractor has not contacted the city about the funds held back since 2008. Koopman said that she is not aware of him contacting the City since then but she cannot say if he has been in contact with the engineers and the last payment made to the contractor was in October 2008. Mayor Ferrazzano asked what the estimates were to fix this problem. Koopman stated that one estimate was \$10,203.81 for the 10 inch tile and \$11,598.81 for the 12 inch tile. Snyder stated this is something they would have to rip up if they decided to do the whole thing. Peterson said that it was determined that this would not alleviate the swale where they are building the new town homes. Koopman stated that it would take care of roughly the first 400 feet as she understood it. Chalmers asked if Nielsen was aware of this. Koopman said not unless he got it tonight and she would like to see more research done before a final decision is made. Chalmers stated that this may be correct, but it does not make sense that they have to spend the money retained or give it to the contractor. Koopman said the Council needs to keep in mind that they accepted the bid, granted that he did not fully perform it and that is why Steve Robinson's recommendation is to go ahead and hire someone else to perform what he did not do and pay for it from the retainage. If nothing was done, he would get the whole retainage. Chalmers felt that they should have the option to say that he did not do what he was hired to do and he would not be receiving any of the funds. Koopman will discuss this with further with the engineers. Motion by Peterson, seconded by Chalmers to table this issue until more information is obtained. All voted in favor of the motion.

Mayor Ferrazzano stated that members of the Council will volunteer to help reset stone and straighten stones at the City Cemetery on September 11, 2010, with a rain date of September 18, 2010. Peterson stated that the Cemetery is not going to reset the larger monuments, but they will be

doing the smaller ones that need to be leveled and the Cemetery Commission would appreciate any volunteer help they can get.

Stobb stated that the political signs located on Highway 14 right of way were removed by MnDOT workers.

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

ATTEST:

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

\_\_\_\_\_  
Mayor

**August 9, 2010**

The regular meeting of the Tracy City council was called to order at 6:30 p.m., Monday, August 9, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Snyder, seconded by Martin to approve the minutes as presented for July 26, 2010. All voted in favor of the motion.

Additions to the agenda included: 9-C Spraying thistles at the City Cemetery and 12-B1 Canvas Election. Martin would also like to discuss the sewer back up on Hollett Street. Motion by Peterson, seconded by Snyder to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments.

Greg Johnson, DNR stated he has found some prohibited materials that have been dumped at the burn site. He inspects 72 sites in the area and is concerned about keeping the sites available because of the pressure by some groups to eliminate the sites. It is important to adhere to the laws and regulations for outdoor burning to continue. Some of the trade journals are speculating that burn sites will not be allowed in the future and with the publicity there are a lot of eyes looking at this issue. Tracy needs to resolve the problems so in the future there is more assurance that the site will be available for residents to use. There are alternatives to keeping the site open but some of those come with a high cost. There is the option of contracting with a solid waste management company or some company to come in and grind the materials into mulch. There are more reasonable alternatives with budgets way down. Johnson stated that one thing that would be beneficial would be to provide more accurate signage as to what is allowed and not allowed to be dumped at the site, that illegal dumping will be enforced with penalties and regulating access to the site. There should be set hours during the week with staff inspecting loads for prohibited materials. If there is a problem with individuals not being able to come to the site during those hours, a key system could be set up that would provide an individual to have a key. The materials could be inspected by staff and information such as name and driver license number could be documented. Once they have unloaded the materials, they would bring the key back to the staff. The City could also go totally with the key system and not have the gate open to the public. They could use a combination of tactics that would work well and Tracy has done it with staffing in the past and it has worked. Mayor Ferrazzano asked what the basis and reasoning is for wanting the sites closed. Johnson answered that it is because of the pollution and particulates. Clean burning materials and ash from wood is safe to be buried without a permit or laid over crop land for fertilizer. Particulates in the atmosphere from burning are the hazards. Johnson said that regulating the access to the burn site would be the most cost effective way for Tracy to keep the site open. Mayor Ferrazzano asked how many of the sites in the area have open access such as Tracy. Johnson said that about one-third to one-fourth have open sites and it depends on the municipality. Some sites where the access is not to the extent they would like to see, when inspected are very clean and no prohibited materials are found. Enderson asked what can be done with diseased trees. Johnson stated that is another reason to manage the Tracy site carefully. Without access to the site and the ability to burn, branches and trimmings end up in roadways, ditches, private land and parks. He said that emerald ash borer are coming into Minnesota and will survive in this climate. It may be more severe than Dutch elm disease and these burn sites are needed to control these diseases. Johnson stated that he is willing to work with city staff and develop a proactive approach to prevent potential closure of the site. Stobb stated there have been problems related to enforcement of prohibited items being brought to the site, even when it was documented on video and there was no action taken by the County. Johnson said a solution to that problem would be to have the land annexed into the City then the Police Chief would have more authority for enforcement of the regulations. He stated that he could talk with the Sheriff and see what can be done. In talking with him before, the Sheriff's viewpoint is that they have other more serious problems to deal with and do not have time or staff to take care of these issues. Because of the site being outside city limits it would be more appropriate for the sheriff or deputies to enforce. Chief Hillger stated that annexation would not be feasible as the site

has to be contiguous with city property. There is a gap and the individuals that own that property are not interested in being annexed. Hillger stated that he and the City Administrator are having a meeting with the Sheriff on August 12 on another matter and will discuss this with him at that time. Johnson said that if he was given the time of the meeting, he would try to be present to discuss this with them also. Stobb felt that even with better enforcement there needs to be better control of access and the site needs to be monitored. Johnson said they need to have active enforcement as back up and if enforcement information is given to the media so people know that the City is serious about retaining the site for burning and compost. Johnson said he would be available if the City is in need of help with this issue.

The Mayor opened the hearing to public testimony at 6:50 p.m. on Ordinance No. 310, an ordinance regulating use of the City of Tracy Compost Site. There were no public comments and the public hearing was closed at 6:53 p.m. and referred to the Council for their consideration. Mayor Ferrazzano asked for any comments that the Council members have received from the public. Snyder stated the questions that he has received is when the site is going to be open. Peterson said the feedback that he has been getting is that the residents want to leave their water bill alone and let them know when they can bring their grass clippings to the site. The idea of a permit was better received than a monthly charge on the water bill. Stobb stated that since he was the one that brought up the water bill, he had only one person talk to him about that. Mayor Ferrazzano felt they should stir clear of the water bill since they just recently had an increase on their bills. Koopman said that if the permit is the other option considered, this is going to take more administrative time to issue those permits and whoever is selected to govern the compost site is going to be subject to the abuse of the person that does not have that permit when they want to unload their load. She realizes that residents really do not want their water bills touched, but on the other hand, if they considered 25 cents per month fee added to the water bill which is \$3.00 per year would generate roughly \$2,700. If the objective is to pay for an individual to staff the compost site, this would be more than enough to pay for staff if the site is opened for 10 hours per week for 30 weeks. Chalmers asked if it was done this way, how the staffing at the site would know if somebody coming to do dump their yard waste is a city resident. Koopman said they wouldn't and that is something the Council would have to be willing to accept. Stobb had pointed at that people outside the city limits use the city parks, streets and other things that the city taxpayers are paying for. Given the amount of administrative time who knows what is going to happen in the future with staffing and if staffing reductions take place, there is a greater burden on the existing staff. Issuing permits will be time consuming and their work will be interrupted for this purpose. The previous problem she could see would be the person that is staffing the compost site has someone come to the site to dump a load and they do not have a permit and cannot get one and only has this one opportunity to get rid of the materials. Peterson asked if now when someone wants to dump a load of cement the office staff has to stop and take time to receive payment for that and where is the difference between that and getting a permit once a year. Koopman stated that she is just stating that she is looking at the aspect of the person that does not have that permit and they cannot dump that load. Peterson felt with the signage they could have the staff meet them at the gate and if they do not have a permit they can tell them this is where they are sold and the hours that they are available. Stobb said the hours that they had talked about having the site open do not coincide with office hours unless the person staffing the site is also selling the permits. Koopman stated if they are handling any money, that person would have to be bonded. Mayor Ferrazzano stated that he can understand that administratively it can be difficult but felt the most equitable thing to do would be if you are going to use it, you pay for it. Peterson stated that if the user is not from the city, revenue could be collected and he has talked with individuals not from the city and they would be willing to pay the fee. Chalmers stated there are individuals in town that do not take care of their property and have a lawn service and can see them be dissatisfied with paying to have access to the compost site. Nielsen stated it is to their advantage that the entire city be clean and if a permit system is going to be side stepped by people that will just dump their tree branches and grass clippings in a vacant yard or city park and if you never mow your lawn or have trees on your property, it is to the advantage of the residents to have the parks clean. For \$3.00 per year the city would be getting better guarantee that this would not happen. Chalmers suggested that charge the city residents the \$3.00 per year and get a decal to put on their vehicle that shows you have paid the fee. For out of town residents, they have to purchase a permit. That way it is fair to everyone if you are using the site you are paying for it. Nielsen stated there are two versions of the ordinance and the one version does have what Chalmers described with the water bill surcharge plus the ability to buy a permit if eligible to use the compost site and the other version is just the straight

permit. He feels that the Council needs to consider that for someone in the business of tree removal and trimming and mowing lawns should be required to have a permit. Stobb said that it being equitable would depend on how many permits they would sell and if individuals could start borrowing permits to others. Nielsen said to prevent that, the permits would have to be sold to named individuals to minimize that aspect of swapping permits. Koopman stated that the advantage of the water bill charge there would be a guarantee for the staffing and any additional staffing needed for cleaning up the site. The residents within the city would not require a permit; they would just have to show identification that they live within the city. They could use their water bill or their driver license as identification. Radke asked if there was a windstorm, and this happened on Friday night and with the City office not being open on Saturday you would not be able to get a permit and would not be able to dump the materials. Snyder stated that if the residents pay the \$.25 per month that would be taken care of. Martin feels for convenience sake and if it is only \$3.00 a year, the water bill charge would be the most effective. With the permit there is no guarantee enough permits would be sold to cover the cost of staffing the site. Chief Hillger stated that if they go with the \$.25 per month, the staff that is hired has to restrict access to Tracy citizens and Tracy citizens only. He does not feel that it would be fair for the citizens of Tracy to pay for someone from another community. Peterson felt there would be more problems going with the water bill charge than going with the permit. Motion by Chalmers, seconded by Martin to adopt the version of the ordinance regulating use of the Tracy City Compost Site that sets a monthly fee of \$.25 on the water bill to the city residents and an annual permit for non-city residents for \$10.00 to use the compost site. Enderson asked that if they set a fee, the fee is to pay the wages of the staff and if they have a volunteer, what would happen to those funds. Koopman stated the only concern that she has with volunteers sometimes they have the best intentions but they are always reliable. If the site is staffed, an employer has the right to give directives. Stobb said they have heard from previous employees it is not a real exciting job and if they want to volunteer that is fine, but they may get tired of it and may ask that someone else take it for awhile and that could be someone that is not volunteering. Chalmers felt they would be better off having someone that is paid to do that job. Peterson asked what they would charge someone that has a tree trimming service or lawn service. Stobb made the comparison that a tree trimmer who is doing business in town and do not feel that they should be charged any more than the \$10.00. Chalmers stated they are not charging the fees based on amount of waste being dumped there but on the basis that they need to have the site staffed and what is reasonable to keep it staffed. Nielsen stated it made sense if the idea is to pay for somebody to make sure the loads are clean and someone like that might be able to get special permission to go out there with someone from the city staff if they have two to three huge truckloads of stuff and they want to dump on a day when the site is not normally going to be open. He would think the staff would give exception for them to see what they are hauling out there. Upon roll call the following vote was recorded with Martin, Enderson, Chalmers, Snyder and Stobb voting aye and Peterson and Mayor Ferrazzano voting nay. Motion carries.

Mayor Ferrazzano stated that they need to set hours for the site. Enderson felt that some of the hours would have to be on Saturday and maybe a couple hours on Sunday. Robinson said that it is important to remember that cement disposal will continue to be \$10.00 per cubic yard. Robinson stated that Wednesday nights are not popular because of men's golf night. Mayor Ferrazzano felt they should have hours on Saturday for sure with hours being 12:00 to 4:00 p.m. Koopman stated the hours before were Saturdays from 10:00 a.m. to 2:00 p.m. and they could do it some other night from 3:00 p.m. to 6:00 p.m. Stobb thought before they had a couple hours on Tuesday night and a couple hours on Thursday night and then on Saturday. Mayor Ferrazzano felt they should keep it down to a couple days a week would work better. Nielsen said that in the same sense if there were hours from 1:00 p.m. to 5:00 p.m. on Saturday, it would give a person time to do the work in the morning and haul it out in the afternoon. Chalmers suggested that they have it open Saturday 1:00 p.m. to 5:00 p.m. and Thursday 4:00 p.m. to 7:00 p.m. Stobb felt that as they get into the fall they may have requests to expand those hours, but this would be a good way to start. Chalmers stated that with the ability to be open 10 hours per week, they have the option of having a two hour window on Sunday if needed. Motion by Peterson, seconded by Martin to have the compost site open on Thursday, 4:00 p.m. to 7:00 p.m. and Saturday 1:00 p.m. to 5:00 p.m. and have the crawler updated on the cable tomorrow. All voted in favor of the motion.

Mayor Ferrazzano stated they have a list of applicants for the site and he stated that Al Haney contacted him and said that he would volunteer. Nielsen asked if they wanted to consider Haney as

a potential paid applicant also. Chalmers felt that since the applicants would be reporting to Robinson, it could be his decision as to who is hired. Koopman suggested that they may want to look at hiring at least two individuals and work out a schedule especially if they are going to start including Sunday hours, it would be a long time for one person to work every weekend. Mayor Ferrazzano suggested that since Haney was kind enough to volunteer, contact him and let him know the hours and then if for some reason that falls through, then Robinson can contact the other applicants on the list and find out what hours they would be able to work. Peterson felt that since someone was kind enough to volunteer, they should take a look at it and see if it would work and have a paid employee as a back up. Koopman said that if someone did volunteer, they could use the funds from the water bills to have someone go in and clean up the mess. Chalmers stated that if they go with the volunteer, would someone from City Works go in and fill in that position. Koopman said they would be paying time and a half for someone from the city staff to fill in that position. Chalmers asked if there would be a liability issue with a volunteer working out there. Koopman said they would be covered as anyone else would be. Robinson stated there is a lot of clean up to be done at the site as it is full of debris and nobody ever takes any of the compost because it is so dirty. He thought that a paid person could start picking up that stuff and putting it in the dumpster. Robinson said that checking the loads at the gate is a good idea. Any time there is one vehicle stopped at that gate, somebody ends up stopping on Highway 14. It is a hazard to check them at the gate and they have to be checked after they are down the road and at the gate there is no place to turn around. Robinson stated they would have to provide some type of protection from the sun. Mayor Ferrazzano stated that if Haney would want to volunteer, then they could have someone else out there being paid to clean up the site. Robinson felt that if the compost site was cleaned up, the people would use the compost. Motion by Enderson, seconded by Martin to have Robinson contact Haney to inspect the loads and talk to the other applicants about cleaning up the site. All voted in favor of the motion.

Gordy Kopperud, COO of Sanford Tracy stated that the Kue part of the renovation project is complete. It was discussed some months ago that the way they were going to handle a few addition charges was through a single change order and that change order was put together. The change order was for \$39,595. \$25,172 has already been approved for the plumbing in the clinic and \$8,081 for additional sidewalk and curb and gutter. The balance of the change order that has not been approved is for \$6,342 to Kue Contractors. Of that \$6,342, \$3,299 was a design error on the part of the engineers for radiant heat in the lobby that was for high temperature boilers and the ones at the hospital are low temperature. They had to add more surface area for running water to heat those areas. That was approved on the premise that it had to be done. The other amount was for the hot gas by-pass in the HVAC units and this is a matter of efficiency and will pay for itself in the first year to year and a half. Kopperud is asking to finish the change order and there are items that are less than \$600 and if the Council wishes he can list them off. Snyder asked if the radiant heat issue was an engineering mistake, he questioned why the City has to pay for it. Kopperud said it is a matter of the information they had at the time they were putting in the system and somehow it was overlooked that the facility has a low temperature boilers rather than high temperature boilers. In the nature of remodeling it is trickier than new construction in that there are smaller items. The engineers may have looked at the boilers and they at one time were high temperature and designed to be high temperature, but they are being run at low temperature. Mayor Ferrazzano asked if they were still under budget on the project. Kopperud stated they are under budget for the two projects at possibly \$100,000. Motion by Stobb, seconded by Enderson to approve the change order to Kue Contractors. Chalmers feels they should go back to the engineering firm on the one item and feels that the City should not have to pay for something that was in the scope of the engineers responsibility. Kopperud stated that he asked that same question and was given the same answer that sometimes things are missed. Snyder stated that they are professionals and have been paid to take care of these situations and even if they met the City half way it would be better and they need to be accountable also. Peterson would like to see a written response as to what is going on. Chalmers stated there could be a very reasonable explanation but would be nice to have the details behind it. All voted in favor of the previous motion.

Kopperud said that \$27,044 for the clinic improvements to Doom and Cuyper and there are additional costs that come to \$5,337. Kopperud is not expecting any more change orders but until they are completely finished, would like to wait for approval of the additional costs until they are done. They are nearing completion on Monday and they will be moving in next week. They do not

have the official change order from Doom & Cuypers and this is made up of construction change documents. There could be more changes in the amount of \$500 to \$1,000 and if this was approved they would bring the change orders back as some of the changes in the previous change order had already been approved. This has been confusing for Koopman and himself. Approval was given for some of the CCDs but the funds had not been dispersed yet. This is the way the architect has done it in the past and his feeling is that it is a common way to handle things. Snyder felt that one thing that would be helpful and would personally wait until they are done and do it all at once. He felt it would also be helpful to have a copy of the final document. Koopman stated the \$5,337 has not been put into an official change order and what Horty Elving does, is a construction change directive which includes an estimate of cost, but until the work is done, the final cost is not available and funds are not appropriated. Once the work is done, they put it into a change order. Koopman stated the frustration she has had is that it is impossible to create an audit trail by doing it in the manner that they have done it. Apparently Horty Elving has done this many times in the past.

Motion by Snyder, seconded by Stobb to adopt a resolution approving payment to Doom & Cuypers, Inc. for work completed on the renovation of the Tracy Medical Clinic in the amount of \$50,344.20. All voted in favor of the motion. (Res. No. 2010-29)

Motion by Chalmers, seconded by Stobb to adopt a resolution authorizing transfer of funds:

<b>AMOUNT</b>	<b>FROM</b>	<b>TO</b>
\$18,500.00	Orchard Lane Bond Fund	Orchard Lane Construction Fund
\$ 6,640.97	Orchard Lane Bond Fund	Orchard Lane Debt Service Fund
\$49,400.00	Orchard Lane Bond Fund	Economic Development Loan Fund
\$28,000.00	Orchard Lane Bond Fund	Orchard Lane Debt Service Fund for Additional capitalized interest

Peterson asked why the \$49,400 is being transferred. Koopman explained that this is the administrative fees associated with the bonds. This money goes back into the revolving loan fund. Snyder stated the administrative fees were paid from the Economic Development Loan Fund. All voted in favor of the motion. (Res. No. 2010-30)

Motion by Snyder, seconded by Peterson to adopt a resolution approving payment to McLaughlin & Schulz, Inc. for work completed on 5<sup>th</sup> Street East and the Fire Hall parking lot project in the amount of \$52,686.50. All voted in favor of the motion. (Res. No. 2010-31)

Motion by Snyder, seconded by Chalmers to adopt a resolution adopting the Lyon County All-Hazard Mitigation Plan as established under the disaster Mitigation Act of 2000. All voted in favor of the motion. (Res. No. 2010-32)

Motion by Martin, seconded by Peterson to approve the recommendation from the Planning Commission for approval of the plat for the 4-plexes. All voted in favor of the motion.

Koopman and David Spencer have developed two example scenarios that demonstrate how the loss of LGA can impact the City. There are areas in the budget that have not been addressed, so, if the City actually receives another reduction in LGA a lot more thought would be put into the final recommendations.

The first scenario represents a loss of 25% or \$214,703

#### **SCENARIO #1**

<b>Description</b>	<b>Amount</b>
Eliminate the General Fund Equipment Replacement transfer	\$ 63,535

Eliminate one (1) part time position	\$ 18,258
Increase Levy by 25%	<u>\$133,000</u>
	\$214,793

The second scenario represents a loss of 50% or \$429,585.

## SCENARIO #2

Description	Amount
Eliminate the General Fund Equipment Replacement transfer	\$ 63,535
Eliminate two (2) part time positions (Police Sec. & Multi-Purpose Center Director)	\$ 35,258
Increase levy by 25%	\$133,000
Reduce Mayor & Council salaries if referendum passes	\$ 5,000
Turn over city criminal cases to the County (I have not verified if this can be done)	\$ 10,000
Reduce EDA Director to half time	\$ 35,000
Eliminate balance in Code Enforcement (removal of dilapidated bldgs.)	\$ 5,000
Eliminate Other contractual Services in Street Dept. (Order residents to remove their own trees rather than the City contracting for this service)	\$ 13,000
Join the Lyon County Library system	\$ 60,000
St. Marks Museum contribution	\$ 2,000
Close the aquatic center	\$ 60,000
Delete Gen. Fund contribution to Cemetery (increase maint. Fees)	\$ 4,000
Reduce Other Financial Use Fund	<u>\$ 3,792</u>
	\$429,585

Koopman stated that a more simplistic way to look at this would be for every \$55,000 (approximately) that we lose in LGA, one position would be eliminated. The First scenario would represent the loss of four (4) positions and the second would result in the loss of eight (8) positions. Chalmers asked what the cuts in LGA have been to date. Koopman stated that last year there was a reduction in \$118,415 was the initial loss and recently approximately \$60,000 in 2010. In the previous years there was a reduction of approximately \$70,000. Koopman stated there is a real possibility that the City will be losing a fairly substantial amount or percentage of LGA which makes it difficult to prepare a budget. The City will be into their fiscal year before the decisions are finally made as to how the State of Minnesota is going to make up for the \$6 billion dollar loss they will be experiencing this next year. Koopman stated that if anyone gets a chance to talk to the legislators, the outline above can be used as a guide that every \$55,000 the City loses, one position will be lost and we have reached the point where it is going to be a very difficult to make decisions. Chalmers feels it is very important for the general population be aware of this. This is something that has a real impact on all of the residents of the city and the quality of life we enjoy. Mayor Ferrazzano would hate to say that a 50% reduction would never happen, but with the deficit that the state legislature is facing, it is not out of the realm of possibly and the City is going to have to deal with this.

Robinson stated there are approximately eight to nine acres at the city cemetery that is currently being used for hay. The area now has a lot of thistles and he is concerned that they will spread into the monument area of the cemetery. What is needed is for a larger machine like CHS has to spray this area. The cost estimate for CHS to do this spraying is \$219. Robinson said they normally spray in the fall, but would like to spray it now and then again this fall. Motion by Snyder, second by Stobb to approve the cost of \$219 for CHS to spray for thistles at the City cemetery. All voted in favor of the motion.

The Consent Calendar included: Municipal Accounts Payable, Firemen's Relief Association minutes for July 5, 2010, Planning Commission minutes for July 19, 2010, 2009/2010 Compliance

Orders and Economic Development Authority minutes for July 16, 2010. Peterson asked for clarification on the water main breaks and who is responsible for the costs. Robinson said that the broken main on High Street would be the City's responsibility. Ken Giles repairs would come from the surcharge fund. There was a community line to his house that was leaking and the old system was never removed when the new system was installed. One of the breaks happened before the new ordinance went into effect and the other happened after the ordinance went into effect. Motion by Peterson, seconded by Martin to approve the Consent Calendar as presented. All voted in favor of the motion.

Martin stated that it is nearing 90 days since the residents on East Hollett Street had sewage in their basements from a heavy rainfall. The residents affected have 90 days to turn claims into their own insurance and if this is not resolved by LMC and they would get turned down by LMC, they would not be able to send a claim to their private insurance. This would be a liability for the City and Martin would like to see this resolved before that happens. Koopman stated that she has had verbal confirmation that the residents who sent in the bills would be covered. She was aware that three of the residents had sent in their bills but was not sure if the fourth had or not. Chalmers stated the residents would still need to file with their private insurance for things not covered by LMC.

The 2011 Budget presentation was given by each Department head. Koopman will present changes and recommendations at the next Council meeting on August 23, 2010. On September 13, the preliminary budget levy will be certified to the County Auditor. If the Council would like a work session before the preliminary levy, that could be worked in the last Monday of the month which would be August 30. This decision could be made at the next meeting.

Koopman stated that by law the primary election must be canvassed within 3 days of the election. That means this would have to be done by August 13, 2010. We would be canvassing the referendum question on the ballot concerning the size of the City Council. There will be a special Council meeting on Friday, August 13, 2010 at 7:00 a.m. to canvas the election. Mayor Ferrazzano asked that each of the Council members be sent a reminder e-mail on Thursday.

Mayor Ferrazzano stated for public information that the polls would be open from 7:00 a.m. until 8:00 p.m. in the VMC for the primary election.

Motion by Chalmers, seconded by Snyder to adjourn the meeting at 8:40 p.m. All voted in favor of the motion.

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Mayor

ATTEST:

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City Administrator

**August 13, 2010**

A special meeting of the Tracy City Council was called to order by President Pro-Tem Stobb. The following members were present: Stobb, Peterson, Chalmers and Snyder. Members absent: Ferrazzano, Enderson and Martin. The purpose of the meeting was to canvas the election on the following question:

**SHALL THE CITY COUNCIL SIZE BE REDUCED TO FIVE MEMBERS?**

Motion by Peterson, seconded by Snyder to adopt a resolution certifying that the Special Election was in all respects duly and legally conducted on August 10, 2010 and that the following results to reduce the Council size to five members center were canvassed and officially counted:

<b>YES</b>	<b>NO</b>	<b>TOTAL</b>
199	106	305

The referendum to reduce the Council size to five member is hereby declared approved. All voted in favor of the motion. (Res. No. 2010-33)

The meeting was adjourned at 7:20 a.m.

\_\_\_\_\_  
Mayor

ATTEST:

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

**August 23, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 23, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Peterson, seconded by Enderson to approve the minutes as presented for August 9, 2010. All voted in favor of the motion.

An addition to the agenda was 9-G Monthly Receipts. Motion by Chalmers, seconded by Stobb to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments.

Radke reported the liquor store Profit/Loss statement continues to improve. July off-sale was up approximately \$5,789.76 and on-sale was up about \$2,423.17 for a total increase of \$8,212.93 for the month of July. He said that so far August looks to be a good month also. Radke asked for approval for a permit to have the liquor store open on Sunday, September 5, 2010 during Box Car Days. Motion by Peterson, seconded by Martin to authorize a permit for the Tracy Liquor Store to be open on September 5, 2010. All voted in favor of the motion. The Liquor Committee will be meeting on Thursday, August 25, 2010 at 7:00 a.m.

Gervais informed the Council that he has met with Cooreman Construction and they plan to start moving dirt for the construction of the Orchard Lane town homes on August 24<sup>th</sup>. They are hoping to be able to pour concrete by August 25<sup>th</sup>. Gervais has received deposits on seven of the eight units. Two Revolving Loans have been approved for Tracy Area Funeral Home and Whitey's Body Shop. The EDA has also looked at a proposal for 436 South Street, Premium Plant Services building, and have come up with a proposed starting price of \$170,000. They will be advertising on the internet and the city website. The Business Retention/Expansion program will be meeting tomorrow in Marshall. This is a meeting involving as many businesses as possible in the county and finding out what the businesses are doing well, what they need help with such as financial help, employees or things that would help with expansion. An example of success would be in the instance of the Tracy Area Funeral Home. They had conversations late last year with Nathan Stephens and now he will be breaking ground for a new funeral home in the next couple weeks. Gervais attended a Commissioner's meeting last week regarding the county EDA position and at this time has nothing to report. They will be drafting a resolution regarding the possible creation of a county EDA position but they would require action by the Commissioners. EDA recently ran a full page ad in the Marshall Independent that targeted the new town homes, the hospital and the schools in hopes that it would attract people to the community. Western Community Action has started some preliminary work on writing the EDA grant and that will progress over the next couple months and needs to be submitted by the first part of November. At this time Tracy is hoping for about 18 to 20 homeowner occupied homes that they could renovate. Jesse Johns will be starting on the Eastview Town home shingle project. Their contract has been drafted and waiting for signatures. Chalmers stated that he noticed the BP building on Craig Avenue is being renovated and asked if they plan on someone going in there or are they trying to attract someone to go in there. Gervais stated that it is a little of both and has heard there is interest in the property itself and have heard that the asking price is \$150,000.

Stacy Barstad, CEO of Sanford Tracy Medical Center stated that today they started seeing patients in the new clinic. Today she also met with a potential allergist from Willmar, Dr. Jack Mutenick. Dr. Mutenick is looking at possibly starting an allergy clinic at the outreach area in October and will probably be there once a month. Sanford and Merit Care have merged into one organization and the name is now Sanford Health. The chevron logo has been replaced. Staff has been very involved in the new organization and they are learning the new mission, vision and values. Barstad said they continue to stay in contact with the newly signed internal medicine physicians who will start July 2011. She met with them a few weeks ago and the new physicians expressed appreciation to the

community for the welcome bags from the Chamber of Commerce. They also enjoy the Tracy newspaper that is sent to them to keep them engaged in the community. The medical center is starting the electronic medical record conversion. They are planning to go live in November. This is a huge investment of time and capital dollars to have all the medical record on line. When this is running it will provide easier access for Physicians and patients and it will be more efficient and hopefully provide better quality of care for the patients. Sanford Health has a new vice president as of August 16, 2010, Randy Anderson who has replaced Brad Schipper who has been promoted to Executive Vice President. Barstad said at the last meeting there were some questions on the amount for the radiant panels for \$3,200 and there was some concern about that. Kopperud went back and got a letter from the architect, Horty Elving. In the letter it states that this construction change order for \$3,299 was to increase the size of the radiant panels in the lobby from 24 or 36 inches. The original spec system was designed to operate with a water temperature of 180 degrees and at Tracy Sanford their system runs at 130 degrees. Slayton Plumbing and Heating raised the issue and they did change the equipment before it was actually installed. Barstad stated that she has discussed this with Ken Mettler, Construction Manager and he is going to discuss this with Horty Elving again for any recourse that may be available and pushing this further up the chain to see why it was not in the original specs. They feel this is part of the architect's responsibility in that when they first designed the project they should have known the type of system the hospital had. The 36 panels would have been in there anyway but the architect should have known about it in the beginning. Chalmers stated the letter makes clear that hospital is not covering anything extra and no rework. Peterson stated that his question on this issue was that Horty Elving were the architects for the original building and should have had the specs and they should not have overlooked them.

Police Chief Hillger asked for any questions regarding the Activity Report. Stobb stated that Misc. Public calls have doubled from the previous month and asked what types of calls are in that category. Hillger stated that is a catch-all category and includes ambulance calls, opening locked car doors, funeral escorts, etc. Stobb also stated that one of the officers had an assist in Walnut Grove and that is new to the report. Hillger said officers have to be requested to go before they help other communities unless it is a hot call. Peterson asked if there are any noise ordinances in the city. Hillger said this goes under Public Nuisance but there is nothing in there about vehicle noise.

Robinson reported the Street Department has been patching pot holes with asphalt mix, sweeping streets, tree trimming and removing trees damaged from high winds. Diseased Elm trees have been identified and letters will be sent out soon to property owners for removal of these trees. The Utility Department has completed several excavation jobs such as curb stops separated and collapsed sewer lines repaired. Dehumidifiers have been installed in the well houses. The Rowland Street sanitary sewer project is progressing and the three affected property owners have signed the petition for the improvement. At the city cemetery, reclaimed gravel was placed on a section of road at the cemetery with good results. The broken water line at the airport was repaired and considerable time was spent on a storm water permit for the airport. Robinson said that they had opted out of the permit and hope this is successful. The department as had lots of mowing to do. This year have had two or three mowers going all week. Larry Moyars and Bill Willhite are the compost site attendees and so far it is going good at the site. Robinson and Madonna Peterson are working on the permits for out of towners.

Mayor Ferrazzano asked the status on the Jet-Vac truck pump exchange. Robinson said they got one back and have replaced the pump. They did have to do some work on the check valve when they received it and that has been completed. They have not received the billing fo this repair.

Peterson asked about the electrical locate by Gopher 1. Robinson stated Xcel located the lines that they are responsible for, but the lines that go from Xcel that power the lights for the ball fields, are the City's responsibility. Xcel will mark their own lines, but there are lines going to the concession stand or lighting that is customer owned. Robinson said that for his crew to go out and locate electrical lines, they are better off hiring an electrician to do that so that something is not hooked up incorrectly. They do the same thing downtown the public works marks the water and sewer lines and they have someone else mark the electrical.

Fire Chief Dale Johnson reported the fire department has been busy and have had quite a few calls.

They have completed the first half of driver training and will be finishing up with that next month. The department will be having hose training next month. The new fire truck has been ordered and the chassis is to be delivered in September. The fire department has a grant that they are still in the running for and should be hearing soon if they will be receiving any grant money. The new generator is up and running and they will be having a training session soon with George Hebig. The other generator will be going to the street department when they are ready to move it.

Koopman said the month of July involved preparation for the primary election, attending the Multi-Purpose Center meeting, monthly construction meeting at the hospital, Planning & Vision meeting, follow-up meeting on the Rural Health conference, Judges training (she attended this training along with the two head judges), Cemetery Commission, Hospital Advisory Board meeting, Quarterly Safety meeting at the hospital, Liquor Committee meeting, Planning Commission and two City Council meetings.

On Wednesday, August 18, Dean Champine, City Clerk and Mayor of Balaton and Koopman interviewed four candidates for the position of City Assessor. All of the candidates were Certified Assessors, however Balaton and Tracy require a Certified Specialist. One of the candidates was a Certified Specialist and the other three will be receiving this licensure within one year after their appointment which is acceptable according to Mr. Champine. Each of the candidates submitted their proposal based on the following:

Balaton total real estate parcels = 441

Tracy total estate parcels = 1,117

<b>CANDIDATE</b>	<b>TRACY</b>	<b>BALATON</b>
Pam Friesen	\$10,900.00	\$3,600.00
Mark Schultz	\$13,962.50	\$5,512.50
Gary Spaeth	\$14,300.00	\$5,300.00
David Hammerschmidt	\$15,638.00	\$6,174.00

Koopman said the Interview Committee unanimously agreed to recommend the appointment of Pam Friesen as the City Assessor for Tracy. She would agree to a three year contract for the above listed price. Motion by Peterson, seconded by Snyder to enter into a three year agreement with Pam Friesen as the City Assessor at a rate of \$10,900 per year. All voted in favor of the motion.

Motion by Snyder, seconded by Enderson to approve a cigarette license for Tracy Mini Mart contingent on the submission of required paperwork and fees paid. All voted in favor of the motion.

The Consent Calendar included: Municipal Accounts Payable, 2009/2010 Compliance Orders, Monthly Financial Report, Hospital Board minutes for July 21, 2010, Cemetery Commission minutes for July 14, 2010, Multi-Purpose Center minutes for July 27, 2010 and Monthly Receipts. Peterson reminded the Council members that there will be a work session at the City Cemetery on September 11, 2010 starting at 9:00 a.m. Koopman explained the reason for doing the performance evaluation for Mary Ann Blanchette, Multi-Purpose Center Director in the manner that it was done. Koopman explained that she is not at the Center enough to judge Blanchette's performance and had requested the board members to fill out the evaluation form. The board members were all invited to attend the evaluation. Blanchette objected to having board members present and felt it was a violation of her employee rights. Koopman stated that she merely compiled the information she had received from the board members. The purpose of the performance evaluation is to be constructive and Koopman finds it difficult to understand the concern from Blanchette.

Peterson asked for clarification of Hunt's plumbing bill. Nielsen stated that the insurance adjuster denied the coverage and stated there was not coverage in the policy for that type of claim and he has been trying to go through that policy to try to understand why the coverage was denied and recognize some logic why he should look at this claim again and make a different decision in connection with that. The policy is very difficult to read through. Nielsen felt there may be some small issue that turns around the idea of that contractor did go out and "fix the pipe" and later on it proved defective as opposed to breaking it and not doing anything at all. When it was damaged the contractor tried

to fix it and the fix did not last. A year later the homeowner had a problem and evidentially got back to where the work was done before by the contractor. Peterson asked if Hunter has had to pay the bill from Heartland Mechanical for repairs and where this is at now and is he waiting to get resolution from Swish's insurance. Nielsen stated the contract that Swish had with the City to do this work required that Swish have certain insurance coverage and City was named insurer under that insurance also. Nielsen stated that his position was and still is that the City has no responsibility or liability. This was an independent contractor doing the work and the City had no control over the contractor. As a convenience to try to help Hunt out, Nielsen contacted the insurance company and asked if a claim could be filed under this policy. The claim was filed and the claim adjuster said there was no coverage for this type of claim. This is where it is at right now. Nielsen does not know what Hunt has done on his own as far as pursuing this and does not know if he had paid the person he hired to repair the damage. The last he had heard he had not paid him but that was a long time ago. Peterson asked for clarification if the claim that was filed was to the City's insurance company. When this project started, the contractor was to be bonded and insured and could not get bonded. They went back and rewrote the contract and Murrayland was going to provide the insurance. Nielsen stated there is a difference between the insurance and the guarantee. The guarantee that Murrayland provided was in lieu of the bond. The insurance was always going to be there and there was some insurance provided. The contract required that insurance had the City as a named insurer. Nielsen stated it is not the City's insurance and the City may be an insured under the policy. Peterson asked if that was a bonded job instead of the way it was done, would this problem still be here? Nielsen stated that he would say no, but not sure. Mayor Ferrazzano asked if they know what Hunt's bill was. Peterson felt it was a little over \$3,000. Mayor Ferrazzano asked if they could find out if Hunt got his own insurance to take care of this and find out what has happened. Nielsen will check into this.

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

Koopman presented her recommendations for the 2011 budget. She made no changes to the requests submitted by the department heads as she felt their requests were acceptable and should be commended for their efforts. If the budget is adopted in its current form, the City would actually realize a 1% decrease in the overall levy. In order to achieve this decrease there was no wage increase for the employees, but step increases were included for those employees who earned them. In the past when the State certified the LGA to cities, we could planned on it, but that no longer is the case which makes preparing this budget even more difficult. Koopman said that rather than using the amount the State certified for LGA, she used the amount the City actually received in 2010. She stated that for the year 2011 the State said the City would receive \$956,325 but she budgeted the amount of \$859,170 which represent the amount the City actually did receive in 2010. This is a difference of \$97,155. Koopman recommended the reduced amount to provide a small cushion for future cuts. Koopman stated that an option the Council may want to consider would be to include a wage increase for the employees. If a 2.2% increase for wages was included the levy for 2011 would increase 1%. If the levy was increased by 3% or \$28,500, this would create a larger cushion in case there are future cuts in LGA. This additional \$28,500 would remain in the Other Financial Use Fund if it is not needed to cover future cuts. If this were done, the total overall levy would increase 4%. Even if the Council decided not to include a wage adjustment, she suggested that we build in a larger cushion or the equivalent to 4% so there is some room to adjust if something unexpected would come up before the final budget is adopted. Koopman stated the final levy can be decreased but not increased. She noted a change on Page 18 on the expenditures for St. Mark's Museum. She did not include the \$600 for utilities that should be included as that pays for the lighting of the Tracy welcome sign. This changes the levy by 0.1%. Stobb asked if they needed to approve a percent tonight. Koopman stated that she was just looking for some direction for preparing the resolutions for certifying the preliminary levy which will be done at the September 13<sup>th</sup> meeting. Koopman stated that if they would like changes she would like that directive tonight so they can be incorporated in the resolution otherwise she will base the resolution on what is presented or actions the Council takes. Peterson asked what the money difference would be if those in management positions took a wage freeze and those that are on hourly wage receive an increase and questioned if that be worth considering. Koopman stated she could not answer that at this time. Koopman said the thing that has to be dealt with if this was done, is that it will impact the pay equity and that is the issue that the City continues to face. If you are treating one sector of the employees

different than the other sector that is what happens. She felt the better course of action would be what you do for one you do for all in hopes of trying to maintain some continuity. Chalmers was under the impression that the pay equity issue was based on gender. Koopman stated that is what pay equity is based on but they need to keep in mind depending on how the end result is as far as who holds what position. Only one female is needed in that freeze and they will be forced into the same action as before. The last time the increases that were given were both male positions and the female positions were not. Chalmers asked if they made any distinction between gender and the level of position. Koopman answered that they do not. Koopman said that she can check on this and has spent time on this issue and the arguments have not made any difference. Pay equity is based on the men/women ratio and the dollar amounts for their positions. Koopman said we had to report every five years and now it is required every three years. Koopman said wages are not an issue that needs to be determined tonight as they have from now until the end of December to make that decision. Union negotiations will be done in the near future. Chalmers asked with the \$28,500, they decide they do not want to put another 3% on the levy, could \$28,500 be found in the budget to cover this if there is a shortfall. Koopman stated that you can find it, but it may not be the permanent answer. The problem to some degree is that a lot of the cuts that have previously been made are temporary and three of the permanent cuts that have been made at this point are the three positions that have not been filled. Beyond that everything that has been cut has been things that ultimately need to be restored such as office supplies or maintenance. The \$28,500 could be found by cutting the equipment replacement. Depreciation schedules have been set up to recognize needs and that is how the amount is determined to be transferred. Chalmers felt that everyone is getting squeezed and they can increase the levy to cover shortfalls, but eventually that gets to be a zero gain as there are people that get fed up with the taxes and they go elsewhere and the tax base starts shrinking and the cycle continues. Koopman stated that on the tax statements even with the levy raised 3% last year, there are some that had a decrease in their taxes. Some of that is the way the property is assessed and dollars are distributed with residential versus commercial and how that is taxed. Mayor Ferrazzano feels that if they start at 4% it can be decreased over time. Motion by Enderson, seconded by Snyder to adopt the 4.1% and work on reducing that. All voted in favor of the motion.

Mayor Ferrazzano said that he was told that there are still problems at the recycling shed with stuff blowing out and onto resident's lawns. He suggested the County put latches or straps on the dumpsters so the stuff can not blow away. Mayor Ferrazzano asked that Koopman contact the County about this if the problem does not get fixed, the City would have to do something themselves.

Mayor Ferrazzano asked about the procedure for issuing building permits. Someone told him they had applied for a building permit and once they were told that before the permit could be issued they were told that they would need an engineer's approval of the project. It was felt that the City is making up things as the go along. Koopman said that the applications are filled out and fees collected. The application is then given to the building inspector who determines the next course of action needed which is determined by the state building code.

A special meeting will be held on August 30, 2010 at 6:30 p.m. to discuss utility related projects. Koopman said that they will have Steve Robinson, Alva Rankin and Ron Seymour who is the financial and funding consultant present. There will be discussion of the future lagoon project and other utility projects. The Council asked that they be sent a reminder e-mail.

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

ATTEST:

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City Administrator

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Mayor

## SPECIAL CITY COUNCIL MEETING

**August 30, 2010**

A special meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 30, 2010 in the Council chambers of the Municipal Building. Council members present were: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator, and F. Nielsen, City Attorney.

Steve Robinson from S.E.H. was present to give an overview of wastewater issues that the City of Tracy is facing. The existing waste water treatment system is unique in that there are two parallel stabilization pond systems. Each system has a 16 acre primary pond and a 3.5 acre secondary pond. Deficiencies identified include:

1. Insufficient capacity: total 180 day capacity is 300,000 gpd (53.1 million gallons). Average daily flow measured from Jan. 2004 to Dec. 2007 was 403,000 gpd. Design flows are based on the wettest 180 day flow experienced during the past 5 years (599,000 gpd).
2. Pond Leakage: Ponds constructed prior to 1975 are allowed a maximum seepage rate of 3,500 gallons per acre per day. New ponds are required to meet the current maximum seepage rate of 500 gallons per acre per day. Pond seepage rates were measured at:

NW Primary	6029 gpad
NW Secondary	8280 gpad
South Primary	3799 gpad
South Secondary	4842 gpad

- Location: The existing pond system is within the airport safety zone.
- Embankment Erosion: Substantial erosion and shelving of the pond embankments has been occurring. Insufficient rip rap is in place.
- Insufficient Secondary Pond Capacity: Current design standards recommend that secondary ponds be one half the capacity of the primary pond.
- High levels of Inflow and infiltration (I/I): Due to the high levels of I/I, the MPCA required that the City undertake an I/I review to judge the following:
  - Volume of I/I
  - Sources of I/I
  - Prepare a plan to reduce I/I
- Down sized trunk lines: 24-inch main to an 18-inch main to a 12-inch main.

Rankin identified the sources of I/I in the I/I review as leaking manholes, sump pumps, and foundation drains. Options for reducing I/I would be:

- New sanitary line for the railroad property.
- Replace leaking sewer pipes and manholes during street reconstruction projects
- Install sump pump drainage tiles during street reconstruction projects.
- Eliminate foundation drains with exterior sump pumps (\$3,000 per house)
- Areas of the City do not have storm sewers to discharge into.

Strategy for Waste Water System Improvements would include:

- Reduce I/I where it can be easily performed (Railroad property)
- Reduce I/I as part of the City's street reconstruction projects
- Construct new stabilization ponds at a new site

1. Current design standards would require two primary ponds of 28 acres each and one secondary pond of 28 acres. The City will have to acquire approximately 100 acres.
  1. Trunk line replacement to eliminate down sizing
  2. Eliminate Hollett Street bypass
  3. Replace Circle Drive lift station

Alva Rankin stated that meters were installed to measure snow melt into the system. He stated they divided the city in sections and between the sections 12 and 16 there is a 36 inch pipe and on the back side there is an 18 inch pipe and then goes down to a 12 inch pipe. He states that the last meter coming from Section 11, there are only two homes that come in there before the water gets to the pond. Estimated by-pass at two of the points that by-pass into the ditch indicates when the sanitary sewer gets too high, it gets out of the system. He stated that some of that water is either going out of the pipe or into a basement or coming out manholes. Part of that is due to the decrease in the size of the pipes. Rankin stated that not only does the City need bigger ponds, but need a conveyance system to get the water to the ponds, otherwise there will be backups into basements and the system will be overloaded. Because the flow levels were so high, some of the work was stopped and there was some televising done on the system. In reviewing those tapes, of the I/I that was seen in the system, about 60% was clear water from sump pumps, foundation drains and pipes. Rankin also explained that from the railroad yard last year when there was hardly any rain, there was still a lot of water coming through there and the only thing that is hooked up to it is a toilet and a sink. It is recommended that the railroad be convinced that they run a new sanitary line from the toilet to the manhole and then it be disconnected from the storm sewer. This makes up about 8% of the I/I last year during dry weather. Chalmers asked when they look at the daily average flows under insufficient capacity, is this the flow that is reaching the pond? Rankin said it is not and anything that is below the backside of 12 on the schematic is not getting in and some of the flow past 12 is getting in. Some of the flows are not getting there and not being measured. He explained that 63% of the flow measured did not get to the ponds. They do not want to make the pipe or ponds too large as they are only actually working with six to eight days a year. He suggests that they go through the streets and as they are doing the rehabilitation that they have some number like 5% to 10% of the private property gets inspected and try to remove that. This will take 10 to 12 years, but it is a gradual reduction and one of the suggestions would be using the old ponds for equalization bases and when the flows get too high, the water can sit there till it stops and then run it through the new ponds. The thing they want to do is to start getting rid of the I/I and stop the by-passing. Rankin stated that he had worked with a community that had some issues with by-passing and an inspector showed up on a day when they had two inches of rain. That city received a notification from the MPCA that they had 180 days to look at their system. If a process was not started it would be a \$45,000 fine and \$1,000 for each day not in compliance. That city started the process and were able to meet bench-marks and the MPCA backed off somewhat. There is some regulatory discretion and they will be as tough as they want. He has talked with MPCA and if they put together a good program, they will be willing to work with the City of Tracy and knows that it will take time. S. Robinson stated that any by-pass is a violation and before they proceed with design of any wastewater, they wanted to see the impact of the I/I. S.E.H. did a one year study but they were not comfortable with the information they got at that time because it was a dry year so they extended another year. They are now towards the end of that step so to stay in the good graces of the MPCA, they needed to move on. The MPCA has been contacted with updates and they are satisfied with the steps that Tracy is taking and now that they have gathered the back-ground information needed, they need to start to identify what the project is and put a timeline to it. The MPCA knows that from this time it will be a two to three year process. Martin asks where this watershed ends up. R. Robinson stated that it ends up in the Cottonwood River and then the Mississippi River. R. Robinson stated this past spring they by-passed 11 days straight. Stobb asked if the railroad area was video taped. R. Robinson stated that the line they have is partially collapsed and could not get a camera into that line. One peak flow they had there was 69,000 gpd. Rankin stated that there were other buildings in that area and when those buildings were knocked down, the lines were not capped and there may be field tile connected to that area. R. Robinson said it was recommended that the railroad yard take their storm water and run it into the City storm system on South Street and they run a new line from their building to the sewer. R. Robinson stated the railroad had some engineers here on a different matter last week and he met with them and informed them that they have a problem with I/I. They will need a formal letter asking them to fix the problem. S. Robinson stated the railroad did not

know there was a problem and the City needs to make this a priority and feels they will be accommodating to get this fixed. Peterson asked if there is much I/I from the business district. R. Robinson said they did not get any good timely rains to see if there was any direct inflow and they know there is I/I there as there are some buildings that are still hooked up and there is not a very good storm system downtown to carry that water out.

Snyder felt they needed to focus on what can be fixed the fastest and most economical. Mayor Ferrazzano asked from a funding stand point, if it is better to get as much done as possible as opposed to doing it piece meal. If they present a bigger project scope for funding instead of doing it in pieces, is it easier to get funding. Ron Seymour stated they had discussed that and it depends on the system debt and if the Council is willing to accept that debt, what the system costs and what the revenues are coming in. In Tracy with the lower median household income, which is based on 2000 census numbers, there is probably going to be a higher percentage of grant money on a larger the project as the purpose of the grant is to buy down those system costs and make it affordable for the resident users. Putting everything together is a huge project with an estimated cost of about \$6 million. They also discussed some proactive things such as the Council deciding to put an I/I surcharge on the connections. Some residents may not have a problem, but it is a system problem and they would have to look at other ways to raise revenue. The City will have to acquire some additional debt on the system. They need to define the project scope and prioritize, look at a schedule and phase those ties in with the funding. St. Robinson stated they are looking at constructing new ponds somewhere near where they are at and redoing the trunk lines which would be one phase of the project. In order to be in compliance with the MPCA, I/I has to be addressed with some sort of master plan being developed. This has been initiated with the street reconstruction projects with the installation of storm water interceptor lines and getting sump pumps hooked up. S. Robinson recommended that is one step that they need to continue and with the amount of street reconstruction over a period of time, it would take about forty years. MPCA may not wait that long. An I/I schedule needs to be established so that work is done each year in the next 10 to 20 years that will eliminate the large portion of the I/I. Mayor Ferrazzano was under the impression if they increase the capacity of the ponds; they would get rid of the I/I problem. S. Robinson explained that the MPCA will not allow building bigger than is necessary and they want the City to build the right size pond and eliminate I/I. S. Robinson said they also need to look at City growth and industry. Peterson asked if the MPCA gives notification of regulation changes because when the existing pond system was put in, it was more than adequate for growth and questioned how the City is going to be covered if the State decides to change the rules. Rankin stated that the rules are going to get tighter and then it goes back to regulatory discretion and some agents are not as reasonable as others. S. Robinson stated that when they look at land for the new ponds, they look at having enough extra land in case the rules change and some pre-treatment or aeration is needed. Chalmers asked if there is anything that can be looked at to get a sense of things that may be coming into regulation in the future. S. Robinson stated that the rules are only going to get tighter in the future. Mayor Ferrazzano asked with the design if one of the secondary ponds would be eliminated, what would be the reason for that and why wouldn't they have one large primary pond. S. Robinson states it gets into being able to transfer water back and forth as levels change and there are limits as far as surface area. R. Robinson stated that are certain times of the year where they operate in parallel and discharge every six months. The secondary pond carries six months of water as it is filled in the spring and discharged in the fall. In the summertime it is run in series and in the winter run it in parallel so the ponds are not overloaded.

Rankin stated the land acquisition of the ponds is going to be as difficult as fixing the I/I. Snyder asked if they can use the existing land. R. Robinson stated that one problem is the safety zone on the runways. He stated they have discussed about rehabbing one of the primary ponds for an equalization basin. In events of heavy rains and waste water coming out there, instead of by passing he suggested using a pumping station to get it into one of the rehabbed existing ponds and then when the flows go down then drain that water back into the system. S. Robinson stated they would not have to build the new ponds as large if they can use one of the existing ponds as an equalization basin for the short high flow periods. Martin asked if the seepage rates of the secondary pond need to match the leak rate of the current ponds. S. Robinson stated that it would not and the design standard now is the seepage rate is 500 gpad. The equalization pond would have to be rehabbed to get that seepage rate down and a liner would be installed. Snyder asked where they would get the land. R. Robinson stated that they were looking at areas and it is best to keep this system as a gravity

flow system instead of having to install lift stations. Everything here flows northeast and everything would have to be set up to the north or northeast. They would need about 120 acres, with 90 acres being ponds. There is land there but does not know about availability. Martin asked if it would be cheaper to buy land for ponds or buy land to move the airport. R. Robinson said the airport land is a potential site as the City owns that land. Mayor Ferrazzano felt it is important to think about those things but if they are doing this in phases and if the ponds and trunk lines were Phase I, the other phase is the I/I, maybe they should just address that and worry about land acquisition later. Stobb said they need the land for Phase I. Mayor Ferrazzano felt they can do something about the I/I problem now. R. Robinson stated that with the I/I problem, if they go after footing drains they have to have someplace to pump the water to. They are putting pipes along the streets such as 4<sup>th</sup> Street East and one block of 2<sup>nd</sup> Street. Seymour stated that with discussing funding for the I/I, the footing drains are on private property and would be the owner's expense. Mayor Ferrazzano asked if they would get funding for land acquisition. Seymour said that would be part of the project costs. As he was discussing the Koopman, he knows the City has been active in the small cities housing rehab program. One of the priorities should be that those that have their homes fixed, should include the elimination of footing drains. They also talked about the possibility of the City setting up an assessment type of fund and checking with legal and bond attorneys to see if there is a possibility of setting up a system where there is an assessment charge coming in and allowing residents to be able to borrow from that fund to fix their problems with the repayment being assessed to the property. That is part of the ongoing I/I program. R. Robinson said they would work on the hot spots such as the railroad property and get some of the biggest problems and then working on the smaller issues. S. Robinson said to satisfy the MPCA, the City has to have a policy of taking steps to eliminate I/I and possibly having an annual budget knowing that it is going to take a long period of time. He stated that what they wanted to accomplish tonight was to bring the Council up to date and identify where the issues are. They need the Council to keep moving forward. They see land acquisition as one of the major hurdles and the City needs to start addressing that. What the engineers want to do on their side is look into rural development funds which they believe to be the most attractive form of funding. They want to know exactly where the City would fall as far as loan/grant to see if that is the direction the City wants to go. They need a consensus that the project is new ponds, new trunk lines, I/I elimination and 4<sup>th</sup> Street as part of this project and need to find out the estimate cost on this project. Seymour can then work with rural development to find out the probable loan/grant. Seymour stated they had looked at that and based on the City's median household income which is \$30,000 with the 2000 census numbers. The new census numbers will be coming out probably in about 2013. They can work with finances to get some rough numbers and provide Rural Development with the financial data of the City and the project cost. They will not lock in a funding amount but they can give a preliminary determination of loan/grant amounts. Then they can look at the impact of system costs of the users and how a loan would be financed. S. Robinson stated that one of the reasons they like to get a direction is the different agencies have different requirements as far as how plans are put together and the environmental reports they require. They do not want to go down that path if it is not going to be a viable course. Seymour stated the major funding sources for public infrastructure is rural development, the water and wastewater utilities program that provides loans/grants. The next major one is the State of Minnesota through the Public Facilities Authority. This is an independent authority that took over the EPA State Revolving Loan Fund and the PFA provides low interest loans and on occasion grants through the Wastewater Grant Program that is legislatively approved on the bonding bill to reduce to high costs. This loans are typically 20 or 30 year term and this depends on system costs and median household income of the community. The big grant programs are typically through Rural Development and the key is that Tracy low median household income and the fact that the City has existing debt on the system. It is not always the rate they look at but the other things for revenue and system costs. One of the major things with Rural Development requires in Enterprise Funds is separate water and sewer funds. At this time Tracy's water and sewer revenues and expenses are consolidated and they need to be separated. This data needs to be put together before the preliminary determination can be done. Seymour made the recommendation that in the future, the City segregate those activities. This would have to be done for 2009 and to date.

Peterson asked how far they would be going with the 4<sup>th</sup> Street reconstruction. S. Robinson stated they would be going from Highway 14 to Pine Street. Nielsen asked that south of the railroad track there is no curb or gutter and would they have to install that if the street was rebuilt. S. Robinson said it would be the City's cost and where there is rural road section, it would be maintained unless

they would like to have curb and gutter there. Nielsen asked for clarification if everyone had to disconnect their foundation drains or roof drains that would not work. R. Robinson said one of the ways to fix this would be to install sump pump outside the house. The foundation drain is disconnected from the sewer line but the water needs to be pumped out and has to go somewhere and would freeze up in the winter. It needs to go underground as was done on 4<sup>th</sup> Street East. The City is not prepared to take out all the foundation drains at this time. Rankin stated the City does have an ordinance written that prohibits that and it is a \$50 fine if it is a residential and \$100 fine for non-residential per month and the city has the legal authority to have them installed. Mayor Ferrazzano stated that they have no choice but to pursue the projects to find out how the City would qualify for loan/grant opportunities. Rankin suggested that the Council decide who is going to pursue the land acquisition as that is going to be the difficult part of this process. Stobb asked what it is like living next to secondary and primary ponds. S. Robinson said there is a 1,000 foot setback and for the most part the ponds are odorless except for a couple months in the spring when it turns over with temperature changes. These ponds would also have to be fenced off. S. Robinson stated they would have to look at the topography of potential sites without having to have lift stations. They would then check the soil maps and may have to build the ponds up with synthetic liner rather than a clay liner. When they get into the cost estimate they assume all potential changes to be included. Mayor Ferrazzano felt the Council needed the information back to them so they know what land to go after. Chalmers asked in terms of the acquisition of land, do they have to actually acquire the land; they would need something in place and option to buy as they would like to put the cost into the estimates. S. Robinson stated that they need to caution with acquisition of land process and the rules the funding agency may have. There are times when the land can not be acquired until the grant has been issued or other funding milestone has been met. Mayor Ferrazzano felt they needed to explore all options and if it is cheaper to move the airport that could be done. Peterson stated that no matter what is done, they have to acquire the land and if the airport is moved, there would be the cost for that. S. Robinson said this should be kept as an alternative because if they struggle to find land in close proximity. The further they have to pipe the more expensive the project becomes. Stobb felt they were restricted where they could put the ponds, but they can construct an airport anywhere. S. Robinson said they wanted to do a preliminary funding determination which would include making sure there is viable land and put together a cost estimate. Seymour will then work with Koopman on financial matters. Seymour stated that the separation of the utility fund should begin as soon as possible so they can get something back by the first part of November. Motion by Snyder, seconded by Peterson to authorize that the utility fund be separated by the water and sewer. All voted in favor of the motion.

Motion by Stobb, seconded by Martin to authorize preliminary funding and financing determination, develop funding and financing strategy based upon project priorities. All voted in favor of the motion.

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

ATTEST:

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City Administrator

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Mayor

**September 13, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 13, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Snyder, seconded by Chalmers to approve the minutes as presented for August 23, 2010. All voted in favor of the motion.

Additions to the agenda included 8-B Four Wheeler Ordinance – Dale Johnson III and 8-C Request to paint school logo on sidewalks. Motion by Peterson, seconded by Snyder to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments.

Motion by Snyder, seconded by Stobb to approve the Satisfaction of Mortgage between the City of Tracy and Jack W. VonBrokern and Renee VonBokern as Trustees of the Jack W. VonBokern Revocable Trust. All voted in favor of the motion.

In a memo Koopman stated that while preparing the resolution for the preliminary levy, she found an entry that was duplicated. At the last meeting 2.2% wage increases was included, plus increase the levy by an additional 3% to provide for a cushion for potential loss of LGA and then would be looking at a total overall levy increase of 4%. This amount was approved at the last meeting. She recommended increasing the preliminary levy by 4% thereby creating an additional cushion of \$55,000 in case of further loss of LGA. The City would be in a better position to determine total levy after the November budget forecast is released. Motion by Snyder, seconded by Stobb to adopt a resolution adopting the proposed tax levy to include:

General Fund	\$567,653
Permanent Improvement	\$ 10,000
Debt Service	<u>\$406,500</u>
<b>TOTAL LEVY</b>	<b>\$984,153</b>

All voted in favor of the motion. (Res. No. 2010-34)

Motion by Peterson, seconded by Snyder to adopt a resolution for a hearing on proposed assessment for the 5<sup>th</sup> Street East Improvement Project to be held at 6:45 p.m. on Monday, October 11, 2010. All voted in favor of the motion. (Res. No. 2010-35)

Motion by Martin, seconded by Chalmers to adopt a resolution approving payment to Doom & Cuypers for work completed on the clinic in the amount of \$31,464.90. Koopman stated the clinic is in operation after the renovation. A punch list has been established and retainage is being held until the punch list is completed. There will be an Open House on September 26, 2010. All voted in favor of the motion. (Res. No. 2010-36)

A letter was received from Matt Miller, AFSCME Staff Representative proposing to begin negotiations for the new contract. Peterson and Chalmers were appointed as representatives from the City Council for the negotiation process. They will contact Miller regarding scheduling of the negotiation meetings.

Dale Johnson III explained that state codes and city ordinances are a gray area regarding use of 4-wheelers and snowmobiles in the city limits. He is asking the Council to consider the drafting of an ordinance to allow for their use in the City. He has obtained ordinances from other communities to use as reference in the development of an ordinance. Johnson stated that Police Chief Hillger is not 100% for it. Johnson feels this could be a way for the City to collect revenue by issuing yearly

permits for the use of these vehicles. Rules and stipulations for the City would need to be established. He feels this would be a chance for the City to obtain revenue from the permits. Peterson asked if this would need to go through the Planning Commission first. Koopman stated it would not but a public hearing would need to be held once the draft is prepared. By consensus of the City Council, Johnson was directed to give the information to Nielsen for him to prepare a draft of this ordinance for the next meeting.

Brock Benson representing the Spanish Club was present to ask for permission to paint the Tracy school logo on private sidewalks as a fund raiser to help cover the cost of the Club's trip to Spain. Benson felt this would promote school spirit in the City and have talked with other schools that have done this type of fund raising. Before they moved forward, they wanted to make sure there were no ordinances that would not allow this. Their intent is to make sure the design is professional and attractive. They would like to start next week before Homecoming activities. Nielsen stated that if there are no safety issues regarding this, he is not aware of anything that would stop them from doing this project. Stobb felt it was a good link between the school and community. It was the consensus of the Council to allow the Spanish Club to move forward with this fund raiser project.

The Consent Calendar included: Municipal Accounts Payable, Economic Development minutes for August 6, 2010, Multi-Purpose Center minutes for August 24, 2010, Multi-Purpose Center minutes for August 24, 2010, Monthly Financial Report, Tracy Firemen's Relief Association minutes for August 2, 2010 and Planning Commission minutes for August 2, 2010. Peterson asked if the \$6,880.84 for the wiring for the generator at the fire hall was above and beyond the \$4,500 originally estimated. Fire Chief Johnson stated that it was. After the generator was installed it was discovered by a representative from the manufacturer that there was a transfer switch that needed to be replaced. The representative indicated that he could fix it at the time and if he was called back to do it, the cost would be significantly higher. Johnson stated this problem was unforeseen and the generator had to be used before this could be discovered. After the bill was received it was discussed with Koopman and the cost was taken from the Equipment Replacement fund.

Peterson asked where the camera inspection was done by Kurt Larsen's Septic Services for \$180. Robinson said this was at 900, 912 and 924 Rowland to check for footing drains before the lift pumps were installed. The camera showed that two of the three residents did have footing drains.

Peterson asked if the amount of \$6,352.39 to MacQueen Equipment was the total for the pump exchange on the jet truck. Robinson said the jet truck was old enough that a pump could not be swapped and they had to rebuild the one that was in the truck. The cost for these repairs would have been the same if it was either a rebuilt or swapped. This did cause a longer down time on the truck.

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

Mayor Ferrazzano directed the Council members who would like to attend the 2010 LMC Regional Meetings on October 13 in Walnut Grove to contact Koopman so reservations can be made.

Peterson received a complaint that there was no one cleaning up after the horses after the parade. This should be addressed before the next parade. Koopman will pass this on to the Chamber of Commerce who is in charge of the parade.

Chalmers mentioned the letter received from Shirley Anderson regarding the necessity of the expense for a director at the Multi-Purpose Center. The Board would recruit volunteers to help with the operation of the center. Mayor Ferrazzano asked that they put this on their next Board agenda and present a formal recommendation to Council regarding this issue. Koopman will contact the Multi-Purpose Center board regarding this.

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

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ATTEST:

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City Administrator

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Mayor

### September 27, 2010

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 27, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Snyder, seconded by Peterson to approve the minutes as presented for September 13, 2010. All voted in favor of the motion.

Additions to the agenda included 8-F Farm Lease, 8-G Drain Tile: Paul Knoblauch, 9-A A resolution approving change order for clinic renovation, 9-B a resolution approving payment to Doom & Cuypers and 9-C a resolution declaring a state of emergency for the City of Tracy. Motion by Peterson, seconded by Snyder to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments.

Robinson reminded the Council that all the streets listed in the 2009 feasibility report were not done. He is recommending that the Council consider including those streets in a 2011 Street Improvement Project.. A Feasibility Report was done in 2009 on these streets so there is quite a bit of information provided already. He also recommended including a segment of 7<sup>th</sup> Street due to settling of some areas from a previous project. The Feasibility Report will include the following areas:

1. 1<sup>st</sup> St. E. from Morgan St. to Elm St. – Phase 3 (reconstruction with water and sewer improvements.)
2. 2<sup>nd</sup> St. from South St. to Morgan St. – Phase 3 (reconstruction with water and sewer improvements.)
3. Elm St. from Park St. to 2<sup>nd</sup> St. E. – Phase 3 (reconstruction w/possible sewer and water improvements.)
4. State St. from 3<sup>rd</sup> St. E. to 4<sup>th</sup> St. E. – Phase 1 (reconstruction)
5. Hollett St. from 4<sup>th</sup> St. To 5<sup>th</sup> St. – Phase 3 (reconstruction)
6. 10<sup>th</sup> St. from South St. to Morgan St. – Phase 3 (mill and overlay with partial reconstruction.)
7. 7<sup>th</sup> St. from Morgan St. to Craig Ave. – (mill and overly w/partial curb replacement)
8. Hollett St. from 4<sup>th</sup> St. to Center St. – Phase 3 (mill and overlay)

Chalmers asked what the cost difference would be for the remaining 2009 streets. Scott LaVoy, SEH Engineering, stated the feasibility study would determine the cost difference between what was listed in the 2009 report compared to today's prices. Peterson was under the impression they were going to combine the street project with the lagoon project. Robinson stated that when they met with the engineering firm including their financial expert, they indicated there was no financial advantage with combining the projects. Peterson stated there was nothing mentioned in the proposal from S.E.H. and when the engineers were here a couple meetings ago and they indicated the best thing would be to combine all them and he asked if they were now stating it was not a good idea. Koopman stated when we discussed combining project, part of the discussion was before the City was in a position to actually go for financing for the lagoon system. Financing for the lagoon system could be three to four years down the road. The question is if these streets can go that long before something is done to repair them. The engineers did say to try to hold this up to increase the size of the project, there would be no financial benefit. Peterson asked if this added debt would make it more difficult to get the funds three to four years down the road. Koopman stated that it could make it better as it would create a larger debt load for the community. Funding is based on median household income and could make the City eligible for more grants. She stated that is not a reason to do this project. Robinson stated that for some of these streets if you put five more years on them, they are going to go from a mill and overlay to complete reconstruction. Stobb stated there have been some sewer problems on Hollett St. and Hollett is due for just mill and overlay, he asked if that might grow to be more than that. Robinson stated that all the sewer lines would be televised to get a better idea of what condition they are in. Snyder said the biggest problem area is a reconstruction

area. Robinson stated that the curb in that area is older and there are some areas where it is salvageable and some areas the curb is to far deteriorated. Chalmers asked if the state of these streets changed substantially since this was looked at last time. Robinson stated that 1<sup>st</sup> Street E. has deteriorated quite rapidly. LaVoy stated that information will be part of the report to evaluate how much change has occurred on these streets since the last time they were looked at. Stobb felt they need the information this report can provide. Motion by Stobb, seconded by Martin to adopt a resolution ordering preparation of a feasibility report for the 2011 Street Improvement Project with the cost not to exceed \$4,550 and if they accept the entire feasibility study then to approve the \$1,500 for the mock assessment roll after that. Nielsen stated that part of any preliminary process in a situation where it is going to be assessed back to the taxpayers; includes consideration as to whether this project could be more economically feasible combined with other projects. He stated that the question that Peterson asked should be more clearly addressed in the report also as this is required by statute. All voted in favor of the motion. (Res. No. 2010-37)

Robinson thanked the fire department for their help pumping down sewers and pumping out homes during the recent heavy rain event. By-pass points were open and pumps were ready to go and the Jet Vac truck was also used to verify that everything was open and working as well as it could during this event. It was estimated that 150 million gallons had to get through the storm and sanitary system. They also had to deal with water coming from agricultural land and roads coming from outside the City. Highland Road had water coming over the road. The Public Works Department did the best they could with the gravity system that the City has, popping manholes and looking for areas that were coming up and then moving pumps to that area. One of the pumps went down with a bad injector. Cemetery Road was washed out in spots and will need repair. The department replaced a brick manhole that had collapsed on East Morgan Street.

Robinson received word from the FAA regarding the replacement of a water line at the airport. The FAA would fund 70% of the cost of this project with the City providing 30% of the cost. This is an old plastic line that continues to break at least once a year and costs approximately \$1,500 to repair each time. He though they could get the 30% from the Surcharge fund and has called for estimates but has not received any information back at this time. They would use directional boring to prevent any settling across the runway area. Robinson will provide cost estimates at the next meeting. Stobb asked why the FAA was funding at a lower level that they have for other projects. Robinson stated they normally do not fund for this type of project and the 70% is the most they will do for this project.

Robinson voiced concern regarding an upcoming auction to be held on the Central Livestock property on December 2, 2010. This property is used for a snow field and is concerned there is the possibility that snow would need to be dumped there and there would not be enough room for a side dump truck to get in and out. Robinson asked that if this request is granted that there be some money set aside to rent another piece of ground. Stobb stated that if Zielsdorf could be out by the date they have set for the auction, and they could change their schedule, that would be more workable and less likely to need the site for snow. Stobb asked if it would be possible to use some of the property that was purchased by the EDA in the Industrial Park for a snow field if needed or for Zielsdorf to have an auction there. Robinson said the area is quite small and would fill in a hurry but said they could check into using that property.

Robinson said that the budget is on track and is requesting permission to spray the parks, airport and cemetery for weeds. The cost of this varies anywhere from \$3,000 to \$6,000 but the budget appears to be able to handle it this year. Stobb agreed that the best time to do this is now. It was the consensus of the Council to go ahead with this spraying. Robinson said that the State will be doing some road work on Highway 14 in 2015 and is requesting that the City have any water main, sewer or manhole repairs done at that time. He said the manholes have deteriorated and he will start working on that project and present a cost to the Council for televising those lines. Robinson met with the representatives from the railroad regarding the I/I situation on the railroad property. They were receptive to the changes needed and a formal letter will be sent to railroad directing them to take action to correct this problem. Robinson said the flowers on the light poles were very nice but there have been some problems with getting them watered as needed. The worker that had been doing it had to leave for a month and part timers were used to water the baskets. This took away some of the funds used for part time employees. Robinson suggested next year request bds from the

nursery and greenhouse to include providing watering.

Peterson said that he had heard comments from the public that they were very pleased with the effort by the Public Works Department during the heavy rain event last week. Robinson said they were popping manholes and taking pressure off areas. He stated there were about three manholes that had private sewer lines that came directly into a manhole so you could see what they were flowing. There were some houses where footing drains were backing up. There is a tremendous amount of water coming from those. Most sump pumps will run 50 to 70 gallons a minute and some of them were running every ten seconds and in 24 hours that is 100,800 gallons per day. The pond system is designed to handle 300,000 gallons per day. Robinson stated they are still by-passing and gates are open. They are doing the paperwork and sampling and it is monitored daily and the by-passes are closed once the flows are manageable. Mayor Ferrazzano asked if any of the residents that had sewage or water come into their basements was the City responsibility and questioned how this differs from the last event that happened on E. Hollett. Robinson stated that going back to the Hollett Street backups in the first incident, it was found that out by the bike trail, the trunk line that goes to the ponds, there was debris that was not supposed to be in the sewer line when the cutter was used and it came back as plastic material, diapers, and things like that were plugging that line. They also found some roots out there. At that point, the City assumed some responsibility because the line was not cleared. This recent event, they verified all through the night and the next day that all of the City lines were open and taking all the water they could take. At that point, Robinson feels that the Public Works Department had no fault in any backups. Koopman said the answer that needs to be given to any residents that inquire about City responsibility is to encourage them to file a claim with the City insurance company and they will determine liability. The insurance company will do a complete investigation. They can file with their own private insurance company and their company can contact the City insurance company. The City staff or council does not determine liability. Chalmers asked if it would be possible to put something together to determine the cost to the city for overtime, equipment damage, etc. from this storm. Robinson said he would prepare something for the next meeting. He said the last six inch rain or similar event in the City was in 1969. Stobb asked if there were any major problems in the Greenwood area. Robinson said he was unable to contact Jeff Farber but stated that when that area was checked, the 42 inch pipe under the road was full to the top. Snyder asked if there was a problem with the ditch that was allowing the water to run back and not drain. Robinson said there was a problem where old trees had fallen down and debris slowed the flow of the water. Koopman pointed out that if the problem was in Ditch 23, this would be the County's responsibility to correct.

Radke reported the August off-sale was down approximately \$770.34 and on-sale was up about \$1,851.73 with the sales for the month up approximately \$1,081.39. He said that two weeks ago the local Liquor Association went to the capitol regarding a push for gambling in bars. The roofers said that the roof would be completed either in late September or early October.

Police Chief Hillger asked for any questions regarding the Activity Report. Stobb asked if arrangements have been made for coverage during the period when Chief Hillger will be out on sick leave. Hillger stated his officers know what to expect and the Sheriff's Department will take calls during the day. If immediate response is needed the City Officers will be called and if it is non-emergency, the calls will be addressed when the officer come on duty.

Koopman said the month of August primarily consisted of working on the 2011 budget and putting the final touches on and conducting the Primary Election. She attended three City Council meetings, Planning Commission meeting, monthly Contractor's meeting for the hospital renovation, Planning and Vision meeting, county commissioner's meeting, Hospital Advisory Board, conducted interviews for the City Assessor's position, Cemetery Commission meeting, Multi-Purpose Center meeting and Liquor Committee meeting. Confirmation was received from the Office of management of Budget that the City is in compliance with Pay Equity. The original report was filed in January 2008 and she was not notified until October 2008 that the City was out of compliance. Because they did not notify the City until after the preliminary levy was approved, she had negotiated an agreement allowing the City to pay 25% of the increase needed to bring us into compliance in January 2009 with the remainder paid in August 2009. Another report was filed at that time incorporating all changes. Koopman said she did not hear anything from the Office of management and Budget so contacted them in March 2010 requesting confirmation on the status of the report.

She did not receive any word back until August 25, 2010 at which time they could not find the report. Koopman sent another copy of the report and now compliance has been confirmed. Pay Equity has to be reported every three years so we will possibly be required to file again in three months. She anticipates that they will be in compliance in the next report as there have been no changes.

Stacy Barstad, CEO Sanford Tracy Medical Center said the ribbon cutting was held on September 26 for the hospital and clinic renovation project. She has heard many positive comments from staff, physicians and patients. There are still some minor things to work through but outreach providers are satisfied with the changes made in the Outreach Department. Dr. Kahn and Dr. Ali that have signed on for next summer are excited about coming to this area. Beginning October 15 the facility will offer allergy services with Dr. Jack Mutnick. He will be here once a month and is a partner with Dr. Green from Willmar. Sanford Tracy has partnered with Dr. Curt Louwagie, Ophthalmologist from Marshall and he used PBR Optical for consults and will be doing surgeries at the hospital.

Koopman stated that the Planning Commission met and held a public hearing recommended approving a variance request from Jessica Sheets, 336 Emory Street. There was an article in the Star Tribune a couple weeks ago regarding variances and a Supreme Court ruling which basically eliminates granting of variances. Her thought in the situation is that it was recommended for approval by the Planning Commission, and hopes they can continue to recommend granting the variance since it has gone that far. Future variance request will have to be approached from a different angle until the ruling changes that would give more flexibility granting variances. The ruling requires the resident to prove that there is absolutely no other use for that property without the variance. Nielsen stated it is not exactly a new ruling; the problem is that the City of Tracy has been granting variances that they should not have been granting. The ruling confirms what should have been done all along and reemphasizes that there has been too much laxity in the variance process and now that is not going to happen. The legislature will undoubtedly review it again and make some changes. This is not new and the City needs to change what they have been doing to come into compliance with what they should have been doing. Peterson said in this instance the Planning Commission recommended approval and there was no public comment at the hearing. Motion by Peterson, seconded by Snyder to approve the granting of a variance request to Jessica Sheets. All voted in favor of the motion.

Stobb asked if the open position on the Multi-Purpose Center Board was advertised. Koopman stated that it was not and if the Council wishes to delay this appointment, it can be done. Her experience in the past is that residents do not come forward very quickly. Motion by Snyder, seconded by Peterson to accept the application and appoint Linda Petit to the Multi-Purpose Center Board. All voted in favor of the motion.

Zielsdorf Auction Service has submitted a request to conduct a consignment auction at the Central Livestock facility on Thursday, December 2, 2010. They would need to rent the property two weeks prior to and two weeks following the auction. Stobb stated that he is 100% in favor of them having auctions here, but the timing could be a problem if they are not out until December 17. Mayor Ferrazzano suggested that they would agree to have the lease increased to reflect the cost of the City renting some other place to dump snow. Peterson suggested they check into the possibility of using property at the industrial park for snow dumping. Stobb suggested that maybe Zielsdorf could hold the auction two weeks earlier. Robinson stated that the property they use to rent for \$600 has been sold and they would have to find another place to dump the snow. Stobb asked if they could use the compost site for snow dumping. Robinson explained that the ground has to be level for the trucks to dump and if not level, the trucks get stuck easily. Snyder asked if they could use the softball fields. Robinson said that if they get into the softball fields and the ground is soft, the fields would get damaged. Robinson said they used the entire five acres at Central Livestock last year and the option to dump on the farm land is not good as the land is rough and the trucks get stuck easily. Motion by Peterson, seconded by Chalmers to enter an agreement with Zielsdorf Auction Service for an auction to be held at the Central Livestock property with a contingency that if the land is needed for snow removal they pay an additional \$600 to allow the City to rent land for snow dumping. All voted in favor of the motion.

Motion by Martin, seconded by Chalmers to grant a plumbing license to DeJager Plumbing and Heating contingent on submission of paperwork and fees paid. All voted in favor of the motion.

Motion by Chalmers, seconded by Martin to adopt the Community Needs Plan. This states the City of Tracy resolves to apply for Small Cities Development Program (SCDP) funding through the Minnesota Department of Employment and Economic Development (DEED) and to apply for this funding in cooperation with the City of Milroy, to complete a combined application. All voted in favor of the motion.

Koopman stated that Council members had contacted her and wanted the farm lease on the agenda for discussion. She was not able to get information from Dean Champine, County Assessor, as he is out of his office. Her past practice has been that she gets the average cost per acre in Monroe Township and contacts a couple of area farmers to get the average price. She then submits a recommendation to the Council and in the past Mr. Lanoue has been given the first opportunity to accept that price and if not then the City reserves the right to go for bids. Chalmers stated that some individuals felt the City should open it for bids for everyone, rather than give the Lanoue's a first choice at it. Snyder has also heard comments and the last time this was done that it maybe should have been open to bids and felt they should discuss this. Martin felt that when someone farms a spot for years and are used to dealing with the dips and turns and variability he feels there is a case to be made for experience. Enderson stated that he would like to see a proposal from the Lanoue's and would like to see them stay there. They have done a good job with consideration for the airport. Mr. Lanoue stated that Koopman has worked with them in the past and the procedure that she uses is fair. He feels the appropriate time for putting this land up for bids would be if the Lanoues' would give it up. He feels that since they have been renting it, they should have the opportunity to renew the lease. Koopman stated it is a three year contract and either side can terminate. Mayor Ferrazzano stated that Koopman should get the information needed and then put it on the next agenda for discussion. In response to comments from the public, that is why there is a public comment period on the agenda for those that have a concern about an issue.

Robinson stated that Paul Knoblauch had contacted him with problems with a drain tile in Sebastian Park. There used to be a football field there and at that time there was a four inch tile that drained the football fields and then later on that same small tile was used to drain the Aquatic Center parking lot. There are no plans that indicate when this was put in or the route it takes. Knoblauch feels there may be a need for a bigger tile there. His basement did not get wet, but the neighbors did. Robinson said that with the recent flooding event this area was under water. There is nothing budgeted to replace this tile and Knoblauch would like this dug up to see what shape this tile is in. Robinson does not see a need for doing this. He explained during flood events, surface water is going to back up. Robinson stated in the past it was plugged and they opened it with the jetting machine. This line does take water but takes time for it to drain. They are not sure where the water goes and feels that it could go to the bottom of Warner Park as the storm sewer on Hollett Street is too high for it. There are no maps or history for this line. Enderson asked if line should be televised. Robinson stated that if it was plugged and not taking water they would have to fix it, but at this time it is just slow and was undersized for flooding events. Peterson was wondering if this is causing any I/I issues. Robinson did not feel that it does and what needs to be done is to try and dig it up in a spot or two and use a locating wire to see where it goes or put dye in it to see where it goes.

Kopperud said that he mentioned the last time he was here that Doom & Cuypers had pretty much finished the job but was not ready to present the last amount. The amount did stay the same for Change Order No. 2 at \$5,337.48. Motion by Chalmers, seconded by Stobb to adopt a resolution approving Change Order No. 2 in the amount of \$5,337.48. All voted in favor of the motion. (Res. No. 2010-37)

Kopperud stated that when they requested approval of the hospital renovation project, there were some things that were added to a list after the Kue contract was approved. One thing that was not approved in either of the contracts was money to install IT and voice cable runs. Approved at that meeting was \$6,000 for IT and other components. This is between Sanford and the City. This money was approved beyond the contract with Kue and this had to do with the contingency money. Barstad stated this should be part of the money approved for the project and a \$6,000 amount was in that budget to have another contractor do this work. Nothing additional was needed for approval

of this amount.

Motion by Snyder, seconded by Martin to adopt a resolution approving payment to Doom & Cuyper for work completed on the clinic renovation project in the amount of \$31,464.90. All voted in favor of the motion. (Res. No. 2010-38)

Koopman presented a resolution declaring a state of emergency that was received from Tammy VanOverbeke, Lyon County Emergency Management Coordinator. They want cities within Lyon County to support the County Board's decision to have Lyon County declared as a disaster area to entitle them to FEMA money. Koopman has some problem with verbiage in the resolution as it makes reference to damage to public property, she felt that they would have to verify that. She is thinking they mean city owned property. Chalmers stated he felt the same way but after hearing Robinson's report about all the issues they had to deal with and equipment damage he's changed his mind.. There was damage and probably was significant expense to the City. Stobb stated this would make them eligible for financial assistance, it does not state that the City would get it or what amount. Chief Hillger stated that in order for the City to declare a state of emergency for the City, there has to be conditions and circumstances that are beyond our capability to deal with it and if anyone can honestly say that, then we are in a state of emergency. Hillger states that he cannot see it. He stated that the City did not request any outside help and did not need it as the Public Works and Fire Department did a good job. It is unfortunate that the City had expense of funds, but they did not have to call in FEMA or the county. Chalmers stated that the financial impact could be beyond the City's ability to handle it. Stobb stated that the sewer system could not handle it, they could not pump out manholes fast enough. Hillger stated that he would hesitate to say that Tracy needed funding when you are looking at other areas with a low population that had \$64 million in damages, are we going to take money that should be going to them or someone else that really needs it. Just because there is federal money there, does not mean that the City of Tracy should take it. After further discussion a motion was made, seconded and unanimously passed to adopt a resolution declaring a state of emergency for the City of Tracy. (Res. No. 2010-39)

The Consent Calendar included: Municipal Accounts Payable, Economic Development Authority minutes for August 20 and September 3, 2010, Hospital Board minutes for August 18, 2010, Election Judges slate for November 2, 2010 General Election, Monthly Receipts and Planning Commission minutes for September 7, 2010. Motion by Stobb, seconded by Peterson to adopt the Consent Calendar as presented. All voted in favor of the motion.

No action was taken on the 2011 budget. Peterson stated he and Chalmers will be meeting with the Union to discuss negotiations on October 6 and October 8.

Doug Pamp was present on behalf of the Tracy Masonic Lodge. One of the things they have historically done was a kid's ID program. They have improved the program and completely computerized it and it has to be conducted in a location where the equipment would not be in jeopardy. It was proposed that maybe they could conduct the ID program in coordination with a Halloween event that would be a City wide event. Kids ID is a national program that is intended to provide protection or data information to the parent and then to the police or organization that may be called into help find a child in case of apprehension. This program provides a voice collection and a movie with profiles of the child on a disc. That information is given to the parent or guardian. They also collect some DNA samples which in case they are not able to find the child in time they would be able to identify the child at a later date. The parent or guardian have to agree to this and have to be there at the time this information is collected. He is asking if there is a possibility for a date after they talk with different organizations within the City such as the Lions, Knights of Columbus, Police Department or Fire Department or other civic groups that might be interested in participating with them in the use of the VMC and if the Council would consider possibly some financial support or leniency for the rent for the use of the VMC. Mayor Ferrazzano asked that they just let the Council know when a date has been decided.

Stobb stated that he recently had a resident contact him believing that the City is on the wrong track with putting in a new lagoon system and should be looking at putting in a water treatment plant. It has been a couple years since they have seen the figures on the installation of a water treatment plant and remember a water treatment plant was about three times the expense of a lagoon system.

Robinson stated that in the feasibility study a chemical wastewater plant would cost about \$16 million. This are typically used when a City has an industry but our ponds are used primarily for domestic waste. The time mechanical plants are used is when there is no land available for ponds and mechanical plants need to be manned 24 hours per day. Stobb said the person that talked to him indicated that it would employ more people. Mayor Ferrazzano stated that it would be at the expense of the City. Marshall needs mechanical plants with the industry in the city and have strong wastes and different types of treatment are needed.

Paul Knoblauch stated that with the recent extreme rain incident the storm sewer on the old athletic field come over the edges. His neighbors had water in their basements and he did not. He agrees that this was excessive but this storm drain should work. Mayor Ferrazzano stated that Robinson had explained the problem earlier in the meeting and the Council just wanted verification from Knoblauch. Robinson stated that his recommendation was that this line does take water and was not designed for events like the recent flood. It is a small line and under normal conditions it works. He does not feel there was any property damage done due to the size of the line and recommends that they not do anything with it at this time. Peterson felt they should keep it on the I/I list and look at it at some time.

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

ATTEST:

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City Administrator

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Mayor

**October 11, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 11, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Stobb stated that on Page 10, Paragraph 2 on the Emergency resolution, his impression was that the Council had requested more information on that rather than passing that resolution. Peterson and Chalmers also stated that the Council had asked for more information after a comment made by Chief Hillger. Koopman confirmed that a copy of the resolution was sent to the county. Stobb felt that in the grand scheme of things, it probably would not make that much difference. Chalmers stated that they do not need to watch people jump through hoops trying to do something for the City that they do not need to have done. Mayor Ferrazzano stated he did not remember them adopting the resolution because they had requested that Robinson give a list of the damages before they made a decision and he suggested that they discuss this under Unfinished Business. He felt that the information that was received in the packet would satisfy them to pass this resolution. Motion by Enderson, seconded by Chalmers to approve the minutes as amended. All voted in favor of the motion.

Additions to the agenda included: the Public Hearing will start at 6:45 p.m., 7-C Sanitary Sewer Splitter Box Rehab by Robinson, 11-E Aquatic Center Annual Financial Report and 12-B Emergency Resolution for Lyon County and 13-A1 Closed Meeting to discuss Labor Negotiations. Motion by Chalmers, seconded by Peterson to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments.

The Multi-Purpose Center board met on September 28, 2010 and recommended operating the Multi-Purpose Center with volunteers. This recommendation passed with a four to three vote. Shirley Anderson, Multi-Purpose Center Board member was present to propose eliminating the director's position at the Multi-purpose Center and going to a volunteer program in the afternoons. "In the morning the Center is occupied and run by Lutheran Senior Dining until 1 PM. The Center would only have to operate with volunteers from 1 PM until 4:30 PM. You have all ready received my initial proposal and this would save the City over \$16,000 a year with salary and benefits. It would be fiscally responsible to try to operate with volunteers in these tough times considering the financial impact within our city. I realize this would take a lot of work to get this off the ground, and I am confident it can be accomplished or I wouldn't be here proposing this move. Our City needs to come together and work together to have this happen. I'm hoping in doing this it will bring cohesiveness to the community with volunteers running the center. It will give people a sense of ownership and they will have a vested interest in keeping this center open in the afternoons for everyone's use. Hopefully, this would bring out citizens of Tracy together in wanting to keep this center open in the afternoons. It will help people be active together and volunteering is helping someone else. It's called teamwork and team effort, something which I believe in very strongly. Together we can accomplish great things. If the council does vote for this, we will need the help of our younger retired people to help, if they can. You have read the survey and several towns around our community have accomplished this. There is only one that has closed. The rest are active and flourishing with volunteers, seniors, and the community, all working together. Audrey has the Multi-purpose Board's recommendation. I also have a letter of support signed by a lot of people that frequent the center and that support this proposal. Thank you for considering this proposal and hopefully acting on this to make it happen. I would also suggest revisiting this issue 6 months after initiation to see if it is being a successful project. Thank you."

Mayor Ferrazzano stated that the vote was four to three, and is wondering what the concerns of the three that were against it. Anderson stated they did not think the center could find enough volunteers. She has not put out a public call for volunteers yet until the Council votes on the proposal. She has discussed this with a few people and she has four to five individuals that ready

to volunteer. Peggy Peterson stated that two of the three stated they did not have the time to help with volunteering. Anderson stated the Multi purpose Center Board is a governing board and that is a hands on board, oversee, give directions and are present to direct the volunteers. This is different than being an advisory board. The board members are going to have to step up to the plate and take some action.

Eugene Hook suggested that they reduce the hours of the present director's position rather than going to total volunteer situation. He feels that it would be very difficult, judging from the age of the individuals that participate in the program. He does not feel this move is ideal for the center at this time.

Anderson asked if they had an opinion on reducing the hours and if it was run by volunteer hours could the center be open more hours or less hours. Anderson felt they could keep it open the same number of hours. Hook stated that he did not mean that they would reduce the hours of operation; it would be the director's hours. He felt that it would be better for one person to make the decisions instead of a different person each week or month. He did not feel that things should always be decided on dollars but to the commitment and services to the public.

Stobb stated that the four/three vote also bothered him as he sees the board directing the volunteers and will be responsible to see that the volunteers are there and working. He feels the board should all be behind it and if done, they should revisit in six months. He asked what the measuring stick would be for them to know it's working. Anderson stated that Audrey would know since she is the supervisor. Chalmers asked how many hours the director has now per week. Koopman stated that she works 3.5 hours per day. Peterson asked what sort of time line they are looking at if they went to go to all volunteer help. Anderson stated they could start next week. Mayor Ferrazzano felt that if the board voted for it, most of the time the Council listens to the board's recommendations and even though the vote was four to three they don't always pass unanimously. If that is their vote then that is what they should do and revisit this again in six months and if it is not working something else can be done. Chalmers felt they could find a happy medium between the two and take Gene's suggestion of reducing the hours to 10 hours per week and revisit in three months. If the volunteer program is working then they can look at reducing the director's hour further or reinstate to the previous hours. Mayor Ferrazzano is in favor if they want to try with volunteers and they can do it without any director's hours. Stobb stated that if they reduce the hours, assuming the director is staying fully busy now, then if the volunteers pick up what is not being done then there are two bosses in one house. He did not know how well that would work. Hook asked if the budget was set up for January 1, 2011. Mayor stated that they are working on the budget for 2011 but they could save money if they did not have to pay for a director the remainder of the year. Chalmers asked how they would envision the decision making process as far as the day to day decisions that need to be made. Anderson stated they would have weekly or bi-weekly meetings for the governing board and they would be directing the volunteers. Chalmers asked how they would resolve issues that came up and needed immediate decision. Anderson stated that Hook is the president and he'll get the call to make a decision. Motion by Enderson, seconded by Peterson to accept the recommendation of the Multi-Purpose Center Board to eliminate the Multi-Purpose Center director as of November 1, 2010. Martin stated the main concern is with LGA cuts that are going to happen. By eliminating the director's position, they would be saving \$16,000 and having it run with volunteers makes a strong argument. Chalmers stated there was another business in town that was managed by a committee and that ultimately proved not to be an effective way to run the business and that would be the one concern that he has. He stated that it is a difficult undertaking to try to replace a single decision maker with a group decision making body. All voted in favor of the motion.

A public hearing was open to public testimony at 6:45 pm on the 5<sup>th</sup> Street East Improvement Project. Steve Robinson from S.E.H. stated the 5<sup>th</sup> Street East project included the paving 5<sup>th</sup> Street East and the parking lot of the fire station. There are two owners, Prairie View Healthcare Center and the Sanford Tracy Medical Center and their assessments were based on 25% of the cost and equal \$6,186.44.. Nielsen asked what the property Sanford owns. Koopman stated that Sanford does not technically the property, but it is an operating expense and they will pay the assessment. Nielsen stated that it will not be assessed against their property and how can the City assess against its own property. Robinson said that generally assessments can be applied to a tax free entity that owns the property, as an example you can assess churches, schools and other tax free enterprises for street

improvements. Chalmers asked if then the City would pay the assessment and charge it back to Sanford as an operating expense. Koopman said that Sanford was informed from the beginning that they would be responsible for that assessment. The public hearing was closed at 6:55 pm and was referred back to the Council for discussion. Motion by Snyder, seconded by Chalmers to adopt a Resolution Adopting Assessment for the 5<sup>th</sup> Street East Improvement Project. All voted in favor of the motion. (Res. No. 2010-40)

R. Robinson stated that the waterline out to the airport breaks about once a year. FAA has agreed to reimburse the City at a rate of 70% for the waterline replacement. He stated that only one bid was received from B&D Plumbing and Heating from Mankato, MN for \$17,750. They would directionally bore a 2" waterline for 1500 feet.. The reason for directional boring is that they would be going across some of the grass runway and if open cut there would be settlement issues to deal with. The City's share would equal \$5,325 with funding provided from the Surcharge Fund. When this line breaks it costs about \$1,500 a time to repair it. The problem now is that if it breaks under the asphalt it will get more expensive to repair. Robinson stated that they have been asking the FAA for help for about two years and they normally do not fund this type of project. The airport engineer was at one of their meetings and talked the FAA into doing this with a 70/30 cost share. Motion by Snyder, seconded by Martin to approve the bid from B&D Plumbing and Heating for \$17,750 for the airport waterline and the City paying the 30% of the cost equaling \$5,325. All voted in favor of the motion.

R. Robinson stated that at the airport on the north side of the runway there is a splitter box. The sanitary sewage goes to that box and splits out in two ways to the ponds. Inside there are aluminum gates they have to pull up and this has to be done many times a year. They have become corroded and we not able to get the gates up and down anymore. Employees have to go down in this structure and hook chains and cables to pull them up with a truck. This is very dangerous. The last time they did this they took the top off completely. The type of lid they put on it years ago only had one round opening in it. They were not able to get right over the top of these gates. Robinson said they are proposing placing a new lid on top of this old structure. They have an extra aluminum lid in storage that can be used as part of a new lid. A new lid opening would allow them to pull these gates up directly instead of going down into the structure. Robinson received a bid from Dale Johnson Construction to form a lid and put in blocks to raise the structure to the proper height and then install the lid into a new top. They would make it so that the lid can be salvaged when the pond project goes through. The bid is \$1,650. He noted that he just received it tonight so he has nothing formally typed up. Robinson stated this was the only bid received. Koopman stated funding would be provided from the Utility Fund. Motion by Peterson, seconded by Snyder to accept the bid from Dale Johnson Construction in the amount of \$1,650 for the installation of a new lid on the splitter box at the airport. All voted in favor of the motion.

Koopman had talked with Dean Champine, and because of the difficulty in making contact with local farmers she also contacted a local feed salesman that works with farmers and a local real estate agent for input regarding average farms rents in Monroe Township. The rent ranges from \$150 to \$325 depending on location within the township and size of the field. The City farm consists of a number of small fields and that would put them at the low end of the going rates. Those individuals that she had contacted agreed that \$150 per acre would be a fair price for the City farm land. Mr. Lanoue has agreed to \$150/acre and Koopman recommends entering into a lease with Lanoue's at a rate if \$150/acre this rate. Lanoue has currently been renting the 155 acres at \$120 for three years. Motion by Stobb, seconded by Peterson to enter into a three year lease with Lanoue at the rate of \$150/acre for three years. All voted in favor of the motion.

A proposed special vehicle ordinance on public ways in the City of Tracy and providing permits for the operators was discussed. Chalmers stated that he had a question regarding the licensing of farms to operate the vehicles and is wondering what is in this proposed ordinance that keeps children from operating them. Nielsen stated that state law would dictate that. There are age levels and the type of vehicle that is used. Use of mini-trucks the operator has to have an actual driver license. Nielsen states that this ordinance will be written according to state law. There are two classes of ATVs and from the state standpoint an ATV can also be another category vehicle depending on where you are operating it. There may be age limits, safety certificates and equipment requirements, hour limitation on when the equipment can be operated. The reason he drafted it after state requirements

is because the state is not in favor of municipalities having different rules. Stobb stated that if this is enacted, they would be repealing City Code 7.30 and looking at it, it talked about the age of the driver, certificates, etc. covered by state law. It discusses the driving habits through intersections, what they need to do crossing roads and asked if this is also in state law. It also talked about the condition of the vehicle that it needs to have a muffler, sufficient brakes or dead man's throttle. Nielsen stated this type of equipment is what the City ordinance has and not under state law that he can remember. Nielsen stated that on Page 2 Subd. 4 there is a list of state statutes and some of those pertain to only snowmobiles, only ATVs and some pertain to NEVs. In there are the age requirements, equipment levels for the different types of units that are involved. If there is something different than state law, the City can not enforce it. Stobb also questioned the use of the electric carts and scooters that residents are using in town who have physical conditions that prevent them from walking long distances, etc. He asked what category they would fall in. Nielsen stated these are considered pedestrian equipment and not regulated and would not be covered by this ordinance. This equipment is supposed to be used on sidewalks and they do operate them on the streets also. This may be a reflection of the physical condition of the sidewalks and the maintenance of the sidewalks when people do not clear the sidewalks of branches or snow and ice. Sedways are considered pedestrian equipment and are not required to be licensed. Nielsen said it is a nightmare trying to figure out what category some of this equipment falls into. Stobb asked where go-carts would fit since they are becoming more popular again. Nielsen said they may fit into the ATV category. Nielsen stated the Police Department is not in complete agreement with this and how are they going to sort through all this to know what is and what is not allowed and how this would be enforced. The Legislature has defined Class I ATVs by engine size and weight. There is another definition of ATVs that are subject to the city allowing them to operate on streets. He does not understand why the state is doing it this way and there are so many classifications for these types of vehicles. Nielsen stated he tried to not get into the issues of equipment levels, and who can be licensed and age limits, etc. as the state is going to control that and basically allow them to operate on city streets or not. Most of the verbiage is the permit process with how they are going to pay and how they can apply for it and if they lose their permits or if they falsify applications or have a driver license and it is suspended, etc. Chalmers stated that he has not heard anyone objecting to allowing this equipment on the City streets. Stobb asked if the fees that are included in the ordinance are what other cities are charging. Nielsen said he picked those from the air and the City can charge whatever they want. He stated there will be the administrative burden on the Police Department and the City Office of doing paperwork and maybe the first time around doing some background checks. Now the City is allowing vehicles to operate on public streets that are not paying license fees to maintain those streets like we all pay when we get registration for our cars and pickups. Chalmers understands there would be a fee of \$50 to have a permit to operate a snowmobile or \$50 for other special vehicles that you own. He asked how the Police Department would identify someone who has a permit. Would they have a tag that would be on the vehicle that it has been permitted to operate on City streets? Nielsen did not feel there should be a tag on the vehicle, as they are not really licensing the vehicle, they are licensing the operator. There may be one vehicle in the family but if they are going to have four different operators, the people need to be permitted. The individual permit will have to have some sort of delineation stating what level of permit they have. Koopman stated this would be the first reading and a public hearing would be the next step. If the Council wants further amendments, they should do that before they go into a public hearing. Peterson would like some input from the Police Department and it could be based on what they feel they would like to see in this ordinance for plans for enforcement and the burden it would be on the police department. Koopman said that delaying this is not an issue since Chief Hillger is out on medical leave, they could table this for a couple months. Dale Johnson said that in the 2011 DNR book states that ATVs are legal on city streets as long as they meet all statutes or if the City has an ordinance otherwise prohibiting it. It is a matter of missing out on revenue. The 2011 DNR manual does include age restrictions on every piece of equipment. Nielsen stated he would like to read over that information as the information he had stated the opposite, that you could not operate that equipment on city streets unless the city allowed it. Mayor Ferrazzano asked if the County has passed anything for the use of this equipment. Nielsen stated that the county roads, as they are laid out in Tracy make it difficult to get around without crossing those roads. The City of Cottonwood did have to go to the Lyon County Board to get permission to operate this equipment on County Roads within that municipality. He told the Council that Highway 14 can be crossed and there are rules on how this can be done also, but ATVs cannot be operated on Highway 14. Chalmers stated that one of the things the public wanted to do was use their ATV to go to the compost site. Koopman will contact

the Senior Officer Jason Lichty to attend the November 8, 2010 Council meeting to get his input. Chalmers felt they should also contact DOT about crossing or using Highway 14 to access the compost site.

Robinson stated that he had solicited quotes to televise and clean 3800 feet of sewer main so the mains can be evaluated prior to road construction. He has received only one quote as of today from Empire Pipe Services for \$4,180. He feels this is a good price as it includes televising and cleaning. The other company they have used is ATec and they did not submit a quote. Robinson said that the information that Empire gives is good, but they don't always have all the pictures but provides a written report with a CD of their findings. Mayor Ferrazzano suggested that due to the noise from these machines that the public be made aware of when this will be done. Robinson is recommending that they do the televising and then go on with report. S. Robinson stated that they are waiting to get information back from the televising so they can move forward and have it in the report before the 2011 Project is initiated. Robinson said that he would like to add Roosevelt Street. At the corner of Roosevelt and County Road 11 there is a manhole and there is one about 700 to 800 feet in the field. They think there should be another manhole at the east end of Roosevelt. They have done some searching and digging and it cannot be found. The only way to find it would be to run a camera. Robinson would like to add about 350 feet of televising to have Roosevelt Street done. Motion by Peterson, seconded by Martin to accept the quote from Empire Pipe Services for \$4,180 and add the Roosevelt Street televising. All voted in favor of the motion.

Koopman has received a request for additional hours during the fall season at the compost site. The request was for four (4) hours on Sunday from 1:00 to 5:00 PM for the remainder of the month at a minimum. She suggested that if the Council did agree to this, they could extend the hours longer depending on the weather. Stobb stated he had one call today regarding this and their first choice would have been a week night because they were working in their yard all weekend and now they have to wait till Thursday to get to the compost site. Daylight savings time will be ending soon and they will not have that much time later in the evening. If they could have the hours as late in the day on Sunday as possible, that would help individuals that are working Sunday afternoon and it was suggested to keep it open until 6:00 p.m.. Maybe instead of 1 to 5 PM they could have hours from 2 to 6 PM on Sunday. Koopman stated that would work if it would be agreeable to the operators. Mayor Ferrazzano said that if the Council allows the compost site to be open for four hours on Sunday, let the operators decide the time they would be open. Stobb suggested that they could be open a couple hours on Sunday and then a couple hours on Tuesday. Enderson felt that Saturday and Sunday are the most important days to have it open. Stobb said that he would like the operators to stay at the site until almost dark on Sundays. Motion by Enderson, seconded by Chalmers to extend the hours of the compost site to include Sunday hours from 2 to 6:00 PM. All voted in favor of the motion.

Koopman stated that at the last Council meeting representatives from the hospital presented a pay request from Doom & Cuypers for work completed on the clinic. This request was already approved at a previous Council meeting. She recommended rescinding Resolution No. 2010-38, a resolution approving payment to Doom & Cuypers for work completed on the clinic. Motion by Martin, seconded by Enderson to adopt a Resolution Rescinding Resolution No. 2010-38 in the amount of \$31,464.90 for work completed on the clinic because said pay request was already approved at a previous meeting. All voted in favor of the motion. (Res. No. 2010-41)

Motion by Stobb, seconded by Snyder to adopt a resolution approving payment to Doom & Cuypers, Inc. in the amount of \$17,899.88. All voted in favor of the motion. (Res. No. 2010-42)

Radke introduced a resolution in favor of allowing State regulated gaming in licensed and municipal bar and restaurants before the Liquor Committee. This would be a way for gain revenue for the City, Liquor store and to make up for decreases in LGA. The projections say they could make \$638 million in new state revenue every year. The decrease in revenue from pull tabs is affecting everyone and he is not saying gambling is the answer but this could be the last chance to try to get revenue back. They have indicated this would be a way for the City to make \$20,000 to \$40,000 per year. Chalmers asked if this would be direct revenue or the state or other agencies would be taking a cut from this amount. Radke understood that the City would be making that amount. The Charitable Gambling Board approves this and the State Lottery would be running it. This resolution is not a

binding document. Snyder asked if there would be a cost to the City for setting this up. Radke stated the only cost that he is aware of at this time is the cost of a phone line for the video games. With this resolution, if a City is behind it, it means a lot more than if he alone signed this. There is nothing saying that this has to be done in Tracy and the bill has not passed yet either. Motion by Peterson, seconded by Snyder to adopt A Resolution In Favor Of Allowing State-Regulated Gaming in Licensed and Municipal Bars and Restaurants, And Allows for These Games to Upgrade to 21<sup>st</sup> Century Technology As An Additional Option To The Paper Format Currently Used. Chalmers stated that he has traveled around to a lot of different places that have video gaming and it has been his experience that places that have it have been are the most run down, depressing cities that he has visited and there are people wandering around outside these places begging for money because they blew it all gambling. South Caroline repealed their video gaming law because they found they created an epidemic with people going and pouring their paycheck into this because they are addicted. Martin stated that is one of the reason that he would be for this because it is possible to repeal it. Chalmers stated that it is revenue, but at what cost? Radke stated there are casinos in Redwood Falls, Granite Falls, etc and gambling is in the area. Nielsen stated the electronic is more secure also. Upon roll call the following vote was recorded with Martin, Enderson, Peterson, Snyder, Stobb and Mayor Ferrazzano voting aye and Chalmers voting nay. Motion carries.

The Consent Calendar included Municipal Accounts Payable, Compliance order for 2009/2010, Economic Development Authority minutes for September 3, 2010, Tracy Firemen's Relief Association minutes for September 7, 2010 and Aquatic Center annual financial report. Stobb asked if there were any impressions from the Aquatic Center report or anything they can learn from it. Koopman stated it is at a deficit of \$9,169.99 even with a transfer from the General Fund in the amount of \$57,789 that was used to supplement the Aquatic Center operations. It is an expense to the City. Stobb stated the expenditures are the lowest that they have been. Koopman stated they center opened later and actually closed earlier so there was about two weeks less of operation. This summer the center was only closed a couple times and most of the time the weather was good. When you are open, the operating costs increase also. Utilities are the largest expenditure when the pool is heated. Peterson asked if it is necessary to heat the pool. Koopman feels that it is because before they had a heated pool, they were losing people from swimming lessons and they would go to other communities because it was too cold for the kids to be swimming. Peterson asked if they are watching the thermostat as it takes a lot of energy to heat the water. Robinson stated the thermostat is set at 82 degrees the water that goes through the water main is about 52 degrees. Once the temperature reaches 82 degrees there are two boilers that are thermostatically set to maintain that temperature. Peterson asked what would happen if they set the thermostat at 78 degrees, how much money they would save. Martin asked if they have looked at any thermal solar heating systems that would cut that bill in half. Enderson suggested that even a cover for the night would help. Robinson said that turning the heat down at night causes a problem with recovery of the temperature. Chalmers would be interested to see the results if the thermostat was set two degrees cooler overnight, and kick it back on to heat two to three hours before the pool opens. Martin suggested that if they run the water through pipes on the roof that are painted black and put them back into the pool, it would heat quickly and take no gas. This seems like a simple fix to a problem they are faced with every year. Peterson stated that the hours of the employees had been cut but the cost for wages is starting to go back up. Koopman stated that they have been paying by the hour for the past three seasons. This summer the pool was hardly every closed and even though they were open less as far as the regular season, they were open throughout the entire season. Stobb noticed that they seem to be losing resident family and non-resident single is up. Koopman said enrollment in swimming lessons also increased from last year. Motion by Chalmers, seconded by Peterson to adopt the Consent Calendar as presented. All voted in favor of the motion.

Koopman stated that she had did not have any new information concerning the 2011 Budget and it will appear on the agenda until they hold the Truth in Taxation hearing. This gives anyone who has questions an opportunity to present them.

Mayor Ferrazzano asked if anyone had any questions regarding the emergency resolution. Peterson stated that after reviewing the cost to the city for the recent rain event does not constitute an emergency. Chalmers stated that he agrees with Peterson and if they go by the standard that Chief Hillger previously laid out, the Emergency Management Guide states that it has to be beyond the ability to handle the expenses. Koopman felt that the intent of this resolution was to support the

Lyon County Board's decision to have the entire county declared as a disaster and does not commit the City to apply for anything. There are places in Lyon County that got hit much worse than Tracy did. It was the county that initiated this resolution. Peterson stated that he would support a resolution that states that the County did suffer from the flood and the City of Tracy supports any action the County is going after and would not declare the City of Tracy as an emergency. Chalmers states that the resolution they are asking to pass specifically states that the Tracy City Council declares the City of Tracy in a State of Emergency and that is just not true. Snyder stated that he would argue state of emergency versus disaster declaration. A disaster declaration is what Chief Hillger was talking about and feels that the City was in a state of emergency. The individuals that had three feet of sewage in their basement, felt it was an emergency to them. Koopman is of the understanding that if the County is declared a disaster area, they would qualify for FEMA funds and those residents that do not have home insurance that covers their loss, gives them an opportunity to apply for these funds, whereas otherwise they would not. She states that the City did not have large expenditures, but there were a number of homeowners that did incur quite an expense and their insurance may not have been enough to cover their loss. She felt that one of the properties that sustained damage, the claim would be over \$50,000. Mayor Ferrazzano also felt that the City collectively represent more than the just the City's interest. Motion by Snyder, seconded by Martin to adopt a resolution declaring a State of Emergency for the City of Tracy. Upon roll call the following vote was recorded with Martin, Enderson, Snyder, Stobb and Mayor Ferrazzano voting aye and Peterson and Chalmers voting nay. Motion carries.

Motion by Stobb, seconded by Chalmers to close the regular meeting at 8:05 p.m. for a closed meeting to discuss labor negotiations. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**October 25, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 25, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, C. Snyder and R. Stobb. Absent was J. Chalmers. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Snyder to approve the minutes from the meeting October 11, 2010 meeting as presented. All voted in favor of the motion.

Additions to the agenda included: 8-C Board Appointment, 9-A A resolution approving payment to Horthy Elving for work completed on the Hospital Renovation Project, 10-I Library Board minutes for September and October and 12-A1 Schedule special meeting on November 5, 2010 to canvass election results. Motion by Snyder, seconded by Peterson to approve the agenda as amended. All voted in favor of the motion.

Shorty Engel at 638 3<sup>rd</sup> Street stated that he had e-mailed pictures and a letter regarding the claims recently submitted to the City's insurance for damage from the recent heavy rain event. He is requesting that the denied claims be reviewed. Engel does not believe that he should be responsible for the city's sewer problems. He stated that his damages exceeded \$10,000. Engel stated that the damage in his home was done before the Public Works department was around to take care of problems. Mayor Ferrazzano asked that this issue be put on the next agenda for review and he asked Engel to send him the pictures and letter again as he never received them. Peterson stated in the letter received from the insurance company, they listed four conditions that had to be met before the City would be responsible. He stated that one person came and looked at the property and another person denied the claim. Engel said that DeJong was the one that visited and the claims were denied based on the discussion that he had with Robinson. Michelle Dykstra was the one that denied the claims. Koopman stated that the City receives a copy of the letter from the insurance company on all claims. She said four claims have been denied so far.

William Baskerville at 467 Hollett stated that he had talked with the insurance company today and has dealt with Michelle Dykstra. They have left several messages for her and she has not returned any calls. He found out today that the claim had been denied. The insurance adjuster told him that this was a one in 100 year ordeal. He went through this same thing five years ago. He had sewage in his basement and was told at that time that he would have a hard time proving it. At that time he tore the basement floor out and installed check valves in his sewer, but this time everything came up through the toilet in the basement. With this recent incident he had 19 inches of sewage in his basement. Baskerville feels the City needs to help him out with this. The average person does not have the \$25,000 to \$30,000 to repair the damages. Mayor Ferrazzano asked if this was something that would be covered by his personnel insurance. Baskerville said his insurance never looked or questioned it but he was only covered for \$5,000. Engel said he had the same coverage with the maximum of \$5,000. Engel said that the damage was caused by sewage coming from the toilet also. Enderson asked Baskerville if he had photos or documentation. Baskerville stated that he did have a video because the last time it happened the insurance adjuster said he would have a hard time proving the extent of damage. Engel said that his wife had talked with DeJong the Thursday after the heavy rain and he felt that they had the basis of a good claim. A couple days later their claim was denied.

Mayor Ferrazzano stated that they should review all the claims that were denied and see why they were denied and to see if anything else can be done. Koopman asked if they would like a representative from the insurance company to attend the next meeting also. Mayor Ferrazzano felt that would be a good idea and they can explain why the claims were denied. Stobb said they could revisit it but it is the insurance company's decision and there is a process just to get them to look at it again. Mayor Ferrazzano said they need to find out what the appeal process is and he asked when they deny the claim what could be done to have them reconsider. Baskerville stated that he did not get a letter and they dealt with the adjuster. Engel stated that the only thing Dykstra recommended in the letter was for them to check with their own insurance or FEMA. Martin feels they need to

keep in contact with the insurance company and the fight is with the insurance company and not the City. Engel felt that in sense the fight is with the insurance company and the insurance company is acting on the information they got from the City.

Ralph Deslauriers of 236 2<sup>nd</sup> Street E. voiced concern of how the Multi Purpose Center is run today and how it will be run in the future. In the past the center did have some budgeting problems and at that time they met with Koopman and it was decided that the center would do fund raisers to help subsidize the budget. That worked well at that time. Deslauriers questioned why the Council members do not show support for the Center by attending their fundraisers. Snyder states that he has been to the center for some of their fundraisers. He is concerned that the cleaning of the Multi Purpose center will not be kept up as it should and feels that it is not the responsibility of the older members to come and work at the center. The Director has provided lunch for the card players and has heard them comment that if they have to fix their own lunch, they will go home and do it. Deslauriers said that the petition that had been presented to the Council at the last meeting had not been seen by some of the members and only three that signed the petition come to the Center on a regular basis. He is concerned that the petition was a factor in the Council deciding to eliminate the Multi-Purpose Center Director. Mayor Ferrazzano stated that the petition was not the deciding factor for the Council to approve having the center run by volunteer help. The Multi-Purpose Center board made a recommendation and the Council gives deference to what the board recommends. Deslauriers felt they need to get the community to participate in the fundraisers along with support from the Council. Nielsen felt that some of the confusion is that the community does not realize the distinction between the food service and the Multi-Purpose Center activities.

Ron Radke reported that off sale and on sale were down approximately \$7,208.44 for the month of September. Box Car Days both off sale and on sale were down. Radke thinks the weather was a factor for sales being down. Radke asked the Council if there were any questions regarding the Profit/Loss Statement. Radke said the roof of the storage shed and the roof of the men's and women's bathroom at the liquor store has started to leak. This needs to be repaired and he has received three bids for the project.

Campbell Construction	\$2,050.17
Dale Johnson Construction	\$2,150.00
Handy Man Services	\$3,000.00

Radke felt that since the bids are close, he recommended Dale Johnson Construction for \$2,150 due to his past experience with the contractor. Motion by Peterson, seconded by Martin to accept the bid from Dale Johnson Construction for \$2,150 to repair the roof of the storage shed and ceiling in the bathroom at the liquor store. All voted in favor of the motion.

Peterson asked if the other half of the roof of the liquor store will be done this year. Radke stated that he had talked with the contractor today and if this project does not get done before the weather gets bad, the warranty will be worked out.

Jaime Verdeck stated that have been busy at the library with homework help. Author Chad Lewis will be speaking at the library tomorrow night about his book, The Minnesota Road Guide to Haunted Locations. At the beginning of the month author Bill Durban spoke at the grade school promoting young readers. This was done on a grant. The library consultants will be coming again to the Library Board meeting the third Monday of the month to discuss the spec sheets that will be sent out to contractors. Mayor Ferrazzano asked what time table they have for transferring to the new building. Verdeck said the spec sheet needs to be done by November 19, 2010 and has to be advertised for three weeks. Then they chose the contractor and feels that it will be done before spring. The first nice day in spring they will start moving books to the new building. Nielsen asked her to explain what she meant by "we will hire the contractor". Verdeck said the consultant group will be helping "us" chose. Nielsen asked who "us" was. Verdeck answered that it would be library and City. Nielsen said it will be the City as the Council needs to be making all these decisions on spending the funds. The library should not be entering in contracts with people to pay them money or hire them to do anything. The library board needs to make a recommendation to the City Council. There have been problems before where advisory boards think they have the power to make contracts and they do not have that power. Martin asked since they are a self governing board, does that have

an effect on that. Verdeck said there is a governing board only for the donated funds and there is an advisory board for everything else. Nielsen stated that he is not sure what the term governing board means and his understanding is that any funds that are expended, the City Council has to approve the expenditure. If the library is using the word governing to mean that they can spend the funds anywhere or anytime they want, that is not correct. He says the ordinance is not worded as clearly as it should be. Stobb asked if there are any conversations or is there any work concerning the City Library joining the Lyon County system. Verdeck said this is kind of on hold and there are some concerns that if they do join and there is another budget cut, the branch libraries would be cut. She will be setting a date with the new director in Marshall to discuss this matter.

Robert Gervais reported that construction continues on the Orchard Lane town homes. The north unit is being shingled and they will start with the siding soon. He now has deposits on all eight units and one name on the waiting list. They have not yet received bids on water and sewer lines. Gervais said that they will be visiting 24 businesses for the Business Extension/Retention program sponsored by the County and the U of Mn. There are 55 questions on the survey that have to do with what is working well for their business, what is not working well, competition, etc. Surveys from all over the County are compiled and if businesses are looking to expand, it can be used as a tool for funding from the state and DEED. The EDA has decided to rent space at the 436 South Street address and has had contact with four individuals that are interested in renting space. There is also office space that could be rented. EDA had suggested fees for anything less than 20 feet would be \$25 per month and anything over 20 feet would be \$50 per month. Tomorrow night there are two seminars sponsored by the EDA, Community Ed and the Southwest Initiative Foundation. The first will be held at 4:45 for one hour that is called "Step up Your Business". This is free and this is for businesses that are interested in finding out how they can save money on energy costs. Southwest Initiative Foundation has worked out a deal with Xcel Energy to do an audit. They audits usually cost about \$200 and Southwest Initiative would pay for half of the audit for the business. After that there is a social networking class that is also sponsored by the Southwest Initiative Foundation. The cost is \$10 per business with a limit of two individuals per business. They have 28 signed up for that class. The seminar runs for 6-9 p.m. and covers things such as Facebook, Twitter, You-tube, Flicker, etc. This is free advertising using these sources. Gervais stated that a lot of his time over the past couple months has been working with a local company on a business proposal trying to recruit them to Tracy. At this point it is at a standstill and cannot go into too much depth. The CDBG grant that is being written by Western Community Action has been submitted. They blanketed the town over a couple days to get pre-applications in. They should find out by the end of the year whether the pre-application has been approved and when that is approved and they make the next round, they could be awarded a grant by next spring. The goal for Tracy is to do 18 to 20 homeowner occupied homes and partnering up with Milroy to do five to six homes there.

Officer Lichty asked the Council for any questions on the activity report. He stated that things are going well in Chief Hillger's temporary absence. Things have been working well with assistance from the Sheriff's office.

Fire Chief Johnson said this is the time of year when annual testing is done on their equipment. Some testing is done by the department and some has to be hired done. The hose test was not good this year and they have lost 11 sections of hose. The annual truck test and air pack bottle test passed. The fire department did receive \$7,000 from a DNR grant for equipment with a matching 10% from the department. This would help to replace the section of hose that did not pass the testing. The department is also in need of a floating trash pump, axes, gloves and some fitting for the trucks. Johnson said they are moving forward with the new radio system. This is a \$2.5 million system and the cost to the Tracy Fire Department would be \$200,000. Some of the members would have to attend a week long training and then come back to the department to train the remaining department members. Johnson stated they are hoping to take possession of the new fire truck in December or January. He said he started the generator and it runs well. The raffle and chili feed was successful and the department appreciates the support and this type of fundraiser helps the department to purchase needed equipment. November 1<sup>st</sup> will be the end of the fiscal year and they have had a record number of fire calls. For Fire prevention week the fire department members put in time with fire awareness with the students at the school. Stobb said that he had heard good comments about the information presented to the students. The fire department had a Zodiac and motor donated to them for water rescue. They will be doing training with that along with having some barns and a

couple houses to burn. Johnson stated that about three weeks ago they cleaned up the basement from a sewer mishap. Motion by Peterson, seconded by Martin to approve the 10% or \$700 from the Equipment Fund to match the \$7,000 grant from the DNR to replace damaged sections of hose and other needed equipment. All voted in favor of the motion.

Rick Robinson reported that the Public Works department has been spraying parks and airport with 2-4D as needed. They are also sweeping streets. He had a person with community service hours complete the clean up at the Lyon Co recycle shed area. Mayor Ferrazzano asked if the County had put latches on the shed and dumpsters. Snyder said there are door knobs that do latch if they are shut properly. Robinson said the Kiwanis club has donated \$250 for moving trees into Central Park. Campbell Tree Service will move the trees for \$40 each. He said the Cemetery Commission was interested in trees for the cemetery and will have to wait to see what they need before the trees are offered to city residents. Elm tree removal is about done for the year with 25 diseased elms. The sanitary sewer splitter box is in the works. There was trouble with the water plant control panel and a faulty power supply box was replaced. A faulty curb stop was repaired and televising of the sewer will start in about one week. There were some concerns about utility plans for the town house project on Orchard Lane. The developer would like to install just one curb stop for each unit of four, but have shut off vales for each town house in a utility room. The City ordinance states that each home shall have a separate curb stop and this has been worked out with the developer. Public Works hauled and spread 35 yards of recycle concrete to the cemetery roads. The Cemetery Commission has created a plan and locations as to where they would like to move in new trees. They would like to move in about 50 trees but are looking into funding for such project. Robinson stated that they have started the process of winterization of the Aquatic Center. The funbrellas are showing wear and some have torn. He will get a cost for repairs as time permits. Nielsen asked if these were the ones provided by one of the pop venders. Koopman said those umbrellas were the smaller ones used by the guards. Robinson said that through the end of September, the streets and park and utilities budgets are on track. The Utility budget is way below budget because there are some things that have not been replaced or repaired as they had planned. Robinson will take a closer look at this before the next meeting to see what should be replaced and what does not need to be replaced at this time. Robinson has sent a letter to the railroad asking them to contact him with time for discussing the correction of the I/I problem.

Robinson said that the city's insurance company had come and asked Public Works if there are written records of when the department does cleaning of sewer mains. Every sewer main block is recorded; the lines are cleared and verified using the root cutter. Documentation is kept of lift station failure, power failures and response time. Public Works employees did the best they could during the recent heavy rain incident and does not feel that the department or the city is at fault for basements being flooded.

A letter was received from MPCA with an enclosed Sanitary Sewer Extension Permit for the construction and operation of a Sanitary Sewer Extension System for the new town house construction. The Wastewater Treatment Facility has been identified to be operating above its hydraulic capacity and under normal circumstances the MPCA would not approve sewer extensions but the City has been implementing an I/I reduction program intended to address the capacity issue and is developing long term plans for sewer main replacement and replacement/expansion of the facility. No further sewer extensions will be allowed to the City other than to replace damaged facilities to address the I/I problems and the City has addressed the hydraulic capacity requirements of its Facility.

Koopman reported the month of September included finalizing the preliminary budget and certifying the preliminary levy to the County Auditor. She has been reconciling the personnel files, verifying accuracy of leave time, etc. She has worked with staff at the Prairie View Nursing Home to coordinate the absentee voting for the residents. Koopman attended the following meetings: Planning Commission, met with the County Planning Administrator to discuss zoning regulation surrounding the City, two City Council meetings, Hospital Advisory Board, Cemetery Commission meeting and Multi-Purpose Center Board meeting. She also attended the open house for the Hospital. Koopman stated that she has also been getting things prepared for the elections on November 2.

Robinson received a request from ExperienceWorks for monetary support for their 2010-2011 Community Partnership Campaign. He stated that Public Works has had 2,500 to 3,000 hour of free labor from ExperienceWorks over three years. They typically put in 15 to 20 hours per week year round. Snyder would not be opposed to giving them \$250. Nielsen stated that whenever they are talking about donating money they need to make sure they have a legitimate public purpose to do that as the City Council is not authorized to make donations to just anyone. The only thing that he could find that would support this kind of donation is there is a law that says you can donate up to \$50,000 annually to any incorporated development society or organization for promoting, advertising, improving or developing the economic resources of the City. Nielsen felt this pertained to economic aspect because there are individuals who live in the City are being put to work and putting them in a position where they could work for other people also because of the training they are getting. Stobb stated that the Other Financial Use fund should have more than adequate balance to do this. Motion by Snyder, seconded by Martin to appropriate \$250 to ExperienceWorks contingent on Nielsen saying they can do this from a legal standpoint. Peterson asked if this was a private organization and had nothing to do getting money from the Federal government. Nielsen said they advertise themselves as a charitable organization deductions from private persons of which would be tax deductible and assumes they are a private, non-profit corporation but did not investigate it beyond that point. All voted in favor of the motion.

Koopman informed the Council that the City needs to establish a policy for using the City's credit card. She put a request out on List Serve for sample policies and has used their format to develop the City's policy. Department Heads will have to sign an acknowledgment form regarding the credit card use and will be responsible for direction of use to other employees. Stobb felt it would be beneficial to have all employees that use the credit card be asked to sign the acknowledgment also. Motion by Peterson, seconded by Enderson to approve the City Credit Card Policy. All voted in favor of the motion.

Motion by Enderson, seconded by Peterson to approve appointment of Shauna Davis to the Police Commission and Economic Development Authority. All voted in favor of the motion.

Peterson asked if anyone had found out why there was an error in the heating structures from the hospital renovation project. Koopman indicated that she has not heard anything. Snyder indicated that the problem had been explained to him that the original system that was put in ran hotter than now and as the system aged it brought the temperature down. The new system was based off the original specs. Stobb suggested that since other HVAC work was done in 1990, it could have been changed then without Horthy Elving knowing about it. Motion by Peterson, seconded by Stobb to adopt a resolution approving payment to Horthy Elving for professional services in the amount of \$41,113.05 for the Hospital Renovation Project. All voted in favor of the motion. (Res. No. 2010-43)

The Consent Calendar included the Municipal Accounts Payable, Multi-Purpose Center minutes for September 29, 2010, Planning Commission minutes for September 7, 2010, Hospital Advisory Board minutes for September 15, 2010, Monthly Financial Report, Liquor Store Profit/Loss report, Economic Development minutes for October 1, 2010, Monthly Receipts and Library Board minutes for September and October 2010. Motion by Stobb, seconded by Snyder to adopt the Consent Calendar as presented. All voted in favor of the motion.

There was no new information concerning the 2011 Budget.

A special meeting was scheduled for November 5, 2010 at 7:00 a.m. in the Council Chambers to canvass the November 2, 2010 election results.

Martin said that he had reviewed the utility bills for the Aquatic Center and that \$6,000 had been used for gas and there is also a lot of electricity use. Enderson feels that the security lighting takes a large amount of electricity. Nielsen said that Robinson had indicated to the Council that the security lighting would be expensive. Koopman said that the security lighting is needed for prevention of vandalism at the Aquatic Center. Robinson said that the pumps for the slides also use a large amount of electricity.

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

ATTEST:

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City Administrator

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Mayor

**Special meeting  
November 5, 2010**

A special meeting of the Tracy was called to order at 7:00 a.m., Friday, November 5, 2010 to canvass the election results from the General Election held on November 2, 2010. The following Council members were present: Mayor Ferrazzano, K. Enderson, T. Peterson, C. Snyder and R. Stobb. Members absent: J. Chalmers and M. Martin. Also present A. Koopman.

A resolution canvassing the election with the following results was introduced:

The votes cast for the position of Mayor were officially counted as follows:

NAME	TOTAL
Tony Peterson	298
Steve Ferrazzano	293
Jon Chalmers	137
WRITE INS:	1
OVER VOTES	1
UNDER VOTES	<u>5</u>
<b>TOTAL VOTES</b>	<b>735</b>

The votes cast for the positions on the City Council were officially counted as follows:

NAME	TOTAL
Russ Stobb	389
Michael K. Martin	203
Rhonda Fredericks	114
WRITE INS:	2
OVER VOTES	2
UNDER VOTES	<u>22</u>
<b>TOTAL VOTES</b>	<b>732</b>

1. Tony Peterson is hereby declared the winner of said election for the position of Mayor and shall serve a term of four years commencing on the first meeting in January, 2011.
2. Russ Stobb is hereby declared winners in said election for the position of City Council and shall serve a four ear term commencing on the first meeting in January, 2011

Motion by Snyder, seconded by Enderson to adopt a resolution canvassing the General Election held on November 2, 2010. All voted in favor of the motion. (Res. No. 2010-44)

ATTEST:

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

\_\_\_\_\_  
Mayor

**November 8, 2010**

The regular meeting of the Tracy City council was called to order at 6:30 p.m., Monday, November 8, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Mayor Ferrazzano stated the Council would discuss a Council member resignation before the Pledge of Allegiance. The discussion revolved around the resignation received from Council member Jon Chalmers. Mayor Ferrazzano asked if there was anything that Nielsen would like to add. Nielsen said the Council is the ultimate determiner of the qualifications of its members and does not mean they can do anything they want. The Council has to decide if there is a vacancy before they move forward to fill the vacancy. Mayor Ferrazzano said that if he understood what the e-mails had said, Nielsen indicated that once there is a resignation stating it is effective immediately, the resignation cannot be then withdrawn. Peterson understands that then the Council cannot just reappoint tonight, based on a cooling off period and understands that they have to advertise for the position. Nielsen said the Charter explains how vacancies can occur but does not mention resignations. He feels the intention was that the all vacancies be filled in the same way and no reason they should not be. If the Council agrees with that, then there has to be an advertisement for the position. The Council would appoint someone to fill the vacancy after advertising for applicants and the Council would then review the applications and make a selection for interviews. Nielsen said another thing they need to decide is when the Council would like to do that. The Charter talks about filling the vacancy, "forthwith" but the circumstances need to be taken into account and this is a different set of circumstances. It is coming at the end of the year; there will be only one meeting in December and Council size reduction issue to work through. The Council needs to take their time to make a fair consideration of how to fill the vacancy, but not delay it beyond that point. Stobb asked if it is something they want the present Council to consider or something the Council after the first of the year to consider. Nielsen said there are two Council members that will not be sitting after January 10 and they may want to apply for this vacancy. There is a statute that states that if they are still sitting on the Council that makes the appointment, that cannot be done. After January 10 they would not be sitting on the Council and that issue would not apply to them. Peterson asked if Chalmers could apply. Nielsen stated that Chalmers is in a different circumstance from Ferrazzano and Martin if they chose to apply, because the vacancy did not occur until he left and he is not sitting on the board that would reappoint him. Mayor Ferrazzano stated there is only two more meetings after tonight and asked the Council if it is a better idea to have the new Council decide who fills the vacancy. Nielsen suggested that if the Council wants to find that there is a vacancy because of Chalmer's resignation, they can find that now and then go back to the agenda and add this item to the agenda to decide when to fill the vacancy. Stobb asked if a sitting Council person could apply even though they do not make the appointment after their term is over. Nielsen felt they could as long as the actual appointment did not occur until after January 10. The application process is evidence of interest and there is no commitment to it from either side. Stobb stated that when they ask for applications, he would like for everyone that is interested to apply, and if they do it prior to January 10, 2011, that would exclude two people who because they ran in the last election, have an interest in serving here and have experience. Motion by Snyder, seconded by Martin to establish a vacancy on the Council due to the resignation of Jon Chalmers.. All voted in favor of the motion.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Snyder to approve the minutes from October 25, 2010 and November 5, 2010. All voted in favor of the motion.

Addition to the agenda included 6A to determine the advertisement and appointment for the vacancy on the Council. Motion by Peterson, seconded by Snyder to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments.

Mayor Ferrazzano felt it was a good idea to have the new Council make a decision as to who should be appointed to the vacancy. Motion by Martin, to have the new Council appoint who will fill the

vacancy after the change over. Mayor Ferrazzano said then the new Council would be sworn in and that Council appoints who will fill the vacancy for Chalmers. He asked how long they would like the application process to run because the new Council would interview the applicants they deem appropriate. Stobb questioned that since there is no meeting with the new Council prior to January 10, 2011, how would they decide who they want to interview? Mayor Ferrazzano stated that the individual appointed would have to miss a meeting. Peterson suggested that they appoint an interview committee. Mayor Ferrazzano asked that since the appointment is not going to be official until January 10, does the Council want a two member committee to interview and make the recommendation on January 10. Stobb indicated that if they did the interviews before January 10, it could be a three member committee as they would be a Council of six prior to January 10. Stobb, Peterson and Enderson were appointed to the interview committee. Motion by Martin, seconded by Peterson to have the new Council appoint who will fill the vacancy after the change over and to appoint Stobb, Peterson and Enderson to the interview committee and make a recommendation to the Council. Advertising will run for three weeks with all applications due by Wednesday, December 1, 2010 at 4:30 p.m. Appointment for the vacancy will be on January 10, 2011 by the new Council. All voted in favor of the motion.

A lengthy discussion followed on the sewage backup experienced by William Baskerville and Shorty Engel following the September 22<sup>nd</sup> rain event. Previously the City's insurance company denied their insurance claim that the City was liable for the damages they received. Mr. Baskerville demanded that the City back them up. Mayor Ferrazzano explained that as much as the City would like to, they could not legally compensate them for their loss. Their only recourse would be to appeal the insurance company's decision. Mr. Peterson provided a copy of the minutes from the special meeting held on August 30<sup>th</sup> discussing the pipe sizing, etc. of the City's sewer system. He suggested using this as evidence for the insurance company to reconsider their position.

An ordinance allowing the use of special vehicles on public ways in the City of Tracy and providing for permits for the operators thereof was presented. Mayor Ferrazzano asked if anyone had any questions or comments about the proposed ordinance. Stobb felt this was back on the agenda because the Council had requested some input from the police department. Officer Lichty stated that he only had a couple small issues. Subd. 6. states that any violation of the provisions of this Section shall constitute a misdemeanor. Lichty stated that he and Nielsen have run into that in the past where fines received for misdemeanor offenses are considerably less than what the police department has invested in court time and other things. He suggested establishing a base fine similar to a speeding fine that goes with the fine schedule of the county. Mayor Ferrazzano stated the only way to have a set fine, we would have it as an administrative fine and have it has a petty misdemeanor because if it is a misdemeanor, the City cannot assign fines. Stobb states that he likes the idea of an administrative fine if it can be worked in and whoever gets fined would have the option to appeal it to district court. Lichty stated the other thing was the licensing of the vehicle versus licensing of the machine. If they put a sticker on the machine the police department is going to know somebody that owns or operates that machine has come in and received a permit. The department is not going to know if the operator of the machine at the time has been registered with the City unless there is a reason to stop them. They department would be given lists and they would have some idea who has paid the license fees and what not with a background check. Lichty was not aware of what the Council is looking at for markings on the machine, if they will have a date on them or another thing like an expiration date. Martin feels that they would have to make the administrative fees high to pay for court dates and time of the staff to do this work. Nielsen stated that another thing they had discussed was when Dale Johnson was here he had talked about what he had read in the booklets that are handed out about off-highway vehicles. He thought the City had to say no, you can't operate on City streets or otherwise they would. The proposed ordinance that he prepared is from the exact opposite viewpoint, that you can't operate on the City streets until an ordinance like this is enacted that says you can. Nielsen looked at that a little closer and he is still convinced that the outlook that was taken when the ordinance was drafted was the correct one. Until the City would approve these types of vehicles to operate on City streets, they cannot operate. Nielsen stated that he still has some uncertainty, after talking with Dale about it and looking at the booklet, was on snowmobiles being able to charge a fee to grant a permit to a snowmobile operator. There is one line in the lead memos that talks about these special vehicles, that says the City cannot charge a fee for snowmobile operators, but there is no reference to where they got that and he has not been able to find that in any of the laws that he has reviewed. He is still going to stick by what

he had said before that I think the City can charge to do that, but still uncertain. Other than that he has no other difficulties with the background of the law and preparing the proposed ordinance.

Mayor Ferrazzano left the meeting at 7:25 p.m. Pro-tem Stobb took over the meeting.

Peterson asked there is currently an ordinance governing snowmobiles now and they are just incorporating it in this. Nielsen stated that large parts of the existing ordinance basically is unenforceable right now because it deals with equipment levels that are in state law or the City is not permitted to change that equipment level on it's own. It is better that be removed completely and make it clear that the City is not setting the equipment level for snowmobile and that is already set by state law. This is using properly equipped and certified vehicles on our street not whether they are properly equipped, etc. Those will be enforced through state law to what we are proposing to do here. Peterson said he did not see anything about where they can operate snowmobiles. He had an issues with them running across his yard and finally got that resolved and would like to keep it that way. Nielsen stated that is another aspect of this whole angle, this authorization has nothing to do with operation of ATVs, snowmobiles, golf carts or any other vehicles that are covered by this proposed ordinance on private property. There are existing laws that cover that or there is a nuisance thing or whatever you have done to sign your property. This solely deals with authorizing the vehicle to operate on city streets, not on private person's property or yards. Stobb asked Nielsen how he felt about Lichty's comment of licensing the person versus the vehicle, or maybe both. Nielsen stated that the city cannot license the vehicle, because that is not the way it is worded. It talks about authorizing person to operate. The sticker on the vehicle would be moderately helpful to the police department in that sense that they do not see a sticker, which is more visible than a license in someone's pocket, that maybe gives them a reason to stop somebody to check if they have their permit. It is not the vehicles that are being authorized, it is the individual person. If the vehicle had a sticker, if a person operating has not gotten their permit, they are in violation no matter what sticker you have on the machine. Nielsen states he likes to stir clear of putting stickers on vehicles in the sense that the state sets whatever rules are for the different types of vehicles as to which ones have to be registered and which ones do not. The vehicles covered by this proposed ordinance do not have to be registered with the state, but some of them do. It is better to leave the registration part to the state and the city zero in on what they are trying to do, which is individuals being authorized or not being authorized to use these vehicles on city streets. Snyder suggested they discuss how they can display their permit when operating the machine to help with enforcement. Stobb felt that displaying it on a lanyard could be a safety issue. Nielsen stated there are some more practical aspects to that. Peterson feels that to have the operator register would be an enforcement nightmare. Martin feels the whole thing sounds too complicated. Nielsen stated from an enforcement aspect, the police department will not be pulling people over just to check to see if they have a permit or because they think they don't. What will probably happen is someone is going to operate a golf cart after sundown when you are not allowed to do it and the police department would stop them for that and then ask them for their permit. Enderson asked if there is no ordinance allowing those vehicles on the streets, then they are not allowed on the street period. Nielsen stated that is correct. They may still operate in town on county roads and those things but not city streets. Stobb stated they discussed about changing the misdemeanor to a petty misdemeanor with administrative fine. Nielsen stated it can still be a misdemeanor in the ordinance and they cannot enact on a base fine. The judge is not bound to follow that and that has been done with some of the parking ordinances that have x number of dollars and the judges are fairly consistent, but always following those numbers when it comes time to sentencing someone on that. Administrative fines have become a tough area and the law changed but feels they can work on it with this particular type of ordinance as this is a very local thing. The administrative fine could be set and leave it to the discretion of the police department of they want to hit them with an administration penalty or write a ticket and see what the judge wants to do. Stobb asked if they write an administration fine ticket, then it does not have to go to a judge all? Nielsen said this was correct, they pay the dollar amount that is set with the administrative penalty schedule and that resolves the matter. He explained it is called an administrative penalty and that is why it is not called a fine or offense. We are not in the criminal law enforcement business when you write administrative penalties. This is penalizing someone for something they should not have done and giving them a chance to resolve it without going to court. Motion by Snyder, seconded by Enderson to waive the first reading and set the second reading and public hearing for December 13, 2010 at 6:45 p.m. All voted in favor of the motion.

Verdeck provided a copy of the material that the Library Consulting, LC had sent and an agenda as they will be present at the next library board meeting. Nielsen asked if they have provided what it is going to cost or what the budget is able to handle. Nielsen asked if Johnson would be working on some construction specifics that would let them understand what the costs might be. Verdeck said these are just ballpark figures and the consulting group has a general idea of what the donated funds at the present time are and know that the library is working on getting some grants and they will be working with the board to obtain additional grants. Verdeck said they would hope to have bids by December 10 but Johnson has not looked at the building yet but has plans from Barry Petit and this is to be done by November 18 and then the spec sheet will be given to Koopman. There will be three weeks of advertising. Stobb noted that under alternatives an elevator/lift is noted along with acoustical ceiling material for the high ceiling. Mr. Petit from the consultant group has not been in the building when it has been used and has only been there when it has been empty and does not believe that when it was a business, it did not echo. Peterson asked if they have had a motion to enter into an agreement with Library Consulting, PA. Verdeck said they have not. Motion by Peterson, seconded by Martin to accept the recommendation from the Library Board to enter an agreement with Library Consulting LC for renovation of the new library site not to exceed \$8,000. All voted in favor of the motion. The Mayor and City Administrator will be signing the agreement.

Nielsen said that he is trying to understand whatever it was when the County agreed to help with the library. Verdeck stated the County would like to receive a bill and they will reimburse from that. P. Peterson stated they could send the County the bill for the \$8,000 and they will reimburse them for that. They do not have to wait till all the bills are in before sending them to the County.

The Plum Creek Library System Agency Agreement was discussed. Verdeck stated that the Plum Creek agreement fee has gone up. There was no cost listed in the contract. Nielsen asked what the current agreement provided as far as the governing board of Plum Creek. What representatives do they have from this area? Verdeck stated that Phil Nelson from the County Commissioners is on the board. Nielsen said that what he was looking at was that in the agreement it talks about the governing board and membership and it states the ongoing board would have two representatives from each county. He feels there is no assurance that any particular Lyon County library is going to have a representative on the board. Nielsen asked if Verdeck was comfortable with having a County Commissioner look out for the interest of the Tracy Library. Verdeck stated that she was. Nielsen stated it does not have to be that way and law states that you can have as many members as you need to have and was wondering who decided there should only be two from each County. He felt there should be one representative from each County and one from each library in that county. Snyder asked how much the cost went up. Verdeck said she did not know this item would be on the agenda and does not have that numbers with her tonight. Snyder asked Verdeck if the increase seemed unreasonable. Verdeck did not feel that the increase was unreasonable. Motion by Snyder, seconded by Peterson to table this discussion until the next meeting when they will have the costs. All voted in favor of the motion.

One bid from Dale Johnson Construction for \$59,050.00 was received for the Multi-Purpose Center renovation. Nielsen asked if they would be tearing out all the floor coverings. P. Peterson said only in the kitchen area and the storeroom. Nielsen stated the scope of work is a little unclear because it talks about removal and disposal of floor coverings and does not state where specifically. Nielsen stated he is unclear as to who is paying. Koopman understood that Johnson would pay that as part of his estimate and until he gets into the construction Johnson was not sure how much asbestos there is and what method would be used for removal. Koopman stated the contractor they would use for this removal is the one the City has used before from Montevideo. He is a reputable firm and costs are reasonable. P. Peterson stated they were expecting the cost to be more than what it is and the Multi-Purpose Center board was pleased with the cost. Motion by Peterson, seconded by Snyder to accept the bid from Dale Johnson Construction in the amount of \$59,050 for the Multi-Purpose Center renovation. All voted in favor of the motion. Peterson asked if there was any idea when they would start working on this. P. Peterson stated that it would be towards Christmas and Johnson estimated it would not take long. They will have to find a different place for Senior Dining to cook for about three to four days. Koopman stated that first Johnson will be submitting the plans to the Department of Health and feels that it will be after the first of the year before he can get started.

Robinson presented a timeline for the waste water treatment and piping project. This is an

approximate timeline and key milestones for the project. Some of the target dates could be changed due to unforeseen conditions or delays.

#### **November 2010 – February 2011**

Initiate USDA Rural Development application process (Stage I). Initiate application documentation submissions, development of multiple site (3 to 4) options for wastewater treatment, and update cost estimates.

Robinson stated they will be looking at elevations as they would like to keep it a gravity system, so lift stations would not be needed to add to the expense. They will be looking at this from satellite photos for different sites. Some of the sites can change due to the cost of running pipe to them.

#### **February 2011**

Application conference with rural Development. Grant/Loan eligibility estimate.

#### **March 2011 – July 2011**

Initiate Rural Development application process (Stage II). Update report and cost estimates and conform reports into “Rural Development” required stands for Preliminary Engineering Reports (Per), submit the PER to Rural Development. Initiate and complete the Rural Development Environment Review process. Rural Development review and approval of the PER and Environmental Report. Initiate land and ROW acquisition process.

Robinson stated the report they are talking about would be the feasibility study that has already been done, but Rural Development has their own standards for those reports. They will take the information from those reports and put them in a format for USDA.

#### **August 2011 – December 2011**

Initiate Rural Development application process (Stage III). Land and ROW acquisition completion. Initiate preliminary design, Rural Development/MPCA review and approve of preliminary design. Initiate final design. Grant/loan amounts verified by Rural Development.

#### **January 2012 – July 2012**

Rural Development and MPCA review and approval process for final design.

Robinson said that MPCA does have six months to review plans.

#### **August 2012**

Rural Development and MPCA authorization to bid.

Stobb asked if they could even guess at this time how long the construction process would take. Robinson stated that ponds of that size could be done in about three to four months. They have been looking at three 30 acre cells and there are piping upgrades that would have to be done.

Motion by Martin, seconded by Snyder to adopt a resolution approving payment to Kue Contractors Inc. for work completed on the hospital renovation project in the amount of \$84,595.00. All voted in favor of the motion. (Res. No. 2010-45)

Motion by Peterson, seconded by Enderson to adopt a resolution approving the transfer of funds for loan repayment:

<b>FROM</b>	<b>AMOUNT</b>	<b>TO</b>
General Fund Street Department	\$,1,000.00	Utility Fund
Fire Dept. Eq. Replacement	\$16,139.12	Medical Center Trust Fund
Fire Dept. Eq. Replacement	\$10,454.56	Medical Center Trust Fund
Liquor Store	\$ 2,421.47	Equipment Replacement
Liquor Store	\$ 416.41	Equipment Replacement

All voted in favor of the motion. (Res. No. 2010-46)

The Consent Calendar included the Municipal Accounts Payable, Firemen’s Relief Association minutes for October 4, 2010 and Planning Commission Minutes for October 4, 2010. Motion by Peterson, seconded by Snyder to approve the Consent Calendar as presented. All voted in favor of the motion.

Peterson stated there is a vacancy on the negotiations committee with the resignation of Chalmers. The Union is waiting on insurance policy numbers so will be calling for a meeting. Snyder said he would volunteer to fill that vacancy.

Peterson stated that someone had asked him in regards to the water main break on Saturday, why they were paying overtime for a part time employee and one of the salaried employees was not present. Robinson stated that he was out of town on that Saturday. Stobb asked how they knew that we were paying overtime. Peterson stated that he did not know.

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

ATTEST:

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

\_\_\_\_\_  
Mayor

**November 22, 2010**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 22, 2010 in the Council Chambers of the Municipal Building. The following Council members were present; Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Snyder, seconded by Peterson to approve the minutes for the meeting on November 8, 2010 as presented. All voted in favor of the motion.

An addition to the agenda included 7C- Utility Easement. Motion by Peterson, seconded by Snyder to approve the agenda as amended. All voted in favor of the motion.

Marlin Muenchow asked how many people were affected by sewer problems. Koopman stated that five residents had file claims and there could be others that did not file a claim. Muenchow wanted to know how many times has this happened with residents having sewage in their basements and he asked why there seems to be problems now and no problems in the past. Enderson asked if he had sewage come into his basement and stated that most of the problems were due to weather and rain events. Muenchow had heard on the street that there was as high as 14 residents that had three to four feet of sewage in their basement. Stobb commented that with the amount of rain received, water from footing drains, and sump pumps can cause untold problems. Muenchow felt that the city employees should be checking that out. Stobb said that the city does have an ordinance regarding sump pumps but they do not have an ordinance regarding footing drains. Mayor Ferrazzano said they are trying to resolve these types of issues by prioritizing infrastructure repairs and helping those affected by the recent flood by providing information and tools for them to appeal the denial from the insurance company. Martin stated there was so much water coming in at that time that the ponds constructed in 1967 were not designed to take in that much water. It is impossible to plan for that type of rain event. Martin stated there was also water coming in from the countryside and into the city drains. No one plans for six or seven inches of rain. Muenchow feels that if there is something wrong with the sewer system, the city is at fault and residents with sewage in their basement should be reimbursed. Muenchow voiced concern that the city is not addressing this matter. Peterson said this is not being ignored and issues like this have been addressed since he was first on the council four years ago. Nothing can be done about what happened a month ago, but they can only move forward to prevent any problems in the future. They have provided material to the residents that had sewage in their basement and have done as much as they can for them. Even if the City had the money, they cannot reimburse the residents for damages as the law prevents the city from using public funds for the benefit of private parties. Stobb said that is not using public funds for public good and it is only helping an individual. Muenchow felt that the Council needs to change that law. Mayor Ferrazzano told Muenchow that the Council understands what his question is and they dealt with it at the last Council meeting. Muenchow said he did not get in on that. Mayor Ferrazzano stated that they just told him what they talked about and they can not reimburse people for the difference between what their insurance covered and what it did not cover. Peterson stated that as a homeowner you are responsible to carry insurance on your home and you can insure for that event if you choose. If not, your basic homeowner's covers about \$1,000 to \$1,500 of damage and if you want more you have to pay more. Martin stated that with the future wastewater project, if they were to plan for a six to seven inch rain, the taxes would have to be raised so high that no one would live in Tracy. Peterson said that they have done everything they can for those individuals that had flood damage. Snyder stated that if there is no block in the City sewer, how would the City be at fault? Muenchow stated that in front of his residence they had a big truck there with a big cutter on and he was there for a half a day and then was back for a short period. Peterson said they were televising the lines and looking for where the problem is. Brian Bertrand stated there are some viable solutions that could be explored such as fundraisers for those affected. We can be creative and the City government cannot solve all the problems sometimes as their hands are tied. Maybe they can look at changing the City insurance. He feels that the City is working hard to fix the infrastructure problems and the community needs to be creative also to help support the City.

Seth Schmidt stated that the Tracy Kiwanis had recently donated money for moving trees to Central

Park and thanked the Council for contributing the trees that were moved. Schmidt asked the Council to consider appropriating funds to move more trees in the parks and suggested some type of program that citizens would be open to assisting with moving trees to vacant boulevards.

Steve Robinson, S.E.H. engineer stated the size of the infrastructure is regulated by the stated mandated regulatory agency which is the MPCA, so the size of the ponds that will be constructed will be at the discretion of the MPCA. He stated that they have verbally requested and are looking at maximizing the size of the ponds, larger than what they would like to see because of the I&I problems. It is not just the Council, city engineers or City staff's decision as to how infrastructure is sized; there are regulatory agencies that play a part in that. Mayor Ferrazzano asked if they can be built beyond what the agencies say they can. Robinson stated that it is pretty difficult to do that. If the City wanted to fund it themselves, they could maybe do that. Typically they can design for reasonable cause at 80% level of solution. It is the last 20% that doubles the cost. They are looking at the daily maximum flows that the MPCA will allow that is the size of ponds they are looking at and will probably not be able to go beyond that. It would take some lobbying to go to their maximum allowable limit. They are looking at economics and trying to determine how they can build these as small as possible. Looking at the topography, Tracy sits in a bowl and water comes rushing in from the south and west and no way for it to get out. The City does not have the ability to control anything outside the city limits; the city's actions are somewhat limited. Everything S.E.H. has done for the past five years for the City has been focused on limiting the storm water run off that is getting into the sanitary sewer and unfortunately this is a long process. All the steps have to be followed that the MPCA or Rural Development or whatever funding agency may put there and the City cannot go into design until they have done the first five steps to justify the design. They are looking at the construction of the ponds in 2012 and that is being somewhat optimistic and they hope the MPCA will cooperate when plans are presented to them for review, rather than taking the 180 days that the law allows them to review them. S. Robinson presented a map to start to identify locations for relocating the ponds. The recommendation is that there has to be a quarter mile separation from the ponds to a habited resident. There are sites that they have looked at strictly from criteria that they meet the size, they are in the direction that gravity flow will work and they have the quarter mile separation. There are a couple sites that are within the airport and somewhat unworkable site because of the topography. If the airport site was used, it would cost the City to find a new location for the airport which would require FFA approval and in talking with the aviation engineers they were not confident that the FFA would approve moving the airport. The City has an agreement that the airport will remain operational. The concern is that the timeline to build an airport would be longer than the wastewater ponds. Peterson stated that there is the possibility that by moving the airport, they could lose federal funding. Robinson stated that the site outlined in the royal blue would be a viable site as that is the lowest elevation of the sites. To run new mains out there they have to go back to the Hollett Street by-pass and from that point out to the ponds. This site has a length of about 50% longer than the light blue area. Stobb asked if they would have to obtain an easement from any properties crossed with that line. Robinson said they would have to do that and the pipes would be well underground and if put in across farmland, there would be a season with no crops. The City maintains an easement if they have to go in there for repairs. The area right below this area indicated in orange may cause some elevation issues as that sits up higher and S.E.H. is trying to proceed without installing a lift station. One of the options that they will be looking at is to construct the ponds slightly smaller if the existing ponds can be used for an equalization basin for overflow situations. He has approached that with the MPCA and they have not said no and it is an alternative that they have accepted. This would result in less construction costs and less land acquisition. Robinson said they are trying to stay within Lyon County with the construction. Robinson said they are working on the pre-funding determination and met with the city staff and will be putting together a cost estimate. They are trying to identify the magnitude of the project and once they get that information they will present it to Rural Development as this is the most likely funding source. They will then give the city a pre-funding determination as to what the city would be responsible for and which portion would be grant eligible. No action was taken.

Police Officer Jason Lichty presented an activity report for the month of October 2010 and asked for any questions regarding the report. He stated it has been an active October. Snyder thanked the police department for all the work they have done in the absence of Chief Hillger.

Robinson reported that six trees were moved into Central Park by Campbell Tree Service with funds

donated by the Kiwanis Club. The standby generator and switch gear to operate CHS's fueling system is now operational the Public Works Department needs to add an additional connector to one of their existing generators to make the system complete and that will be completed soon. In the event of an outage a city generator will be brought to the CHS facility to power the fueling system. Streets were swept as needed. During high winds last month a glass window blew out of the Masonic Building onto the street and was cleaned up and fortunately no one was hurt. The Christmas decorations are ready and are not installed. They will be turned on after Thanksgiving. They will be set to come on at 4:00 p.m. and off again at 1:00 a.m. The lights will come on again at 4:45 a.m. and turn off by 8:30 a.m.

Robinson said the compost site is closed for the season. He has attended the last few cemetery board meetings. Twenty-one trees were moved from the city tree farm to the cemetery by Campbell Tree Service. The Public Works has removed the north memorial case from the cemetery and brought it into the city shop. The case was in need of new legs, staining, carpentry work and replacement of maps. Repairs are near completion and then the case will be re-installed. The south memorial was in need of staining and that was done on site.

Robinson reported that for the most part snow removal equipment is serviced and ready to go. The alley blower required extensive repairs and is being reassembled at this time. The alley blower needed gear box bearings, augers, and auger bearings at a cost of about \$3,000. An issue regarding snow removal in the path that starts behind Tracy Computer and extends south to the alleyway by the new bakery has been discussed. The department has discontinued removing snow from this pathway in 2009 for several reasons. The pathway is all private property and the pathway is too narrow for the equipment and there is a history of hitting the private buildings with the tires on the tractors causing damage to the buildings. Robinson had checked with the former Fire Chief and asked if this was ever a fire land. Engesser told him that in his tenure as Chief, it never was a fire lane. Robinson also checked with the present Fire Chief and he said the same thing and would not place trucks in this area as it is too narrow and too close to buildings but they do have a plan of how to respond to a fire in that area. Another reason they have decided not to remove snow there is to save money by only removing snow where needed. The plan at Public Works is too once again not remove snow from this privately owned pathway.

Robinson said the lighted windsock at the airport has a faulty commutator and has been temporarily repaired and will need a new part ordered. The airport water service line is being installed this week by B&D Construction.

Robinson said the sanitary sewer splitter box project is complete with the exception of some minor landscaping. Public Works staff has used the newly rehabbed splitter box and works much better and is much safer for the employees. A private water leak on Roosevelt Street was repaired. He has been working with Cooreman and the developer on utilities for Orchard Lane. On Friday night, November 5 there was a water main break on 5<sup>th</sup> Street at 11:29 p.m. He had called the on call person at 12:51 a.m. for an update on the situation and asked if his assistance was needed. The on call person said it was under control, throttled down and his assistance was not needed and the break would not be repaired until daylight. Robinson said that he then continued with his personnel plans out of town. On Monday November 8 early a.m. the same main broke again further down the main and he and the staff repaired this on that Monday. That particular length of water main on 5<sup>th</sup> Street has a long history of breaking and was installed at the same time (1911) as the main the city abandoned in 2005 running down South Street. This main needs to be replaced. There may be times when Public Works employees are not able to repair such main breaks and would then arrange for a contractor to make necessary repairs. Those time would be when they are short staffed, vacations, comp time, etc. They do what they can safely handle and each situation is different. They did find through televising on Roosevelt Street that there is not a sanitary sewer man hole on the east end of Roosevelt. By standard designs man holes are 500 feet or less apart and this is also in part because sewer maintenance machines only hold approximately 500 feet of hose. The length of the Roosevelt sewer main, man hole to man hole is currently 770 feet. Robinson is recommending a man hole be installed on the main and funded through the surcharge fund. Spencer felt that is would be better for it to come from Utilities. Snyder asked if this was something they would do in the spring. Robinson said it would take some time to solicit quotes for this project and when he receives them he will present them to the Council.

The pool is winterized and Robinson will be sending a second person out with the pool operator to double check the winterization schedule. Public Works has surplus equipment that they no longer use or has been salvaged from demo houses. Robinson recommends to the Council to deem those items as surplus equipment prior to the sale. The items are in the South Street EDA building and Robinson will provide the Council with an inventory before the next meeting. The televising tapes will be shipped to engineering for review. He has viewed them and recommends all sanitary sewers on the 2011 Street Project be replaced.

In her memo Koopman said the month of October included preparation for and attendance at the following meetings: Planning Commission, Liquor Committee, attended a meeting with representatives from Bremer Bank reviewing services they offer cities, attended a webinar for the Governor candidates, two City Council meetings, attended the Regional League meeting in Walnut Grove, attended a Loss Control meeting with a League representative, Planning & Vision meeting, Hospital Advisory Board meeting, two Multi-Purpose Center Board meetings, picked up voting material for Nursing Home, conducting absentee ballot voting for Nursing Home and Cemetery Commission meeting. She has also been preparing a list of individuals to receive a fund raising letter for the Memorial Fund for the Cemetery. Funds will be used to plant trees.

Verdeck stated that at the last Council meeting the Plum Creek Library Systems was discussed and the Council had asked what the annual fee has been. A definite increase cost has not been received yet. She provided a copy of two bills, one is for upgrades to the system for \$500 and the other is for Delivery of materials at a cost of \$1,000. If things go as expected the Tracy Library would be paying \$250 more in 2011 so it would cost \$750. Verdeck also provided a list of the Governing Board for Plum Creek and the minutes of their October meeting. She told the Council she could provide those to the Council monthly if they requested. Motion by Snyder, seconded by Peterson to enter into the Plum Creek Library System Agency Agreement. All voted in favor of the motion.

Gervais provided a memo regarding an agreement for waiver of covenants, conditions and restrictions for the Eastview Addition. The Tracy EDA and Jon Heezen have agreed on a location of a new dental facility. It would be located in the Eastview Addition which is covered by a covenant which specifies the type of structures allowed in the Eastview Addition. This covenant can be waived if 100% of the property owners agree to accept the modification. Motion by Stobb, seconded by Martin to sign the waiver to allow Heezen to proceed with his plan to build a dental clinic. All voted in favor of the motion.

Gervais provided a memo asking the City of Tracy to abandon an utility easement that is no longer needed in the Industrial Park. The Tracy EDA is in the process of purchasing lots 3 & 4 that have an easement of 7.5 feet on both lots for a total easement of 15 feet. Nielsen stated the request to the Council may need to be more formal than the memo appears. Nielsen will put together the paperwork needed to do this. This may require other property owners to be notified. He is with the understanding from Gervais and Robinson, there is nothing in it. Robinson stated that at the far north end of the property there is a water main that runs through there but nothing on the lot line between the two lots. Mayor Ferrazzano asked that Nielsen contact Gervais as to further steps that need to be taken to abandon this easement.

Shane Daniels recommended that the Council grant an extension of the timeline for maintenance code compliance to Rose Marie Brooks at 70 South Street. Motion by Snyder, seconded by Stobb to grant an extension of the timeline for maintenance code compliance to Rose Marie Brooks making the new deadline October 1, 2011 as she had requested in her letter dated November 17, 2010. All voted in favor of the motion.

Shane Daniels recommended that the Council grant an extension of the timeline for maintenance code compliance to Lanae Horner at 600 Greenwood Ave. Lot #15. She had asked that it be extended 12 months but Daniels feels this is a hazardous and unsafe structure being mobile and should be easily repaired or abated by the end of the summer. Motion by Snyder, seconded by Peterson to grant an extension of the timeline for maintenance code compliance to Lanae Horner making the new deadline October 2, 2011. All voted in favor of the motion.

Motion by Stobb, seconded by Peterson to adopt a resolution to execute Minnesota Department of Transportation Grant Agreement for airport improvement. The project costs are not to exceed \$17,600 with proportionate shares of the Project costs are State \$12,320 and City of Tracy \$5,280. All voted in favor of the motion. (Res. No. 2010-47)

Motion by Snyder, seconded by Stobb to adopt a resolution approving change in pledged securities. All voted in favor of the motion. (Res. No. 2010-48)

Motion by Snyder, seconded by Stobb to adopt a resolution approving budgeted transfers. All voted in favor of the motion. (Res. No. 2010-49)

The Consent Calendar included: Municipal Accounts Payable, Economic Development Authority minutes for October 15, 2010, Liquor Store P & L report, Hospital Board minutes for October 20, 2010, Monthly financial report and Cemetery Commission minutes for October 28, 2010. Motion by Peterson, seconded by Snyder to approve the Consent Calendar as presented. All voted in favor of the motion.

Koopman stated that the 2011 budget is still reflects a 4% levy increase Stobb asked if the next year's budget is based on the amount of state aide that the City received last year. Koopman stated that was correct. Stobb stated that he thought about reducing that 4% to 2% but it is unknown how big of cushion they are going to need. Snyder felt that if the cut that \$20,000 and if short next year, where would they come up with the \$20,000. Koopman stated that is the difficult part of doing the budget this year, because of the unknowns. Once the union negotiations are complete they can make the final adjustments to the budget.

The Truth and Taxation hearing is scheduled for December 6, 2010 at 6:30 p.m. The final budget adoption will be done at the December 13, 2010 meeting.

Motion by Peterson, seconded by Stobb to close the regular meeting at 7:50 p.m. to hold a closed meeting to discuss labor negotiations. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**2011 TRUTH IN TAXATION HEARING**  
**December 6, 2010**

The 2011 Truth in Taxation Hearing was called to order at 6:30 p.m., Monday, December 6, 2010 in the Council Chambers of the Municipal Building. Present were: Mayor Ferrazzano, M. Martin, T. Peterson and R. Stobb. Members absent: K. Enderson and C. Snyder. Also present was A. Koopman, City Administrator.

Koopman stated that the law regulating truth-in-taxation is not as restrictive as it once was, but the original format is still followed as it gives the public an opportunity to review and/or discuss the budget for the coming year. Until the Legislature meets and determines how they are going to address the budget deficit it is unknown how much, if any Local Government Aid the city will be receiving. LGA represents 44.7% of the total General Fund Revenue which is slightly down from the 2010 budget which demonstrates the trend that has been established with the past reduction in LGA. A graph was provided by the Coalition of Greater Minnesota Cities to show that since 2003, LGA has been cut more than \$1 billion. The CGMC along with the LMC continues to lobby the Legislators stressing how important LGA is to cities. The purpose of LGA is to reduce property tax and service disparities between rural, metro and suburban cities. Currently 65% of LGA goes to greater Minnesota cities because only 24% of the taxable market value can be found in greater Minnesota.

Koopman told the Council that the November budget forecast for the next biennium is out and there appears there are surplus funds available for the end of the this biennium and the City will not be faced with another unallotment for the December 2010 LGA payment. The bad news is the \$6.2 billion deficit for the next biennium.

Koopman stated that today she watched a seminar conducted by the LMC regarding the budget deficit and the impact it may have on cities. The budget deficit is larger than originally forecasted due to a slower than expected economic recovery. State revenue is projected to increase 5% and expenditures are projected to increase 27.5%. To eliminate the projected deficit, the State would have to increase revenues by 19% or reduce expenditures by 16.1% across the board. If the Legislator's are able to resolve this deficit, it should take care of any future deficit into 2014-2015.

In anticipation of a budget deficit which may result in loss of LGA, she included a cushion of \$55,000 in the 2011 budget. The proposed budget for 2011 includes the amount of LGA that the city would receive in 2010 rather than the amount certified for 2011 by the Department of Revenue which is a difference of \$97,155. Until the legislature has met and made their decision it is unknown if this combined total of \$152,155 is going to be enough to cover a reduction in LGA. The other unknown is how long it is going to take before the new Governor assumes his office. With the Republican Party controlling both the House and Senate and the current Republican Governor remaining in office until his replacement is selected could determine the outcome of resolving the budget deficit. The Republican part has held firm with their idea of controlling the deficit through reduced spending versus raising taxes. Koopman stated that with the deficit the size it is, the City will be dealing with a substantial loss of LGA if the leadership doesn't change their position.

Koopman said the proposed levy for 2011 will increase 4%. A total of \$18,740 was included in the budget to cover wage increases if one was granted. Based on the settlement reached with the Unions, a total of \$29,362 was needed to cover the settlement. The additional \$10,622 was covered by the amount budgeted in the Other Financial Use Fund leaving a balance of \$10,000 plus the \$55,000 LGA cushion. The budget requests by individual Department Heads has not changed. She has reviewed their requests and feels confident that their budgets represent their needs and not their wants. Without the \$55,000 cushion, there would have been a 3.7% decrease in the General Fund levy.

Revenues for the City as generated from a variety of sources, with the majority being received in the form of State Aids. 47.9% of total revenue is received in the form of State Aid, 30.5% from local taxes and 21.4% from other sources. These remain fairly constant from year to year.

In 2011 the Debt Service levy only increased \$2,500. Looking at the bar graph the increase in the

proposed levy is due to a 6.8% increase in the General Fund's levy which was created by the \$55,000 LGA cushion. A graph comparing the 2010 total levy to the 2011 proposed levy equals a 4% increase. The Levy Distribution Summary – 2011 shows that 57.7% of the total levy is used for General Fund operations, 1% for Permanent Improvement and 41.3% for Debt Service. Looking at the General Fund Expenditure Summary 2010-2011 there is very little variance when you compare each year.

There has been some concern on the reduction we were experiencing in the cash reserves. Due to cuts made in the budget in 2009 and again in 2010 and the conservative spending by the department heads, there is an upward swing in the cash reserves as indicated on the Gen Fund Cash Reserve – 2011 graph. This is good news in light of the anticipated reduction in LGA.

Another graph compared General Fund Cash Reserves to General Fund Expenditures. When compared to last year's graph the gap between the expenditures and revenues are reduced. Last year Koopman had emphasized the need to watch this closely and it's apparent that the City is making progress.

The Debt Service Levy by Year shows that the City's Debt Service will spike in 2011 but will then show a substantial downward trend due to primarily paying off the 2002 bond. The levy in future years should be showing either a downward trend or remaining somewhat constant. This has been the goal of the City in the past and should continue trying to achieve this goal in the future.

Koopman strongly recommended leaving this cushion of \$55,000 in the 2011 budget with the understanding that if the City does receive the amount of LGA that we should, this cushion could be used to either reduce the levy next year or increase the cash reserves.

Koopman stated that the purpose of tonight's meeting is to provide information to the public and provide an opportunity for the public to comment and make recommendations. The actual adoption of the budget will occur at the regular meeting on Monday, December 13<sup>th</sup>, 2010 beginning at 6:30 p.m.

Stobb questioned with the public works department being short two employees, if they are paying more overtime and they should review the figures to see if they are coming out ahead or not. Mayor Ferrazzano felt that with the part time employees, they are saving some dollars in benefits. Peterson felt that at least one employee should be put on the department when the City becomes more financially stable. Koopman stated that another police officer also needs to be replaced.

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

ATTEST:

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City Administrator

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Mayor

**December 13, 2010**

The regular meeting of the Tracy City council was called to order at 6:30 p.m., Monday, December 13, 2010 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, K. Enderson, T. Peterson, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Stobb, seconded by Peterson to approve the minutes for the meeting November 22, 2010 as presented. All voted in favor of the motion.

A correction to the agenda included the time of the Public Hearing to be 6:45 p.m. An addition was 8A- 2011 Legal Services Agreement. Motion by Peterson, seconded by Martin to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments presented.

Koopman stated the agreements with the AFSCME Union and LELS Union were settled. Motion by Peterson, seconded by Snyder to approve the agreements between the City and AFSCME Union and the LELS Union. All voted in favor of the motion.

Verdeck informed the Council that a spec sheet has been completed for the remodel of the ETC. Building for the Tracy Library. The Board is requesting permission to advertise for bids. The advertisement would appear in the paper during the week of December 20, 2010 and run for three weeks. After bids are received, they will be reviewed and the Council will consider awarding the bid to the lowest responsible bidder. Motion by Snyder, seconded by Peterson to authorize the advertisement for bids for the Tracy Library project. All voted in favor of the motion.

Koopman said the Legal Services Agreement is the same as last year with the exception of date changes. Nielsen stated that he has been over the minimum hours the last couple years but does not feel that his time will be over the 500 hours. Snyder voiced appreciation that Nielsen continues performing his services for the same amount that he has charged for the past several years. Motion by Snyder, seconded by Stobb to enter into a Legal Services Agreement for Nielsen to provide legal services for the City of Tracy for the calendar year 2011. All voted in favor of the motion.

Motion by Stobb, seconded by Martin to approve cigarette licenses to Tracy Food Pride, Tracy Liquor Store and Casey's General Store contingent on completion of paperwork and fees paid. All voted in favor of the motion.

Motion by Martin, seconded by Enderson to approve plumbing licenses to Christianson Plumbing, GH Plumbing and Heating, Heartland Mechanical, Sahlstrom Heating, Cooling & Refrigeration, Sanderson Mechanical, Wilk's Plumbing, Water's Edge Plumbing and Steve Zens Plumbing & Heating contingent on completion of paperwork and fees paid. All voted in favor of the motion.

Motion by Martin, seconded by Stobb to approve a split liquor license to The Caboose and Thelma & Louise's LLC contingent on completion of paperwork and fees paid. All voted in favor of the motion.

Motion by Enderson, seconded by Martin to approve a Sunday liquor license to The Caboose and Thelma & Louise's contingent on completion of paperwork and fees paid. All voted in favor of the motion.

Koopman said that when she was preparing the resolution adopting the 2011 budget, she realized that no adjustment was made for wages in the Multi-Purpose Center budget. The center is currently operating with volunteers with the understanding that the use of volunteers would be re-evaluated within six months. In case of a need to again hire someone in the future, a balance of \$6,000 was left in the budget to cover this cost if needed. This resulted in a \$7,800 savings. The General Fund levy will now increase 5.3% rather than 6.8% and the total overall levy will increase 3.3% rather than

4%. Motion by Snyder, seconded by Stobb to adopt a resolution approving the 2010 Tax Levy, collectible in 2011, upon the taxable property in the City of Tracy, for the following purposes:

General Fund	\$560,536
Permanent Improvement	\$ 10,000
Debt Service	<u>\$406,500</u>
<b>TOTAL</b>	<b>\$977,036</b>

All voted in favor of the motion. (Res. No. 2010-50)

Motion by Stobb, seconded by Snyder to adopt a resolution adopting the 2011 Budget for the City of Tracy, Minnesota and that the 2011 budgeted expenditures be as follows:

<b>GENERAL FUND</b>		<b>\$1,954,207</b>
General Government	\$546,507	
Public Safety	\$468,403	
Public Works	\$582,259	
Recreation	\$ 53,924	
Other	\$303,114	
<b>PUBLIC ENTERPRISE</b>		<b>\$3,411,895</b>
O'Brien Court	\$ 171,500	
Eastview Apartments	\$ 80,500	
5 <sup>th</sup> Street Apartment	\$ 58,000	
Liquor	\$ 842,148	
Utility	\$ 662,250	
Utility Surcharge	\$ 182,500	
Refuse Collection	\$ 128,473	
Licensing	\$1,075,400	
Tracy Med. Center Imp. Fund	\$ 102,000	
Aquatic Center Operations	\$ 109,124	
<b>DEBT SERVICE AND BOND FUNDS</b>		<b>\$ 693,300</b>
<b>OTHER</b>		<b>\$ 464,250</b>
<b>TOTAL ALL FUNDS</b>		<b>\$6,523,652</b>

All voted in favor of the motion. (Res. No. 2010-51)

Motion by Enderson, seconded by Martin to adopt a resolution approving payment to B&D Plumbing & Heating, Inc. in the amount of \$16,862.50 for work completed on the Airport Waterline Project. Koopman stated that a retainage of 5% has been held back until clean up jobs are completed. All voted in favor of the motion. (Res. No. 2010-52)

The Consent Calendar included: Municipal Accounts Payable, Multi-Purpose Center minutes for October 26, 2010, Economic Development minutes for November 5, 2010 and Tracy Firemen's Relief Association minutes for November 1, 2010. Motion by Snyder, seconded by Martin to approve the Consent Calendar as presented. All voted in favor of the motion.

A public hearing was held at 6:45 p.m. on Ordinance No. 310, an ordinance allowing the use of special vehicles on public ways in the City of Tracy and providing for permits for the operations thereof. Nielsen stated this is a proposal to authorize the operation of these types of vehicles on certain city streets. This has nothing to do with private property, non-city owned property and only

for streets. The intention of this was to set up a licensing scheme and not to specifically regulate vehicles in a sense of what type of vehicle they have and how they should be driven on the streets as that is covered by state law and the city is not allowed to amend that in any event. Nielsen had supplied an amendment as there was some discussion about incorporating this ordinance enacted to be within the purview of administrative penalties and if that is elected then the changes proposed in the memorandum would be added to the proposed ordinance.

Chad Moyars stated that it is illegal to ride these types of vehicles on a county road and state highways. He asked if riding on city streets was to be regulated by the municipality. Nielsen asked what type of vehicle he was inquiring about. There are many types of ATVs and only some that can be regulated by the city and this ordinance only covers those types. Mini-trucks, motorized golf carts, neighborhood electric vehicles, medium speed electrical vehicles and snowmobiles are covered in this ordinance. Nielsen stated that the ordinance states that the city is permitting the operation of snowmobiles on most but not all streets. Moyars felt there already was an ordinance for that. Nielsen states there was a snowmobile ordinance but it was an old ordinance and directed more towards the types of equipment levels, when snowmobiles can be operated and all those things that are regulated by the state as the city is not entitled to regulate those things. This ordinance does not say anything about hours of operation, age of operator, what types of equipment you have to have and this will be regulated by the state.

There being no further public testimony, the hearing was closed at 6:55. Mayor Ferrazzano stated a comment he heard was that they were allowed to ride snowmobiles in town without a fee and they were concerned that now they have to pay a fee. Peterson stated that an issue he heard was that everyone would be running amuck but with the driver having to be permitted, this will regulate that. His question is enforcement and if the law enforcement is comfortable with this ordinance then he is in favor of this ordinance. A couple days ago he drove by Swift Lake Park and it states that snowmobiles are prohibited and there are snowmobile tracks in the park. Peterson feels that if there is enforcement of the ordinance right from the start, there would not be any issues. Martin has had individuals ask what the cost would be and if there was no extra cost, people were in favor of the ordinance. Snyder felt that any cost would be covered by the permit fees. Nielsen stated that one issue that was discussed is people using ATVs to haul materials to the compost site. The proposed ordinance as written would not allow for this. Snyder felt the use of these vehicles should be allowed on that road. Stobb was concerned that allowing this might open the entire compost site for recreational riding. Martin felt that some individuals might feel that since the road is available, so would the entire compost site. Peterson stated that they need to provide signage that this type of activity is not allowed out there. It was the consensus of the Council to allow the use of the road to the compost site. Mayor Ferrazzano asked if the administrative offenses and fines should be included. Stobb would like to see the fines included and hope that these offenses would be written by the law enforcement. Stobb asked if this is the time of year that they want to make this ordinance effective since they are half way through the snowmobile season. Snyder states that 30 days is going to put it right after the first of the year and it makes sense to run close to the calendar year. Stobb asked if they can be ready for the application process in 30 days. Koopman indicated that Nielsen would draw up what information would be needed. Mayor Ferrazzano also felt that they should run by the calendar year also. Stobb asked Officer Lichty if he felt this would be workable if the individual is permitted. Lichty said that if the rider is doing something not allowed to get the attention of the law enforcement, they would be stopped and then find out they do not have a permit. This would then be addressed. Peterson asked if Section 3 stating Tracy City Code §7.50 is repealed, if this is the old snowmobile code. Nielsen stated that is the existing provisions for operation of golf carts by handicapped individuals. Nielsen stated that if they are going to start the first of the year with this ordinance, if there are any types of those permits in the city, they would end December 31, 2010. Peterson asked if electric wheelchairs and personnel scooters are exempt from this ordinance. Nielsen stated that anything that is pedestrian related is not covered in this ordinance.

Motion by Snyder, seconded by Martin to adopt the Ordinance 310, allowing the use of special vehicles on public ways in the City of Tracy and providing for permits for the operations thereof to be effective 30 days from publication. All voted in favor of the motion.

Discussion was held to establish a date to conduct interviews for City Council applicants. Enderson asked if they would be conducting the interviews all on the same day. He suggested that they be set

at 15 minute intervals and be interviewed one at a time. Koopman stated there were five applicants. Koopman stated that if the Council would set a date, she would contact the applicants to see what works for them. Snyder suggested having two dates if it works for the candidates. It was decided that they would do them on December 20 and 21 at 6:30 p.m. Koopman stated that she would get copies of the applications to the Council before then. Seth Schmidt asked if the interviews would be open to the public. The Council felt that the interviews should be open to the public.

Mayor Ferrazzano reminded the Council that there will not be another Council meeting in the month of December.

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

ATTEST:

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City Administrator

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Mayor