

**January 20, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, January 20, 2009 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, S. Rettmer, T. Peterson, C. Snyder and R. Stobb. Absent was B. Chukuske. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Martin, seconded by Peterson to approve the minutes from the meeting on December 8, 2008 as presented. All voted in favor of the motion.

City Administrator, A. Koopman administered the Oath of Office to Council members Charlie Snyder and Jon Chalmers.

Mayor Ferrazzano stated that there has been some question if newly elected Council member Kurt Enderson is a resident of the City of Tracy. Enderson stated that his legal address is in Tracy, but due to personal matters, he is not currently living at the address of 424 4<sup>th</sup> Street East as stated on his Affidavit of Candidacy. Enderson stated that he owns other property in the City and plans to keep his residence in Tracy if his current legal address changes.

City Administrator, A. Koopman administered the Oath of Office to Council member Kurt Enderson.

Mayor Ferrazzano expressed appreciation to Sandi Rettmer and Bill Chukuske for their years of service on the Tracy City Council.

An addition to the agenda, 11- I-2. to discuss future City Council meeting dates. Motion by Peterson, seconded by Stobb to approve the agenda as revised. All voted in favor of the motion.

R. Nordahl, CEO of Sanford Tracy Medical Center addressed a remodel project and a conceptual lease agreement with Sanford Health. Nordahl states that there have been many meetings held over the past three years and a floor plan has been developed that is compatible with the needs of the health care providers and the outreach providers. The fundamentals of the agreement would include:

- A flat least payment of \$136,000 per year
- A 20% profit share of the operational bottom line with no loss carry forward
- An outpatient built between the hospital and clinic
- Project cost of approximately \$1.5 million.

The current lease payments are based on hospital depreciation or debt, whichever is greater. The City of Tracy receives 10% of any profits. Stobb said that he supports the concept and with the loss of depreciation in the lease calculation, it may be more difficult for the Council to approve future improvements. Nordahl stated that the lease is calculated to cover the debt of the project at \$1.5 million. Nordahl stated in order to afford this project from an operational perspective they have to go to the flat lease payment that will cover any debt up to \$1.5 million. There is a total of \$1,230,672 in the Hospital Trust Fund and \$493,075 in the Hospital Improvement Fund. Nordahl stated that would like to keep a balance of \$500,000 to \$800,000 for any future problems and at this time there are no project issues that need to be addressed. Nordahl stated that the depreciation loss is something that has to be given up for the outpatient project to be done. Stobb questioned if there are any needs to new equipment. Nordahl explained that the City's responsibility to take care of the building and fixed assets and addition of services is the responsibility of Sanford Health. He stated that once the new addition is completed there should be no future needs for additional space to be added to the facility. Koopman states that the Hospital Advisory Boards, and Sanford representatives have spent considerable time preparing financial analysis to determine if the operations can support the flat lease payment. Koopman feels the proposed project is needed for the longevity of the hospital facility. It is vital to remain competitive with other facilities and to have a facility that can meet the medical needs of the community. The flat lease payment is based on the average of the past five years of lease payments received. Koopman feels there should be sufficient amount generated to meet the debt obligation and to put money aside for ongoing future improvements. Nordahl stated that the 20% of the operational bottom line between the clinic and

the hospital is greater than the 10% that we are getting now. Sanford is taking the risk for any loss of the operation. Stobb asked how long the lease would be extended. Nordahl stated that it could be up to three years and possibly further depending on what they can get for interest rates and how much cash the City decides they need to borrow. Sanford is willing to work with whatever it takes to pay off the debt. Nordahl states if the project is approved and they move forward they will do a capital campaign to raise funds and that money would be in the City's coffers to offset the cost of construction. Nielsen asked if they are only presenting the concept as there is no written document amending the lease to approve yet. Nielsen stated that he would like to see a copy of the amended lease to review the wording on the lease extension. He feels there are some contingencies there. Nordahl stated there are some contingencies that are based on how the City wants to finance the project as to what the final lease would be. Nordahl stated that in order to move forward with the project, they need some type of approval that there is intention of moving the project forward. They can then start the fund raising, draft the amendment to the lease document and look at what financing would be available. Nordahl stated that try to get a grant from the USDA. Nordahl feels that now is the time to do this because construction costs have gone down considerably and contractors are hungry for work. Peterson questioned if the proposed construction for the hospital would be compatible with the link Tealwood would construct joining the two facilities. Nordahl stated that it has been designed so that the link could be attached to the clinic entrance. Motion by Stobb, seconded by Martin to approve the concept of the lease agreement and remodeling project. All voted in favor of the motion.

A public hearing was held at 6:45 p.m. on the 2009 Street Improvement Project. Steve Robinson, Project Engineer from SEH stated they have worked with the City Staff to define a smaller project scope that includes only a portion of the Phase 3 streets and the entire Phase 4 street for improvements. This area includes:

**Alley between 3<sup>rd</sup> Street and 4<sup>th</sup> Street** – between Morgan Street and South Street  
**8<sup>th</sup> Street** – between South Street and Craig Avenue  
**2<sup>nd</sup> Street** – between Morgan Street and Rowland Street  
 Crack seal and seal coat in Broadacres and Greentown.

There being no testimony from the public, the public hearing was declared closed at 6:50 p.m. and referred to the Council for their consideration.

Koopman told the Council that state law allows cities to order an improvement at any time within six months after the date of the improvement hearing. She suggests that the Council consider ordering the improvement on the entire \$2.5 million project, but only order plans and specs for those streets included in the smaller project as listed above for an estimated project cost of \$981,000. President-elect Obama has been expressing the need for a stimulus package, containing as much as \$500 billion for public works projects. This would include projects that can be initiated within 120 days may be eligible for a portion of the stimulus package. Koopman stated the assessment cost for reconstruction is:

Curb & Gutter (Cost/Foot) = \$ 62.18/Ft  
 Reconstruction (Cost/Foot) = \$ 28.97/Ft  
 Groundwater Interceptor (Cost/Connection) = \$ 886.60

Koopman said the unknown at this time would be on 8<sup>th</sup> Street. Included in the Council packet was a copy of the letter that was sent to the County Engineer requesting their financial participation on the reconstruction of 8<sup>th</sup> Street. Depending on their willingness to cooperate as well as the dollar amount if received, that money would be used to reduce the amount of assessment on 8<sup>th</sup> Street.

Mayor Ferrazzano read the following letter into the record from Nancy Beech.

This letter is in regards to the 2009 proposed street improvement project, specifically the alley from 3<sup>rd</sup> St. to 4<sup>th</sup> St. between Morgan and South streets as this is the project area that directly abuts our property on Morgan St.

While we all realize that some street, water and sewer repairs, and other various

improvements are necessary for a city to operate efficiently and effectively, I question the absolute need for this project and thereby recommend the council to carefully review the plans and seek other options at this time. As with any entity or company during tough economic times, all projects and plans need to be extensively weighed as to their worth and impact for the betterment of all concerned.

At this time I recommend that the city put this project on hold or substantially reduce it until the economy rebounds, unless of course, the citizens are in danger with malfunctioning water and sewer lines. With every property owner being affected by already high real estate taxes, the burden of any additional, unplanned increase only adds to the misery.

I think you in advance for reading this in my place during the council meeting on Monday, January 12<sup>th</sup>.

Sincerely,  
Nancy Beech  
Hendricks, MN

Peterson stated that he has a lot of comments specifically about the economy questioning if it is beneficial to repair an alley at this time. He also questioned why there is only one block of 2<sup>nd</sup> Street being repaired at this time, when another block is in need of curb and gutter. R. Robinson stated the reason for the alley being on the list at this time is because water from the liquor store parking lot drained into this alley and there is a lot of patch work that has been done to this alley. The plan is to put install an inverted cement waterway or have cement placed on the sides to allow water to drain down the alley. The reason the one block of 2<sup>nd</sup> Street was put into the plans is because of low water pressure in that area and need for water main and sewer repair. Peterson said there are more water pressure problems on 2<sup>nd</sup> Street than just the one block. Mayor Ferrazzano stated the original plan was 2.5 million and Robinson and the engineers were asked to come back with a scaled down project, and we cannot start picking it apart or expand it to include more repairs. Robinson said the revised plan allows for crack filling and seal coating. Mayor Ferrazzano suggested that they go with the suggestions made by Koopman. Mayor Ferrazzano also stated that it would be nice to get something planned to take advantage of the low construction costs and the problems are going to have to be dealt with in the future anyway.

Motion by Stobb, seconded by Snyder to adopt a resolution ordering the improvements of the entire 2009 Street Improvement Project with an estimated cost of \$2.5 million, but order plans and specs only for the Alley between 3<sup>rd</sup> and 4<sup>th</sup> Street, 8<sup>th</sup> Street between South Street and Craig Avenue and 2<sup>nd</sup> Street between Morgan Street and Rowland Street. Upon roll call the following vote was recorded with Martin, Enderson, Chalmers, Snyder, Stobb and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carried. (Res. No. 2009-1)

Motion by Snyder, seconded by Stobb to enter into an engineering agreement with Short Elliott Hendrickson, Inc. for the 2009 Street Improvement Project at a cost of \$152,000. Upon roll call the following vote was recorded with Martin, Enderson, Chalmers, Snyder, Stobb and Mayor Ferrazzano voting aye and Peterson voting nay. Motion carried.

Stobb stated that he appreciated the memo provided by David Spencer regarding the Debt Service Consolidation and to see that the City is able to pay off some of the bonds early to relieve the impact of the 2009 Street Improvement Project. David Spencer stated that Todd Hagen from Ehlers presented about five options and one of them is adding the \$50,000 to pay off the 2002 bond but it would entail a partial refunding bond and Spencer does not feel that it would be viable as there would be added expenses. The only other option other than borrowing money from ourselves, which would be the best option, the last option would be to lower the levy to about \$16,000 per year rather than the \$42,000. Koopman stated that in discussion, this seems to be the most logical and least complicated. Spencer stated there are assessments about \$30,000 coming in there, but it is unsure if all of them would be collected due to the way properties are falling lately. Koopman stated it would be important for the Council to give some direction on how we should proceed. Spencer stated the red flags in the memo are things to think about and he feels they can come up with the financing to take care of most of the debt. Spencer stated that with the pending cuts coming around,

the regular tax base will be raised next year. This has to be worked into the mix. Spencer stated that he disagreed with the pledge of 10% revenue and 50% assessments and feels the assessments are a bit high. Spencer suggests that they go with the self financing and finding some fund that is dormant to borrow the money from and then they would not have to drop that off the tax base and at the end, if there are is not money to pay the loan off after the funds are in, then they could levy that additional amount or pay from the General Fund. Mayor Ferrazzano stated that they should go ahead with the self financing suggestion. Spencer and Koopman will move forward with that recommendation.

Motion by Stobb, seconded by Peterson to enter into the Lutheran Social Service Senior Nutrition Site Agreement contingent on there being no addition costs to the City having this as additional insured on policies. If there are any additional costs, this should be addressed. The Nutrition Program agrees to pay a yearly fee of \$2,468. All voted in favor of the motion.

Stobb asked if this amendment for section 3.10 and 3.30 of the Tracy Building code was changed since it came before the Planning Commission. Nielsen stated that it has due in large part because the Commissioner of Administration no longer administers the State Building Code and this was switched to a different state department and so all the statute numbers have been reworded and referenced to the Commissioner of Administration who is now the Commissioner of Labor and Industry. The basic idea is still the same that it would have a self-perpetuating feature associated with it and that the various fees and costs would be set by the Council through resolution. Gary Garrels and Shane Daniels have reviewed this and it has been gone over several times and they feel this is appropriate to their needs. Motion by Stobb, seconded by Chalmers to waive the first reading and set the second reading at a public hearing at the next Council meeting on February 2, 2009 at 6:45 p.m. on an ordinance amending section 3.10 and 3.30 of the Tracy City Code. All voted in favor of the motion.

Section 3.30 shall be read as follows: (deletions shown by ~~strikeout~~; additions by underline)

#### SECTION 3.30 BUILDING CODE

Subd. 1. CODES ADOPTED BY REFERENCE. The Minnesota State Building Code, as adopted by the Commissioner of ~~Administration~~ Labor and Industry pursuant to Minnesota Statutes chapter ~~16B.59 to 16B.75~~, §§ 326B.101 to 326B.194, including all of the amendments, rules and regulations established, adopted and published from time to time by the ~~Minnesota said Commissioner of Administration, through the Building Codes and Standards Division relating thereto~~, is hereby adopted by reference, with the exception of the optional chapters, and is hereinafter referred to as the "Code". ~~Unless specifically adopted in this ordinance.~~ The Minnesota State Building Code is hereby incorporated in this ordinance as if fully set out herein.

Subd. 2. APPLICATION, ADMINISTRATION AND ENFORCEMENT. The application, administration, and enforcement of the ~~code~~ Code shall be in accordance with the Minnesota State Building Code. The ~~code~~ Code shall be enforced within the extraterritorial limits permitted by Minnesota Statutes, ~~16B.62, subdivision 1~~, §626B.121 Subd. 2, when so established by ordinance. The Code enforcement agency shall be the Office of Building Inspector. The building official designated by the City to enforce the code shall be the City Building Inspector, as appointed from time to time by the Mayor with the approval of the City Council.

~~This code shall be enforced by the Minnesota Certified Building Official designated by this Municipality to administer the code (Minnesota Statute 16.65) subdivision 1.~~

Subd. 3. PERMITS AND FEES. The issuance of permits and the collection of fees shall be as authorized in Minnesota Statutes, ~~16B.62, subdivision 1~~ §326B121 Subd. 2. Building permit and related fees, refund policies, investigation fees and other charges associated with and to be assessed for work governed by the Code shall be in accordance with a schedule adopted by resolution of the City Council, and shall include all required state surcharges and other fees.

Subd. 4. VIOLATIONS AND PENALTIES. A violation of the code is a misdemeanor ~~(Minnesota Statutes 16B.69-)~~, and may also be subject to administrative penalties as provided in Tracy City Code §§1.09 and 3.10.

~~Subd. 5. BUILDING CODE OPTIONS CHAPTERS. The Minnesota State Building Code, established pursuant to Minnesota Statutes 16B.59 to 16B.75 allows the Municipality to adopt by reference and enforce certain optional chapters of the most current edition of the Minnesota State Building Code.~~

~~The following optional provisions identified in the most current edition of the State Building code are hereby adopted and incorporated as part of the building code for the City of Tracy:~~

- ~~———— 1300, Administration of the Minnesota State Building Code;~~
- ~~———— 1301, Building Official Certification;~~
- ~~———— 1302 State Building Code Construction Approvals;~~
- ~~———— 1303, Minnesota Provisions;~~

Rod Benson from CHS was present to discuss the city fuel purchases. Benson presented an overview of what has been done in the past. Since CHS has their fuel station set up and running and the desire is to move back to the fueling center and get the other tanks out of town. The station has the technology to allow every time you fill, to put down an odometer reading, a report can be printed at the end of the month with gas mileage with how many miles per vehicle and this can be offered to the City. It is 24-hour service. Benson has provided the usage per month on gas of 8,148 gallons were used last year and 4,185 gallons of red diesel was used in 2008. CHS is offering the opportunity for the City to contract their fuel needs to next year. Right now the contract price for gas for all of next year would be \$1.99 9 and diesel for \$2.29 9. CHS will take care of the taxes. There is clear diesel now versus the red fuel the city had before. During the winter they run a product called Winter Master, it will not gel and at this time it is a market variable so winter diesel cost will be \$2.49 9. Benson stated that he has a copy of the contract that he will leave for review. Benson stated that a specific gallon amount needs to be contracted and the City would be subject to buying that many gallons at that price. At the end of the term, you would get bought out or buy your way out of the difference between the market and that. You can pay 0.5¢ per gallon and carry it forward. Benson feels these are reasonable prices. Mayor Ferrazzano prefers to lock in a price rather than pay pump prices. Peterson stated it would make things a lot easier. Stobb states that the price offered is higher than paid at the pump today, but not sure that will carry over to the future. Robinson stated that in gas and diesel for 2008 the City spent \$51,000 based on the 12,000 gallons used.

Motion by Snyder, seconded by Peterson to contract with CHS for 8,000 gallons of gas at a cost of \$1.99 9 and 4,000 gallons of diesel at summer price of \$2.29 9 and winter price of \$2.49 9. All voted in favor of the motion.

Koopman said that she held the monthly meeting with the Street Department employees and worked with them to develop a policy for the use of the City Shop. She has submitted a copy of the proposed policy and these terms were acceptable to the employees.

Use of the City Shop is a privilege granted to the Public works Department employees. The following policy is established to ensure proper use of this facility.

Use of the City Shop is restricted to City employees only

Vehicles serviced or maintained shall belong to immediate family members only.

Use of City Equipment shall be limited, however if broken during personal use the employee shall be responsible for replacement by the following business day.

Employees shall provide all their own supplies, including but not limited to: oil, degreasers, carb cleaners, brake cleaners, glass cleaners, floor dry, and car soap. No City supplies shall be used.

When using the City Shop, you will be required to sign the clip board listing the date and time.

Doors must be closed while working on personal vehicles.

Clean up after yourself. Leave the City Shop in the same condition it was in when you came.

You will be policing yourselves. Any reported violations will be investigated and if violation is proven, the first offense will result in lost privileges for one year and second violation, privileges will be lost permanently.

Chalmers asked if City employees stated in 1. were all City employees or Public Works employees. This should be changed to reflect only Public Works employees. Koopman will make this change to the policy. Motion by Snyder, seconded by Peterson to approve the City Shop Use Policy with the change to item 1. All voted in favor of the motion.

Motion by Peterson, seconded by Martin to waive the 30 day waiting period and approve the raffle license application for Shetek Prairie Chapter MN Waterfowl Association. All voted in favor of the motion.

Motion by Snyder, seconded by Stobb to adopt a resolution supporting maintenance of local title and registration services. The City of Tracy supports the State Legislature authorizing the acceptance of more secure alternative payments at deputy registrar offices; and to achieve a greater retention of existing fees or a user service fee increase in the year 2009 to maintain local title and registration service to the citizens of Minnesota. All voted in favor of the motion. (Res. No. 2009-2)

The Consent Calendar includes the Economic Development Authority minutes for November 7, 2008, Cemetery Commission minutes for November 13, 2008, Hospital Advisory Board minutes for November 26, 2008, Monthly Financial Report, Firemen's Relief Association minutes for December 6, 2008 and the Municipal Accounts Payable.

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

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
046877	Southwest Concrete	\$ 283.55	Peterson questioned why this was taken from the street reconstruction fund. This was part of the street light project which expenses are taken from this fund (as were revenues credited to this fund).
046905	Wayne Manufacturing	\$ 2,198.56	Peterson asked when this expense for Christmas lights were approve. This was approved at the Council meeting on February 12, 2007.
046930	G & R Electric	\$ 10.48	Peterson asked for what internet access in the council chambers. The wireless router was secured to provide internet access for various consultants and the access point was made in the council chambers.
046941	Lyon Co. Sheriff	\$ 29.00	Peterson asked if this fee for 200 Morgan will be repayed. This fee will be accessed to the property.
046950	SEH Inc.	\$ 74.80	Peterson asked when payments will end for a suspended I&I study. This is for time the engineers spend working with the MPCA to show them this issue is not being ignored.
046960	Zeigler Inc.	\$ 42.26	Peterson asked why this was taken from the General Fund and was not under warranty. This was taken from the General Fund because the street department

is part of the General Fund. This repair is not under warranty because this was for the 1980 Cat Grader.

046979 Mac Queen Equipment \$ 923.31

Peterson asked if this was in the budget.

This is from the repair parts budget which includes unknown repairs, (cutting edge and skid plates)

046994 Tracy Ace \$ 2,858.13

Peterson asked which door this was. This is for the front door on the fire hall which has not yet been installed. Labor to install is being donated, but Dale Johnson has not had time to do this yet.

047004 Mac Queen Equipment \$ 96.95

Peterson asked why this was not purchased locally to avoid freight costs.

These are specialized parts and are not available locally.

047015 Swish's Hardware \$ 13,951.52

Peterson asked what this was for. Robinson stated this was for the final Payment for a utility project. This was for a sewer repair project where they had difficulty finding a line as they had to keep large equipment from an old brick manhole to avoid collapsing it. The contractor could not be blamed for the extra work as they had used all available tools and were not able to find the lines.

047046 Chuck Ankrum \$ 442.28

Peterson asked what was rented. This was for a snow hauling truck and operator for downtown snow.

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

Mayor Appointments include:

City Clerk/Administrator – Audrey Koopman  
 Deputy Clerk – Rick Robinson  
 Public Works Director – Rick Robinson  
 Finance Director – David Spencer  
 City Attorney – Frank Nielsen  
 Fire Chief – Dale Johnson III  
 Weed Inspector – Tom Greenfield  
 City Forester – Tom Greenfield  
 Civil Defense Director – Bryan Hillger  
 Building Inspector – Gary Garrels  
 City Assessor – Orlin Bruss

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

Council Appointments as follows:

President Pro-Tem – Russ Stobb  
 Community Ed Financial/Advisory Board – Charlie Snyder  
 Planning Commission – Russ Stobb  
 Economic Development Authority – Charlie Snyder and Kurt Enderson  
 Attorney meetings – Stephen Ferrazzano and Mike Martin  
 Hospital Advisory Board – Stephen Ferrazzano and Tony Peterson  
 Labor-Management Committee – Tony Peterson and Jon Chalmers  
 Wheels Across the Prairie Museum – Charlie Snyder

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

Motion by Snyder, seconded by Peterson to establish the second and fourth Mondays of each month at 6:30 p.m. in the Council Chambers of the Municipal Building. All voted in favor of the motion.

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

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

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

Koopman stated that she had met with the department heads and charged each of them with the responsibility of reducing their budgets by 10%. The department heads have been directed to submit their recommendation to her. Koopman will then review each department's recommendation and she will also make her own recommendations. Copies of these recommendations will be included in the agenda packet for the February 2, 2009 council meeting. With the 10% reduction for each department there would be a reduction in the budget of approximately \$144,000 initially and once we know for sure where we stand, other cuts may be established and implemented as needed.

Peterson offered the following suggestions to help with the budget shortfall and states that he has personally experienced all these suggestions and knows that they have worked in his situations.

Freeze all wages for a minimum of two years  
 Any employee that is retirement eligible be offered one month salary and medical insurance paid for the 2009 colander year. Some of these position would not be filled, others filled at a lower pay scale.  
 Remove all donations from the 2009 budget  
 Do not purchase any new water meters for the next two years keeping the cash in the proper accounts.  
 Do not fund the "paid to paint" program  
 Return the EDA position to part time for the next two years as a minimum, longer if necessary.  
 All required travel to be done in a city vehicle, if someone chooses to drive a personal vehicle, they are not to be paid travel pay.  
 Every employee pays for their own meals – no free lunch on the taxpayer.  
 Do not fill the vacant slot on the Police Department.  
 Put all improvement projects on hold for one year.

He also stated that to show his support for these suggestions, he will not accept any salary or meeting pay for the remainder of my term. Peterson feels there are other things that can be reduced or eliminated, but these ten items would be a good start. Koopman noted that she had already included a number of his suggestions in her recommendations and will provide further explanations at the next meeting.

Koopman stated that the next Council meeting would have been scheduled for January 26, 2009, but having this meeting later, she suggested that they have the meetings in February scheduled for February 2 and February 17, 2009. By that time the Governor's budget would be out and they would have a better idea where the City stands. Koopman's suggestion was considered by the Council and they agreed with the suggestions.

Jon Chalmers indicated that he would be interested in attending the Leadership Conference for Newly Elected Officials that will be conducted by the League of Minnesota Cities in February. Koopman asked if there is anyone else that would like to attend, they should contact her so reservations could be made.

Chalmers stated that he had received a complaint for a resident of dogs not being taken care of properly. He stated that he had taken pictures of the kennel and states that it does not come close to the state requirements for minimum standards and feels that if the requirements are not met, the owners of the animals should be taken to court. Martin suggested that the City have the dogs impounded and give the owner time to get the living area for the dogs up to the proper standard or turn the animals over to the animal rescue authorities. Mayor Ferrazzano feels that the Council should not get involved and it would be difficult to monitor all kennels in the City. Koopman stated that she will discuss this issue with Police Chief Hillger.

Motion by Chalmers, seconded by Snyder 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

**FEBRUARY 2, 2009**

The regular meeting of the Tracy City council was called to order at 6:30 p.m. Monday, February 2, 2009 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.

Chalmers asked for a correction on Page 9 to read (deletions shown by ~~strikeout~~; additions by underline.) ~~Martin~~ Chalmers suggested that the City have the dogs impounded. Motion by Peterson, seconded by Snyder to approve the minutes as amended. All voted in favor of the motion.

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

David Spencer informed the Council the copier is replaced every five years and annually each department is charged a per copy fee. The collected copy fees are deposited in a depreciation fund. Since 2003, this fund has been averaging between \$1,300 and \$1,700. There are two entities that purchase copies from the City and one has paid \$300 and the other about \$500 and the fund now has funds of \$11,800 for the purchase of a copier. The quote that is presented to the Council tonight is for a copier similar to the one we currently have, except it is a full-color copier. Spencer suggests that they also include options of a 3-hole Punch Kit and Fax Kit. The faxing would allow for faxing from a desktop to the machine and it will also scan the document. Spencer did not feel that the Data Security Kit was necessary as the copiers now are basically a computer and they have a drum in there and does not feel that they need to encrypt everything that is on there.

The price quote from Davis Typewriter is for a Sharp MX6501 Color Digital Document System.

List Price	\$18,486.00
Less GSA and Trade in Discount	<u>\$ 9,792.00</u>
Purchase price plus tax if applicable	\$ 8,694.00
No Trade in Price	\$ 9,694.00

Options

3Hole Punch Kit	\$ 364.00
Fax Kit (with PC Faxing)	\$ 489.00
Data Security Kit	\$ 333.00

GSA is government subsidized and the federal government allows their pricing to funnel down to school districts and city and state governments also. Martin stated there is paper that is already pre-punched and wondered if there was a big difference in price. Spencer stated there is about \$1.00 difference in a ream of regular paper compared to pre-punched paper. He states that the office has tried running the pre-punched paper through the present copier and it jams the copier. The copier that the City has presently is six years old. When it was purchased it was rated for 200,000 copies and it is now at 551,583. The service contract includes the toner and the machine senses when it is a black and white copy or a color copy. Motion by Snyder, seconded by Stobb to approve the purchase of the Sharp MX6501 Color Copier. Peterson asked how it fit in the budget with the cuts that are being looked at. Koopman states the money generated from the other departments have paid for it and the money is there. The problem is that the present copier is reaching the age where the maintenance contract will double and the cost will continue to increase. Martin asked why the City would need full-color copies. Spencer stated that they do not need them that often and the price difference was about \$1,000 and it is difficult to find a good copier that is not full-color. Upon roll call the following vote was recorded with Chalmers, Enderson, Peterson, Snyder, Stobb and Mayor Ferrazzano vote aye and Martin voting nay. The motion carried.

Tracy Women of Today sent a letter requesting to use the Veteran's Memorial Center for the Jose Cole Circus on March 22, 2009. They are asking the Council to waive half of the cost to rent the facility. They also asked that the Public Works Department would let them use the front end loader with the bucket and to have electricity available to the circus when they get here. These are the same

arrangements that were granted to the Tracy Women of Today by the City Council last year. Chalmers asked if the City employees would be operating the front end loader. Koopman stated the City employees would bring the loader to the facility and take care of moving it after the circus. Motion by Chalmers, seconded by Snyder to authorize the use of the facility and equipment by the Tracy Women of Today and waiving half the fee for the Jose Cole Circus. All voted in favor of the motion.

Tom Rignell from Tracy Insurance Agency sent a memo to Koopman and the City Council with a recommendation to raise the deductible on the property coverage. The current premium is \$44,000 which includes a \$250 deductible. The council reviewed the following deductible options:

\$1,000 = savings of \$2,600 annually  
 \$2,500 = savings of \$5,000 annually  
 \$5,000 = savings of \$7,500 annually

Most cities the size of Tracy carry at least a \$2,500 deductible. Koopman recommended going with the \$5,000 per incident deductible with a savings of \$7,500 annually. This insurance is for buildings and the contents in the buildings. Motion by Stobb, seconded by Peterson to raise the deductible to \$5,000. All voted in favor of the motion. Koopman stated this savings has not been figured into budget cuts.

At 6:45 p.m. a public hearing was held on Ordinance No. 304, an ordinance amending Sections 3.10 and 3.30 of the Tracy City Code. Nielsen stated there has been a lot of discussion between the City Building Inspector and the Planning Commission and himself to update the ordinance that adopted the State Building Code for the City of Tracy. The main points that they were trying to cover were

There is a new state department that administers the code so all references needed to be changed in the ordinance to that effect.

The building code has a set of mandatory provisions and some optional provisions. Back when this ordinance was originally enacted, there were quite a few optional provisions. At that time the City had adopted quite a few of the optional provisions. The code now has very few optional provisions and most of those that were optional before are now mandatory and already part of the regular state building code. The others that were optional were discussed with the City Building Inspector and none of those are to be added to the code.

To make it clear that the intention of the code is that it will be amended on an ongoing basis as the State changes the code and adds new provision to it, and those will automatically be encompassed within the ordinance that is amended. It would be clear that building and permit fees and related fees with building codes issues will be set by the Council periodically by resolution. Nielsen stated that if this ordinance is amended, sometime in the next month or so there will be a resolution for a new fee scheduled that would fit in with the amendment that is proposed here.

The public hearing was closed at 6:50 p.m. for Council discussion. Motion by Snyder, seconded by Martin to adopt Ordinance No. 304, an ordinance amending Sections 3.10 and 3.30 of the Tracy City Code. All voted in favor of the motion.

Koopman presented a proposal from Flaherty & Hood, P.A. to provide labor relations, public employment and human resources services to the City of Tracy. Koopman feels this proposal is worthwhile as it guarantees 25 hours at a reduced rate and there is no obligation if these hours are not used. In light of pending budget cuts, Koopman does not know where this is going to lead regarding personnel, but if it would come to that point, the City may need the services that Flaherty & Hood could provide. In the past when union contracts are negotiated, she has used Flaherty & Hood to provide legal advice in the past, to review the contract and provide her with the going trend in the market at that time. Mayor Ferrazzano asked how many hours have been used in the past. Koopman was unsure of the amount of time used in the past, but normally has been quite minimal. Peterson asked if the 25 hours was over the life time of the agreement or annually. Koopman said

it would be the length of the agreement. Chalmers questioned if during the 25 hours at the reduced rate, if they would charge the \$95 per hour for the law clerks and paralegals. Koopman said she could not answer that but they have used this firm in the past and have been very reputable. They are affiliated with the Coalition of Greater Minnesota Cities. Koopman said they will be using the services of Flaherty & Hood and the question to the Council is do they do it at a reduced rate or at the full hourly rate. Mayor Ferrazzano felt they should do it at the reduced rate and a new agreement annually. Motion by Stobb, seconded by Peterson to enter into a contract with Flaherty & Hood for one year with the first 25 hours of services provided at a flat rate of \$95 per hour. All voted in favor of the motion.

Koopman said that everyone has been trying to work together and understands that the City is faced with some difficult times ahead and have been cooperative with trying to recognize that and trying to reduce the cost of their budgets.

Koopman presented the following recommendations made by her and the department heads.

**MAYOR AND COUNCIL** – To reduce that by \$2,250 from Subs, Memberships & Contributions. This would eliminate the contribution of \$1,250 to SW MN Initiative Fund and \$1,000 to the Lyon County Economic Development. Mayor Ferrazzano asked if this was 10% of the budget. Koopman said there are some budgets that the 10% could be exceeded and there are other budgets that they could not come close to the 10% reduction.

*The Council agreed to implement these recommendations at this time.*

**ADMINISTRATION** – Reduce Communications by \$500; Travel, Conf. & Schools by \$500; Printing & Publishing by \$2,000 and Other contractual Services by \$4,000 which represents the fee for safety training. This would actually be \$4,500 from Safety First and training they provided. Koopman has been working with League to develop a regional Safety Committee, that would consist of four or five communities with representatives from each community. A plan would be developed and training costs shared by the committee as a whole. Stobb asked with the cuts she has mentioned, what will they not be able to do. Koopman said that using Communications as an example, her recommendations are based on year end totals. There is so much being done now with e-mail that we no longer have to depend solely on the telephone as in the past. Printing and Publishing was reduced because the Charter allows the City to summarize ordinances instead of publishing them in their entirety. They would be summarized and condensing the amount of space the City would be buying. Another option would be to charge more for the publication fees for special use permits and variance permits. Koopman said she based her recommendations on what was spent in 2008. An additional \$3,000 will be transferred into the General Fund from Licensing to offset the salaries of Madonna and Kathie. Approximately 50% of their time is spent working with licensing.

*The Council agreed to implement these recommendations at this time.*

**PLANNING & ZONING** - Eliminate \$2,500 which is the amount budgeted for the painting program.

*The Council agreed to implement these recommendation at this time..*

**ASSESSING** – No changes as this is contracted services.

**LEGAL** – No changes as this is contracted services.

**ECONOMIC DEVELOPMENT** – Reduce the transfer in the EDA Revolving Loan Fund from \$10,000 to \$5,000, decrease Printing/Publishing/Advertising from \$2,500 to \$1,000 and decrease Subscription/Memberships from \$100 to \$0. Koopman recommended transferring in \$7,000 from the rental property accounts including Eastview, 5<sup>th</sup> Street Apartments and O'Brien Court. This represents 15% of the EDA Director's time spent dealing with issues of the rental property. Chalmers stated Gervais had mentioned in his recommendations about utilizing the cash balance in Eastview Apartments account. Koopman said that she did not include that and that is something that if it needs to be done, they could look into that later. She would prefer not doing that if it was not

needed.

*The Council decided to implement these recommendation at this time.*

**MUNICIPAL BUILDING** – reduce overtime by \$1,000 and if any overtime hours would be put in, they would have to be taken as comp time, eliminate the part-time position that would save \$6,000 and reduce maintenance and repair building by \$2,000 and utilities by \$2,000. Both the repair and utilities were based on what was spent in 2008.

*Mayor Ferrazzano stated that he felt they should wait before eliminating part-time positions. At this time it was decided to reduce overtime by \$1,000, reduce Maintenance and Repair by \$2,000 and reduce Utilities by \$2,000. Koopman made them aware that delaying the elimination of part time positions would reduce the potential savings.*

**POLICE** – Delay the hiring of another police officer results a total savings of \$41,740.

*Chalmers asked if there would be any impact to public safety by not hiring another police officer at this time. Chief Hillger stated that under full staffing including himself and three officers, they come within eight hours of 24-hour coverage and actively having an officer on duty. Unfortunately there is a high turn-over rate in their department and they run probably three to six months of the year with one officer short. Once he gets approval, he has directed Janelle, the records clerk to go through the records to see when the heaviest call times are and then schedule can be adjusted so that any hours that there not actively covered by officers, will be those hours that they do not take as many calls. Those hours will be covered with on-call time. Chalmers asked if there have been an incidents where a call went unanswered. Chief Hillger stated that calls are never unanswered, it is a matter of when they get to the call. Chalmers asked if there is any back up from the County in an emergency situation. Chief Hillger stated the County officers do not work past 3 a.m. Chalmers stated that the reason he is questioning this is due to the fact that the Governor has made comments about cities making cuts in public safety budgets. Hillger stated that when there is an opening in the department, it takes at least two to three months before the position is filled. Stobb asked if they call in extra help for Box Car Days. Chief Hillger stated that if there is the need, they will hire extra help during that time and the County is good about steering their officers this way during Box Car Days. The Council agreed to delay the hiring of another officer.*

**FIRE** – total reduction of \$14,000. This includes a \$3,000 reduction in Maintenance & Repair Equipment, \$8,000 reduction in Maintenance & Repair Building and \$3,000 reduction in Transfers Out.

*Mayor Ferrazzano asked Dale Johnson if they could deal with this now. Johnson stated that as he put in his memo, a lot of the things, like the Transfers Out was one of the areas where they were building up the fund to where they needed to be and are willing to make those cuts if needed. The Council approved the cuts as proposed with the understanding that if funding is available at year-end some of the monies may be reinstated.*

**BUILDING INSPECTION** – Eliminate \$10,000 which represents the amount budgeted for removal of dilapidated buildings. There are some monies available for that but this will greatly reduce the amount that the City would otherwise be able to do.

*Koopman stated there are some monies available for the dilapidated buildings and the use of the CDBG funds. Eliminating the \$10,000, they will not get done as much as they had hoped to do. The Council felt they could eliminate this money at this time.*

**AMBULANCE GARAGE** – reduce utilities by \$1,000.

*The Council decided to implement this recommendation.*

**STREET & PARKS** – The total savings would equal \$39,256. Some of the difference between Koopman and the Department Head's recommendation is eliminating the total of \$8,000 from

rentals. Half that total has already been spent with rental of snow trucks. Koopman recommends leaving that whole amount in the budget unless the Council decides to not rent anymore trucks. The time may come when the snow will have to sit in the streets until the department has time to remove it with the trucks the department has. In Other Contractual Services the gardener's position would be eliminated along with the flowers that are normally purchased. She recommended they keep the amount budgeted for tree removal and the difference would be that rather than the City participating in the removal of boulevard trees, consider the whole amount being charged to the property owner. The transfer out would eliminate the \$5,000 budgeted for park improvements.

*Mayor Ferrazzano asked the Council if they felt the total cost for removal of boulevard trees should be the responsibility of the property owner. Koopman stated the cost of some of the trees are very expensive but if the property owner would come in and discuss payment options, the city will work out an interest-free plan with them. Stobb questioned the amount in the Other Financial Uses still has \$15,000. Koopman noted that only a small portion of that amount was used last year and acknowledged that it is nice to have that cushion there because there are always unexpected expenses. Stobb said he would like to see some taken from there because they do not know if they will need it and a cushion that makes the Council comfortable is nice but if he were the homeowner, with the big Elm trees in the boulevard, he would rather have those funds put there. Mayor Ferrazzano felt they should not make any cuts in the boulevard tree policy.*

*Robinson stated that in the cuts of \$39,256, includes \$13,750 for part-time help that is hired in the summer to help with mowing. He also recommends a cut from \$4,100 to \$2,100 for Maintenance and Repair of buildings, a cut of \$3,000 for the gardener's position and \$1,000 for the flowers, Transfers Out \$16,506 for Equipment Replacement of which \$5,000 was for park equipment and \$3,000 for Swift Lake Park for more electrical sites. Mayor Ferrazzano suggested that if the \$13,750 is for a part-time job that is not filled at this time, this can be eliminated. Stobb asked if they would still be doing that job with more expensive people doing it. Robinson stated that if they do not have the part-time help, the mowing could get away from them with other duties to be done. Koopman said we may have to get use to seeing taller grass in the parks and noted that we are going to be paying the full-time people to run the mowers, which means they would not have the time to do the extra jobs but we are going to be paying that amount no matter what they are doing. Mayor Ferrazzano stated the public needs to be aware that they are making these cuts and make do with what the City is going to get, that can mean the grass will not be mowed as often as need be. Chalmers feels that the residents will be happier with taller grass as opposed to higher property taxes.*

*Stobb stated that the gardener's have put in quite a few perennials and if that is let go for a year, they can be lost. Money will be lost that has been invested. Mayor Ferrazzano feels that maintaining a flower bed is something that can be eliminated at this time.*

*Koopman said the actual amount for Transfers Out for Equipment Replacement is \$11,506. Robinson said the next piece of equipment that needs to be replaced is the sweeper. Koopman stated that some of these cuts are going to require an adjustment to the depreciation schedule. The Council agreed to leave the \$11,506 in the budget for now.*

*It was agreed to cut the \$3,000 for Swift Lake Park for more electrical sites.*

**STREET LIGHTING** – No changes recommended.

**LIBRARY** – Eliminate part time employees resulting in savings of \$7,000.

*It was decided not to eliminate this position at this time.*

**ST MARKS MUSEUM** – No changes made

**COMMUNITY ED & REC** – No changes made.

**CEMETERY** – Reduce transfers out by \$1,000. The cemetery would be sectioned off and the mowing contract will be based on the number of sections mowed. A portion of the cemetery would

probably not be mowed. This would be about 6 acres that would be allowed to grow and then possibly bale it. The savings would be \$1,000.

***The Council agreed to reduce Transfers Out by \$1,000. Koopman stated the savings for mowing of \$1,000 can be accomplished by sectioning off the cemetery, but nothing can be done because that contract comes up in April.***

**AIRPORT** – Total savings equals \$2,500. If the Council wants to proceed with the airport project, Koopman recommends they fund it from the Public Works Improvement Fund versus the General Fund. The \$2,500 represents the City's 5% share for the renovation of the administration building at the airport. The proposed improvement is 95% reimbursed by the FAA.

***Stobb asked what the difference would be in taking it from the General Fund versus Public Works for airport project. Koopman stated the General Fund is the one reliant on Local Government Aid. If this is moved to the Public Works Improvement Fund, it will not impact the General Fund. Robinson stated the building was to get new windows, doors, siding and HVAC system. The cost of the renovations would be about \$50,000. Koopman stated that if the funds are not used, they are lost. Robinson stated this has been something that has been put on the capital improvement plan for the airport and has been put off a couple times already. Motion by Peterson, seconded by Enderson to approve the improvement project and use funds from the Public Works Improvement Fund. All voted in favor of the motion.***

**UNALLOCATED** – reduce Transfers out by \$5,000 which represents a change in the Multi-Purpose Center transfer eliminating the \$5,000 budgeted for kitchen improvements. This project still could be done with funds donated by the Tracy Nursing Home. Reduce \$7,000 in equipment improvements which would be used for the purchase of a different City car to replace the Explorer.

***Chalmers stated that it was noted that the Explorer is essentially unsafe. Koopman states that is how you feel when you drive it as it has a tendency to wander. Robinson stated it has some issues and has some springs on one side that should be replaced. Stobb stated that a car can be purchased now for about \$5,000 to \$6,000. Mayor Ferrazzano said they should keep the \$7,000 in the budget, but if possible, they could find something cheaper than that. The Council will reduce Transfers Out by \$5,000.***

Koopman addressed the 10 points suggested by Peterson at the last Council meeting.

**Freeze all wages for a minimum of 2 years.**

*Koopman stated at the last meeting, the AFSCME union contract continues through December 31, 2009 and will require their approval to amend. She has asked them to set up a meeting with their union rep to discuss a possible wage freeze. Their written response to this request is included in the agenda packet.*

**Any employee that is retirement eligible is offered one month salary and medical insurance paid for the 2009 calendar year. Some of these positions would not be filled, and others filled at a lower pay scale.**

*Koopman said this offer can be made, but we cannot force retirement other than through eliminating the position. Also, the severance package is already outlined in both the Employee Handbook and Union Contract. Changes to the contract would require approval of both unions. The payment of medical insurance for the remainder of the year would be something that we currently do not offer as part of the severance package.*

**Remove all donations from the 2009 budget.**

*There are not donations in the budget. The contribution for service such as Lyon Co. Ed. Dev. And SW MN Initiative fund is included in Koopman's recommendations. Peterson stated that he feels St. Marks is a donation. Koopman emphasized this is a contribution for maintaining the City's building. Stobb stated they are paying them to take care of City property.*

**Do not purchase any new water meters for the next 2 years keeping the cash in the proper accounts.**

*Robinson has already addressed this in his recommendations. Robinson stated he is fine with that but a box of six meters needs to be kept for replacement meters. Snyder felt there was no problem with keeping some meters on hand, just not to go ahead with the large replacement program at this time.*

**Do not fund the “paid to paint” program.**

*This is included in the recommendations by Koopman.*

**Return the EDA position to part-time for the next 2 years a minimum, longer if necessary.**

*With the exception of part-time positions, Koopman is not recommending any reduction in staff at this time. Mayor Ferrazzano stated that he does not personally agree with reducing this position to part-time. This is not something that would be implemented at this time as it has to do with someone’s position.*

**All required travel to be done in the city vehicle, if someone chooses to drive a personal vehicle, they are not be paid travel pay.**

*Koopman said this is the current policy. The only time anyone is reimbursed for mileage is if the City vehicle is in use by another employee. I have heard employees say and can personally concur that you feel unsafe driving the Explorer. The plan was to replace this vehicle, but that has also been cut.*

**Every employee pays for their own meals – no free lunch on the taxpayer.**

*Koopman does not agree with this suggestion. If an employee is required to leave their home for City business it is for the Taxpayer’s benefit and not the employee. Both the Employee Handbook and Union Contract require reimbursement of meals. Koopman has not gone back in the record, but estimated, the total reimbursement for meals that was not part of the tuition would be less than \$500 for all the employees last year. Chalmers is not sure why this is an issue as the IRS has guidelines what is reimbursable such as having to be more than 50 miles from home and has to be more than a day trip to be reimbursable. Peterson felt that with one day classes the employee is getting paid to attend and paid to drive there and you are going to eat lunch anyway. Peterson stated the union contract states it is in accordance with Employee Manual so it could be changed in the Employee Manual. Chalmers felt the Employee Manual should be in accordance with the IRS guidelines. Koopman stated that the practice has been that if you are out of town attending to City business and you are going to be gone over meal-time, you do get reimbursed and there are no stipulations. Snyder disagrees with Peterson’s recommendation and if the City is sending employees out to a day thing, they should be reimbursed. Mayor Ferrazzano agrees with that and they should not be picky about paying for a person’s meal. Stobb also agreed with that.*

**Do not fill the vacant slot on the Police Department.**

*This is included in Bryan’s recommendation.*

**Put all improvement projects on hold for one year.**

*Koopman stated that one project has already been ordered. Mayor Ferrazzano stated putting projects on hold should be a case by case basis.*

Koopman stated that depending on how the legislature decides, there are other areas that could be considered as far as possible reductions in the future.

Either reconsider reducing the Council size by two which results in a savings of \$5,340 or reduce Council salaries by the same amount.

Reduce Multi-Purpose Center Director’s hours in half. Approximate savings of \$6,400.

Eliminate the part-time police Secretary. Approximate savings of \$16,600

Increase transfer-in from the Eastview and 5<sup>th</sup> Street Apartments and O'Brien court to offset a larger percentage of the EDA Director's salary.

Reduce further or eliminate transfers from the General Fund to the Equipment Replacement Fund.

Peterson states that the question he has with the Transfers In and Transfers Out helps with the cash flow situation but it does not really address any significant cuts. It keeps the General Fund a little healthier. He feels they need to take a hard look at tightening the belt and the issues he offered before about early retirement and reduction from full-time employees to part-time employees, these are cuts and money is not just being moved around. Peterson stated he would make a motion to form a committee and come up with something that complies with the Employee Handbook and Union Contract to offer any employee that is retirement eligible, a retirement package. With any business the easiest to control is labor costs and right now he sees there are two part-time positions that could be cut and feels there are more out there that could be done. Koopman does not feel there is any problem with that at all and the package would have to meet or exceed what is in the union contracts. Peterson and Chalmers will meet with a member of the City Staff to develop a retirement package to be presented to the employees. Chalmers said that with Peterson's suggestion of a wage freeze, the employees stated in their letter that they did not want to discuss this unless the Council authorized it, and is asking if that would be something worth pursuing. Peterson stated that since the pay authorizations went into effect on January 1, 2009 it would be hard to do anything about it now. Stobb stated that anything that the Council would like to do with the contract would have to be negotiated. Koopman stated the AFSCME contract runs till December 31, 2009 and the LELS contract is up for negotiation now and she will be presenting their proposal to the Council at the next meeting. Mayor Ferrazzano asked if it would be more efficient to have the fiscal year running the same time as the State since the State is responsible for 60% of the budget. Koopman said that is something they could check into.

Mayor Ferrazzano stated that the recommendations made by Koopman do not have to be finalized at this meeting, it is a contingency that if what we would expect to come, this is what is recommended. Koopman stated the total cuts that she is recommending to the Council totals \$143,446. The Governor's budget indicates that in 2009, the City will be losing \$93,392. The part that they need to be aware of is the February forecast that will be available by March 4 and that will dictate where the City is going to be. She said they need to plan for 2010 as there will be a much larger cut, and whatever actions that can be taken now, is going to help in the future. Mayor Ferrazzano said it is good to be ready if something needs to be done. Koopman said the Department Heads are very much aware of where we are at and trying to watch their expenditures as well. Stobb stated that at the last meeting they contracted for fuel and hopefully will provide some savings and this has not been reflected in these recommendations.

Chalmers questioned if these cuts should be implemented regardless, that even if it is not that bad this year, next year there could be as much if not more. If it is not as bad as expected, this would put the City in a position to put something away this year and do not have to come back next year and make additional cuts. Koopman stated the scenario they are dealing with now is exactly the same thing dealt with in 2003. At that time it was \$150,000. It was the plan that in 2004 it was going to be more cuts and ultimately it did not come down to that.

Stobb felt if they need to find monies someplace, that they would first go to Other Financial Use fund. Koopman stated that she has not recommended any cuts in that fund as it may be needed before this is finalized. Mayor Ferrazzano asked Koopman to contact the Council immediately if there is a worse forecast. The League of Minnesota Cities and the Coalition of Greater Minnesota Cities are very good about sending out up to date information.

Motion by Chalmers, seconded by Snyder to implement changes as discussed. All voted in favor of the motion.

Nielsen stated they will be making some typo corrections to the agreement with SEH for the 2009

Terminal Building Renovations at the Tracy Municipal Airport. Motion by Stobb, seconded by Snyder to approve the proposal for \$500 with SEH for design engineering services for the 2009 Airport Improvement Program. All voted in favor of the motion.

Verdeck reported the library was quieter than normal in the month of December. January was back to normal. She stated the computer use is busy after school again and are also busy during school hours with the adults. People are filing their unemployment on line and sending out resumes and job searches. She and the Library Board developed a survey and 950 copies were sent out with the help from junior high/elementary students. A self addressed-stamped envelope was included with the survey and they have received back approximately 300. The survey asked the public how often they come to the library, why they do not use the library, what the library does well and what they could do better. The Library Board will be reviewing these surveys next week. The adult winter reading program started in January. Last Friday students from Wee World visited the library and a tour was given. Verdeck is preparing for the Second Annual Tracy Reads Program. Families donated funds for a book and this book is given out to the public at no charge with the intent they come back and participate in a group discussion. The group discussion will be held on March 29, 2009 and the author Bill Holm will be there.

Radke presented his liquor store report. His report included the profit/loss statement. The accrual accounting system seems to be working well.

Chief Hillger stated that he does not have the January activity report at this time but will answer any questions the Council may have on the December 2008 report. Chalmers stated that he had received a complaint about a dog kennel on 4<sup>th</sup> Street. The issue was that they was the cold weather we were experiencing and there was concern that the dog's water was frozen and there wasn't proper shelter. The statutes on housing for dog's is clear and is there something that can be done for the owners to provide adequate shelter for the animals. Chief Hillger stated that what he sees as the issue are the way the kennel looks in its entirety. There is nothing in the statute that says it has to look nice. They are in violation, along with about 75% to 90% of all dog houses in town, they do not have flaps over the doors. He does not know if there is bedding for the dogs. Chief Hillger stated that he has checked on the dogs and each time there was food there and hopefully they are getting enough water to survive. The breed of dog there is normally a slender dog and may look like they are undernourished, but they may not be. If having a door is enforced, everyone that owns a dog will be in trouble. Financially he hopes that they will not have to impound the animals. It cost \$22 per day/per dog to impound them. They try to recoup that amount from the dog owner, but sometimes that does not work. Chief Hillger stated that if he felt the dogs were in danger, he would have removed them from the situation and has done that in the past. Chief Hillger stated that the City of Westbrook does have an ordinance that describes how kennels need to be maintained and he feels that would be something for the building inspector and himself to enforce and may be something that can be looked at down the road. Their ordinance does address the need for a cement floor and has to comply with the building code. Koopman recommended that they consider looking at the ordinance and suggested if the City controls the building code for housing and other structures, why would you not control the building of the kennel if it is within the City. Chalmers stated this would maybe help with other issues such as barking dogs.

Robinson stated that he has spent considerable time working on budget issues as Public Works has a large part of the budget. Some different snow removal methods were tried to see if money could be saved in that department. The blowers are high maintenance and they tried pushing snow back in spots. Enderson said he received some complaints on Greenwood Avenue and he drove through there and it is not pretty. Mayor Ferrazzano stated that when asked to save money, there are going to be inconveniences that everyone is going to have to deal with. Robinson reported the utility department has had some breakdowns in the chemical feed equipment and repairs have been made. The Department has received approval from the City's insurance to proceed with the pool repair where the drain pipes were broke. They are scheduled to start the repair in mid-April and it should take less than a week to repair. Shane Daniels has passed his certified building inspectors license.

Fire Chief Johnson stated the new fire truck is on schedule for delivery on April 28. He did have an equipment vendor contact him and his company had some serious interest in the trucks the City would have for sale. Koopman said they could solicit for bids and advertise. The department will

be having their annual rural fire contract meeting this Thursday evening at 7:00 p.m. Some of the members of the department are attending an alternative fuels training dealing with the chemicals that are shipped by the railroad. There will be an arson training in the area coming up. The multiple pipe line and gas company in the City is doing training for the department this month. Johnson reported there are two openings on the fire department with applications sitting there. They currently have three members that are participating in Firefighter 1 and Firefighter 2 training, one is also in the process of his first responder training and one has just completed his EMT training. The multi-gas detector broke the other day and was sent in for repairs at a cost of \$487 and \$489 for a new one. The new one was delivered to the department today and is up and running. The department voted to use the money from the raffle at the chili feed, for the purchase of a washing machine for the turn out gear. Washing the gear once a year and anytime that it is excessively dirty gives it another five years of use. There were problems with drying the gear after fires and the lockers were plywood. At a work drill in January they got rid of these lockers and lined with metal and the fan can be set up to dry 18 sets of gear. Johnson stated that the cuts that were made in the budget for the department can live without and if there is money available at the end of the year, still need to be looked into.

Koopman reported in December she certified the levy to the County Auditor along with other supporting documents only to find out that the City would be losing a substantial amount of their LGA. Her efforts have been focused on the state of the City's finances and has spent a considerable amount of time analyzing each departments budget line by line to determine where cuts can be made without severely impacting the City's ability to provide necessary services. Koopman also attended three Council meetings during the months of December and January, Planning Commission meeting, two meetings with the City's engineers, prepared for and conducted council orientation for the newly elected officials, three Hospital Advisory Board meetings, met with the City Crew, attended three webinar conferences conducted by the League, sat in on two performance evaluations, meet with department heads and met with the City Attorney and Building Inspector on maintenance code enforcement.

Motion by Stobb, seconded by Snyder to adopt a resolution approving change in pledged securities. All voted in favor of the motion. (Res. No. 2009-3)

The Consent Calendar includes the Monthly Financial Report, Motor Vehicle Annual Transaction Comparison, Hospital Advisory Board minutes for December 17, 2008 and January 6, 2009 and Municipal Accounts Payable.

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

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
047085	DeSmet Weldors	\$ 49.40	Peterson asked if this was for the E-bay frost tooth or if another one was purchased. Koopman stated this is a frost tooth that was purchased from Art Peterson for \$100.
047114	Lavoy's Repair	\$ 639.00	Peterson asked what type of additive does a repair shop sell? Robinson stated this was for calcium Chloride and Lavoy's Repair had the lowest quote. They had previously purchased this from Midwest Supply
47177	Banyon Data Systems	\$ 633.68	Peterson asked if this is for the radio read meters and if this is an annual cost. Koopman stated this is a purchase made for the accrual accounting system to work. It transfers utility bill payments over to

the fund accounting system on a receivable basis instead of a cash basis. It is NOT an annual cost, it is a one time fee to purchase the module.

047087 Mills & Miller, Inc. \$ 1,824.08  
 047210 \$ 1,657.50

Peterson asked if these two checks cover the cost of salt for the entire year or can more be expected. Robinson stated the price of salt has been going up and if we get more ice they will have to order more.

047217 Newman Signs \$ 69.99

Peterson asked what signs were purchased. Robinson stated this was for a street sign for Otis Court/Craig Ave. intersection that a truck hit and the cost has been billed to the person who hit the sign.

Aquatic Center Operation \$ 1,014.77

Peterson questioned why they waited until 2009 to pay an instructor? Also why did this wait until 2009 to pay for all the test balls used back in Oct and if they would be put on the insurance claim. Peterson also asked why there is still a phone line connected during the off season. He asked if the cost for turn on/off vs. six months of the phone not being used. Robinson stated the pool people are telling them to purchase some test balls to put in and test the pipes for leaks. The test balls will be an annual installation, therefore will not be on the insurance claim. Koopman said the phone service has been “put on vacation” during that time so the pool can keep the same phone number from year to year. \$20 per month is the vacation rate. Koopman said the water instructor had billed us but somehow it did not get paid and she billed us again. It does come out of the 2008 expenditures with the accrual accounting system that the City has.

Peterson states that he does like the e-mail format for the Accounts Payable. Peterson recommended that if there is anything they can do with e-mail it should be done that way. The other Council members agreed with this procedure. Motion by Peterson, seconded by Stobb to approve the Consent Calendar. All voted in favor of the motion.

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

ATTEST:

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City Administrator

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Mayor

**FEBRUARY 17, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 17, 2009 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.

Chalmers asked for a correction to the minutes on page 16, paragraph 4 to delete the sentence; The plan was to replace this vehicle, but that has also been cut. He asked that a correction be made on page 18, paragraph 4 (deletions shown by ~~strikeout~~, corrections by underline); ~~Chief Hillger~~ Koopman stated that the City of Westbrook does have an ordinance that describes how kennels need to be maintained and he feels that would be something for the building inspector and himself to enforce. Motion by Stobb, seconded by Chalmers to approve the minutes as amended. All voted in favor of the motion.

Additions to the agenda include: 4-D. Acquisition of Uninhabitable Building and 9-B Declining Council Pay. Motion by Peterson, seconded by Stobb to approve the agenda as presented. All voted in favor of the motion.

Steve Robinson from SEH was present to request authorization to install flow meters for I&I Study. About one year they started as part of the wastewater improvement project at the MPCA's direction to identify where the I&I is so that it can be eliminated prior to doing wastewater pond improvements. Meter readings were taken last year and mixed results were obtained due to low rainfall and snow melt. The meters were pulled as they are on a monthly rental basis in mid summer. The Council questioned how many more times did the metering have to be done. The meter rental is about \$25,000 to \$35,000 a season. The Council was questioning if they did another round of metering and still get mixed results, would the MPCA continue to request the City to engage in more rounds of metering. Robinson spoke with the MPCA in November 2008 and then again last week. They would like the City to do one more round of metering and that would be the end of it and they will work with the results obtained after this final round of metering. The MPCA will not come back and request to continue with the metering. Robinson stated the cost for the nine meters rentals would be \$6,300 per month for the nine meters and for six months it would cost \$37,800. If they could be pulled after four months it would be at a cost of \$25,200. SEH is requesting authorization to reinstall the meters and if approved, the meters are reserved so that they are ready to be installed as soon as possible. It is getting to be the critical time when the metering process will need to begin. Peterson asked what the total amount of meters was when they were pulled out last time. Robinson stated the original proposal was for five meters and then four more were added and this proposal is to put the nine back in. Peterson asked where the money would come from for this. Koopman said the money would come from the Utilities. Stobb asked that it be placed in the minutes that the MPCA did state that this would be the last time. S. Robinson stated that Nathan Growe of the MPCA, Marshall office has told him on two separate occasions that one more time would be what they would request. Stobb asked who would make the determination as to when the meters could be removed. S. Robinson stated that SEH would make that decision in conjunction with MPCA. If they obtain good flow results in the early part of metering, they will be removed as soon as possible. If there is a modest spring for groundwater flow, they may be kept in through the rainy part of the summer. Motion by Martin, seconded by Stobb to authorize the six month rental of nine meters for the I&I study. All voted in favor of the motion.

Cookie Cooreman requested on behalf of the Chamber of Commerce Board of Directors and the Prairie Women's Expo Committee for the Council to consider waiving the fee of \$500 for use of the VMC for the expo. She stated that both organizations really feel it is a cooperative effort between the Chamber of Commerce and the City Council as they have the same interests in mind. Both want to support the businesses in the City and want to support the EDA to bring new businesses and residents to the City. Cooreman stated the Chamber will come in and set up the tables and chairs, they will take them down and put them away, sweep the floor, and tidy up the bathroom. The Prairie Women's Expo was started three years ago as an effort to bring people into town when the Sportsman Show was moved to the high school. As of this morning there are 25 confirmed exhibitors, 10 are first time exhibitors. Motion by Peterson, seconded by Stobb to waive the fee of \$500 for use of the VMC for the Prairie Women's Expo. All voted in favor of the motion.

Jan Arvizu stated that for many years she has winterized her horses at the Central Livestock Building

in Tracy before moving them to pasture in May. She has requested a one time, two month extension of their stay at Central Livestock once the City gains full possession of the facility. She would pay the City \$65 per month and clean the pens by May 15<sup>th</sup>, 2009 after moving the horses out. Motion by Stobb, seconded by Snyder to allow Arvizu to keep her horses at the Central Livestock property for an extension of two months at a cost of \$65 per month. All voted in favor of the motion.

Gervais told the Council that at the Tracy EDA meeting on February 6, 2009 a motion was made, seconded and passed to purchase the tax forfeited property at 641 Greenwood Avenue and to ask the Tracy City Council to waive/forgive the \$903.48 in special assessments against the property. The majority of that is for the street project that was completed a number of years ago and a small portion may have been to board the property up within the past couple years. Gervais stated the plan was to purchase this property and the assessments are not due tomorrow. If the City chooses to recertify the assessments on that property, it would then have to be paid when they come due. Gervais stated there are some CDBG funds available to raze these properties and clear them. Peterson suggested that if they can purchase the property without waiving it, they wait and see if they can collect it in the future from someone. Stobb stated that he feels they should waive the fees, but not forgive them at this time. Motion by Stobb, seconded by Peterson to waive the special assessment fees of \$903.48 at this time. All voted in favor of the motion.

Peterson stated the proposed retirement package is taken from the Union contract and Employee Handbook.

“Any City employee who has completed five (5) continuous years of service with the City shall, upon death, retirement or voluntary termination of employment in good standing prior to the normal retirement date, receive reimbursement in an amount equal to 33-1/3% of all accumulated sick leave to be paid at current rates of pay. An employee who qualifies for retirement (i.e. PERA, Social Security, and disability shall receive 40% of all accumulated sick leave to be paid at current rates of pay.) Reimbursement for unused sick leave shall not be granted to any City employee who is discharged or terminated for cause.”

“Regular, full-time employees who retire or terminate their employment in good standing with a minimum of two (2) weeks’ advance written notice shall receive severance pay in accordance with the following schedule:

Upon completion of ten (10) years of continuous service:  
25% of the employee’s monthly base pay.

Upon completion of fifteen (15) years of continuous service:  
50% of the employee’s monthly base pay.

Upon completion of twenty (20) years of continuous service:  
100% of the employee’s monthly base pay.

Upon completion of each successive year of service after twenty (20) years:  
3% per year to a maximum of 150% of the employee’s monthly base pay.”

In addition to the above, the city is also offering payment of the City’s portion of the health insurance premium until December 31, 2009. All unused vacation and comp time will be paid at the time of termination. Stobb asked how many employees would be eligible for this proposed package. Koopman stated that this offer will be presented to all employees and they may choose to accept it or not accept it. Stobb asked what the rationale for the March 6 deadline is. Peterson states it falls in line with Council meeting dates and gives the City an opportunity to incorporate this into the budget for the remainder of the year. Stobb feels this may be a big decision for an employee to make in 2 ½ weeks. Martin stated maybe it could be changed to April 6, 2009. Peterson felt this defeats the purpose of trying to save some money. He feels if there is anyone that is considering the proposal, is ready for retirement anyway. If not, he feels that two weeks times is sufficient for them to make a decision. Koopman stated if this is approved tonight, there will be a meeting for the employees tomorrow to present it to them. The employees will be provided with information outlining the total dollars available to them if they chose to accept this offer. Motion by Martin,

seconded by Peterson to approve the proposed retirement package with March 6, 2009 at which time the payment of health insurance premium will be withdrawn. Stobb asked if any of the department heads have made any indication of what the employees may be choosing to do. Koopman stated that the department heads do not know anymore than what anyone else does. Stobb feels that maybe no one would take it, but if they were to lose ¾ of a department it would make it difficult. Koopman stated there may be some positions that may not have to be filled right away or not at all. There are some positions that will have to be filled right away, depending on what that position is. Stobb said they will probably lose the employees with the most experience and knowledge about the positions. Peterson states that is a normal process of retirement. Chalmers does not feel there is going to be a huge rush for people to retire; this is an additional incentive for people who are teetering on the brink of that decision anyway. He feels it is better to have employees to leave of their own choosing rather than come back and deciding that people will have to be let go that did not want to. These positions that need to be filled would be done with someone starting at a lower compensation level. Money will be saved overall. All voted in favor of the previous motion.

Motion by Stobb, seconded by Snyder to adopt a resolution closing the 1996 Improvement Bond Fund and transferring the balance of \$37,778.95 and future assessments to the 2002 Improvement Bond Fund. All voted in favor of the motion. (Res. No. 2009-4)

Motion by Snyder, seconded by Chalmers to adopt a resolution closing the 1998 Improvement Bond Fund and transferring the remaining balance of \$32,195.20 and future assessments to the 2002 Improvement Bond Fund. All voted in favor of the motion. (Res. No. 2009-5)

Motion by Snyder, seconded by Peterson to adopt a resolution closing the Water Revenue Refunding Bonds and creating 2008 Refunding bonds Fund and authorize the transfer of the remaining balance of \$222,346.03 into the newly created 2008 Refunding Bonds Fund. All voted in favor of the motion. (Res. No. 2009-6)

The Consent Calendar includes the Firemen’s Relief Association minutes for January 5, 2009, Monthly Financial Report and Receipts for January and Municipal Accounts Payable.

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

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Description</u>
047278	United Laboratories	\$345.74	Peterson asked if this was soap for the floor scrubber or what. <b><i>Koopman stated this is for floor wax for all city buildings that have this type of floor.</i></b>
047324	City of Tracy Payroll	\$1,936.16	Peterson asked if the City should be paying this out with the budget the way it is. <b><i>Koopman stated this is in the union contract so needs to be paid out.</i></b>
047325	City of Winsted	\$ 12.00	Peterson asked what this was for. <b><i>Koopman stated that she had requested that David Spencer attend a regional league meeting on the regional safety committee to find out what the City needs to do for this.</i></b>
Unpaid	CHS, Inc.	\$4,311.40	Peterson asked if this reflects the new contract fuel prices? <b><i>This is from billing period 12/20/08 to 1/28/2009. A final billing will be received in the future for this old</i></b>

*contract.*

Unpaid	Robert Gervais	\$	<p>5.00 Peterson asked how a Clean Energy Seminar benefits the tax payer and how this helps with development of the local economy.</p> <p><b><i>Gervais explained the Clean Energy Resource Team is an advocacy Group to promote renewable energy (solar, bio, wind, etc.) The EDA Thought the conference would be more on the development of alternative energies and it was more on the advocacy to promote the development and utilization of renewable clean energy. Gervais stated it is obvious that if we can attract an industry in clean energy Tracy, (bio, solar, wind, etc.) this will positively benefit the taxpayers. He feels that anybody can look at All the windmills, wind farms, etc. in the area and see opportunities to be captured in development, construction and maintenance.</i></b></p>
Unpaid	SEH	\$4,418.82	<p>Peterson questioned if this was for the 2<sup>nd</sup> and 8<sup>th</sup> Street work.</p> <p><b><i>This is for the 2009 Street Improvement broke down as follows</i></b></p> <p><b><i>Task 1 – preliminary survey/data Collection – 2.6 hr personnel = \$324.35</i></b></p> <p><b><i>Task 2 – final design/bidding Documents – 24.6 hr personnel = \$2,511.75</i></b></p> <p><b><i>Task 3 – Preliminary/final Assessment – 17 hrs. personnel = \$1,582.72.</i></b></p> <p>Peterson asked with the new metered light, how it was doing so far with budget on the new lights?</p> <p><b><i>Koopman stated that she did not have an answer at this time. She will get in touch with Mary Thone to find out why the City is still being billed for the old system, even though they have received a credit for the old system. She will hopefully be able to provide an answer for the next meeting.</i></b></p>

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

Refer 30368 – Donation from Tracy Nursing Home to Senior Center and Library. \$8,838.59  
***This is a donation received in 2009 from the Tracy Nursing Home.***

Refer 30396 – Reimbursement for Engineer's error - \$2,900.00. Peterson asked what error this was.

***Koopman explained this is in relation to the South 4<sup>th</sup> Street storm sewer concerning the fiber optics in that area. The engineers stated they would assume that responsibility.***

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

Koopman explained the Capital Improvement Budget is a plan to identify the needs of the City for a five (5) year period. Martin asked if the \$5 million is the estimate of cost for wastewater project. R. Robinson stated it is and there are different scenarios we can consider. After the I&I studies are completed, they will have a better idea of how much water goes out to the ponds and how some of the water can be eliminated from going in the sanitary sewer system. The I&I study is key to how many acres of pond that will need to be constructed. Chalmers asked if the thought here was to build completely new ponds. R. Robinson stated the problem with the pond system, is the secondary ponds have to be half the size of the primary ponds and the present ones were designed in 1967 do not meet this criteria. The secondary ponds are way too small. It is difficult to stay in compliance and there is not sufficient room there to make the secondary ponds bigger. R. Robinson stated there are different thoughts for the construction of the pond system. The existing ponds could be used as an equalization basin. Other problems are the Mn River Basin has changed the discharge window and the existing ponds will not work well. Chalmers asked if this is something that can be delayed for three (3) years. R. Robinson explained that it will take at least three years to complete the I&I study and get the design approved, etc. MPCA needs to approve any plans. Snyder stated that since the City is working towards a solution, they will not come in and demand that it be done immediately. R. Robinson said it is important to keep moving forward with this project.

Motion by Snyder, second by Peterson to approve the Capital Improvements Budget. All voted in favor of the motion.

Peterson contacted the League of Mn Cities and received a copy of the Statute 415.11. He feels there is nothing making it illegal for him not to accept his Council compensation fee. Peterson has gone to the bank and revoked his authorization for the direct deposit. He will sign whatever the City requires to take the burden off the City. Peterson refuses any payment for the remainder of his term. Koopman stated that she understood the League to say that he needed to accept it. Peterson said they recommended the easy way to do it would be to accept it, pay the taxes and give it back. The statute determines setting the pay, who can set the pay and how it can be set. It also states that if it is changed, you have to wait until after the next succeeding election before it goes into effect. Mayor Ferrazzano said you should be able to do what you want with your own salary, but if they say you have to get paid and then donate it back to the City, even though Peterson states it is ridiculous, it should be done. Peterson is willing to take his chances with the government. Mayor Ferrazzano suggested to have Nielsen look at it and see if what Peterson proposed is allowable and if not, it will have to be revisited for him to accept the pay and then donate it back. Koopman will have Nielsen review this.

Koopman stated the garbage contract expires in June 2009. It was bid the last time and had a number of individuals interested in it. Koopman needs direction from the Council if they want to bid it or negotiate with the present provider. Stobb stated that he has been satisfied with the service provided by Southwest Sanitation. He stated on his years of being on the City Council, there has not been a more contentious issue, than garbage collection. For that reason he feels that it should be put out for bids. Snyder agrees that it should be put out for bids. Koopman stated the last time was the first time that it was ever bid. Chalmers stated that putting it out for bids gives everyone a chance to vie for the business and it cannot be stated that anyone is playing favorites, etc. The Council agreed by consensus to put the garbage contract out for bids.

Koopman explained the lease for land on the Central Livestock property was a one year lease between the City and the FFA. It consists of 18.74 acres and works well for the FFA. Stobb stated the EDA was going to seed a portion for building lots, and assume that part of the acreage would be excluded from the lease. Motion by Martin, seconded by Enderson to lease the 18.74 acres at a cost of \$120 per acre to the Tracy FFA. All voted in favor of the motion.

Mayor Ferrazzano read a note from the Tracy Comets 4-H Club.

“Tracy Comets 4-H club would like to take care of the flower bed located at Hwy 14 and Center Street. This will be our community Pride Project.”

Thank You

Tammy Horner, 4-H Club leader

Koopman stated that would be fantastic and if there are any other organizations that would like to do something similar to this, it would be greatly appreciated.

Motion by Peterson, seconded by Chalmers to close the regular meeting at 7:15 p.m. to discuss union negotiations. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**March 9, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 9, 2009 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.

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

An addition to the agenda was 5B-1 Building Inspector appointment. Motion by Peterson, seconded by Chalmers to approve the agenda as revised. All voted in favor of the motion.

Dan Ritter from Southwest Sanitation presented a letter in regards to a proposal to negotiate an extension of contract for residential garbage collection in Tracy.

3/06/09

Mayor & City Council for the City of Tracy:

I am writing this letter today in reflection of a news article in the Headlight Herald dated 2/18/09 with headlines, "Tracy to Seek New Garbage Bids."

In March of 2006 Southwest Sanitation responded to the City's RFP in good faith and was awarded the contract for residential only service. In the RFP on page 2 of 11 (see attached) **Evaluation of Contract** (The City intends to award the solid waste collection contract to the Hauler that the City believes to be the best for the City of Tracy, when considering the entire proposal submitted by the applicant.) Does the Council still feel that way today? Term of contract 3 years, there may be an indefinite extension. The word indefinite should have been left out, it is an unknown, but I would have hoped and thought that the Council would have wanted to visit this or have a conversation on it, can we?

Also, on page 7 of 11 (see attached) **Extension of Contract** - The city will consider extending the Contract if both parties can negotiate acceptable terms. Otherwise the City will seek an RFP. I firmly believe that since the Council opened up the hauling for commercial service in Tracy and also special cleanup service's, the Council doesn't hear from its people today the comments they heard like before in the past.

I would like the opportunity to meet with the Council March 9<sup>th</sup> and also answer any questions you may have. Also, I would like to give the Council some insight on the things we do for the town and City that you may not be aware of:

1<sup>st</sup> month of service to residents July 2006 was at No Charge, was in our proposal at a value of \$9500.

All services provided to City facilities, parks, etc. done at No Charge which was in our proposal. The City paid contractor prior to us \$500 per month.

All churches using curbside cart service provided at No Charge. This is not in our contract but something we brought forward as goodwill.

Box Car Days trash service provided everyday of festival at No Charge. We do charge for toilet service provided. We brought this forward on our own as goodwill.

We donate annually \$100 to the Fire Department. We do this for all 16 towns we have contracts with no matter the size.

Southwest Sanitation receives a monthly bill from the City for doing the billing. We pay you \$.10 per home monthly which is about \$70-\$80. this was not part of the Contract, but I will explain this if you are interested in how this came about.

Member of Tracy Chamber of Commerce.

We were asked by EDA for some incentives that we might be able to help with. Our response was yes, we agreed to help. I can explain this better in person if you are interested in the details.

We provide cart service at No Charge to the local Animal/Foster Facility.

Thank you for your time:

Thanks,

Dan Ritter

Scott Ritter

Stobb said that he has been very satisfied with the service provided by Southwest Sanitation and but had also suggested that the Council open the contract for bids. He feels the City has been getting a good deal for three (3) years and they owe it to them to discuss a contract before putting it out for bids. D. Ritter would like a six (6) year extension of the contract with the City and there would be no changes to the contract. This would give the residents nine (9) years of consistent garbage hauling charges. At the end of the six (6) years they could meet and discuss this again. D. Ritter would like that verbiage put into the contract.

Motion by Chalmers, seconded by Martin to enter into a six (6) year contract with Southwest Sanitation for garbage hauling and add a provision that the contract could be extended further. All voted in favor of the motion.

Rick Nordahl, CEO of Sanford Tracy Medical Center was present to answer any questions by the Council about the addition project and to ask for the City's approval of changes to its lease agreement. The plan includes addition of five (5) examination rooms, a cardiac rehabilitation room and space for visiting cardiac specialists. The project would also allow patients to enter the hospital and clinic through one central area. The facility planners and architects believe the plan is good. Nordahl said it would be the City's responsibility to go forward with raising funds for the project. He indicated he has met with the Foundation Board and Hospital Board and they have indicated they will help in any way they can. The Foundation Board has recently pledged \$50,000 toward the addition project. Mayor Ferrazzano stated that one concern is what would happen if the Council signed the amendment and then the project does not move forward. Nordahl stated what is needed now from the City is a commitment to the \$1.5 million to get the project initiated. Nordahl stated that Sanford is committed to getting the project going and the signed agreement is not needed until the project is in the works and in order to continue the progression they need to know that the City is committed to putting in the \$1.5. The way it is funded is up to the City. The \$1.5 million is estimated for this part of the project and the other \$500,000 is an estimate on some HVAC work that needs to be done and they have applied for a grant through the State of Mn. Department of Health for \$125,000 to help off set the costs. The original letter of intent was sent in November 2008 and in January a response was received that Sanford had met the criteria and were asked to submit their final application. That has been done and they should receive a decision by mid-April. Chalmers asked if any projections on what the turn around period on the investment would be. Nordahl stated they had gone through a whole perform and Koopman does have a copy of that. The way the projections were calculated in order to fund the project, they knew the current lease structure would not be able to sustain us operationally. They then came up with \$136,000 lease payment and that would be able to sustain the operation with the addition. Nordahl said the hospital operates between a 1% and 3% margin and there is not an anticipation that it will grow, it will sustain. Nordahl stated they do hope to add services with the layout but with the costs that go with it, he did not feel that they would grow their profit margin. Motion by Snyder, seconded by Martin to commit to funding the \$1.5 million project. Stobb asked if there were any permits that the state needed to provide and if that is in the works. Nordahl stated the architects work through that process with us and they go to the state with building plans. Peterson asked how this was going to be financed. Koopman said there is not a complete answer yet and what she needs is the commitment from the City to ensure that the \$136,000 is the figure to work with along with the 20%. They will explore funding options such as USDA and the money held in trust and the improvement fund. She has also talked with Todd

Haugen at Ehlers about financing. After this discussion all voted in favor of the motion to commit to the project.

Nielsen presented information regarding the ability of a City Council member to decline to take a salary. Minn. Stats. §415.11 states that “no change in salary shall take effect until after the next succeeding municipal election.” This quoted material does not allow for any change until the appropriate time period has gone by, and therefore, the salary must be paid. Nielsen stated that the obvious solution is for the salary to be paid, leaving the council members receiving same to decide if he wishes to donate all or part of it back to the City. This would put the City in compliance with the statute and leaves the council member to deal with the remaining ramifications. Peterson indicated that he would be contacting legislators and feels this is an individual’s choice if he wants to donate labor and time and the State should not be able to tell him that he has to accept a paycheck.

Koopman stated the Cemetery Commission has reviewed the Cemetery Superintendent’s contract and there is no change in compensation and no change in verbiage other than the dates. Koopman stated the Cemetery Commission only meets as needed as they were meeting every month and the meetings would last about ten minutes and it was disrupting individual’s time. Mayor Ferrazzano questioned if all Council members had received a letter from Thad Lessman. Koopman stated that she had not received this letter. Mayor Ferrazzano said he was bringing that up because he does not know if they want to go ahead with ratifying any contracts until they figure out issues stated by Lessman. Snyder asked if the Superintendent position could be opened for bids and maybe somebody take the responsibilities of both the Superintendent position and the Groundskeeper position. Koopman said in the letter Lessman is referencing his contract which does not come up for consideration until April and they will be looking at some options there. Mayor Ferrazzano thought that from the sound of Lessman’s letter that the Cemetery Commission had already talked about it and were cutting some of his services. Koopman stated that when she presented budget cuts to the Council she did have a \$1,000 reduction in the Cemetery budget and they were not going to mow that one section where there are no monuments and hopefully that would reduce the costs by \$1,000. The only thing that was discussed at the Cemetery Commission meeting was that they would be meeting with Lessman to try to work out an arrangement that would be acceptable before his contract came up for renewal. The Superintendent contract expired in February 2009. Peterson feels there are a lot of overlapping responsibilities with the Superintendent and Groundskeeper and a lot of money. Peterson said that based on his letter, Lessman gets hit with a cut but the Superintendent does not and all the other departments took a 10% reduction. Koopman said they did try having one contract and that really did not work in the three to four years that they tried it. At that time the Commission agreed that there are two different areas. The mowing and maintenance is one part and there is a part where that person is responsible for the record keeping, recording documents, locating graves, etc., they need to have someone overseeing the work as well. Peterson asked if the overseeing is the responsibility of the Cemetery Commission, and it does not say that they have to hire two different people. Mayor Ferrazzano asked that they could get minutes from the last meeting and table this until the next meeting. Snyder would like to see another proposal also and would like to see ideas that Lessman may have. Mayor asked Koopman to meet with Lessman before the next Council meeting. Koopman feels the Cemetery Commission needs to be involved in this as well. Stobb stated that a Groundskeeper can do his work at several cemeteries, but a Superintendent should just be responsible for one cemetery and they need to be pretty much on call for that cemetery when they are needed. He feels this would cause a problem with one person filling both positions.

Matt Maes with Waste Management, the recycling vendor for the county explained the new recycling service. The changes included cart service that will be conducted every other week compared to the weekly service that is currently being offered. It will include the same style of service which is single stream or single sort. The materials do not need to be separated and can go in the same bin. The preferred size cart the county has purchased is 64 gallons which is what most of the residents are using for trash. The county did elect to purchase 35 gallon containers for some of the residents that would need that size. Once the carts are delivered, if there are any cart changes, they can contact the county office. There will be information sent with the all the carts, including a recycling calendar due to routing changes and routing with different communities, they will be on different weeks. Once the routing has been determined, the proper calendar will be put in with the

cart. Maes stated they will work with the City staff so that they are aware if the city will be a green week or a gold week. The county telephone number will be provided to the residents so they can call the county with any questions. The residents will receive information on preparation of the materials and the only paper that needs to be bagged separately is the shredded paper. Maes stated the county is anticipating delivery of the carts between April 1<sup>st</sup> and 15<sup>th</sup>. The carts will be green with gold lids and on top of the carts it will talk about materials that are acceptable for recycling. Maes extended a thank you for allowing them to store the carts at the airport and this was helpful for when the county comes to deliver the carts. Mayor asked if it was correct that they will have pick up twice a month and even though they have a green week, that is not the only week we get pick up and they could have two green weeks a month. Maes said this is correct. The goal is that the recycling pick up will be the same day as the garbage pick up.

Koopman stated the retirement offer approved by the Council on February 17, 2009 was presented to the employees on February 18, 2009. Gary Garrels has agreed to accept the offer given to him and will be retiring as of April 1, 2009. Koopman had listed him as receiving family coverage when in fact he only receives single coverage. Family coverage for 10 months was listed at \$11,347 and single coverage is \$3,670 with a difference of \$7,677. Even though there is a sizeable difference, Koopman recommends that family coverage be included in the total package for Gary. Motion by Peterson, seconded by Martin to accept Gary Garrel's retirement offer and let him choose which insurance package he would like and also accept his retirement. All voted in favor of the motion.

Koopman stated that since Garrels will be retiring, Shane Daniels has met the requirements to be certified as a building inspector. The state will be notified of any changes to the status of this position. Motion by Snyder, seconded by Peterson to appoint Shane Daniels as the Building Inspector for the City of Tracy. All voted in favor of the motion.

Motion by Stobb, seconded by Enderson to approve a request for a license to conduct a circus from the Tracy Women of Today. All voted in favor of the motion.

Motion by Chalmers, seconded by Peterson to approve a request from the Tracy Eagles Club for renewal of a permit to operate as a Private Bottle Club contingent on completed paperwork and fees paid. All voted in favor of the motion.

Motion by Snyder, seconded by Enderson to approve a request from the Tracy Lanes for renewal of a permit for sale of Set-Ups contingent on completion of paperwork and fees paid. All voted in favor of the motion.

Motion by Chalmers, seconded by Snyder to approve a request from E.T. Heating & Cooling for a plumber's license contingent on completion of paperwork and fees paid. All voted in favor of the motion.

A request was made by Carol Flesner for a special Use Permit to use a portion of the Mediterranean Club building for a Thrift Store. Stobb stated the Planning Commission had reviewed the request and found no contradictions in granting this request. Motion by Snyder, seconded by Peterson to approve a Special Use Permit to use a portion of the Mediterranean Club for a Thrift Store. All voted in favor of the motion.

The following Board and Commission appointments were approved:

Motion by Chalmers, seconded by Stobb to appoint Rhonda Fredericks to the Planning Commission for a term to expire in 2013. All voted in favor of the motion.

Motion by Peterson, seconded by Snyder to appoint Willis Wendland as the Balaton representative to the Hospital Community Board for a term to expire in 2012. One vacancy remains for a Walnut Grove representative. All voted in favor of the motion.

Motion by Stobb, seconded by Snyder to appoint Linda Witt to the Library Board for a term to expire in 2012. Once vacancy remains. All voted in favor of the motion.

Motion by Stobb, seconded by Peterson to appoint Marlene Buck to the Cemetery Commission for a term to expire in 2014. All voted in favor of the motion.

Three vacancies remain on the Multi-Purpose Center Board for one term to expire in 2010 and two terms to expire in 2012.

One vacancy remains on the Police Commission for one term to expire in 2012.

Motion by Martin, seconded by Chalmers to appoint Marjorie Robinson to the H.R.A. Board for a term to expire in 2010. All voted in favor of the motion.

One vacancy remains on the E.D.A. Board for a term to expire in 2014.

The Consent Calendar includes the Firemen's Relief Association Minutes for February 2, 2009, Hospital Advisory Board minutes for January 21, 2009, Municipal Accounts Payable and Planning Commission minutes for March 2, 2009.

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

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Description</u>
47346	Dakota Supply Group	\$ 1,029.73	Peterson thought they had agreed not to purchase any more meters. <b><i>Robinson stated they had agreed to purchase meters a box (6) at a time as needed. He stated that he and Al had inadvertently each ordered a box and they will try to return one box as they have 1 ½ boxes on hand.</i></b>
47501	Dakota Supply Group	\$ 1,048.78	
47368	Marshall Radio	\$ 247.50	Peterson asked if the Chamber also Contributed. <b><i>The total was \$495 and the Chamber also paid \$247.50.</i></b>
47401	Robert Gervais	\$ 938.95	Peterson asked what property and why it was done this way. <b><i>Koopman stated that Robert had the credit card to pay for the properties at 641 Greenwood Ave. and 174 South St. but the credit card was not accepted for this so he wrote a personal check and the City reimbursed him.</i></b>
47443	Western Comm. Action	\$ 2,300.00	Peterson asked why this was not paid in the year of the survey. <b><i>Koopman said they had never billed us.</i></b>
47647	Mn Dept. of Labor	\$ 50.00	Peterson questioned why Gary was going to this seminar when Shane was also going. <b><i>Koopman stated this was scheduled before Gary retired and they both needed to go to keep up their licenses. The City will be requesting a refund since now Gary</i></b>

*will not be attending.*

47551	USBank	\$ 1,062.50	Peterson asked how often we need to pay bond administration fees? <b><i>Koopman said this is paid each time a bond payment is made.</i></b>
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Motion by Peterson, seconded by Chalmers to approve the Consent Calendar. All voted in favor of the motion.

Koopman asked the Council if they would be interested in receiving the whole council packet through e-mail or continue as they are doing now. Stobb suggested that the next packet be done both ways and then decide at the next meeting which way would work the best.

Mayor Ferrazzano asked if the residents that received nuisance notifications last year are now in compliance. Koopman said it is the responsibility of the Police Chief to go back and check that they are in compliance. She said she would discuss this with Chief Hillger and have him report to the Council and the next meeting.

Motion by Enderson, 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

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 23, 2009 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.

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

Additions to the agenda included 4-C Public Works Position and 10-A1 City Council Size. Motion by Chalmers, seconded by Snyder to approve the agenda as revised. All voted in favor of the motion.

Koopman reported that she along with the Public Works Director and consulting engineer S. Robinson met with the Lyon County Engineer Suhail Kanwar, Phil Nelson, County Commissioner and Steve Johnson, Assistant County Engineer to discuss the settlement of the trench on 8<sup>th</sup> Street. The trench was caused by constructing a storm sewer in 1998 and over the past 10 years the trench has settled an average of four (4) inches. Normally Lyon County would fill the trench with bituminous back to the original grade. Since the City will be regarding Eighth Street, it would not be feasible to place the bituminous and then have to remove it again when the regrading starts. Lyon County has determined the cost to repair the trench will be \$20,670. Lyon County would pay this amount with no further money contributions on this street. Lyon County will make this payment when the regrading and resurfacing is complete. Koopman said they had requested Lyon County to pay \$60,000 to \$80,000 but feels that the \$20,670 is the most Lyon County is willing to pay. Stobb asked if this amount received from the County would be used to reduce the assessments for the residents on 8<sup>th</sup> Street. Koopman said the assessments would be reduced. Motion by Stobb, seconded by Snyder to accept the sum of \$20,670 from Lyon County for the repair of the trench on 8<sup>th</sup> Street and agreed to not make additional monetary claim on this street. All voted in favor of the motion.

Motion by Stobb, seconded by Chalmers to appoint Chad Buysse to the Economic Development Authority for one term to expire in 2014. All voted in favor of the motion

Motion by Chalmers, seconded by Peterson to appoint Thad Lessman to the Police Commission for one term to expire in 2012. All voted in favor of the motion.

R. Robinson made a recommendation to the Council to advertise for one labor position to start as soon as possible and two part time temporary positions with one to start in mid-April and one in early May. At this time the Public Works Department is short two staff members. In future years there would be a substantial savings operating with one less full time person and filling in the busy times with part time help and having part time help available as needed in the winter months for snow plowing. Robinson explained there is approximately \$53,011 left in the 2009 wages budget after the retirement of Garrels and Schroeder’s resignation. Robinson stated the plan would be to hire a new Public Works laborer at \$12.53/hr for the nine months remaining in 2009. Including the benefit package, this would add up to \$30,673. Robinson would also like to reinstate the \$13,750 for 2009 part time help that was previously deleted from the 2009 budget last February. They could then hire two people on an as need basis for snow removal in the fall of 2009 at an estimated cost of \$1,500.

Remaining funds	\$53,011.00
New Hire Full Time with Benefits	- \$30,673.00
Reinstated Part Time Wages	- \$13,750.00
2009 Part Time Snow Help	- <u>\$ 1,500.00</u>

**Remaining 2009 Wages Budget     \$ 7,088.00**

Robinson explained that spring is a busy time with pool preparations and the start of mowing. It takes two part time staff to run mowers. If there is no part time staff, the mowing may not get done and the pool would not be ready to open. Peterson stated that getting behind with the mowing was discussed before. Motion by Peterson, seconded by Stobb to advertise for one full time labor

position. All voted in favor of the motion.

Motion by Snyder, seconded by Enderson to reinstate \$13,750 in part time wages for two temporary positions. Upon roll call the following vote was recorded by Mayor Ferrazzano, Martin, Enderson, Chalmers, Snyder and Stobb voting aye and Peterson voting nay. Motion carried.

Radke reported the Profit/Loss statement for the Liquor Store showed a profit for February 2009 of \$706.13. Radke reported that in March the liquor liability insurance was due and the premiums were down about \$2,000. Radke also received a letter from Charter cable stating that the cable rate would be increasing from \$61.00 per month to \$211.00 per month. The liquor store will be switching to Knology with rates of \$86.00 to \$97.00 per month for the same type of service. Radke indicated that if anyone had any questions regarding this switch, he would be happy to discuss it after the meeting. The compressor in the freezer was repaired and the furnace was also repaired. The patio furniture has been taken out of winter storage and the spring clean up will be done to get the patio ready for use.

Gervais reported that he had attended the Marshall Home Show recently with Saturday attendance good, but decrease in attendance on Friday and Sunday. The EDA and Chamber will evaluate this to see if they will attend in the future or not. The EDA authorized a Revolving Loan, to Carol Flesner representing ARC for a proposed thrift store to be located in Tracy in the Mediterranean Club building. Campbell Construction has replaced missing siding that was missing from the north side of O'Brien Court. Gervais stated the EDA met at a special meeting on March 12, 2009 and discussed a potential five year plan. Gervais felt the meeting was very productive and will have a report at the April Council meeting. The EDA feels that having appropriate housing brings people into the community. At this time there is a waiting list for the townhouses. Retirement age residents can be a positive for the community by bringing stability to the community. Because of the aging population, health care industry grows and this population does their shopping locally. In the year 2020 will be the peak for baby boomers and the city can take advantage of having retirement age individuals move to the community. Gervais stated the EDA recently purchased two tax forfeited properties and will be looking at demolition of these properties so they can be offered back up for future development. There have been early talks with a potential dentist that may be interested in coming to Tracy. This is a local person with three years of school and training to complete. There has been discussion with an interim dentist that would come and get the business started and to the point for a young person to take over. Most dentists in the area are full and not taking new patients and are near retirement age. Tracy residents have to travel out of town for dental care. Gervais stated he will continue to pursue options for Central Livestock and has had very initial contacts with perspective buyers. Gervais will be taking part in the recommendation committee in Lyon County. Lyon County is looking at trading a county wide EDA position/HRA potential position. He, Charlie Sipe, EDA director from Cottonwood and Dawn Benson will be an HRA representative. They will look at the county and with HRA, being able to potentially leverage money federally to help with acquisition and demolition of dilapidated properties and also obtaining funds for new housing. Gervais said he will be sitting on the Southwest MN Housing Partnership, Marketing and Development Committee. He hopes this will enable us to obtain money in project dollars for housing development. Gervais stated the EDA board feels they need to focus on the Aquatic Center, health care and the school and test scores and they should be used in marketing Tracy to young families. For the second year in a row the Tracy Public School as been recognized by U.S. News and World Report as one of the top 1,500 schools. The EDA will move forward with these issues and discuss how it fits into the City Council's vision and to work together to come to a consensus to make these things happen. Chalmers stated that he is happy to see the EDA working on a plan for the future. He asked if the EDA was working on anything to help occupy two vacant C-stores. Gervais stated that he has had contact with a company and at this time there is no interest in 2009 and they may have some interest in coming to Tracy in 2010. In conversation they are not interested in any of the existing properties and if they do come to the area, they would want to start with a new facility. Chalmers stated that one issue he is ware of as he drives down Highway 14, is there are a lot of businesses on Highway 14 that are for sale or closed. This does not make Tracy appear to be a thriving community. Chalmers asked if there is anything that the Council can do to help in that regard to attracting potential businesses or investors to the City. Gervais stated in reference to the C-stores, the businesses have been closed for a period of time, and if they are vacant for one year, the tanks in the ground have to be inspected and brought to code. It may be something

that going forward the properties would be reviewed and then approach the property owners to remove the tanks if they have no plans to upgrade them and bring to code. If they are not, they could ask them to remove the tanks if possible. A property such as Food and Fuel, if the tanks and pumps were gone, it might make it more attractive for a different type of business to go into that property. The EDA just recently made a loan to the thrift store. The Revolving Loan fund is down to about \$15,000 and the guidelines say they can give out 30% of that available funds which would be about \$4,500 to \$5,000 and this would not be much to get a business started. If the EDA could potentially sell the AquaPower building, that money could come back to the EDA and would give a larger cash basis to work with to be able to offer to businesses. Enderson stated the EDA works very hard for the community and is impressed by their forward thinking.

Chief Hillger asked if there were any questions regarding the activity reports. Chalmers stated that he had a couple different people contact him and felt that Chief Hillger went above and beyond the call of duty on the Doberman dog issue and displayed considerable patience with trying to capture them. Hillger stated that he has received a call from Kevin Henkel, the maintenance person in Garvin, and will be starting to review their public nuisances. They have a new City Attorney. Hillger stated they will also be doing public nuisance inspections in Tracy. On Koopman's suggestion they will be making personnel contact with most of the individuals first and they will be notified that he will return in one week for inspection and if the violation is not corrected they will receive a citation. Mayor Ferrazzano had a note at the last meeting from the public and they were wondering if the individuals cited last time had follow up. Hillger said that most of the violations had been corrected. Stobb thought they were going away from a once a year nuisance inspection to a continual inspection. Hillger felt that he had to change his mind set on that it would be more an on going inspection. He would rather it be citizen generated than to have the police department do it. This makes it look like they are picking on someone. Nielsen said the downside on that is that they say the neighbor is picking on them. Stobb felt the person with the nuisance is never going to be satisfied. Koopman feels that if Hillger tries contacting them personally, identifying the violation and telling them they have a period of time to remove it and if this is done in a professional manner, she does not see why they would take offense if they understand this will be the policy citywide. Chalmers agrees with Nielsen that it would probably be more harmonious for the neighborhoods if they feel that their neighbors are ratting on them as opposed to the police department. The public expect government to kind of be the bad guy to some extent.

Robinson reported that they repaired a water main break on Highway 14 today. A control panel technician from DSG was here to perform a repair to a sensor in one of the filters and an electrical conduit in the water plant in which a small chemical leak had caused a corrosion problem needed to be repaired. The I&I flow meters were installed on March 3, 2009 and are in operation. The Public Works Department has been going through the MSDS safety sheets and updating the system. They have been dump flushing sewers as time allows. The well meters have been pulled and cleaned and the jet-vac was used to open some frozen storm sewers. A part time help was hired for one night of snow removal. The department has been sweeping streets after the snow melt. Public Works replaced a door on the rear entrance to the liquor store and also replaced all the ceiling panels in the library. The bleachers in the VMC were recently inspected and a sticker verifying compliance was received. Peterson asked the cost on the ground thaw for the water main repair. Robinson said he does not have the hours off the hour meter yet. Peterson said the reason for him asking was that the City has purchased two frost teeth and is wondering how important this break was that they had to spend the extra money to thaw the ground. Robinson explained that each water main break is unique and requires different equipment and circumstances. With this break they were losing 75,000 gallons of water a day and was blowing into the side of the 42 inch storm sewer that the water main was lying underneath of. Peterson asked why it was not fixed on Friday. Robinson stated that it could not be fixed on Friday because they were digging 12 inches from a power pole and earliest that Xcel Energy could come to hold the pole was Monday. Robinson stated they had a 42 inch storm sewer pipe with the broken water main underneath it, 22 inches away there was a fiber optic cable, another 250 pair cable above that and a 250 pair cable three inches to the left of it and another 250 pair cable laying on top of the 42 inch pipe. This was not a situation where they could use a large excavator and had to rent a mini-excavator. If they would have used the frost tooth with the fiber optic cables located where they were, they would have ripped the fiber optic out with the chunks of frost. Stobb stated that he has noticed that Red Rock Rural Water is expanding in the area and asked if they had talked to the City about water source? Robinson stated they have not talked to the City recently. The

volume of water they needed was extensive and our plant would need \$1 million upgrade in the water plant.

Koopman stated that she was gone for one week on vacation in February. She had attended two City Council meetings, met with LELS Union, met with the employees to present the retirement proposal, and attended a Downtown Revitalization meeting, Community Ed and Cemetery Commission meetings. A large focus of her time is spent trying to stay on top of what is going on in legislature and how it will impact the City. There will be a Webinar session on Thursday on the budget and if any of the Council members would be interested in viewing this, they could let her know and they could be registered through the League of MN Cities. Koopman stated the ones that she has watched have been very informative. At the next Council meeting on April 13, 2009 she will be presenting the recommendation from the Cemetery Commission regarding action on the Cemetery Superintendent's contract and the Groundskeeper contract.

Motion by Stobb, seconded by Peterson to adopt a resolution adopting a fee schedule for building permits and related matters to be effective April 1, 2009. All voted in favor of the motion. (Res. No. 2009-7)

The Consent Calendar includes the Monthly Financial Report, Municipal Account Payable and the Municipal Receipts.

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

<u>Check</u>	<u>Payable to</u>	<u>Amount</u>	<u>Explanation</u>
047571	Wells Fargo Bank	\$3,330.16	Peterson asked if this an annual payment. <b><i>Koopman said this is an annual Payment for Liquor Liability Insurance.</i></b>
047578	Davis Typewriter	\$ 200.00	Peterson asked if this amount was included in the original quote or was an extra added charge? Peterson felt if Davis stated they would do the job for x amount of dollars, they should not be charging extra. <b><i>Koopman stated the approved amount of dollars included one hour of set up time and it ended up taking three hours. Motion by Chalmers, seconded by Martin to hold the \$200 payment to Davis Typewriter. All voted in favor of the motion.</i></b>
045591	MN Emer. Resp.	\$ 200.00	Peterson asked what this payment was for and why it was missed if it is an annual fee. <b><i>Robinson stated it is a mandatory OSHA Hazardous Material Response Act that is filed yearly if Utility chemicals are stored. The fee is based on the amount of chemicals stored. It was missed in 2006 and brought to our attention this past month.</i></b>
047636	Quest Marketing Inc.	\$ 250.35	Peterson asked what type of caddy this was for.

***Gervais stated this was for new business gifts similar to the first dollar awards program.***

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

Account R 804-36540 in Refunds and Reimbursement there were four entries from three insurance companies totaling \$2,325. Peterson asked what this was for. Koopman stated these are reimbursements for fire calls.

Motion by Peterson, seconded by Chalmers to adopt the Consent Calendar as amended regarding check 047578. All voted in favor of the motion.

Mayor Ferrazzano stated that he wanted to visit again the issue regarding the size of the City Council. He stated that he had asked Nielsen to see if there are different ways to consider a reduction in council size rather than just amending the Charter which required a unanimous vote. He was informed that there are two ways it can be done.

If the Charter Commission proposes an amendment, it is reviewed by the City Clerk and then submitted for the public to vote on it. The Council would select the form of the ballot and election time.

The City Council may pass an ordinance to amend by 4/5ths vote and the amendment goes to the public for a vote and the Charter Commission does not have to approve anything.

Mayor Ferrazzano feels that based on the Council's last discussion, to settle the issue would be to let the people vote on it. Since the Charter Commission did propose the amendment, the Council should approve a ballot and set the time for the election. This should be done the next time there is an election. If the public feels they want a four member council instead of the six member and if there are three people running or 3 seats in that election, if the public decides they want one as opposed to three, the top vote getter would get the seat. Mayor Ferrazzano does not want to have a special election for this and incur more costs. Chalmers stated the problem he has with waiting till the next general election and tying it in with that, it could possibly effect the way people voted for Council if they knew it was for one position rather than three positions. Stobb stated the school district is having an election and was wondering if it would be possible to combine and share that expense. Koopman stated they have shared elections before. This election would be May 12, 2009. Mayor Ferrazzano felt that since the Council agreed on the concept, Koopman could check to see if it would be possible to have it on May 12 or they would have to wait till November 2010. Motion by Peterson, seconded by Martin to establish a ballot and set a time for the election to determine the size of the City Council. All voted in favor of the motion.

Peterson asked if there were any plans for the Christmas lights that are hanging off the buildings. Koopman stated technically they are the Chambers lights. She will talk to Val at the Chamber and see if any plans have been discussed. They really do not function properly and should be removed.

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

### April 7, 2009

A special meeting of the Tracy City Council was called to order at 7:00 a.m., Tuesday, April 7, 2009 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Absent was M. Martin. Also present was A. Koopman, City Administrator.

This meeting was held to discuss an issue regarding a sewer hook up on private property. Robinson stated that Kyle Reiner has a house on 5<sup>th</sup> Street that does not have a sewer main in front of it. With locating machines they have found that his existing sewer goes to the west and then goes down the alley back south quite a long distance and that line is plugged. If he would want to go that way, it is a long distance and he would have to replace a cement approach to the alley and then there would also be asphalt replacement needed in the street. This would be an expensive route to go. Robinson stated they found another line that comes from the north that serves Richard Hansen. They thought there could be a couple more houses on that line, but when it was televised, there was not. It does cross the property of Rolland Johnson and the line of a rental property owned by Dick Helleston. Robinson stated that if there had been more people on that line, the City would consider those community lines. There is a clean out at the end of Richard Hansen's line so it was proposed that the cheaper route to go would be to extend the four inch line onto Kyle's property. The City could take over that line and it would be considered a City main that Kyle could hook into. If a sewer line would be put in 5<sup>th</sup> Street, the cost would be assessed back to the property owner. Robinson stated that what he had talked to Reiner about was that the Hansen line would be extended and a clean out installed and Reiner could hook into that line then City would assume ownership of that four inch main. Easements would have to be drawn up. The distance from the line to Reiner's property is about 48 feet. Robinson said that at some time they would probably want to put in a clean out on Harvey Street to have access to clean that line. That could be done at a later date. Robinson said the other route where Reiner's existing line is, comes from house, goes to the west and then south. If there were other homes connected into that line, it could be considered a community line but the other houses have lines going to the south. Robinson stated this house is located in the tornado area and there were two houses that sat on Reiner's property before and they probably used an old existing line.

Stobb asked when they televised Hansen's line, was it an old clay line. Robinson stated that it is PVC and in pretty good shape. Robinson stated that they could extend the line serving Hansen's coming from the north, after securing an easements we could bring it to within ten feet of Reiner's property so he could connect his sewer into it at that point.. A clean out would still have to be installed. Robinson stated they do not know the elevation of that line so don't know if Reiner would need a lift pump or not. Even if a lift pump is needed, it would still be cheaper to put the lift pump in than go with the existing route. The cement approach is not in good shape but if torn out it would have to be replaced. If they have to go into the street, the asphalt would also have to be replaced, plus road restoration. Robinson stated there are gas lines and telecommunication lines in the alley also. Robinson stated the ordinance does state each house shall have its own separate water and sewer service, but this situation is an unusual circumstance. Stobb asked if Hansen approves of this. Robinson stated that Hansen had talked to his wife and they are okay with it.

Reiner has received estimates from Sahlstrom Plumbing. Peterson asked if Nielsen had been contacted for any input into this situation as far as any changes that would have to be made in the ordinance or any financial issues. Koopman stated that they had met with Nielsen to discuss any needed easements. Koopman said they would be fine with the ordinance as the only difference is this would be a four inch line versus a normal six inch line, but would still assume ownership and the maintenance of it.

Sahlstrom's estimate included the following:

Installation of a new 4" main from clean-out of Richard Hansen's lot to 10 feet in Reiner's lot with a clean out there as well	\$1,450
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## SEWER LINE OPTIONS

Option 1 – Install new sewer line from new clean-out in Reiner’s lot straight South to their existing sewer line.	\$1,200
Option 2 – If in Option 1 the elevation is too low, we will need to go back to the house and bring the elevation up. This option would be to install a new 4” line from the new clean-out back to the house.	\$1,750
Option 3 – If we still cannot get enough elevation with Option 2 just replacing the line, then we would need to raise the line up from below the floor to go out the side wall of the house. This would then require a sewage lift pump and basket installed in the basement to handle the basement bathroom and laundry room. This would be added to Option 2.	\$1,100

All Options require the 4” main with the clean-outs listed above.

Mayor Ferrazzano asked if any of the options from Sahlstrom would work. Reiner stated that this house has been very trying for him and his family with roof repairs, roof supports not supporting the house, mold in the bathroom and sewage problems. Reiner stated they started having problems with the sewer about two months ago with backing up into their basement. They used a roto-router for two days and did not find anything. They decided at that point to make a hole in the alley and put a clean out in and go from there to see if they could find something out. From the clean out through the alley they got 120 feet and hit something hard that they could not get through. From that point with time and labor it cost \$2,500. Reiner stated the cement pad next to the street is sinking next to the street and they are assuming it could be broke underneath and the cement is in bad shape. He said that he would be responsible for replacing this if they move forward in this direction. Reiner stated that it is 44 feet to his property line from where his sewer line runs. From that line to Hansen’s clean out it is 66 feet. Looking at Sahlstrom’s estimates the best case scenario, the first option at \$1,450 and then add on the next one, where his line is high enough to where there is fall. If it does not, then a lift pump will have to be added and go back to the house and then the estimate gets very high. He was first told the City would take over the property line, come to and connect to my current line and then he would have to dig a hole straight down and connect to it. Then he was corrected and told later by the Council member the City would still bring it to the property line and then Reiner would be responsible for the 44 feet to connect to his current line. He was then informed that this was not correct either, that he was the only one to be on that line, that he would have to pay for the rest of it because he was the only one on that line. Reiner stated he is out a little over a hundred feet to Hansen’s clean out. He was told by Hansen that if they dig and ruin a tree or grass it would also be his responsibility to replace. Reiner hoped that the Council would consider extending the line to his property and he would pay from that point forward. Hansen told him that about seven years ago, 5<sup>th</sup> Street was ripped up and put a new water line in but did not install a sewer line.

Mayor Ferrazzano said that what they are looking at is putting in a line of 66 feet from Hansen’s property line to Reiner’s property line. Reiner would hook up from there. Reiner stated that if his fall is not correct, then he is going to have to go back to the house and try to address the situation there on grade. If that still does not work, then you are down to Option 4 of \$1,100 to put in a lift pump.

Mayor Ferrazzano stated that he was shocked to learn there was no sewer line on that block of 5<sup>th</sup> Street. Koopman said the difficult part of this and why it is somewhat unique is that normally when you put in a sewer main it would be accessible to more than one property owner and the cost would be shared amongst three or four and now this whole burden is given to Reiner. Koopman said the concern is that precedence would be set if varied from normal policy. Peterson stated that he feels that they could run into some issues by setting precedence also. Mayor Ferrazzano asked what the cost would be to the City to install the 66 feet. This would be a cost of \$1,450. Chalmers asked if Reiner had a concern with the assessment in general or with the interest on the assessment. Reiner stated that he is frustrated with the whole situation and for the past two months he has had to scrape feces from his basement floor. He stated that if the City would pay for installation of the line from

Hansen's to his line, he would be willing to do that to cover the rest.

Robinson stated that he had talked about going straight south from Hansen's line until this hit Reiner's existing line. Robinson felt that if they go right from the side of the house and angled to Hansen's line would be better because they would have less turns in the line but it is unknown what grade they put his existing line. If they start right from the house and set the grade and then he may not need a lift pump. That is an unknown. It was questioned that if they take this route and it does back up into the neighbor's, who is responsible for that. Mayor Ferrazzano stated that is something they would have to address as to who's responsibility this would be if it back up into the neighbor's basement. They felt it might be questionable putting two homes on a four inch line. Hansen stated that he has problems underneath his basement floor from his floor drain to the clean out. He said it was fine from the house out to the main and has been dug up in the past. Chalmers asked who is responsible now for the four inch line that runs to Hansen's house. Koopman said that Hansen is the only one on that line so he is responsible. Chalmers questioned then that if the line is proposed, the City would take responsibility of that line. Koopman said that is why the clean out would be put in so that it could be flushed on a regular schedule. Reiner wishes they go from the street and back to the alley to see if it is blocked like at the edge of the street or further up. Robinson said there are mature trees on both sides of that alley and most likely there are old clay tiles and if Reiner does goes the alley route and gets to the concrete approach then you are pretty much committed to the route and then the approach and the street would have to be restored. Snyder asked Robinson from a public works standpoint what he felt was the best option. Robinson stated that it would probably be a horse apiece as it is not ideal to hook into someone else's line but the expense is quite high for Reiner to go the alley route. If the alley route was taken they would be looking at an additional \$6,000 to \$8,000 expense with the cement pad and street restoration. Robinson stated the four inch tile is in good shape and could handle two houses.

Mayor Ferrazzano knows they may be setting precedence, but feels that they should help Reiner out. They have incentives all the time for having people move into town and build here. If the expense will be \$1,500 to help them out in this situation, they should do it. If precedence is set, they will have to deal with it on a case by case basis like this. Chalmers stated that the situation would be different if they would have dropped a sewer main in 5<sup>th</sup> Street when it was torn up and since this was not done, that does change the situation a bit. There are no other good options for providing service at this residence. Koopman stated the funds would come from the Utility Fund. Mayor Ferrazzano said the City should take care of the costs from the Hansen's clean out to Reiner's property line.

Motion by Snyder, seconded by Stobb to cover the cost of the installation of the 66 feet from Hansen's clean out to Reiner's property line. All voted in favor of the motion.

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

ATTEST:

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City Administrator

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Mayor

**April 13, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 13, 2009 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.

Chalmers asked for the following correction to the minutes on page 36, paragraph 2 with deletions marked as ~~more~~ less harmonious for the neighborhoods if they feel that their neighbors are ratting on them as apposed to the police department. Motion by Stobb, seconded by Peterson to approve the minutes as amended. All voted in favor of the motion.

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

A letter was received from Greg Gunderman from Davis Typewrite with an explanation of the Network billing for the new copier, printer, scanner, fax. Gunderman stated in his letter that the bid for this machine stated "Price includes 1 Hour of Network Setup." He said they were here for a total of 4 hours and 35 minutes. They had to make 2 trips due to the network jacks not being live during the first trip. They did not bill for travel time on either trip. Also the City was billed for 3 hours, not 3.5 hours, at a rate of \$65.00 per hour with the regular rate being \$85.00 per hour. Mayor Ferrazzano asked if this letter was legitimate to everyone that was in the office at the time of set-up. Koopman said that David Spencer dealt directly with Davis Typewriter and they had discussed there would be additional fees. Peterson asked why this was not brought to the Council. Koopman did not know and she told Gunderman what the Council had discussed that if they were planning to charge an additional fee why was that not put in the bid. Peterson said that he had contacted some of the competitors and he was told that they do not charge, especially if you are purchasing their maintenance contract. They stated this is all part of the bid price. Chalmers feels it is odd they put on the bid that it included one hour of setup at no charge, but no mention of any additional fee for additional time. Peterson said that he would prefer not to pay the bill. Stobb asked if they have a basis for not paying the bill. Martin said if you buy something and you pay for a maintenance contract and then bill for the setup, he feels that is a disconnect right there. Chalmers stated the basis would be that it is not on the bid and no where was it indicated in writing that there would be these additional charges. Peterson said it was left off the bid and if it was discussed with Spencer, he failed to mention it to the Council so the decision to purchase the copier was made in good faith that the bid would cover all the charges. Chalmers said that if the Council had known there would potentially be more fees for the set-up, they would have opted to have someone else come in and do the setup. Chalmers did not have an opportunity to say if they were okay with the charges or not. Martin agreed with Chalmers remarks. Peterson asked if they had a bid from Best Business Products for a copier this year. Koopman said she did not deal directly with anyone on the purchase of the copier. Martin questioned if they do not pay the bill, would the maintenance contract be affected. Mayor Ferrazzano asked if the network jacks not being live, if this was something the City was responsible for before they come to do setup. Koopman talked with Spencer about this and she agrees that since Gunderman did sell us the copier and he knew how many computers would be involved. Koopman feels this charge should have been recognized in his bid and for whatever reason he chose not to. If this was error on his part or if he just felt that by communicating that to Spencer it was sufficient. Stobb suggested that maybe Gunderman has not answered all the questions and more communication is needed. Issue dies due to lack of motion to pay the bill.

Robinson said the City has budgeted \$7,000 for a different city car and they have been watching for cars that would fall within this price range. Paul DeSmith, the City mechanic, has been going through them and makes the following recommendations.

2005 Buick LaCrosse, 50,000 miles, white, salvage title.

Seller will meet the \$7,000 cap

DeSmith inspected the vehicle and found a few minor things to be addressed. Tires would be okay for 2009 but two would need replacing in 2010.

Seller, Kurt's Body Shop

1998 Park Avenue, 110,000 miles. DeSmith inspected and needs rack and pinion, tires, and had oil leaks.

\$7,000 includes taxes/registration/transfer fees

Seller, Salmon's Auto

1995 Park Avenue, 159,000 miles. \$5,995

Seller, Salmon's Auto

2004 Grand Am, 29,000 miles, salvage title, would meet the \$7,000 cap DeSmith did inspect this car.

Seller, Koblegard Auto

2004 Grand Am, 39,000 miles, salvage title, total with all fees \$6,800. DeSmith did inspect this car.

Seller, Albertson Alignment

DeSmith has recommended the purchase of the 2005 Buick LaCrosse because it has a 3800 motor which he feels is reliable. It has more room in the event of four person's travel. The next choice would be the 2004 Grand Am with 39,000 miles for \$6,800.

Chalmers asked if they know why there is a salvaged title on the Buick. Robinson said that he did not know the exact reason or history of the car. Chalmers said he was concerned that a lot of times with a salvaged car they have been in a flooded area. He suggested that before they purchased a vehicle with a salvage title to get the history. Peterson said that Carfax charges \$25 dollars for a history check but noted that if there is a recall on a vehicle with a salvaged title, GM will not pay because of the branded title. Stobb does not feel that the car market is going to get any better and feels the Buick would be the better choice. Motion by Stobb, seconded by Chalmers to purchase the 2005 Buick pending the Carfax report. Chalmers asked what the minor things were that needed to be addressed other than the tires. Robinson said there was a rubber grommet missing that holds up the muffler and there was a plastic clip missing off the bumper and needs an air bag. Enderson said they could have an airbag by the end of the week and all the work would be completed before the purchase of the vehicle. Peterson pointed out before they go and spend the \$7,000, the relief association is looking at a possible shortfall in their retirement fund and that would have to come out of the General Fund. He does not feel that it is good ideas right now to be spending the \$7,000 when you are looking at \$10,000 come audit time. Koopman said her understanding is that if there is a shortfall, it would be recognized and payable in 2010, not in 2009. Peterson said his point is that there is no way to know how much money will be available in 2010. Koopman said they should know by August what that shortfall will be, so it is something that can be monitored. Peterson said he would prefer to wait with this purchase until they find out what is going to happen with LGA and other expenses. Robinson said the Explorer has been giving some troubles and there are antifreeze and electronic problems and questioned if we should keep putting money into the Explorer. Koopman said the Explorer is plain and simple "junk" and she will drive her own vehicle before she will drive that anymore and does not really care to put miles on her own vehicle. She said this week she would need to use the City car three times. Robinson said that Shane has Building code schools for two weeks in a row. Chalmers states that it sounds like the Explorer is not useable at this time and has been there for quite a long time. Nielsen stated that the Council needs to be aware of the conflict of interest with Kurt Enderson being the seller. Part of the conflict of interest would require that the Council enact a resolution describing what is being bought, that the contract price that the City would pay is as low as or lower than the price where the goods would be obtained otherwise. This is something that does not require a competitive bid, so it is not an automatic ban. The resolution will have to be passed unanimously by the City Council. There are some forms that Enderson will have to sign indicating he feels the item is being sold at a price as low as or lower than a price the similar goods can be obtained elsewhere. Enderson would not be able to vote on the issue. Enderson felt that this would have to be done and has no problem with that. Chalmers asked if this is something where the draft of the resolution would have to be prepared and then vote on it at the next council meeting. Nielsen said they could do that tonight. Martin suggested that they wait for the carfax and discuss it at the next council meeting. Enderson added that this car is on the market, and it may not be available at the next council meeting. Stobb then withdrew his motion.

Koopman said that during the interim, the City would pay mileage to the employees to use their personal vehicle.

Motion by Snyder, seconded by Stobb to appoint Bernie Holm to the Charter Commission for one term expiring in 2013. All voted in favor of the motion.

Peterson said he sat in on the last Cemetery Commission meeting and his opinion is that one person could fill both the Superintendent and Groundskeeper positions, but he feels they could not find one person to do the job as well as the two people that presently have the positions. Holm has more passion for that job than anyone he has ever met. Once all the information got passed between everyone, the consensus was agreed to and feels that both the contracts are fair. Motion by Stobb, seconded by Peterson to approve the agreement between the City of Tracy and Holm for the position of Cemetery Superintendent. Holm will be paid \$6,665.00, a reduction of \$500 from the previous contract, for the contract term to administer and manage the maintenance of the City Cemetery. All voted in favor of the motion.

Motion by Peterson, seconded by Chalmers to approve the agreement between the City of Tracy and Thad Lessman for the position of Cemetery Groundskeeper. Lessman will be compensated \$600 per mowing and trimming, limited to nine mowings, and \$10 per hour for miscellaneous work for the contract term to mow and trim all grass and perform miscellaneous work on the grounds of the Cemetery. Koopman said the number of acres to mow will need to be filled in on the contract as the area where there are no monuments will not be mowed. The original amount was 38 acres, but will probably be approximately five acres less after measuring. All voted in favor of the motion.

A second amendment to the residential refuse and yard waste collection contract was presented. The parties agree as follows:

Paragraph 3 of the COLLECTION CONTRACT is amended so as to provide that the term of the agreement shall be extended for an additional six years, commencing July 1, 2009. This will extend the contract to June 30, 2015. Further, an additional sentence is added to said paragraph 3, reading as follows:

Prior to the expiration of this agreement on June 30, 2015, should Contract Collector desire to discuss further renewal of this agreement, Contract Collector will contact City to arrange for such discussion. This contract shall be made no later than February 12, 2015.

2. All other provisions of the COLLECTOIN CONTRACT, including the amendment dated June 26, 2006, shall remain in effect except as amended above.

Motion by Peterson, seconded by Enderson to approve the SECOND AMENDMENT TO THE RESIDENTIAL REFUSE AND YARD WASTE COLLECTION CONTRACT. All voted in favor of the motion.

An Ordinance Regulating the Construction and Maintenance of Outdoor Enclosures and Shelter for Dogs was reviewed. Koopman clarified in Subd. 3 DOG ENCLOSURES, 3. should read “Minimum interior enclosures size shall be ~~six~~ three feet in width, six feet in height and ~~ten feet in length~~ not less than 60 square feet in floor area.” Peterson asked if there is anything in this ordinance for existing kennels to be in compliance. Chalmers stated that they have one year after the adoption of the ordinance to comply. Stobb stated that it does not state that they have to have a kennel, but if they chose to construct a kennel, they have to be in compliance in the ordinance. Koopman stated a copy of this was sent to the animal rescue group so they had a chance to review it also. Motion by Peterson, seconded by Chalmers to waive the first reading and set the second reading and public hearing on April 27, 2009 at 6:45 p.m. All voted in favor of the motion.

The Consent Calendar includes the Monthly Financial Report, Firemen’s Relief association minutes for March 2, 2009, Economic Development minutes for December 5, 2008, January 16, January 30, February 20, March 6 and March 19, 2009, Cemetery Commission minutes for February 18 and

March 26, 2009, Hospital Advisory Board minutes for February 18, 2009, Municipal Accounts Payable, Planning Commission minutes for April 6, 2009 and Ambulances statement of Budget, Income and Equity.

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

<u>Check</u>	<u>Payable</u>	<u>Amount</u>	<u>Explanation</u>
047661	United Labs	\$ 383.58	Peterson asked if this was the same issue he addressed at the previous meeting. <b><i>Koopman stated this is the same floor wax as last month. Liquor store took six gallons. Office hallway, office, bathroom, hallway between west and east side also took six gallons. Bathrooms and partial hallway between west and east is not done yet. The order was for eight gallons of floor wax the first time and eight gallons on the second order. A total of six mop heads were ordered. The first order we were charged for only two because they were backordered, so the second order has the remaining four that were ordered. The cost was 34.99 per gallon.</i></b>
047731	EnviroPump Plus	\$ 195.00	Peterson asked where and why this was used and is this recoverable or what account? <b><i>Robinson stated that was for the Kyle Reiner sewer service issue. The existing 4" line was televised to verify the integrity of the line before ownership was assumed. Not recoverable. This was taken out of Utilities, Other contractual</i></b>
047769	Swish's	\$ 921.03	Rental fee for Chalmers water line – what was wrong with the water line? Which account was this taken from? <b><i>Robinson said they rented a mini hoe for a main break. Chalmer's water line repaired by Swish's. This was taken out of the Surcharge Account, Other Contractual. Chalmers is in the process of making payment arrangements.</i></b>

Peterson told Nielsen that he had to meet with him regarding the ambulance contract for 2009 to get it written to include the agreement that was established in December and get that signed. Nielsen stated that he would meet with him.

Mayor Ferrazzano stated there is a correction needed in the Cemetery Commission minutes for March 26, 2009. Page two, second paragraph the first sentence the date of 2003 needs to be corrected because Mayor Ferrazzano says he was the Mayor at the time and he was not appointed to the Cemetery Commission. Koopman will make this correction. Motion by Peterson, seconded by Stobb to adopt the Consent Calendar. All voted in favor of the motion.

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

ATTEST

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City Administrator

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Mayor

**April 27, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 27, 2009 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.

Motion by Stobb, seconded by Peterson to approve the minutes from April 7 and April 13, 2009 as presented. All voted in favor of the motion.

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

Peterson said that after the discussion at the meeting on April 13, 2009 of the condition of the city's Explorer, he completed a vehicle inspection as he has done for many customers. He said the Explorer is in good shape and the major issue is a weak left rear spring causing the truck to lean to the left. This would induce steering challenges especially on wet or snow covered roads and does pose a safety risk. This should have been repaired a long time ago. A new transmission was installed at 96 thousand miles and now has 50,000 miles on this transmission. Peterson feels that it would make better sense to repair this vehicle at a cost of less than \$300 than to purchase a replacement vehicle at a cost of \$7,000 when there is no reason that the Explorer could not go another 50,000 to 60,000 miles. Mayor Ferrazzano asked Robinson if DeSmith would have time to repair the Explorer soon. Robinson said that with all the work needed to get the pool up and running, it would probably be a month before DeSmith would be able to make the repairs. Mayor Ferrazzano questioned Peterson as to what the labor costs would be to have Salmon Automotive do the repairs. Peterson did not have any labor estimates but would get those numbers together. Stobb asked if it would possible to wait with the repairs until DeSmith would be able to do it after the pool is up and running.

Motion by Stobb, seconded by Peterson to appoint Katherine Meiner to the Library Board for a term to expire in 2012. All voted in favor of the motion.

Koopman said "The Red Flag Rule" requires any entity where there is a risk of identity theft, to develop and implement an Identity Theft Prevention Program. The Program must include reasonable policies and procedures for detecting, preventing, and mitigating identity theft. The compliance date is May 1, 2009. The City of Tracy has used a model that was developed by the National Rural Water Association to comply with the mandate given by the Federal Government. Koopman stated the City of Tracy does not take payments by credit card nor does the City use drivers license numbers or social security numbers when signing up for utilities. That makes the identity theft risk very low because none of this information is stored on the City computers. Signatures from the Council members are required for adoption of this program. Stobb asked if there is any formal training for this program. Koopman said that no formal training has been offered at this time. Motion by Stobb, seconded by Snyder to adopt the Identity Theft Prevention Program ("The Red Flag Rule"). All voted in favor of the motion.

At 6:45 p.m. a Public Hearing was held on Ordinance No. 305, an ordinance regulating the construction and maintenance of outdoor enclosures and shelters for dogs.

Kyle Larson voiced concern that the ordinance did not make any size exceptions for a dog with puppies and was also concerned about the height requirement for an enclosure fence. He feels the six feet part would take over what is needed to prevent the dog from escaping. Larson stated that the ordinance only addresses permanent types of enclosures and does not talk about temporary enclosures. The ordinance does not address use of rope or cable as a type of restraint. Larson asked that these issues be addressed before any ordinance is adopted. He said it is a shame that there has been a major breakdown in protocol for being good neighbors.

Chief Hillger was concerned with the type of flooring that would be allowed. He said that packed gravel would still absorb odors and that was the main issue regarding the complaints received from the 4<sup>th</sup> Street incident. Chalmers stated that only concrete would place undue burden to meet the

code and the Planning Commission was trying to think of a hard packed surface that could be easily cleaned. Hillger said that pavers would work better than packed gravel and would be able to be cleaned.

Jan Arvizu said that as the President of the local Animal Rescue Team, she is pleased that the Council is considering an ordinance with standards. She has handled some very tragic situations for animals and is happy there will be some minimal standards. Arvizu said that pavers are less expensive than concrete and pet owners are able to keep kennel floors clean. She encouraged the Council not to abandon this ordinance and work out the concerns voiced regarding the contents of the ordinance. In the future she will be trained by the Humane Society for investigation into the maltreatment of pets and will be able to work with the police department to deal with some of the tragic circumstances.

Mayor Ferrazzano read an E-mail sent by Karl Baumann, 1120 Center Street, to the Mayor and Council Members.

Gentlemen,

I'm sending this E-mail to you regarding the Dig Kennel, Shelter ordinance. I would encourage you to vote against this new ordinance.

I am one of several members of this community that is a dog owner. I, along with probably 80 to 90% of dog owners in Tracy make sure our dogs get the shelter, shots, heard guard pills/medication, dog food, water and anything else that our pets may need. I feel this blanket ordinance is not necessary. If there are a few people that are not taking good care of their pets then by all means get in touch with them to rectify this problem. But please don't force these rules on people that are already being responsible for their pet's care. I'm sure in the past, the city has operated from some type of animal cruelty/humane society guideline and those rules should still be sufficient for today.

For many members of this community, in this current economy, it's hard enough to keep up with their family's daily needs then to worry about cementing their dog's kennel. To prove this fact, a few weeks ago their was an article in the paper about families having a hard time paying their children's lunch bill at school.

In closing, I ask that you please get on the side of 80-90% of pet owners that are taking good care of their pets and vote against this blanket ordinance and focus on the individuals that the city is having a problem with.

Sincerely  
Karl Baumann  
1120 Center St.  
Tracy, MN 56175

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

Mayor Ferrazzano felt that the proposed ordinance is "over legislation" and questioned if there are enough kennel complaints to justify an ordinance. Chief Hillger feels the police department needs some type of ordinance to handle situations where dogs are being kept in unsatisfactory conditions. He stated there are people out there that are jerks and treat their animals like crap and feels that something needs to be done. Mayor Ferrazzano suggested that they go with what the state statute recommends. Chalmers said that most cities have some type of ordinance with construction standards for kennels and it has to be something that is forcible or it is pointless to have an ordinance regulating dog kennels. Chalmers said that the majority of the residents do take care of their pets and these things come about because of the minority. Something has to be put in place and hopefully it would not adversely affect the 80-90% of those that do take care of their pets. The City of Tracy is very lenient. Stobb feels that possibly barking dogs are being kept in kennels and enclosures that do not meet standards and that is why they are barking. Chalmers said this ordinance is not to be

meant as a burden for dog owners, but more a case of tools to avoid problems and to provide some type of recourse if needed.

Motion by Peterson, seconded by Enderson to refer the ordinance back to the Planning Commission to address the issues of flooring requirements, the \$15 cost of a dog house building permit, square footage of the enclosure and kennel number exceptions for puppies. All voted in favor of the motion.

Mayor Ferrazzano said he feels they should consider waiving the permit fee. Koopman said the \$15 fee should not be a financial burden and is intended to cover the administrative costs associated with the issuance and inspection of the enclosure. Other buildings in the City are regulated and kennels should be regulated as they have an impact on neighbors. Mayor Ferrazzano is concerned that too strict of regulations could cause some individuals to abandon their pets. Arvizu stated this is already happening.

Radke reported that March off-sale was up approximately \$3,124 and on-sale up about \$3,748. For 2009 the Liquor Store has budgeted \$7,000 for new carpet in the off-sale. He received a bid from Floor to Ceiling in Marshall for \$3,360.90 for a 100% Permastrand Poly and \$3,704.77 for a carpet of 100% nylon. Another bid was received from Flooring Concepts for \$3,425.16. These bids are considerably less than the \$7,000 budgeted. Radke has received numerous requests to put in a big screen TV. He has received a bid from G&R Electric for one 50" screen for \$949.95 and one 42" screen for \$899. Wall mounts for the 50" screen would be \$99 and for the 42" is \$79. Total cost for both TV's would be \$2,158.70 and they will install them for free. Motion by Snyder, seconded by Peterson to approve the bid from Flooring Concepts for the carpeting and the bid from G&R Electric for the TVs. All voted in favor of the motion.

Gervais presented a copy of the EDA planning notes from the EDA meeting on March 19, 2009. He would appreciate comments from the Council in regard to this. The Board has discussed the current industrial park site. Gervais stated that there are lots available with limited infrastructure in and around these lots. The two lots (softball field) could be developed immediately. At the meeting Gervais was directed to get cost estimates pertaining to infrastructure. The basic costs for infrastructures estimated by Robinson would be about \$1,000/linear foot. The Board also discussed the possibility of developing a new industrial site that would have rail access. Issues involved for a new site includes purchasing the land and costs involved with that, infrastructure costs (sewer, water, road, curb and gutter, etc.) and potential lot size. Board member Fultz will be contacting a potential property owner in regard to purchase options and costs and he recommended developing an inventory of potential property for development or acquisition. Gervais said this list could be maintained on the MnPro site.

Gervais said the Board discussed current EDA housing lots. At this time there are few choices for people to choose from when looking to build a new home in Tracy. Currently the EDA has three lots available in the Eastview Addition with some potential lots along Front Street to be developed. Other available lots include a few along Maple Lane and south of the high school. Gervais felt the EDA should approach the Planning/Zoning Commission to have the area along Front Street changed for an I-1 Zone to residential. The Board discussed planting a vegetative barrier along the north border of the Central Livestock Property with trees from the City Tree Farm. Gervais said that there may be money in the new federal stimulus package to help with housing and he will contact the Southwest Minnesota Housing Partnership for their input on the funding possibilities within the stimulus package. The Board has agreed not to pursue the Glaser property at this time and focus on the lots along Front Street. They agreed the property along Front Street could be developed for minimal costs with infrastructure already in place along Front Street. Gervais stated that substandard housing issues also need to be addressed. Gervais reported that funding is currently being directed towards cleaning up the foreclosures and little if any funding is being directed at the new housing market.

Gervais told the Council that a local group has been meeting with the purpose of attracting a dentist to Tracy. They have been in contact with a local man currently attending dental school. This contact would graduate in May 2012. Discussions have involved a current dentist that could get the practice started and run the practice in the interim until the dental student graduates. Gervais said there have

also been conversations involving a potential investment of \$25,000/year for the remaining three years to help cover costs associated with school. They would renovate and existing building and have discussed the possibility of a new building. Gervais said there will be more meetings to discuss buildings and funding for this opportunity.

The EDA Board has pursued recruiting an additional bank/credit union to the community in the past with no success. Currently there is only one bank in the community and limits customers to one choice and if that customer is not doing business at the current bank, they are forced to look outside of town and are also likely to do business outside of Tracy. Gervais stated that Boerboom will research for more information necessary for another bank to locate in Tracy.

Gervais stated that he has been asked numerous times about attracting another gas station/convenience store to the community. There have been initial discussion with a potential owner/operator, but nothing will take place in 2009. The Board has discussed the positive impact of having a diesel facility along Highway 14 and they have also discussed potential sites along Highway 14 that would be available for this. Mayor Ferrazzano asked what the current status is of the property that is already along Highway 14. Food and Fuel is for sale and the Red Rooster property is could possibly be leased. Gervais had talked with the fire chief and if these locations remain closed, there are rules and the tanks would have to be removed from the property. Once the property has been closed for one year, the tanks need to be brought up to grade. Mayor Ferrazzano suggested that the tanks should be inspected and possibly removed.

The EDA Board has discussed marketing the buildings and acreage of the Central Livestock property. Fultz has had contact with a party that could potentially be interested in the property. The Board has discussed the importance of working with any potential industry or buyer to develop the property.

Gervais stated the Board has discussed marketing options and how best to market Tracy and its assets. Seth Schmidt and Tracy Publishing told Gervais the EDA could partner with other entities within Tracy such as the school, hospital, real estate agencies, bank, etc., to place a monthly ad promoting the benefits and assets of Tracy. A motion was made, seconded and passed at the EDA meeting to place ads in the Peach and Sailor with other entities in town. The EDA feels the school test scores need to be marketed more aggressively and suggested signage along Highway 14 stating US News and World Reports ranking Tracy Area High School as one of the top 1500 schools in the nation.

Chalmers feels they need to improve the issues of marketing of Tracy businesses. Stores are not open when residents return to Tracy from jobs outside of Tracy. If businesses are to stay open on an evening, this needs to be marketed.

Mayor Ferrazzano suggested that at a future Council meeting, these issues can be discussed further and prioritized. Gervais indicated that the City Council will play a vital role in the follow through of these opportunities and how they are executed. He would like input from the Council on their vision of the future and what role the EDA plays in that plan.

Police Chief Hillger asked if there were any questions from the Activity Report. He reported that he has done an initial nuisance inspection in Garvin and it is now in their City Attorney's hand. The next time he goes to Garvin will be to serve papers for clean up or stand by while the City workers do clean up. Hillger has identified 60 nuisance violations in the City of Tracy. He and his officers will be making personnel contact for clean up before the violators are re-inspected.

Verdeck reported that 53 individuals visited the bus museum. She is hoping to have the last bus of the series come next year. A plan is being worked on to update the bathrooms and front door to make them handicapped accessible and up to code. Verdeck reported that they are still having problems with ceiling leaks and have not yet been able to determine where it is coming from. They will be having an individual come in to do dancing for the summer program. This will be held at the band shell and if the weather is not cooperative, it will be held in the VMC.

Robinson reported that streets were swept and alleys were graded. He attended a meeting with Lyon

County on the condition of 8<sup>th</sup> Street. He attended a safety and loss workshop in Marshall. The department plowed snow the first weekend in April and have now been working on the 2009 street projects. Flow meters have been installed in manholes and are being down loaded bi-weekly. The wastewater ponds are being discharged. MSDS sheets have been updated and correctly filed. Hydrant flushing is being done and takes about a month to complete. There was work done on the sewer service line issue on 5<sup>th</sup> Street. The water has been turned on at the park bathrooms. Equipment is being changed from winter mode to summer mode. Extensive repairs were needed to one of the snow plows millboards and had hydraulic repairs on the other plow truck. The Library has a water leakage problem on the east side when it rains and have not yet found where the water comes in from. They will continue to work on a remedy. Robinson measured the area at the cemetery not be mowed which equaled about 6.75 acres. The pool was broke into and the cash registrar was damaged. The City now has a \$5,000 deductible so it will not be covered. A new cash registrar will have to be purchased for the pool. Pool repairs will begin the week of April 27<sup>th</sup>. Robinson met with the pool manager to talk about the 2009 season.

Robinson said that Well #6 is in need of rehab work. He has received an estimate from Thein Well for manpower and equipment costs to be in the range of \$14,000 to \$15,000, plus the cost of chemicals. The specific capacity or gallons of water per foot of drawdown has diminished in the past year from 57 gallons per foot to 47 gallons per foot, or about 17%. The longer this is left, the harder it is to bring the specific capacity back. Robinson said this was not budgeted as the Well #6 was good last year, but is now in need of repair. He is recommending that the Council approve this expenditure from the Utilities Fund. Motion by Snyder, seconded by Chalmers to approve an expenditure not to exceed \$17,000 for repair of Well #6 without the Council being polled. All voted in favor of the motion.

Koopman said that she attended a number of meetings as well as the annual conference in the month of March. She attended a dentist recruitment meeting, Lyon County Engineer to discuss reimbursement for 8<sup>th</sup> Street, three City Council meetings, met with pool manager to discuss swimming season, Cemetery Commission meeting, listened to webinar conducted by the League and also attended a loss control workshop. Koopman stated that the conference covered a wide variety of topics and had some excellent speakers. She received handouts on problem properties that provide a visual means of identifying the problem areas that need correction. There was a session that centered around variances of which the City is presently following the proper procedure when the granting a variances. One of the breakout sessions was on communication, merely stressing the importance of good, clear communications and emphasizing not only what you say, but how you say it. One of the more enjoyable speakers was Don Gudmundson, Sheriff, Dakota County. He focused on getting along with others, earning the right to disagreed, etc. Koopman said that at the loss control workshop, there was a session on nuisance problems and problem properties. She has shared some of the sample forms on nuisance complaints, etc, with Chief Hillger which hopefully will help streamline his investigation process.

Motion by Peterson, seconded by Stobb to adopt a resolution approving the American Legion Post 173 application for a gambling permit at Shetek Bend. All voted in favor of the motion. (Res. No 2009-8)

Koopman said that it has been determined that Prairie View Health Care Center will not be moving forward in the immediate future with their construction plans. 5<sup>th</sup> Street East was included in the proposed 2007 Street Improvement project, but was deleted due to the proposed construction. Koopman feels that there is no choice but to proceed with the proposed construction of 5<sup>th</sup> Street East due to its deteriorating condition. She met with the engineers and requested them to prepare a cost estimate to include removing the existing surface and placing a 2" overlay. This would not be a long term fix, but will improve the ride ability of this street. The engineers stated the life expectancy would be approximately five years. If the Council agrees with this procedure, they would have to call for a hearing on the improvement because both the hospital and the nursing home would be assessed for 25% of the costs of this improvement. If timing is such that this cannot be included with the bid, then an addendum or increase the quantities can be done. This area is approximately 44' x 390' and does not include any part of the State Street or Union Street intersections.

Details are summarized below:

F	Mobilization		\$ 2,000.00
	Traffic control		\$ 1,000.00
	Saw Cut Bituminous Pavement	151 LF x \$ 4.00/LF	\$ 604.00
	Bituminous Pavement Reclamation (3'-4')	1907 SY x \$ 4.00/SY	\$ 9,535.00
	2" Bituminous Pavement	231 Tons x \$ 8.00/Ton	\$18,480.00
	Bituminous Tack coat	20 Gal x \$ 2.50/Gal	\$ 50.00
	Parking Stall Striping	550 LF x \$1.50/Ft.	\$ 825.00
	<u>Finish Grading</u>	<u>12 Hrs x \$ 200.00/Hr</u>	<u>\$ 2,400.00</u>
	<b>Total</b>		<b>\$34,894.00</b>

Peterson questioned if they should wait until the hospital construction has been completed to prevent break up and deterioration of the new street by heavy equipment. Koopman stated they would work with the contractors to coordinate the repair of the street and the hospital construction and emphasize this would only be a temporary fix.

Motion by Snyder, seconded by Martin to adopt a resolution calling for a hearing on the improvement and add this street to the 2009 Street Improvement Project. All voted in favor of the motion. (Res. No. 2009-9)

The Consent Calendar includes the Economic Development minutes for April 2009, Hospital Advisory Board minutes for March 25, 2009, 2008 Deputy Registrar Review, Municipal Accounts Payable and Monthly Receipts. Motion by Peterson, seconded by Chalmers to adopt the Consent Calendar. All voted in favor of the motion.

Koopman reminded the Council that the Board of Equalization will be held on April 28, 2009 at 7:00 p.m. in the Council Chambers.

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

ATTEST:

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

\_\_\_\_\_  
Mayor

### May 11, 2009

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 11, 2009 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.

Due to the death of Kathie's mother, the minutes for the April 27<sup>th</sup> meeting are not complete and will be included in the May 26, 2009 agenda packet.

Additions to the agenda are 6-F Request for plumbing license for B&D Plumbing and Heating, Inc. and 6-G City Car Repair. Motion by Peterson, seconded by Chalmers to approve the agenda as revised. All voted in favor of the motion.

Al Murra from SEH reviewed the plans and specs for the 2009 Street Improvement Project which includes 8<sup>th</sup> Street from State to Highway 14, one block of 2<sup>nd</sup> Street, the alley behind the liquor store and seal coating and crack sealing of 34 blocks in the Greenwood and Broadacres area. One street that they are looking to add is 5<sup>th</sup> Street East between Union and State Street. The construction cost estimate is \$924,000 with a total project cost of \$1.1 million which is about \$115,000 over what the feasibility report was for. Murra stated they are looking to add 5<sup>th</sup> Street East with a construction cost of about \$34,000. On 2<sup>nd</sup> Street they did add complete sanitary sewer replacement with services. Soils testing on 8<sup>th</sup> Street revealed some very poor soils and this accounts for the increase in costs. Murra said that if they decide to move forward they would start advertising this week Wednesday with ads in the paper for three weeks. Opening bids would be on June 4, 2009 with an award date of June 8, 2009 at the Council meeting. Construction would start probably right after the July 4, 2009 weekend.

Peterson stated he would like to have had paperwork showing the old costs to compare. Koopman stated the additional \$115,000 is just as Murra had explained. Peterson asked if they are going to tear up one block on 2<sup>nd</sup> Street, how will that affect the blocks going north and south of there. Robinson said they are only doing this one block at this time. Koopman said they will be bonding for this project. Peterson said that Robinson had stated that on the alley work, they had talked about a concrete run down the alley and that was not brought up in the original plan. Robinson said it was planned that they would run concrete on the outside or run it on the inside. Murra stated this concrete cost was included in the feasibility report. Stobb stated that at one time they had some hope for stimulus money to help with the cost and asked if this was available. Koopman said she has not heard anything about any stimulus money at all. She understood that this money was already designated for state and federal projects. Murra confirmed that stimulus money was not set aside for local government. Murra said the bidding environment is still very good and strong right now and projects that they have bid have come in, somewhere between 20-25% under the engineer's estimates. Peterson asked if the fuel prices continue to increase as they have been, what would that do to the cost. Murra said that one of the big contractors bidding on this project is Dunnick Brothers. They are doing the whole project in Murray County and have another big overlay project and are setting up a portable plant. They may be trying to gather up as much work as they can and by them setting up a portable plant, they are here to do a large amount of work and this could cause good prices. Koopman said that right now 5<sup>th</sup> Street East plans and specs are not included. She suggested that they hold up on action at this time and wait till after the public hearing to consider the resolution.

Koopman said the copy of the ordinance regulating the construction and maintenance of outdoor enclosures and shelters for dogs that was presented tonight incorporates the changes as indicated on the summary of changes list. Peterson asked if someone has a gravel floor in their enclosure, would this be grandfathered in or do they need to replace the floor. Chalmers said that was one point of contention that came up during the Planning Commission meeting. The question was to include or exclude gravel as an acceptable flooring material. The reason it was not in there was the concern that gravel will retain and absorb wastes. Martin stated he did not vote to pass this on to the Council but he was over-ruled because he feels that gravel should be included as something people should

be able to use. Peterson said this was his only concern with the ordinance and has had concerns from individuals that already have existing shelters that have not had any issues and are wondering why they have to use something else for the floor when there have not been any problems in the past. He feels the rest of the ordinance gives Chief Hillger something to work with. Chalmers asked Martin that if they included gravel as an acceptable material for existing enclosures, would that be a compromise for his concern. Martin stated it would and they want to make it easy to obey the law. They need a minimum amount of standards that are easy for people to comply with. If concrete were required, dog owners are not going to do it and a large number of tickets will be issued or dogs taken to the pound. Verbiage to 4C-3 would include that packed gravel would be an acceptable flooring material for existing enclosures. If they are building a new kennel then packed gravel would not be acceptable. Nielsen stated that he did not receive a copy of the amended ordinance and Subd. 4 as it was originally worded it would require everyone to be in compliance within one year. If this is changed and grandfather for gravel on existing and after one year it still has to be upgraded. Chalmers stated that the two key concerns brought to him were the minimum of 60 square feet and concern over set backs. Nielsen stated that originally the grandfathering in pertained to dogs that individuals already had. So if an existing enclosure is grandfathered in for existing dogs in existing enclosures and you get another dog, you cannot put another dog in the old enclosure. A new enclosure would have to be built and this would be cumbersome to have two enclosures with new requirements for the new dog and grandfathered one for the old dog. This would have to be changed also and that is why that was not worded that way in the beginning. Stobb stated that it is worded dog enclosures, in the latest revised copy. Nielsen stated that the way it was originally worded, the grandfathered enclosures could only be used for dogs that you had and if you got a new dog, you need to build a new enclosure regardless of what you already have. Further discussion was delayed until after the public hearing.

A public hearing was held at 6:45 p.m. on the proposed improvement of 5<sup>th</sup> Street East. Murra stated that looking at the condition of 5<sup>th</sup> Street East, it was scheduled to be reconstructed in 2007 and was put on hold at that time because of the hospital and nursing home were looking at connecting the two facilities which would require abandoning 5<sup>th</sup> Street East.. Since then that has been put on hold. Murra stated they are looking to do a three to five year patch and not complete reconstruction. They would grind up the existing pavement, reshaping, re-compacting and then putting a two inch bituminous surface over that. The cost of this was just under \$35,000. Since there was no public testimony the public hearing was closed and referred to the council for their consideration.

Peterson said that after they decided to do the overlay, there was an article in the paper that the nursing home is still considering the building project. Koopman said they are considering it, but that was as far as it goes at this time. Mayor Ferrazzano felt that they cannot wait for the nursing home to decide whether or not to proceed with a building project, they need to do something about 5<sup>th</sup> Street East now. Koopman stated that she had discussed this with Tennis Eeg to verify if they are going to proceed and as of right now, he said they are not saying that they are. This project continues to be on hold and the proposed construction is a temporary fix. Peterson said they are looking at a July start time at the same time the hospital will be proceeding with their building project and he is concerned how the new overlay will hold up with loaded cement trucks traveling on it. Murra said they had discussed that with the hospital. Koopman said she had a conversation with the hospital today and they will be working together with the hospital to coordinate the construction. An option that is being considered is the area between 5<sup>th</sup> Street East and the clinic, they will create a temporary road so they will not actually be going on 5<sup>th</sup> Street East as that entrance will be blocked anyway. The whole area will be completely redone. If Dunnick's would get the bid, they may choose to proceed with the whole Murray County 27 miles before they begin the project here. Motion by Snyder, seconded by Stobb to adopt a resolution approving the plans and specifications and authorize the advertisement for bids for the 2009 Street Improvement Project and to include the improvement of 5<sup>th</sup> Street East. All voted in favor of the motion. (Res. No. 2009-10)

Discussion continues on the proposed dog enclosure ordinance. Chalmers stated that he understands Nielsen's concern if there is an exception for existing enclosures with the construction materials and the conflict created if they want to expand. Nielsen stated that Stobb had asked about the part that refers to existing enclosures are only good for existing dogs. It would not only be the gravel, it would be any other requirements that has to be met for the new enclosures. Martin said they would have to include something about adding dogs to existing enclosures. Chalmers said that as it is

worded now, if you had one dog, you could do that with the 30 square feet with the grandfather clause. But if you want to get another dog, you would have to add on to the existing kennel anyway to meet the minimum 30 square feet per dog. Nielsen said the way it is currently worded is confusing and if the Council can agree what they want to do, it can be worded anyway they wanted it. Koopman said a public hearing will be held once the verbiage is the way the Council wants. Chalmers stated the packed gravel can be put back in. Stobb asked that if packed gravel is accepted, they talked about four inches would be needed. Koopman stated that once the verbiage is changed, she will present a draft before a public hearing is held.

The agreement between the City of Tracy and the Tracy Ambulance Service was discussed. Nielsen asked for clarification of the agreement. He understands the protocol the City is asking the ambulance service to provide their financial information for 2008 to be presented in 2009. The Council would then review the financial information and determine whether they would be given the money or not? Nielsen asked that if the ambulance service presented a financial statement that showed a large amount of funds, would the Council then not give them a subsidy at that time? Peterson did not feel that was ever the intention. Nielsen asked why they are asking for the information in the first place if they are not going to do anything with it, except have them give it to you? Peterson said it was for the year ahead, not the year behind. Nielsen stated they can not give information for the year ahead, they are always going to have to give information that has already happened. Peterson said the only difference with this contract compared to the one they signed last year is, the information they are giving the Council is what they are giving the USDA. All that was asked was a little more clarification of where it went and to justify they were in need of the money and not that they were going to have anything taken away from them. The only thing that changed was for them to define their information a little more. Nielsen asked what happens if the ambulance service provided this information and the Council decides the ambulance does not need the money? Mayor Ferrazzano thought that was what the point of that was, because the City was giving the money each year without knowing if there was a need. He stated he would use the financial information to determine whether or not it is funded at the same level. Peterson said that if they come in and ask for more funds, then you have information where you can discuss it with them. Mayor Ferrazzano feels that the City needs to receive the financial information from the previous year and pay the ambulance sometime later in the year after the financial information is received. If that information looks like they do not need the money, then the City would not give them anything for that year that we have left. Nielsen said that is the way he contemplated it would work and if it is done that way, then the City could ask for that information by March 31 of the year after the ambulance service is giving it to the City. Nielsen stated that if that is the way the Council feels, the contract should be re-worded a little bit more to say that. Koopman stated the amount of the previous agreement represents an amount per person based on population and the same price applies to anyone else in the service area. Mayor Ferrazzano directed Nielsen to re-word the contract.

Radke stated the roof at the liquor store started leaking about a week ago. He called Buysse Roofing and was informed that the roof is not in good shape. He received two bids for repairs of the roof. To do the entire roof the estimate would be \$21,899 and to do a little more than half the roof would be \$12,948. To add 4" insulation on the little more than half the roof would cost about \$5,244. Radke did not feel that they need that. If 4" insulation was added to the full roof it would cost \$8,600. Radke had planned on doing half the roof next year and the other half the year after that. Radke said this is the first time it has leaked since he started working at the liquor store. His recommendation is to do half this year and half the next year. Snyder said if they go with the full roof they would get a 15 year warranty. Radke said that they would get a 15 year warranty if they do the other half next year, so they would get 16 years on the first half and 15 years on the other half. Martin asked what the heating costs were like at the liquor store. Radke said it is about \$12,000 to \$14,000 a year for utilities. Right now they will be putting in the 1 ½ inch insulation but if 4" is requested it will cost extra. Radke said it is hard to predict what the cost will be to do the other half next year, but Buysse estimated it may cost about \$10,000 to \$11,000. Peterson said he would be interested in knowing what it would cost to put a hip roof with insulation and steel and be done with it rather than fixing and/or replacing it every 15 to 20 years. They will be putting on a rubber membrane roof to replace the tar and gravel roof that is up there now. Radke said that he would check on another type of roof if the Council requested it but does not want to wait too long with this. Radke said that his concern is that he only has so much money to play with and if they are going to put up a roof that is going to cost \$20,000, he cannot do that. Peterson said that if they put up a

\$20,000 roof now and it completely covers the whole roof, you don't have to touch it for 50 years, it is a lot smarter than \$12,000 now and then \$12,000 later and then more down the road. Buysse did examine the roof and found two spots that they temporarily fixed. The moisture is between all the layers and sooner or later it will find a spot to leak in. Snyder agreed that it would be interesting to know the cost difference in the type of roof repair. Radke would like to get it fixed as he does not want it leaking in when they get the new carpeting. Koopman said they have put membrane roofs on the municipal building and also the senior center. The senior center was done last year and the one on this building has been done for quite awhile. Enderson asked if they are able to connect the existing half of the roof and seal it. Radke said they are doing the 41' to get past the chimneys, etc. so it can be tied in with the other half. Motion by Stobb, seconded by Chalmers to approve doing one half the roof this year for \$12,948 with the 15 year warranty included. Enderson asked why they were not getting more bids. Radke said this is the first contractor that he contacted and there is no one else around this area does this type of work and he wanted someone to come and look at it right away. Koopman said that Buysse is the one that has done all the roofs for the City buildings. Koopman said that another bid is not required if it is an emergency project or if an attempt is made to contact other contractors. A attempt was made to call Busswitz Roofing but they did not return a call. All voted in favor of the previous motion.

Dale Johnson, Fire Chief gave an update on the county radio system. He said that by the year 2012 the FCC is requiring all change from the narrow band frequencies that the radios currently run on. The Sheriff's office as well as nine other surrounding counties and two cities have formed groups that are writing grants and doing research on two different types of radio services that are compatible with what needs to be changed. This is a costly and lengthy process to get this done and he has been attending meetings for about four to five months. There are three different boards that attend meetings and different researches and surveys that have come out. Johnson said they are at the point now where councils are being informed that the FCC is requiring this and it's going to happen. To do just the fire trucks would cost about \$200,000. That does not include the public works or law enforcement end of it. They are going to hold a meeting on May 27, 2009 in Marshall where they will bring someone down from the federal government to break down why they are doing this, how they are doing it and what type of funding is available. Johnson and others have attended all meetings and have signed up for every possible channel of money there is available. The fire departments of Lyon County have written a federal grant for funding themselves for right now. Johnson said the reason he is bringing this to the Council is that it is going to happen and it could happen at the end of 2009 or the middle of 2010. There is no choice and once they switch over to the new system, the only way to communicate is with this new system. The systems they presently have, will be sold to someone else on that date. This is similar to the digital TV change that has been going on. Johnson said the meeting on May 27 at 6:00 p.m. is open to Council. The general goal is for the city to pay is zero because there is no money for the fire department budget to pay for this. The grant that was written for this system was over \$1.5 million for just county fire departments. Johnson stated that one of the first meetings he attended over a year ago, just the radios that are in the truck would be over \$20,000 and they are now down to the \$6,000 to \$7,000 range. The price on electronics usually goes down as time goes on, so the longer this can be pushed off, the cheaper it would be. If the City does not support it then there is no communication with any other departments or agencies. Stobb asked if there was a short answer to the reason for this change. Johnson said the meetings that he has attended there has not been. Snyder stated that it started with the incident of 9/11 when agencies were not able to communicate and this will eliminate that. The goal is to have everyone set up so that everyone can communicate on the same channel and radio. Snyder and Chalmers voiced interest in attending the meeting in Marshall.

Johnson stated that if they do not do the short term financing with the USDA for the new fire truck, they would lose the \$15,000 grant. If they finance with the USDA with 4.5% interest, they receive a \$15,000 grant towards the truck. The short term grant can be paid off at any time without penalty. They could pay off that grant at any time and then re-finance the truck through the City at 3.25% and it would be a savings of close to \$32,000. The only thing lost doing the short term financing with the USDA is 1.5% additional interest for a few months. The paperwork for the USDA grant is in the works for the grant and loan if the Council would still like to go this route. Johnson recommends take the short term loan to qualify for the grant and then pay it off at that time. It will loosen up the annual payments with budget cuts and makes everything fit better. Johnson asked if the Mayor, City Attorney and City Administrator would be available on May 19 to accept the check. Mayor

Ferrazzano said the 20<sup>th</sup> would be better unless they could do it at 5:30 p.m. on May 19. Johnson asked permission to go ahead and list the other two trucks for sale with the new truck coming. They will run this advertisement for four weeks and open bids on June 12. Council gave permission to do this.

Johnson said the jaws of life that are currently in the rescue van, the new truck came with an on board pump system for running the jaws and they are still keeping the gas powered motor for incidents when the truck can not be driven. The five tools they presently have, three of them were replaced about six years ago and the other two are from when the department first got them. The new technology allows the cutter and the spreader to have twice as much cutting and spreading power compared to the ones the department currently has. Johnson said the fire department is now in the process of fund raising for this equipment because with the fire truck company purchasing the pump for them, part of the truck agreement, the company that sold the pump and sells the jaws offered the department the tools at a package price. The two tools separate are about \$18,000. In the package deal they would be \$13,500. They had a discounted end of the year sale for the two tools with the pump through the vendor the fire department uses for \$11,000. This is the price as of yesterday. These pieces of equipment are scheduled to be replaced with the truck. Johnson said they are now trying to raise funds for this equipment and if the department fell short of the \$11,000, would the Council have a problem with taking some of the money that was budgeted from the depreciation calendar for next year to purchase them this year when they could save \$7,000. Johnson feels they would be within \$2,000 to \$3,000 of being able to fund-raise it all. It was the consensus of the Council to purchase the tools now.

Johnson said they have written an equipment grant for the new truck. It is a DNR matching grant and to put everything new on the truck would cost approximately \$27,000. They can take the fittings as each city has their own fittings. A couple of the fire truck vendors that he has talked to said leaving miscellaneous hoses and nozzles on the top of the truck will help the sale price. The hose that is on that truck is 1968 to 1982 hose and is the old cotton hose. The grant for the DNR is for \$10,000 and it is a 50/50 matching grant or \$5,000 responsibility to the City. That would complete the truck with all new equipment. Johnson received a preliminary letter from the DNR stating that Tracy is being considered for that grant and would be hearing within one month. Johnson asked the Council if that is something they want to do or take old equipment off and switch it to the new truck. Snyder asked where the money would come from. Johnson said it would come from the depreciation fund. Johnson said it would probably be for new hose as they could keep some of the older nozzles and the majority of them work fine. Mayor Ferrazzano said he would support this plan. Johnson said they use mainly the rubber hose to prevent molding and it is easier to dry and clean.

Robinson told the Council that Ryan Verlinde has contacted him and is interested in renting the buildings at Central Livestock for hay round bale and equipment storage. Verlinde would be interested in both buildings. Robinson stated they would like to put in a larger opening on the east side of the building so they could enter from that direction. The large building is 150' x 200' or 30,000 square feet and the smaller building is 90' x 48' or 4,320 square feet. Robinson said that he does not have any comparables to offer for price. Stobb said the EDA is trying to find some type of use for that building and he is in favor of renting it. They may want to put a clause in the agreement that with 90 days notice they may have to move out. Robinson said the public works would like to use that ground as a snow field now that the fences are down. Mayor Ferrazzano suggested contacting the assessor for a price and then Nielsen can draft a lease. Robinson said that when Anderson was leasing it for \$250 per month and he thought that was a very good deal for him. Koopman said that if they went a penny a square foot it would be \$300 per month for the larger building and \$43.20 for the smaller building. Mayor Ferrazzano suggested they go with that and if they do not want to pay this, they can work something else out.

Motion by Peterson, seconded by Martin to grant LaVerne Jessen a three foot variance to put up a 12' x 16' building on her property. All voted in favor of the motion.

Motion by Snyder, seconded by Stobb to grant a plumbing license to B&D Plumbing and Heating of Mankato, Mn. contingent on completion of paperwork and payment of fees. All voted in favor of the motion.

Koopman stated at the last Council meeting the Council approved fixing the Explorer. The total cost for repair parts was \$236.38. There was no labor costs included because it was anticipated that the City’s mechanic would be doing the repairs. This is a busy time of the year and the Council was informed that it would be difficult for him to complete the repairs in a timely manner and requested a quote for labor. Salmon’s prepared a quote for labor costs in the amount of \$410.45. Koopman asked if this quote included repair of the door lock. Peterson said this is included in the quote. Motion by Snyder, seconded by Chalmers to approve the total repair cost of \$646.83. All voted in favor of the motion.

The Consent Calendar includes the Municipal Accounts Payable.

The following explanation was given to questions asked by Peterson.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
-			Peterson asked what this \$3093.61 in part time wages was for?
047924	Employee Payroll	\$ 314.05	<b><i>This is for the part time custodian wages for two weeks</i></b>
		\$ 2,402.96	<b><i>This is for part time liquor store employee’s wages for 2 weeks.</i></b>
		\$ 376.60	<b><i>This is for the part time police secretary wages for 2 weeks.</i></b>
047949	Heiman, Inc.	\$ 600.00	Peterson asked if this was equipment or a building expense? <b><i>Johnson said this was equipment. It was for an on the scene area light</i></b>
047959	RockMountain/Nassau	\$ 413.78	Peterson asked why this was so expensive? <b><i>These were special hard service rods used on the snow plows. The company has a minimum quantity order which is what was ordered. These rods should last 2 - 3 years.</i></b>
048015	Little Falls Machine, Inc	\$ 831.99	Peterson asked what happened to the truck. <b><i>Robinson explained the snow plow wore out and this was the expense to rebuild it.</i></b>
048023	Scotts Electronics	\$ 53.25	Peterson asked why this is not on our city plan? <b><i>This is our city plan. The phone was at least 4 years old and was no longer repairable. Shane donated a personal cell to use for a period of time and that one quit working also. This was the expense for the replacement phone.</i></b>

Peterson said after talking with Paul DeSmith about the cost of welding rods, he found that this will actually save us some money in the long run. This is a heavier welding rod used for beefing up the shoes on the plow. The cost of a new shoe is \$200 and it only takes one rod to rebuild this shoe. Peterson said he wanted to point out that DeSmith is doing a good job keeping on eye on what money is being spent on. Motion by Stobb, seconded by Peterson to approve the consent calendar. All voted in favor of the motion.

Mayor Ferrazzano said the next council meeting will be held on May 26, 2009 due to the Memorial Day holiday.

Snyder said he had a concern brought to him regarding the park bathrooms. This past weekend the bathrooms at Sebastian Park had soap and toilet paper rolls were stuffed in the toilet. Robinson said that some of the lids had also been broken and now there are looking for replacement lids that are hard to find for the type of stools that are at the parks. Stobb said they had good luck with a camera at Central Park. Snyder suggested that they get cameras for Sebastian Park also to try to protect it somehow. Mayor Ferrazzano also agreed that cameras should be put up.

Chalmers said he had someone from the public contact him about a concern on a recurring problem they have with noise from a neighbor. Chalmers stated that he sent an e-mail to the police department to look for some information on how many times the resident had called to complain. The resident's complaint was that they had called the police department several times and the police have not done anything. He has not received any information back from the police department. Chalmers said it is the typical thing that they keep hearing over and over, which is there is a barking dog. He was also told by the resident that the neighbor also has five or six dogs. Koopman said that even if the dog is not barking when the police arrive, if a complaint has been received, she does not see any reason that the police could not notify that property owner that a complaint has been received on their animal. Mayor Ferrazzano asked that Chief Hillger be contacted regarding this issue.

Motion by Peterson, seconded by Martin 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

**May 26, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, May 26, 2009 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.

Mayor Ferrazzano asked that everyone take a moment of prayer in tribute to a prominent citizen of Tracy, John Schleppebach, who passed away last evening.

Motion by Stobb, seconded by Snyder to approve the minutes from April 27, 2009 as presented. All voted in favor of the motion.

Additions to the agenda include: 6-F request for plumbing license from Ellingson Plumbing and Heating and 6-G Explorer Repair Bill. Motion by Chalmers, seconded by Snyder to approve the agenda as revised. All voted in favor of the motion.

Radke reported that sales at the liquor store were up approximately \$4,674 in April. The April Profit/Loss Statement was included in the agenda. The 2009 MMBA Annual conference was held at the Arrowwood Resort and was very interesting and informative. Radke said the roof has not yet been repaired but will contact Buysse Roofing to see when this will be done.

Chief Hillger asked for any questions regarding the activity report. There were none at this time.

Gervais told the Council the apartments are full again and there will be some changes implemented in the application process. A fee will be required to remain on the waiting list and at this time there is a list of approximately 25 individuals. Some of these individuals have been on the waiting list for some time and other come and go. Having an application fee will determine how serious they are about being placed on the waiting list and will also give the EDA an idea of what is happening in the rental market. This application is still in the process of being developed and once it is completed, it will be sent to the individuals on the waiting list. Gervais is working with the SW Mn Housing Partnership in developing a questionnaire as to what people are willing to pay for rent, what type of amenities are expected and what type of properties they are looking for. The EDA and developers of property would then have information in place and can move forward with development. This questionnaire would go hand in hand with the new application to provide an accurate waiting list. Twin Circles is continually full and Tracy Area Housing might have an opening. The rental market is very tight in Tracy right now. With the aging population a turn-key patio home or town home design is wanted.

Gervais said that Lyon County is looking into creating a HRA director position and there will be a recommendation to the Lyon County Commissioners at the June 2, 2009 meeting. A committee will submit their recommendation to the County Commissions to pursue developing a Lyon County EDA/HRA position. This could be a combination of many things or a stand-alone position. Gervais said the EDA has put in an offer for the Glaser property, roughly 54 acres, north and east of the hospital. This offer has been rejected and they are standing firm on their price of \$6,500 per acre. The EDA will not pursue that property any further at this point. Gervais said they have quotes out for demolition of properties on 641 Greenwood Avenue and 174 South Street. They would like to raise both those properties and get them back into development. Gervais gave an update on the pursuit of a dentist. Last Friday they got the perform on three different design options. One using the current dental building here in town and they had an opportunity to talk with Dr. Randy Johnson and walk through his building. Also they have a perform for another building in downtown Tracy as well as a new facility. They will go through those and have another dentist take a look at the numbers and make sure they accurate before they move forward. The EDA is also developing an inventory of commercial property and has a letter prepared that Gervais will be sending out to all the commercial property owners in town. This will not only be on the vacant properties, but if there is property that someone might own that is willing to sell or lease that property will be inventoried. This will be listed on the website, [www.mnpro.com](http://www.mnpro.com). This site that was developed by DEED and if there are commercial properties out there interested in having their property on that list it can be done free of charge.

Robinson reported that the streets were swept and alleys were graded. They also removed gravel from a few lawns after snow removal. The department has been working on the 2009 street projects and has cleaned catch basin with the vac truck. Landscaping was performed around the trees by the City Hall parking lot. In the utility department a water main break on Highline Road was repaired. There have been trees moved to Swift Lake Park and to the housing lots on Front Street. The airport terminal building renovation project is going well. Robinson and Daniels have reviewed the plans. Plan holder bid packages will be sent to local contractors soon. Gravel was delivered to the cemetery and will be placed as time permits. They are in the process of getting the pool going at this time. The pool will be ready for training June 1<sup>st</sup> and will be open to the public by June 6<sup>th</sup>. There are some minor repairs needed for the pumps but otherwise start up is going well. The water is up to 80° and balanced. The Public Works Department has a new employee, Ford Ankrum. Robinson stated there is a new water source line being brought to a house on Center Street tomorrow and it is a prime location for the department to have a functioning water valve. There is one at this location, but it is broke and does not work. This will be replaced tomorrow and will be done when the contractor has the hole open, so it is very cost effective. By replacing that valve they should be able to keep water north of Hwy 14 on during water main breaks. The department will be able to do a little bit better isolation job. The water in that area of repair will be off from 1 p.m. to 5 p.m. tomorrow. The MPCA has been enforcing resolution of the I&I problems and the city will have to televise all the services on 8<sup>th</sup> Street to look for footing drains. This is being arranged. Every six months a report has to be sent to the MPCA explaining progress on I&I. This was also done on the 4<sup>th</sup> Street East project. Peterson asked if the tree that was knocked down in Central Park has been cleaned up. Robinson stated it went down one of the days with high winds. Because this occurred after hours they pushed it in the park and will get that cleaned up as soon as possible. Stobb asked if the Department has enough certified pool technicians. Robinson said that they only have DeSmith that is certified at this time, but will be sending Monica Headlee and Ford Ankrum for training. A new cash register was received at the pool also. Chalmers asked if they were getting any useful information from the flow meters to determine I&I. The meters are downloaded every two weeks and he will check with them to see how the last download went. Robinson said they need a heavy rain to determine where all the water is coming from.

Koopman stated she has attended the following meetings: a meeting regarding dentist recruitment, CAH & RHC Quality Control meeting, conducted interviews for Aquatic Center Staff, two City council meetings, Planning Commission, two nights to conduct interviews for the hospital CEO, attended a two day hospital retreat, met with the engineers regarding the proposed street improvement project, met with David Kruger to discuss financing for the hospital project and conducted interviews for the street department laborer. Koopman expressed concern over the Governor's plan for unallotment. There has been indication of a possibility that it could be worse than what he had projected in his budget in January. The City could be entering into some very difficult times if that does happen. She has been e-mailing our representative, senator and the Governor and has received a couple responses back. The Cities are being accused by the Governor of whining and was quoted as saying that it is "hogwash" when cities claim that they can't afford to lose any LGA. Koopman encouraged the Council to write to these individuals and flood them with our concerns. The City of Tracy is very reliant on LGA. These monies are needed to provide essential services and she has stated in her e-mails to the representatives, senators and Governor, that the City has not replaced one street department employee and one police officer and have made a sizeable cut from our budget in January. She explained that the next thing would be to cut personnel and services. When this happens, this affects the businesses, schools and churches. The only positive thing that came from the session was that the Governor did sign a bill that allows for administrative fines for the minor traffic and equipment violations which has to be established by ordinance. The fine is set at \$60 and the City would receive 2/3 and the other 1/3 would go to the state.

Mayor Ferrazzano asked if there were any questions regarding the revised dog ordinance. This incorporated the changes that were discussed at the last Council meeting. Koopman said the changes are indicated by underline for new material and ~~strikeout~~ for material deleted. If this is acceptable to the Council, the next step would be to call for a public hearing on this ordinance. Motion by Martin, seconded by Enderson to set a public hearing on an Ordinance Regulating the Construction and Maintenance of Outdoor Enclosures and Shelters for Dogs at 6:45 p.m. on June 8, 2009. All voted in favor of the motion.

Koopman said this Memorandum of Understanding Between AFSCME and the City of the Tracy was prepared by the AFSCME union to regulate the distribution of retirement funds. There is no additional expense to the City, but because we have a union contract they feel it is necessary to have an understanding approved by the Council for all union employees regarding the distribution of these funds. Stobb referred to D-1 and asked the Council if it made sense to them exactly what was supposed to happen. Koopman said this is the second draft and this indicates what portion of the retirement fund they want to go into the post-retirement health care savings plan. Chalmers stated if they are asking to have this signed, it should be clear what the Council is agreeing to do. Koopman said she did not know why the City Council had to approve this when the monies have been decided what the employee would be receiving and the union could determine how they want it distributed. Koopman said she would refer this back to them to clearly identify what they want to do with the accrued sick leave.

Stobb said one of the residents from Hollett Street was in attendance at the last Planning Commission meeting and presented incidences of traffic moving through there faster than they should be going with the presence of foot traffic and child traffic on that street. There are no speed signs or anything between Center Street and E. 4<sup>th</sup> Street. They requested that some type of signage be put up there to reduce the speed or stop signs. Nielsen stated the state has to approve the placement of these signs and the City has to show a need for these signs. Stobb said they had a request for Elm Street in the past and thought they had put something up but he had driven that street and did not see anything there. If something is done on Hollett it might be good to do something on Elm Street as well. Nielsen said that the state has to approve the placement of speed limit signs but they do not have to approve stop signs. This is due to try to establish some uniformity by the state and do not feel it is beneficial to have one residential area at 30 mph and another one at 25 mph unless there is a good reason to do it. Chalmers stated the logic for having it at 25 mph is that it is a park area and there are no sidewalks and a considerable amount of foot traffic on the street and there are no other traffic devices to slow drivers down. Martin suggested that instead of going to the state for permission for speed limit signs to maybe put stop signs up. Robinson said there is a Children at Play sign on the corner of 2<sup>nd</sup> Street and Hollett. Peterson asked if there is any history of traffic citations in this area. Chief Hillger said he did not believe there was and he has no objection to lowering the speed limit in that area but if drivers are not obeying the 30 mph they may not obey 25 mph. Hillger suggested putting in stop signs at 2<sup>nd</sup> Street E., 1<sup>st</sup> Street E. or both. Chalmers said the request was to do something to slow down the traffic and does not feel there would be any objection to putting up stop signs as opposed to a speed limit sign. Nielsen said he will check into the requirements by the state for putting up stop signs and speed limit signs and report back to the Council at the next meeting. Mayor Ferrazzano also asked Chief Hillger to see if he has any recommendations of where to put up stop signs.

Koopman said that included in the agenda packet a list of the pool staff along with other information relating to the pool, open/closing times, etc. Also included was the pay scale for pool staff. Last year was the first year the staff was paid on an hourly basis. Staff members hired last year were placed on the pay scale based on the number of years of experience they had. In order for them to advance to the next pay step they have to work a total of 233 hours. There may be cases where an employee advances to the next step midway through the season if they were unable to meet the 233 hours last season, those hours worked carry over to this season. Motion by Snyder, seconded by Peterson to approve the pool staff. Stobb said that last year they debated hours that the pool would be open for open swimming. Koopman said they are trying a different schedule to see if it would warrant being open 1-8 p.m. everyday. Last year the hours were 1-7 p.m. and there were some that were not happy with this. They are going to try 1-7 p.m. each day, including weekends and 1-8 p.m. on Tuesdays and Thursday to see what feedback they get. Koopman said if there is enough demand to be open till 8 p.m. each night, they can switch to that schedule. All voted in favor of the previous motion.

Eric Hansen from SEH was present to answer any questions the Council had regarding the transfer of entitlement funds. He said that each year the City of Tracy received \$150,000 from the FAA for the airport. This can be carried over four years and right now the City has money from 2006, 07, 08 and 09. The money from 2006 is expiring and the City has budgeted \$2,500 as a local match to do renovations on the terminal building which equates into \$50,000 worth of federal money. There is \$100,000 that is expiring. Hansen said this money if not used, is lost. One of the things the FAA

allows you to do is transfer it to another airport. The cities of both Ortonville and Elbow Lake are requesting \$50,000 each and the City of Hutchinson is requesting \$93,000. Nielsen said they were told at one time that this money could not be used to build hangars. Hansen said you can use it to build hangars if everything on the air site is met such as good pavement and no obstructions. Once this is done you can build hangars and fuel systems. Another stipulation is that you cannot be planning on another big project within three years because they will say that you should be saving your entitlement money to do that and not to be building hangars and fuel systems. Nielsen suggested they give the money to someone that would return the favor if Tracy needed money. Snyder asked if they can only transfer the money that is expiring. Hansen said that if you wanted to, you could transfer anything and it is up to the City. Right now the City has \$600,000 and once 2010 starts, the FAA program is not in place yet, but indications are that the City of Tracy would receive another \$150,000. It is currently a 95/5 split and there is talk that it may go to 90/10. Hansen recommended not using the 2007 funds now and see where the budget is next year. Stobb said that Elbow Lake is giving more than a promise, they are committing \$50,000 in 2011 to Tracy. Mayor Ferrazzano suggested giving \$50,000 each to Elbow Lake and Ortonville. Chalmers states it then benefits two cities. Peterson said the City will not do anything close to using the \$150,000 of the 2007 money. Koopman said another option would be to notify Hutchinson that we would consider them favorably for the 2007 money not used. Mayor asked that Elbow Lake and Ortonville be notified that they will be receiving \$50,000 each and write a letter to Hutchinson and telling them Tracy would have funds available the next fiscal year if they still need the funds. Snyder does not see what difference it makes if they give Hutchinson the money now or next year. Motion by Peterson, seconded by Snyder to give \$50,000 each to Ortonville and Elbow lake and commit \$93,000 to Hutchinson from the 2007 allotment and give it to them this year. Mayor Ferrazzano asked if these cities could display some type of thank you at their airports. With SEH doing the work in Elbow Lake and Ortonville, he asked if there could be some type of little plaque that says Thank you Tracy or something like that. Hansen said they could put something in the Ortonville newspaper. Stobb asked if Robinson had any opinion about using next year's money. Robinson said they have no big projects in line and with the budget situation, he does not feel they will be able to do any large projects as the City still has to contribute the 5% funds for the any project. All voted in favor of the previous motion.

Koopman said that this year it seems the City is getting bombarded with mowing vacant properties. Peterson asked how many lawns are being mowed at this time. Robinson said it really varies year to year and this year it is about 11 or 12. Neighbors were calling very upset. Koopman suggested charging a base fee of \$50 plus the cost of mowing. She hoped that this would encourage property owners to be more responsible. Currently the City is only charging what it costs us to mow. The current practice provides a very convenient way to get your property mowed and at a fairly reasonable cost. Peterson asked how they would recoup this fee. Koopman said it would be assessed against the property but even receiving some of fees would be helpful. A majority of the lawns are vacant property owners and some pay, but the majority do not and it gets assessed to the property. Motion by Chalmers, seconded by Peterson to authorize the base charge of \$50 plus the cost of having the City mow vacant properties. All voted in favor of the motion.

Koopman stated that they no longer have a gardener and she asked the City Council if we can get individuals to maintain the flower beds, would the City agree to pay for the flowers. Peterson said the only objection he has for that is that there are individuals who have already purchased flowers. Koopman suggested reimbursing them for the cost. Mayor Ferrazzano asked how many flowerbeds have been adopted so far. Koopman said the only one is the one on the corner of Center and Highway 14. Chief Hillger stated that his wife has agreed to do the one by the horseshoe courts. Koopman feels it gives the community a very negative image when flower beds are in place but not maintained. Chalmers feels that it is not unreasonable to cover the cost of flowers. Mayor Ferrazzano asked that they get invoices from individuals that have already paid. He states that they could advertise in the paper for volunteers to take care of the flower beds and the locations of the beds and that the City would pay for the flowers. Robinson said the flower beds need to be watered quite often and staff could drive the truck to the flower beds so they can water the plants.

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

Peterson said that he dropped off a bill for additional repairs for the Explorer. It was stuck in 4-wheel drive and sensor in the transfer case needs to be replaced. This would be about \$100 to repair. Koopman said the total cost for repairs at this time is about \$739. Motion by Martin, seconded by Snyder to approve the repairs needed to the Explorer. All voted in favor of the motion.

The Consent Calendar included Municipal Accounts Payable, Planning Commission minutes for May 4, 2009, Monthly Financial Report and Economic Development Authority minutes for April 17 and May 1, 2009.

The following explanations were given to questions asked by Peterson.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Explanation</u>
048039	Lyon Co Hwy Dept	\$ 25.00	<p>Peterson asked what county utility is this permit is for?  <i>Robinson said that anytime we dig in a county right-a-way, a permit is needed. Koopman said this is where South and 8<sup>th</sup> intersect.</i></p>
048075	American Eng Testing Inc	\$ 3,055.00	<p>Peterson asked what these tests were for and will this be included in the assessment back to the property owners?  <i>Robinson said this is for soil borings. He stated there is one area that they have to go deeper on because there is some organic material.</i></p>
048105	M&K Bridge Const.Inc.		<p>Peterson said that in the EDA minutes, they passed a motion to have the City build a tree spade. He asked why the EDA is telling the City shop what they need for tools and who is to pay for it?  <i>Robinson stated they have about 400 trees on the tree farm and to hire someone to move them is very expensive. He had talked with Gervais and DeSmith estimated he could build a tree spade for less than \$200. He told Gervais this and he took it EDA board and the cost would be split.</i>            Peterson asked what accounts this came from?  <i>Robinson said it come from the equipment replacement or other. Koopman said the EDA shared the cost because they would be moving trees from the tree farm to the Central Livestock property.</i>            Peterson asked what budget monies the EDA had for this?  <i>Koopman said it would be from their Revolving loan fund or general operating budget. Robinson said that some of the trees need to be moved and if they get too large, an actual</i></p>

*tree mover would have to move them*

Peterson said they started at the beginning of the meeting talking about LGA and not getting any money and he is not knocking the ideas, but it appears that “I have a good idea so lets go spend money on this” and then come back and ask permission for it. Snyder said they were going to move the trees regardless so why spend \$500 to move the trees when we can spend \$60. Peterson said that is not his point. Snyder stated then he is not getting his point because they saved \$440. Peterson said his point is the City is going broke saving money. Last month he brought up a box of welding rods that cost \$400 to save money and this month there is another box of \$400 welding rods. Peterson asked how many snow plows are they going to fix this summer? Robinson said that DeSmith had talked to him about this and the mower blades that they normally buy come to 70 blades per year, at an average of \$20-\$25 a piece. This year they used these rods and fixed up all the old blades so instead of \$1400 in blades, they purchased \$400 in rods. Peterson said that he was under the impression that when he talked to him that the first \$400 in rods would be enough to do all that for two years. Robinson said the first box was for the plows and these were needed for the mower blades.

048095	Robert Gervais	\$ 27.75	Peterson said this is for mileage because the Explorer was not fixed yet. He said this was on the 5 <sup>th</sup> and 12 <sup>th</sup> of May. It was then driven on 20 <sup>th</sup> and 23 <sup>rd</sup> to Redwood Falls. Peterson asked why we are paying mileage and using the Explorer as the excuse.
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Koopman said that the staff wasn't driving the Explorer because Peterson said it was a safety issue. Peterson said that is if it was snowing or raining. Koopman said that you do not know what the weather is going to do when the Explorer is taken. She thought it was understood at that time that the City would be paying mileage until the Explorer was repaired and that is why she had contacted Peterson last Friday to see when it would be fixed. But if that is not the consensus of the Council, then the employees will continue to drive it and keep our fingers crossed. Stobb stated that he is not going to ask someone to drive a vehicle that they do not feel safe driving

SEH	\$ 15,421,07	Peterson asked if this is the cost of flow meters? <i>Robinson said this is the cost that was approved to rent the meters for the second phase as there was not enough rainfall last year.</i> Peterson said the only thing that is getting measured in these studies is the amount of money spent on this.
	\$ 220.00	Peterson questioned the placement of landscaping rock placed around the trees by the parking lot. Peterson said he was the one that did the walk around on the street light project and that was to remove the barrier and to make it a level walkway and Robinson agreed that the city crew could do that. There was no mention made of any landscaping of this area.

Robinson said that when they went on that walk there were plans for the contractor to straighten that out by the parking lot and to save some money on the project. Peterson said that was for the sidewalk issue and to get rid of the retaining wall. Robinson said the problem is that the parking lot

curb is much higher than the foundation of the sidewalk and if the retaining walls were removed, the slope of the dirt will wash away on the side walk. Peterson said the slope is still there with all the stuff that has been put up there. Robinson said they cut the slope down and once they get down there, the roots of the trees were exposed. Koopman said that is the reason the landscaping rock at to be put in there, to save the trees. Peterson asked what they were going to do with the tree by the benches as that is the one they landscaped out first and found all the roots sticking up and have done nothing with that. Robinson said he did not feel that this would be a problem. Robinson said that he and Koopman looked at the area by the parking lot and determined they were under budget on the street light project and he got approval from Koopman to spend the \$220 to landscape around the trees to salvage the trees. Peterson said it was never brought up to the Council and he can guarantee that landscaping was removed from the street light project and if there is money left over, it is to go to retiring the debt of the street light project not discretionary landscaping. Koopman says this brings up the point that has been brewing for sometime. She questioned at what point does the staff have a right to make a decision and at what point does it need to be brought before the City Council. This is an expenditure of less than \$300. It was done to prevent the loss of the trees. She feels that what was done for the cost involved, it looks nice and once it is seeded it will be a very nice project. She is not saying that just because they are below budget, they need to spend money, but it needed to be finished. They felt this was the most economical way to do it. Peterson said, using that argument, he seen three of the staff working a whole day on that project and Paul was out running the tiller south of town, when he could have had the Explorer fixed that day instead of running the tiller and paying someone else to fix the Explorer. Peterson said Paul would be working at the pool all month and he is seeing him out here tilling the ditch and seeding out there. Robinson said they had a snowplow get stuck in the ditch out there and it was torn up with the City equipment. There were some complaints and it needed to be fixed. Koopman said they have a public works director that is the department head and he has to determine where the staff will be working and that was an issue that needed to be addressed because they were getting complaints from the property owner and he had a right to complain and it needed to be repaired. Peterson feels there is money being spent and it is his job as a member of the Council to make sure the budget is being considered, if it is being spent before he sees it, how can he be sure they are sticking to the budget. Chalmers asked if any of this was in excess of the budget? Peterson asked was any of this in the budget for 2009? Koopman said it was in the budget as far as the landscaping. The street light project was approved not to exceed \$578,000 and we were well below that amount. This is part of that project to get the landscaping complete and it needed to be done. Koopman said they could have hired it done and it would have been much more costly than using the staff, and that was what the committee that walked around decided that some of those tasks could be done by staff and that is what was done. Chalmers stated that he felt that as a Council they have responsibility to set priorities and establish a budget and then trust the staff to administer these areas and do the job they are hired to do. If there is a track record of them not following priorities that have been set and not sticking to the budget, then it is dealt with. Chalmers said they cannot micro-manage every penny that is spent. Robinson said the budget for 2008 budget for Streets and Parks was at 97% and the utility budget was at 93%. Chalmers hears what Peterson is saying but they are arguing about spending money to ultimately save the City a great deal more money and to him, Robinson and Koopman are doing exactly what is expected of them. Peterson is not saying they are not, he just wanted to bring it up and discuss it. He does not see what is so wrong about discussing it so that everyone knows about. Stobb feels that it is wrong if they get into micro-managing and they make the administrators and department heads fearful about making decisions when they need to. They need to make them 20 times a day and the Council has to trust their judgment and look at the results that they have achieved. Chalmers said if they have to approve every expenditure, they would have to meet two or three times a week to oversee every decision they make and approve it.

Peterson said the only other question he had was about the street lighting and what the new street lights cost the City. Koopman said it showed that last year at this time \$11,237.40 was spent and currently the City has spent \$5,642.93. She noted that this is somewhat deceiving as it does reflect a credit when the old street lights were disconnected Xcel continued to bill us for a couple months. Koopman said these are metered lights whereas before they were paying for maintenance and repair of the lights. She feels they are going to be fine budget wise but they would have to go through the full yearly cycle before there is a true picture. Peterson said the reason he asked is that they went over budget last year and he was under the impression that the Christmas decorations were to be on timers, but they are on the light sensors the same as the lights. Robinson said there is a computer

in there that they are working with. Robinson said they are starting to figure it out. Peterson said that in the Marshall paper two weeks ago, St. Cloud is thinking about charging every resident a flat rate for street lights. Koopman said that there are other cities as well that are trying to generate revenues. Peterson said that one of the selling points of the new light system was that they can be turned off and on when needed and if at 2:00 a.m., they are not needed, they can be shut off.

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

Motion by Martin, 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

**June 8, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 8, 2009 in the Council Chambers of the Municipal Building. The following council members were present: Mayor Ferrazzano, K. Enderson, T. Peterson and J. Chalmers. Absent were M. Martin, C. Snyder and R. Stobb. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Enderson to approve the minutes from May 26, 2009 as presented. All voted in favor of the motion.

Addition to the agenda include: 5A-1 Change Order, 5B-2 request for authorization to televise the sewer connections on 8<sup>th</sup> Street and 11A-1 Update on flower beds. Motion by Chalmers, seconded by Peterson to approve the agenda as revised. All voted in favor of the motion.

Koopman told the Council only one quote was received for the Terminal Building Renovation project at the airport, even though seven (7) local contractors were solicited to submit quotes. SEH is recommending that the Council accept the quote for \$47,750 from Dru Larson Construction Inc., subject to FAA and Mn/DOT approval. The quote price plus existing engineering contract results in a local match of \$2,887.50 and if the City council will amend their budget amount by \$387.50, the entire project can be completed this year. Koopman said the reason for the increase would be so that they could use steel roofing versus asphalt shingles. Both Daniels and Robinson agreed that this would be a better choice. Motion by Enderson, seconded by Peterson to approve the bid from Dru Larson Construction, Inc. of \$47,750 for the 2009 Terminal Building Renovation at the Tracy Municipal Airport. All voted in favor of the motion.

Koopman said the change order for the Terminal Building Renovation involves that the specifications when prepared, required the contractor provide a Performance and Payment Bond. The day following the due date for the quotes, Mr. Larson indicated that he had not included the price of the Performance Payment Bond in his bid and asked if he could increase his bid. She then discussed this with the engineer and after reviewing information provided by the League of Minnesota Cities, a Performance and Payment Bond is not required for contracts less than \$75,000. This change order would waive the Performance and Payment Bond provision and require that Larson sign a written agreement that would guarantee payment to all subcontractors. This does not change the monetary amount of the quote. Motion by Chalmers, seconded by Peterson to accept Change Order No. 1. for the 2009 Terminal Building Renovation. All voted in favor of the motion.

Bids for the 2009 Street Improvement Project were reviewed and considered. On Tuesday, June 4, 2009, seven (7) bids were received for the referenced project. The bid results are summarized below.

<u>Contractor</u>	<u>Total Base Bid</u>	<u>Total Add Alt. #1 Bid</u>	<u>Total Base Bid + Add Alt. #1 Bid</u>
1 Rupp Construction Inc.	\$758,539.36	\$5,600.00	\$754,139.36
2 Schmidt Construction, Inc.	**\$765,637.00	\$3,024.00	\$768,661.00
3 Duininck, Inc.	\$773,409.95	\$12,896.00	\$786,305.95
4 D&G Excavating, Inc.	\$773,339.35	\$1,354.00	\$778,693.35
5 Hjerpe Contracting, Inc	\$801,447.30	\$15,472.00	\$816,919.30
6 Carstensen Contracting, Inc.	**\$817,049.46	\$6,843.20	\$823,892.66
7 Chad Monson Excav. LLC	\$861,639.40	\$14,616.00	\$876,255.40
<b>Engineers Estimate</b>	<b>\$925,000.00</b>	<b>-\$5,000.00</b>	<b>\$920,000.00</b>

\*\* Denotes corrected figure

Al Murra, SEH Project Manager stated the alternate included crushed concrete versus the Class 5 sub grade material. They wanted to see if they could get a better price and as it turned it was not the case. Murra stated they recommend awarding the base bid. The lowest bid has come in about 18% under estimate. SEH concludes that Rupp Construction has the experience and ability to provide

the materials as requested for a project of this type and size. They recommend the project awarded to Rupp Construction, Inc. and to award the base bid only of \$758,539.36.

Motion by Peterson, seconded by Chalmers to adopt a resolution accepting the base bid from Rupp Construction, Inc. in the amount of \$758.539.36. All voted in favor of the motion. (Res. No. 2009-11)

A letter was received from SEH regarding the contract amendment request for the downtown lighting and sidewalk improvements. The total cost of these additions is \$7,800. The breakdown for the additional costs includes:

1. Additional Work Revising Project - \$4,000.00
2. Additional RPR Inspection - \$3,800.00

Murra stated the project cost is approximately \$561,000, which is about \$17,000 under the initial project budget of \$578,000 and with the additional costs as outlined would bring the total project cost to approximately \$568,800. Peterson said he would like a better explanation of these charges as he does not understand how it can cost \$4,000 to eliminate some items and would like to see some additional RPR inspection time sheets. He does not remember seeing anyone down there to justify \$3,800 of payment. Al Murra explained the project was designed and advertised and they worked with city staff to go through, prior to advertising, the portions of the area that needed reconstruction. After the point of the engineers estimate, it was realized there was too much project there and worked with city staff and developed some add alternates, to determine which areas could be done and which areas could not be done with the \$578,000 project limit. After the bid opening, SEH met with city staff and reviewed the areas and reviewed the alternates and came up with a plan that was brought to the Council to award the project and at that point it was determined that revisions needed to be made to the entire project. In doing so, they had to award the entire project which would have been over the \$578,000 so they had to revise the project and come up with a new one that fit in the construction budget. They had to measure again and go through and look at the prices given by the contractor at the award and try to come up with balance of work that could be eliminated and work that could be added to come up with a number that was within the budget. SEH then needed to meet with the contractor to explain to him what would be included. Peterson felt the cost was high to remove something from the project when some of the options did not meet the original intent of the project. One of the options was to not put any lights on 4<sup>th</sup> Street and that was not in the intent of the project. Peterson said it was engineered out at one time and cut back and then back and forth to fit within the budget. Murra said that what is not shown and SEH is not asking for all the fees that they spent working back and forth on some of the initial design aspects; this is just the portion that SEH felt was outside of their scope after the project was awarded. Murra said they were not going to be up here full time and were working with city staff to share the inspection services so some of the costs could be kept down. Peterson said there were 80 hours of inspection time in the contract. Murra stated they ended up spending more time than that as there were some periods during construction that city staff had other things going on and SEH came and spent some additional time. He said it is difficult to estimate what is going to happen with part time inspection. Murra said they worked hard to stay within the budget and make sure the contractor did not work outside the limits and felt they did a good job on this project. Motion by Chalmers, seconded by Enderson to allow the \$7,800 over what was contracted for on the Downtown Lighting & Sidewalk Project. Upon roll call the following vote was recorded with Mayor Ferrazzano, Enderson and Chalmers voting aye and Peterson voted nay. Motion carries.

Robinson presented a bid to televise approximately 25 sewer services from the main line on 8<sup>th</sup> Street at a cost of \$5,625.00 from A-Tech Sewer. Robinson stated that the city is under the gun from MPCA to work on the I&I problems. Every six months the city is required to make a progress report to MPCA. There was a similar project done on 4<sup>th</sup> Street East where they go through the old sump pump book and determine where the residential sump pumps are located and what they do not know is if there is no sump pump, there may be a footing drain that ties into the sanitary sewer service. Clear water enters at that service. Robinson said the method they used last time was they had Glen Larson from EnviroPump go into those homes and remove the clean outs and attempted to run a camera through the clean out. This did not work all the time and sometimes the clean outs got broke, could not get them open and other obstacles. That was approximately \$200 per home at that time.

Robinson stated they have worked with A-Tech before and they now have a camera that they can send up the main line and when they get to a service, they can shoot another camera up the service line to the residence. This is much less invasive. There is not a lot of choice since MPCA has threatened that the City needs to get the I&I situation resolved. Robinson stated that every street project that they do, if there are suspicions of footing drains, they will have to be televised. There are approximately 25 services on 8<sup>th</sup> Street and some of those have sump pumps. They need to televise those services that do not have sump pumps. If a footing drain is discovered it then has to be routed back into a sump pump or have an outside sump pump. Mayor Ferrazzano asked when this would be done. Robinson said he was attempting to coordinate our inspection with another community to save on mobilization costs. This would be done at the start of the 2009 Street Project. Mobilization costs are usually about \$400. Because they do not have to televise the homes that have sump pumps, the cost could be much less. Peterson asked what fund this cost would come from. Koopman said this would be part of the whole project cost and will be assessed back. Motion by Enderson, seconded by Peterson to accept the quote of \$5,625 from A-Tech Sewer. All voted in favor of the motion.

A public hearing was held at 6:45 p.m. on Ordinance No. 305, an ordinance regulating the construction and maintenance of outdoor enclosures and shelters for dogs. Brad Cuff commended the Council for all the hard work put into this ordinance but he feels that too much emphasis is placed on size and construction requirements. He feels the real issues are about cleanliness and owner responsibility. He said the ordinance states a size of 60 square feet is required for up to two dogs and asked if this size requirement is for one dog as well. Chalmers said this is for a new enclosure and for an existing enclosure it is a minimum of 30 square feet for each dog and it does not have to meet the set back requirements as they do for new enclosures. He said that Cuff's existing enclosure which is 50 square feet would be fine. Chalmers stated the intent of this ordinance is not to penalize or cause any undue burden on anyone that already has nicely constructed kennels that are providing good space for their animals, but to set standards for those individuals who are not providing good space for their animals or anyone constructing enclosures so they understand the city has standards for the way the construct an enclosure. Cuff did not want to get into a situation where this enclosure is okay and this one is not. There being no further public testimony, Mayor Ferrazzano closed the public hearing at 6:50 p.m. Peterson asked for clarification of who this ordinance applies to and can understand a licensed veterinarian, but questioned dog kennels in properly zoned areas. Peterson asked if there were any businesses that board dogs and if they do, does this allow them not to comply with the ordinance. Koopman said there are a couple dog permits and one no longer has four dogs. Koopman said they are regulated under the animal permit which is another ordinance. Nielsen said dog kennel is not a generic term; it is a specific term that is used by the state. Dog kennels in their eyes are people that have businesses and that is different from the over four limit that the City has in another city ordinance. Dog Kennels are regulated by the state and have to be licensed to have that. Chalmers stated there are existing state standards that apply to a kennel business. Nielsen stated that it also has to meet the City zoning requirements and this type of business is not allowed just anywhere in the city. Peterson asked if there is a facility that they lock up strays in and where is it located. Koopman stated that it is Steve Larson's property on Front Street. Peterson asked if this would be exempt as it has to follow state standards as far as size, etc. Nielsen said they cannot do anything about the state statute part. Motion by Chalmers, seconded by Enderson to adopt Ordinance 305 to become effective 30 days after publication. All voted in favor of the motion.

Nielsen presented a status update on the Maintenance Code Violations. He reported that all the preliminaries on the Schaefer property have been met, the notice requirements have been met and now it is a matter of organizing some paperwork and getting a court date set and going to the court hearing with the city building inspector to get the court to approve the hazardous building order and authorize demolition if that is what the City chooses to do. Chalmers asked if this is automatic since the owners did not appeal within the time allowed. Nielsen stated the court still needs to find it is hazardous building as the City Council has. Peterson asked about the status of 200 Morgan. Nielsen stated that property has gone through this court process and the court has authorized the City to proceed to raise the property if that is what is necessary to eliminate the hazard. Koopman said that since that building is a commercial building they are required to do an asbestos inspection. She asked for permission from the Council to proceed with getting quotes to do an asbestos inspection to keep the project moving forward. Koopman said the problem with that building is that it is filled

with a lot of stuff and it may be in the City's best interest to hire someone to go in there and dispose of the stuff and then have the inspection done. Chalmers asked if there is anything salvageable that could be auctioned off. Nielsen explained there is a law on returns there, and if there is anything that could make a return to the City, the City should maybe do that and if it is material that is too hard to sort the good from the bad or less expensive to have someone remove it. Koopman said to do the inspection, they are going to have to first remove the stuff and the City staff does not have time right now to do that. Peterson asked if there are any funds budgeted for that at this time. Koopman said there are funds for the demolition of dilapidated buildings and that is where this would be funded. She suggested that they could maybe hire a couple people to just physically go in there and remove the debris. Peterson asked if the City has access to the building now. Nielsen said the court order says the City is entitled to go ahead with the demolition process and if removing that material is part of that, he feels they could go ahead and do that at any time. Nielsen said the City is free to go ahead and clear that property unless someone would file an appeal and the court would change the order in some way. Koopman said the property owner has been given sufficient notice to remove any property and apparently he chooses not to ignore it or has no interest in removing anything from the building. Chalmers stated there maybe someone that would be willing to clean it out and keep what they find salvageable. Mayor Ferrazzano said he does not have an issue with paying \$10/hour to do it. Motion by Peterson, seconded by Chalmers to authorize hiring someone to clean the building of debris at \$10/hour and/or keep what they find salvageable. All voted in favor of the motion. Mayor Ferrazzano stated that once that is done, they will revisit how much it will cost for the asbestos inspection. Koopman will get some quotes for that.

Nielsen also stated in his memo that several months ago, several properties had compliance orders sent out to the owners and/or occupants thereof, requiring certain deficiencies to be corrected by June 1, 2009. The time to appeal all these matters to the City Council has expired and no appeals were made. The City Building Inspector looked at all the subject properties on June 2 and reported that none have completed the repairs stated in the compliance orders that were sent out. Two have done some minor work, but nothing close to complying with the orders sent. One of those has obtained a building permit, but has not done all the needed work. The next anticipated step will be to file misdemeanor complaints in court for failure to follow the compliance orders, which may result in summons to court being issued to each owner and/or occupant. There are other pending matters similar to those stated above, where the deadline date for work to be completed has not yet expired. If the compliance orders are not honored by the set dates, action will follow as described above.

Mayor Ferrazzano asked Nielsen if he had reviewed the letter and resolution from Charter regarding the Charter Communications, Inc. restructuring. Nielsen said he had received a letter some time back. He said that the City has faced this situation before when there has been a transfer of a franchise due to bankruptcy or other reason; the City reserves the right to intervene and investigate to satisfaction. They elude in their letter that it may or may not be required. He does not feel it is a bad idea for the City, to approve it and that way the City is not waiving their right to intervene in these matters in the future. Chalmers understands that they are going to reorganize and continue to do business with the City as they have in the past. Nielsen stated one of the first things they did when they filed bankruptcy was to get permission from the bankruptcy court to continue to pay those types of obligations and work the customers on the existing contracts. Nielsen stated the main goal could be they had a quantity of debt that the corporation owed and this was a way of going through the bankruptcy process to get the debt restructured as opposed to terminating franchises, getting rid of customers, getting new management and those types of things. Motion by Peterson, seconded by Chalmers to adopt a resolution consenting to Charter restructuring. All voted in favor of the motion. (Res. No. 2009-12)

Motion by Chalmers, seconded by Peterson to appoint Rhonda Fredericks to the Charter Commission. All voted in favor of the motion.

Koopman indicated the Planning Commission did meet and held a public hearing to consider the variance request from Robert Ankum at 250 Pine Street for the height of the building they are constructing to be 21 feet. The lumberyard drew up the plans and did not account for the depth of the trusses so an additional foot variance was needed. They were previously approved for a 20 foot building. This additional one foot was approved by the Planning Commission and there was no public objections. Motion by Enderson, seconded by Peterson to grant this variance request. All voted in

favor of the motion.

Motion by Chalmers, seconded by Peterson to adopt a resolution approving increase in pledged securities at Minnwest Bank South. All voted in favor of the motion. (Res. No. 2009-13)

The Consent Calendar included: Municipal Accounts Payable, Firemen's Relief Association minutes for April 6 and May 4, 2009, Library Board Minutes and the Library Monthly Report.

The following explanations were provided to questions asked by Peterson.

<u>Check</u>	<u>Payable to</u>	<u>Amount</u>	<u>Explanation</u>
048131	North Central Ambulance	\$376,465.00	Peterson asked when the City would be receiving payment from the financing. <b><i>Koopman said the money from the USDA has been received.</i></b>
048158	Greenwood Nursery	\$ 234.30	Peterson thought the City was not buying flowers this year. <b><i>Koopman explained this was for the flowers in the barrels outside the building. The City pays for two containers and the Chamber pays for two containers. This has been done since they started putting these around town.</i></b>
048175	Reed Business Information	\$ 206.64	Peterson asked what this was for. <b><i>Koopman said this was for advertising in this construction bulletin and it was for the 2009 Street Project.</i></b>
048177	Southwest Glass Center	\$ 910.99	Peterson asked what needed repair and why? <b><i>One of the large glass windows was shattered by kids in the hallway between the east and west sides in the front. The parents were given a month to pay for this before we issued the check. Now the City has paid for the fixing of it and will continue to attempt collection from the family.</i></b>
048203	Best Western Kelly Inn	\$ 300.60	Peterson asked what this was for and what MCFOA is? <b><i>Koopman indicated this was for 3 nights. MCFOA is the Municipal clerks and Finance Officers Assn. This was thought to be charged on the credit card in March, but never came through on the credit card so they billed us.</i></b>
048229	Reed Business Information	\$ 206.64	Peterson asked what this was for. <b><i>This was for the 2009 Street Project.</i></b>

Peterson asked if the Library Board has any more information on the possible purchase of the Etc. building on 3<sup>rd</sup> Street. Chalmers stated that at the last meeting the Library Board has some concerns about that property before they start any negotiations. The Board has decided they wanted to move forward and get an inspection of the building done and have its value appraised before any offer is made. The Board was also going to secure an agent on the library behalf and they decided that they would approach Murrayland Agency regarding that and see if they would represent the Library as the buyer's agent should there be any negotiations. Chalmers said things are proceeding cautiously

and slowly. Mayor Ferrazzano said this is basically balancing whether it is worthwhile to fix up the library we have now or purchase another building that would not require as much upkeep. Chalmers said the key things that came up when they did the survey were concerns about the amount of space they have in the existing facility and some of the chronic issues such as the mustiness and mildew odor that could be abated but it would return. There could be additional maintenance done for the ceiling and put in some sort of metal flashing to help direct the water. Every year they try to do something to deal with the problem and every rainy season it starts to leak again. Given the amount to bring the building up to compliance with handicapped accessibility and they thought it would be good to consider a different location to meet the objectives. Mayor Ferrazzano stated the library was given money from an estate. Chalmers said the idea would be to use the donated funds for any building purchases. Nielsen stated that when the library gets to the point where they are seriously considering negotiating the purchase price for another building, if they would like to let the City know as there are some confidentiality and open meeting exceptions where this can be discussed in private. Chalmers said they did do that in closed session at the last meeting.

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

A memo was prepared by Nielsen regarding traffic controls on East Hollett Street. Nielsen put in his memo that if the City wanted to put up stop signs, this could be done and the state does regulate the changing of speed limits. In this case there is an specific exception that it can be reduced from what would normally be 30 mph to 25 mph if the appropriate signs are posted where the zone starts and ends. Nielsen said he did notice some signs that are behind a tree that indicates children at play. Peterson asked if it would help to reposition the signs so they are more readily seen. Robinson has looked at them several times and they are not too bad. Chalmers felt that a stop sign would be more likely to help slow the traffic down and the question is where do you logically put stop signs to slow things up. Robinson said that they do make moveable speed bumps. Koopman feels this is the best solution to a speeding problem. Mayor Ferrazzano felt the best solution would be stop signs and felt they should find the best spot where to place them. Chalmers feels they definitely need to do something. Chalmers stated there is a yield sign on 1<sup>st</sup> Street where you cross Hollett, but once you turn onto Hollett from Center Street there is nothing slowing anyone down. Peterson suggested a three way stop at the corner of Hollett and 2<sup>nd</sup> Street East. Mayor Ferrazzano is in favor of the stop signs and consult with Chief Hillger and Robinson and they can decide where to put them. Motion by Chalmers, seconded by Peterson to put up a three way stop with signs at the corner of 2<sup>nd</sup> Street East and East Hollett. All voted in favor of the motion.

Koopman said the Memorandum of Understanding includes language that the Union is proposing and there is no monetary requirement on the City's behalf and this is simply a matter of how the AFSCME employees want to disperse the monies they receive at the time of retirement or termination. In this particular case they are referring to all accrued sick leave that they would be entitled to under the existing union contract and then the one time payout of the health insurance, which is not in the contract but was offered for a short period of time. Chalmers felt that they did not clarify the wording of D-1 any better. Koopman said they clarified it some but does not feel that it is really worded clearly. She has a hard time understanding why the City even has to do anything with this because there is nothing binding to the City. The group decides how they want the money dispersed. The department heads has made that decision a number of years ago. The union members are a separate unit and they can choose to do whatever they wish on their own. The Union Representative feels they need to have a Memorandum of Understanding because there is a contract. She states there is no monetary obligation on the part of the City. Chalmers said that he feels uneasy about the vagueness of the wording of this section and the City may be asked to cough up a large amount of money in the future because they agree with this. Koopman does not feel this would happen but understands their concern. She thinks that what they are trying to say in this statement is that there was just one employee of the entire unit that was taking advantage of the one time payout of health insurance. Because he is a part of the unit is the reason they have that included. Mayor Ferrazzano said one option would be not to sign it because we do not understand why it has to be signed in the first place as they have already signed a labor agreement. Koopman said she would refer it back to the Union Representative for further clarification. Nielsen suggested the City could ask for an additional clause that says something not withstanding anything else in this agreement; this agreement should not be interpreted as increasing the financial obligation of the City.

Koopman informed the Council since the last meeting that Mary Ann Ankrum has taken on the Lutheran Church flowerbed, trimmed the rosebushes, cleaned up the tornado tree area and is also doing the flowerbeds at the Aquatic Center. She is doing a beautiful job and wants to commend her as well as the 4-H group, Bonnie Hillger and Peggi Peterson for the work they also have done. This is very much appreciated. Mayor Ferrazzano asked Koopman to put an ad in the paper to recognize the work done by these individuals.

Chalmers indicated that an issue was brought to his attention about the City Dog Impound. There was a German Shorthair that was impounded and the owners came by and released the dog from the pound by taking the door off and taking the dog. This is apparently the second or third time this has happened. The concern is that the people that are doing this are breaking and entering and getting around having to pay the impound fees to get their dog back. Chalmers stated the police department was informed and the animal rescue individuals did locate the dog and by the time the police got there the dog had been removed from that property. Mayor Ferrazzano stressed that taking your dog from the pound without paying the fee is a crime. Chalmers suggested that if this becomes a chronic problem, this may be another location to put up a surveillance camera.

Mayor Ferrazzano asked what someone would have to do to have a street blocked off for a block party. Koopman said this has been done in the past and they have come to the Council for permission to do this.

Peterson asked where they are with the ambulance contract. Koopman stated that she received the financial information today but that was all that was given to her. She had planned to put it in the next agenda packet so the Council had a chance to review. If after that they feel the contribution should be made, then she can notified the ambulance personnel to sign the agreement. She said the ambulance has the draft copy and if they are happy with it they can sign it.

Motion by Enderson, 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

### June 22, 2009

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 22, 2009 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 Administrator.

Motion by Peterson, seconded by Chalmers to approve the minutes from June 8, 2009 as presented. All voted in favor of the motion.

Additions to the agenda included: 6-B Resolution accepting FAA grant offer and 9-C Building permit for liquor store roof. Motion by Stobb, seconded by Peterson to approve the agenda as amended. All voted in favor of the motion.

Gervais stated that the City purchased tax forfeited properties at 641 Greenwood and 174 South Street and he and Fire Chief Johnson had discussed there are CDBG funds that could enable the City to demolish those properties and the fire department has shown some interest in using those houses for training purposes. Those houses sit off by themselves and there is nothing close around them. It would save money on the CDBG side. Chief Johnson could submit a bid for the fire department listing their hours and cost. This could be used as a match for the demolition cost and should cost little or nothing to demolish those properties. They would have to get a bid to remove the debris once they are burned if that is the path taken. Chief Johnson stated that they typically do not burn in town to avoid chances of smoking a neighbor or something rare that would happen. Koopman stated that she did get a call from a resident close to 174 South Street that did object to burning that house. Peterson stated that he also talked to a couple residents that are not in favor of burning the house at 174 South Street. Koopman said they felt their house and trees were too close and his wife has asthma and was concerned with the smoke issue. Gervais stated they do have a bid to demolish both houses which they had to get to comply with the CDBG guidelines and if that is the case they could move forward with the project. Mayor Ferrazzano felt that they should not burn the one at 174 South Street and asked if there were any objections for the one on Greenwood. Gervais stated there is a large grass field between Otto's home to the east and on the west there is a good distance to the next property. It was agreed by the Council that they authorize the fire department to burn the house at 641 Greenwood for training and raze property at 174 South Street.

Koopman said this copy of the Memorandum of Understanding between the AFSCME Union and the City of Tracy includes a disclaimer stating under D-2: "This agreement stands along and in no way changes any previously agreed upon benefits in the collective bargaining agreement." David Spencer stated they had them delete the statement about investments as this had nothing to do with us or the Council and is up to the MN. State Retirement system to keep this invested. Motion by Stobb, seconded by Chalmers to approve the Memorandum of Understanding. All voted in favor of the motion.

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

Motion by Stobb, seconded by Martin to approve an On-Sale 3.2 Malt Beverage license to Tracy Eagles Club and Tracy Lanes contingent on payment of fees and submission of paperwork. All voted in favor of the motion.

On the evening of August 4, 2009, The Tracy Women of Today along with other local organizations are sponsoring the National Night Out to promote police-community partnerships; crime, drug and violence prevention; safety and neighborhood unity. This will be held in Central Park from 5-9 p.m. In case of bad weather the Tracy Women of Today are requesting that the City council waive the normal fee assessed for use of the VMC in the event of bad weather. Motion by Chalmers, seconded by Peterson to waive the fees for use of the VCM for the Tracy Women of Today. All voted in favor of the motion.

Radke reported they have started the repairs on the roof of the liquor store. This should be done tomorrow or Wednesday and the carpet will be laid on Sunday and Monday. They had Karaoke outside for the first time this past weekend and that worked well. Off-sale has been good and the on-sale has been average but this could be due to the weather. The Profit/Loss Statement looks fine. There is a problem with a possibility of missing accounts payable, but nothing that will be drastic. Spencer stated that with what is showing up there, for the profit does not seem right as there is a payable out there and should show up next month.

Gervais stated they are moving ahead with the Morgan Street project, 50 and 62 Morgan Street have been demolished and they have a Request For Proposal starting this week from any interested local contractors. The EDA is looking for design plans for single family unit or duplex to be installed on that property. They originally looked at putting a duplex there with the amount of rental units that are needed in the community. The EDA would not object to someone putting a new home there and they did change the RFP to incorporate that. The EDA has approved the last five owner occupied homes in the CDBG so will be moving forward with those. Gervais had an opportunity to tour the community with Diane Timmerman from Western Community Action and looked at some of the dilapidated homes in the area such as 641 Greenwood, 174 South, 941 Center Street and others that may be coming up in the future. They looked at different ideas they could utilize programs within Western Community Action and Housing Partnership. One would be the urban renewal program similar to what was done at 100 Union a few years ago. They would deed the property to one of those organizations and they would come back in and build a new home or housing structure. Gervais was able to get some contact information regarding the BP and Food & Fuel gas stations. The BP station is being held in foreclosure and will not be resolved until early fall. The bank said there has been some interested in the Tracy area in regard to that station. Food & Fuel would not give a price but did send some information and they would be willing to work with a group in the area to run the facility. Gervais said the EDA had sent out a questionnaire on town homes. With a waiting list of about 25 they wanted to know what they would be willing to spend for rent, what type of amenities they would like to see and things like that. They had received seven back and if anyone is interested in filling one out, they could let Gervais know and he would get one sent to them. Most of the responses of the seven have been very positive and most are looking at three years down the road before they would be ready to move. Timmerman said the aging population is going to continue to look for rental units. Once they get more of the surveys back, the next step would be to work with contractors or the EDA looking at building some more town homes or units. The EDA has sent out letters regarding the commercial property inventory. They would like to develop an inventory of commercial property and if there are individuals that have an empty building or interested in selling or leasing their commercial property, that information can be put, free of charge, on the MN Dept. of Employment Economic Development website, Mnpro and everyone around the state and world can see that and can pull that information up. There is contact information listed. Gervais has heard back from about three of 45 letters that were sent. Gervais stated the EDA has fine tuned their perform a bit and the group plans to meet on July 6, 2009 to take a step forward with recruiting a dentist. They have had some help from a dentist that has gone through those perform before and will go through them some more. There is some potential funding through the USDA. At this time, it depends on how this would be set up; whether it would be a non-profit, 501-C3 or privately owned through the citizens or the dentist themselves, or if the city may chose to get involved. Aqua Power has changed their name to Premium Plant Services due to a split in the company. They have made an offer to purchase their building for \$100,000 and the EDA will seek an appraisal as the appraisal done by Premium Plant Services is a little over a year old and at that time it was appraised at \$127,000. EDA is not ready to move forward with that offer at this time. PPS continues to grow as a company, and with the amount of equipment and employees they have, their building is getting tight. They are looking for other property or buildings in the community to help them grow into. Martin asked if the Central Livestock Building would meet their needs. Gervais said they had discussed this a little and have contacted a local contractor to walk through the building and see what it would take. This would be enough space, but there may take a lot of work to renovate it to their needs. They would have to insulate part of the building to do work on the equipment in the winter months. Chalmers stated that some time back the EDA was going to work on a five year plan development. Gervais stated they are waiting to hear back from the Council. Gervais said he could again e-mail out the EDA list and then the Council can respond back.

Fire Chief Johnson said they are enjoying the new truck and they have had about ten calls in the last

couple weeks. The department did a driving drill with the fleet and everyone passed. The 2009 rural contracts are back and paid. There was a bid opening for the fire trucks last Friday and they had five bids on the van and high bidder was the Darfur Fire Department at \$6,979. There were four bids on the pump truck and the high bidder was the Darfur Fire Department at \$7,789. Johnson stated that if the Council is comfortable with those bids, they will be here tomorrow with a check and pick up the trucks. Johnson stated they were hoping for higher bids on the trucks and back when this was initially started, the economy was better and the towns that had originally shown interest in the trucks, got budgets cut and two of the cities never even bid. They would have liked to have gotten more, but it is not worth storing them. A couple of the bids received were from used fire truck salesmen and their bids were extremely low, so Johnson feels they did fairly well. Motion by Snyder, seconded by Stobb to accept the bid of \$6,979 for the rescue van. All voted in favor of the motion.

Peterson asked how these bids work out with the finances as far as the new truck. Johnson stated that when they did the financing for the new truck, they did not plug in the sale prices and what they got back from the sale of the old trucks would be an extra on the first payment. When they did the depreciation schedule the first time, they were hoping for \$36,000 for both vehicles. Mayor Ferrazzano asked if the sale affects the financing. Johnson said the money from the sale of the old trucks goes into the Equipment Fund which is where the payments for the new truck come from. Motion by Stobb, seconded by Snyder to accept the bid of \$7,789 for the pumper truck. All voted in favor of the motion.

Johnson stated that he discussed the purchase of new jaws of life about a month ago at the last council meeting that he attended. They had dropped off a set to show the department and they are coming to pick them up if the department decides not to purchase them. Johnson said the department is about \$5,000 short of purchasing the jaws. They have \$1,000 promised to be paid in early fall by two separate parties. They will be \$4,000 short total. Johnson questioned if the Council would be willing to let the department pick that up from the Equipment Fund. Johnson said the old jaws will still be in use and there is no value on them. The gas generator they had purchased with a raffle two years ago would go on a separate truck with the old cutter and spreader tool and that way they have two sets. Johnson said there are still some grants out there and does not know if they will get them or not. Motion by Stobb, seconded by Snyder to approve taking the \$5,000 from the Equipment Fund for the purchase of the new jaws. All voted in favor of the motion.

Mayor Ferrazzano asked what the procedure will be for burning the house at 641 Greenwood. Johnson stated they take straw bales inside, revolutions are done with starting them on fire and sending firemen in to put them out and then when the house is not safe to train in anymore, the house is lit. When they do it depends on wind directions and speed and making sure everything is in place to prevent any problems. Stobb said he was pleased they are able to do this but surprised as they have talked about this at Planning Commission on occasion and he thought there were some regulations or hurdles in the way. Johnson said there is a lot of paperwork associated with the regulated burning of a house. He feels this is the best way for training firemen. They try to do one burn a year and gives everyone a chance to go through all the steps, all ventilation and utilizing all equipment. This is usually done with two or three other cities, and they bring personnel and equipment to train. Johnson invited anyone to stop out and observe when they do this burn.

Koopman stated that the majority of her time this past month seemed to be centered on reading about or responding to the unallotment issues. She attended a Planning Commission meeting, two City Council meetings, Hospital Advisory Board, Cemetery Commission and signed all loan documents with USDA for the new fire truck and met with Daniels and Nielsen in regards to enforcement of the maintenance code. Koopman stated that Robinson is on vacation today and on his behalf, she was requesting permission to install a water service to the gazebo. When St. Mark's Museum was moved, there was water to the museum and at the time of the move it was capped off thinking that at sometime there would be a water feature built at the site. With the new planting that has been done at the site, they have asked to have access to water there. At this time they are running a hose from Mr. Boerboom's and the city is compensating him for water usage. She said that since they have the ability, it would be beneficial to have water on site. Chalmers asked if there are funds to do this. Koopman said there are funds remaining from the \$10,000 donation. She said the faucet would be locked and a key given to whomever is responsible for watering the plantings. Motion by

Snyder, seconded by Stobb to authorize restoring water service to the gazebo. All voted in favor of the motion.

Peterson appreciated that the flags are displayed, but if they are going to have them up, they need to be taken care of. He stated that he fixed one on Saturday. The lanyards break and get tangled. Koopman said she will pass the message on. She said normally they would be taken down but with the timing, they decided they are two weeks away from July 4, so they were left in place.

Nicole Larson from Kinner & Company presented an audit report and graphs. The records were found to be in good condition and no materials or misstatements that would cause alarm or misstatements in the financial statements. In 2004 they started a new reporting format and it has been good. Larger cities were required to go back and value their entire infrastructure. The City of Tracy is not required to do that and since that is not done there are material assets that is not on the books. Eventually they will get there as things are replaced and put in new. This does not cause any difference in how the city sits financially. The amount of the city assets has increased by \$1.2 million from 2007 to 2008 and the liabilities increased by \$0.9 million which gives a positive increase in net assets of \$0.3 million. Larson stated that is the direction the City wants to be going. There was an increase in governmental activities of \$160,000 and a positive change in the business side of \$175,000. On the Operating Statement for the Garbage Fund and Aquatic Center Fund are businesses that are operating at deficit balances and deficit activity. The Aquatic Center showed a loss in 2008 of \$75,000. Larson stated that they need to look at ways to try to increase those bottom lines. Larson referred to pages 62-69 that shows a detailed budget versus actual and comparative 2007 and 2008 of General Fund. There was a cut in LGA last year and that was an \$85,000 general revenue decrease and expenses in the General Fund were also up and most of them are payroll related and this is Workman's Comp and health insurance related. These are two areas the city tries to keep on top of, but that swing is \$166,000 and that makes a difference why there was a \$600,000 increase last year to only \$300,000 increase this year. Things are not in dire straights as there are good assets and reserves and the City has done a good job in the past. Larson stated the condition of the liquor store was not good, but this year there is a lot of positive. There was a \$30,000 net income for the year and last year it was a \$13,000 loss. Spencer stated that the liquor store is getting a new roof and asked Larson where that falls as far as the depreciation schedule goes and over how many years does it get depreciated out. Larson stated that can be determined at a minimum of 20 years and probably a maximum of 40 years. Spencer stated the reason for him bringing this up is because the Council is going to have to decide how they are going to pay for it. The liquor store will not have a cash balance there to pay for it and the City will have to loan some money to the liquor store fund to spread that out over the years. Radke states the roof is guaranteed for 15 years, would it be depreciated over 15 years. Larson stated that it is guaranteed for 15 years, you have to look at it if you are going to get more than 15 years out of it other than minor repairs and normal maintenance. If the city is not planning on replacing it for 20 to 25 years and doing normal maintenance, then they should select a 20 to 25 year depreciation. Larson stated the 5<sup>th</sup> Street Apartment fund did operate at a deficit of \$3,600 and this is a 75% improvement from 2007. 2007 had a \$14,500 loss. Expenses down were slightly and interest expenses are decreasing and the rent proceeds increased. The Bar graphs show that the trend for the most part, is in the positive direction. The only trend that is going in the negative direction is the Miscellaneous. This one is difficult to analyze if this is due to refunds and reimbursements, donations, loan repayments on EDA notes, CDBG loans, etc. Larson stated that overall everything looks good for 2008 and the City is on the right track. In the expenditures there is an increase in the expenditures for EDA and that is the CDBG grant and that is not a bad area as that is offset by revenues. Debt service has a large upswing and that is because there was a major refunding of some bonds in 2008. One major bond was paid off in addition to normal bond and note payments over the year. Capital outlay is not as high as 2007 and there were still a lot of major projects going on in 2008. Capital outlay and capital improvements are necessary to keep the City where it is at and they are being funded by sources of revenue or loan proceeds that have taken time to initiate. Overall, expenses are up slightly and this is good, especially given the economy and the way expenses are increasing and this is a step in the right direction. Larson stated the Assets does not include any long-term assets such as property and equipment, special assessments that are to be received over the next years but current assets that are on hand or will be on hand within the next 90 days after year end. The graphs show that for the most part assets are moving in the right direction. Receivables are about the same, which is good. Larson stated the current liabilities include items such as expenses paid out of current funds. There are only

three categories of liabilities and you do not want to see an increase. Overall there is a decrease in accounts payable. Accrued salaries are up slightly and this is not a surprise with the way the calendar falls with payment of wages. Taxes payable is about the same with a difference of only \$300. Larson stated the City office has been working cooperatively with them on making some changes in recording to get some of these things accounted for on a regular basis and this has been progressing well. She will be spending time working with the staff in July.

Koopman stated she had received a call from Tracey Heading from the FAA informing her that there wasn't \$50,000 remaining in the City account to give to Ortonville for work at this airport. Apparently they originally budgeted \$50,000 for Tracy Airport terminal project and the actual amount needed was a little more than \$57,000. In order to provide the \$50,000 requested by Ortonville the City of Tracy would have to use another portion of the 2007 allotment. Koopman does not feel this is a problem because there are no major improvements planned for the Tracy Airport for the next few years. The FAA has also agreed to this action. Motion by Peterson, seconded by Snyder to approve the appropriation of \$45,138 from the 2006 allotment and \$4,862 from the 2007 allotment to the City of Ortonville. All voted in favor of the motion.

Motion by Chalmers, seconded by Snyder to adopt a resolution accepting an offer extended by the Federal Aviation Administration for and on behalf of the United States in connection with airport development project No. 3-27-0102-06-09 and authorizing the Clerk/Administrator of the City of Tracy to sign an acceptance of said offer as contained in the grant agreement pertaining thereto. Koopman stated this is for the airport grant for the renovation of the terminal building and the grant amount is \$54,862. All voted in favor of the motion. (Res. No. 2009-14)

Motion by Stobb, seconded by Martin to adopt a resolution approving final payment to M.R. Paving and Excavating, Inc for work completed on the Downtown Lighting and Sidewalk Improvement Project in the amount of \$24,211.37. Peterson asked if the striping was included in this project. Koopman stated they had done it once and then it rained and then they had to redo it. Chalmers asked if this was what was discussed with the change orders. Koopman said this final payment is based on the work that was done. Peterson asked if the money left in this account is going to be used to retire the debt. Koopman said it is and this should be everything and the City did their own seeding and that cost is less than it would have been with the total cost of the project less than \$578,000 that was originally budgeted and the whatever does remain will used for bond payments. All voted in favor of the motion. (Res No. 2009-15)

The Consent Calendar included the Municipal Accounts Payable, Monthly Financial Report, Planning Commission minutes for June 1, 2009 and Ambulance Financial Statement.

The following explanations were provided to questions raised by Peterson.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Description</u>
048287	American Red Cross	\$ 46.25	Peterson stated that the City is still receiving bills for 2008 services into 2009, he asked what is going on? <b><i>Koopman stated that they did not submit a bill until now and does not know the reason. She asked how you do force their hand?</i></b>

Peterson stated that he has done some research and has brought this up before. He feels that we should contact all the City's vendors and send them a note stating that if the City is not properly billed 60 days from date of service, the City is not going to bill. Peterson feels there is no other business other than government that would wait 18 months to get a bill and then pay it. Koopman asked if we sent them a note, that the City would not be financially responsible. He feels that if they cannot do any better than billing 18 months out, they do not need to be paid. He does not feel that the City has to deal with this. Stobb asked if this notice is legally required before it could be refused to be paid. Peterson said he does not know anything about the legal part of it, but personally he would not have paid this bill. As far as the legalities, that is why the City has an attorney. Chalmers did not feel that they could retroactively decide not to pay. Maybe moving forward the City could

have a policy as long as it is communicated to the vendors at the time of service that the City have a requirement to be billed within a reasonable time period. Mayor Ferrazzano did not feel that he would want the publicity of the City of Tracy refusing to pay the Red Cross. He does not feel that short changing the Red Cross is the way to fight this battle.

048290 Avenet, LLC \$ 444.00 Peterson asked if this cost is shared with the other businesses linked on this site.  
**Spencer said that the City is not charging for those links.**  
Peterson asked why the City is giving away free stuff and if we are, why are we not putting all businesses on there?

**Spencer stated that the City does it as a community service. Most of the links that are on there are non-profits. The only ones that he can think of that are not, is the real estate agencies and that was done as a trade around with the EDA. The agencies list the City's items for sale with no charge and they put it on their websites. The City in turn, puts their website on the City website as a link. A good example is Walnut Grove, when their campground gets full, they recommend the Tracy campground and when Tracy is full, they recommend Walnut Grove. The \$444 is a good price for 12 month's service.**

048293 Buysse Roofing Systems, \$ 1,125.00 Peterson asked what happened to the roof at the VMC?  
**Koopman stated it is the flat roof between the Municipal building and the Armory part. The seam split due to ice build up.**

048295 CHS, Inc \$ 198.15 Peterson asked why they are spraying for weeds when it was decided that they were not going to this year to cut costs? He can understand at the ponds, but why at the pool?  
**Koopman answered that the Pollution control requires the area at the ponds to be sprayed.**  
**Nielsen guessed that at the pool it was inside the fence due to weeds growing by the slides and other equipment.**

048301 Desmet Welders \$ 738.25 Peterson asked if this pool safety transition pad is something new.  
**Koopman explained that right by the concession stand where the tables are, the area settled and it is anywhere from two to five inches difference and this was put in to make a permanent transition to prevent tripping rather than having to adjust all the concrete.**

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

Koopman stated that she drove the Explorer to Duluth and after driving for over 600 miles, she voiced concern that the vehicle is unsafe. When driven on the interstate at 70+ miles an hour, it rocks and you do not feel like you have control of the vehicle. It was worse when they hit the rain. Peterson said it is not a car and a SUV is a top heavy vehicle. Koopman stated that it was used as

a police vehicle for many years and I cannot help believe that a vehicle that was driven 30 to 40 miles per hour and turning corners continuously has to take its toll. All she is stating is what she has experienced and encourages the Council to take it on the road and drive it at 60-65 mph to get a feel for what she is talking about. Snyder stated that he drove it to St. Cloud six years ago and that is exactly the way it drove then. Peterson recommended not driving it over 60 mph just because of the type of vehicle that it is. Koopman stated that if you take it on the interstate you have to stay with the traffic. Peterson stated there is more than one lane on the interstate and the minimum speed is 40 mph. Martin asked if there is something wrong with the springs. Peterson states the front shocks were never changed, but everything in the back is solid. Mechanically he feels there is nothing wrong with the Explorer. Mayor Ferrazzano asked what type of spring was put in, was it a new spring. Peterson replaced the rear spring and rear shock to straighten the ride as it was tipped to the left before. Mayor Ferrazzano asked if they were new springs or used springs. Peterson said they were not brand new, but they were matched springs that were not worn out. Mayor Ferrazzano asked if brand new springs make a difference in the ride. Peterson said they would not unless you do something with the front end also. The back end is solid now, but the front shocks were not changed. Koopman asked with it being 4-wheel drive, shouldn't they all have been changed to make it uniform. Peterson said a set of front shocks would not hurt it a bit. Peterson said as far as hydroplaning, the tires are good. Martin asked if getting new shocks up front would help so that it did not feel like a boat. Peterson said it may make a difference but will not get rid of it because the vehicle is top heavy. Stobb stated that he has a 10 year old SUV of a different brand, which is one of the best riding vehicle going down the highway. Peterson stated that it does not have the history that the Explorer has. That year group of the Explorer is right in the middle of all those rollovers. Koopman said truthfully, that does not set well with her if she has to take that vehicle. If it is known that it is not that good a vehicle, why should the City keep sticking more money into it. The City needs to accept the loses and go forward from there. Koopman agrees, economically, it is not the right time to be spending money, but as an employee of the City and you have to go out of town for various things, you should have a vehicle that you feel safe in and she honestly does not feel safe in this vehicle. She states that she is not the only employee that feels this way. Chalmers states they did this repair and that was supposed to improve it so people feel better about driving it and now we are saying let's put new shocks in it and that should improve it. Chalmers asked what the next thing is when it still does not handle well. Peterson stated that you are not going to make it ride like a car and you are not going to make it ride like another SUV, because it is not going to happen because of the design of the vehicle. Peterson feels it is a safe vehicle if driven at 55 mph. Koopman said the speed limit on Highway 23 is 60 mph. Peterson stated that is the maximum speed limit and any speed limit is based on driving conditions and your vehicles ability to drive at that speed. Mayor Ferrazzano stated that maybe they could have it repaired again since the springs were not new. Snyder does not feel they would be any further ahead. Stobb stated that he would be inclined to keep it for short trips where if people need to use it and keep our eyes open for a replacement. Martin feels they should replace the Explorer because a safe vehicle is needed and if the Explorer cannot be safe where it can be driven on the interstate at 70 mph without taking your life in your hands. Maybe they could sell it and put that money towards the purchase of a different vehicle. Peterson said it is kind of hard to sell something that everyone feels is unsafe. Peterson stated that if you just drive slower the Explorer will get you where you want to go and back and it will not kill you. Chalmers stated he did not feel it was beneficial to continue to spend money on a vehicle that the people that are using the most do not feel safe while driving. He would not want to put anyone in the position of forcing them to use something they just do not feel comfortable with. Peterson stated they are not being forced, they can still take their personnel vehicle. Chalmers stated that Peterson had made the point before that there was a City vehicle available no one should be reimbursed for mileage. Koopman stated that when someone leaves town for city business, you are doing for the City of Tracy benefit, not personal benefit and to be expected to drive your own personnel vehicle, even though the Council would agree to reimburse them that is not fair either. You are tying up your own vehicle that you should not have to. Chalmers states that as often as the statement has been made that the vehicle is not safe, no one feels comfortable driving it, if they are putting people in the position of making the choice to drive to Duluth on their own dime, or driving a vehicle they do not feel comfortable driving and then, God forbid, something would happen, the City would be exposing themselves to liability. Peterson stated that purchasing a new car is not going to eliminate that possibility. Chalmers stated that it significantly reduces the risk. Mayor Ferrazzano stated that one thing they could look at it would be the number of trips made in a year for various reasons and the cost benefit analysis of buying a \$7,000 car or paying mileage. Mayor Ferrazzano disagrees with

saying that if you are on City business you should not have to use your own car, why not. The state does this as there is not a state car available for everyone to use on state business, you get reimbursed. He stated that if the Council is concerned about money, maybe they should look at how many times the City vehicle is used and figure out if mileage needed to be reimbursed for the average use in a year, how much would that be? If that reimbursement at the IRS rate, and figure out that and maybe it would better to provide reimbursement to use their own vehicle as to purchase a different vehicle. Koopman feels that that would probably be cheaper. Koopman said the vehicle that they had looked at had about 50,000 miles on it and that would last the city many years. Martin stated that if you split the \$7,000 over a five year period, minus the resale value at the end of that five years you would have an estimate. Mayor Ferrazzano stated that he would be in favor of reimbursement as opposed to buying a different vehicle until how much it would cost on average per year. Chalmers stated that if you looked at longer trips such as to Duluth it would be cheaper to rent a car rather than reimbursement someone to use their own vehicle. Koopman says that does put a lot of miles on your personnel vehicle. If someone leases their vehicle, they would not be in favor of reimbursement as miles are limited. Chalmers said they should also check to see at what point it would be beneficial to authorize someone to rent a car versus take their own vehicle. Mayor Ferrazzano stated that as it stands now with the vehicle the City does have, if someone does not feel safe driving it, he understands, and they should then be reimbursed.

Koopman touched on the Governor's unallotment and the impact it will have on the City in 2009 and 2010. The Governor has unallotted the City's LGA by a total of \$47,366 in 2009 and \$118,416 for 2010. Koopman stated that with the cuts of \$107,400 that the city did in January, the 2009 unallotment amount should be covered, but will still be an issue that the Council needs to start discussing now. She would like to suggest that they set up a work session to discuss priorities for the community, what they can do without if they have to make those difficult decisions. The Council needs to find ways to decrease expenditures or find ways to increase revenues by approximately \$60,000 for 2010. She told the Council they would be getting into the budget soon and has suggested they have a work session on June 29<sup>th</sup>. Chalmers stated that it has to be an open meeting. Koopman said it would be an open meeting and would encourage the public to attend to get their input. She stated that they are the ones will have to realize the results of decisions that are made. They will have a meeting on June 29, 2009 at 6:30 p.m. Koopman said the only change that could happen with the amounts that have already been unallotted, would be if the Governor would continue to unallot.

Koopman stated they do need a building permit for the liquor store roof as the City has adopted the Mn State Building Code. She stated this was not part of the original bid. The cost would be \$223. This expenditure would come from the Liquor Store Fund. Koopman said they can choose to waive the fee but they would still have to pay the surcharge which is \$6.50. Motion by Snyder, seconded by Martin to waive the building permit fee for the liquor store roof. Stobb asked if they would be setting a precedence. Koopman said this is a city owned building and it would be moving money from one account to another account. All voted in favor of the motion.

Koopman said that Peterson had brought to her attention that it is time for evaluations. Someone had suggested that the Council would consider doing the evaluations for all department heads, rather than just herself. Chalmers feels that as a Council, their primary responsibility is to set budgets, priorities and expectations. He felt it would be good if the Council would have the opportunity to have dialogue with the employees directly and make sure that everyone is on the same page as far as expectations and likewise if anyone has feedback to the Council as things that they are seeing. Stobb asked if they would be filling out the same form for the other department heads. Koopman said that every evaluation is based on that particular job description, but the concept is similar. Stobb stated that he may not feel familiar enough with the day to day operations of each department head to really completely do that. He feels that having input is good. Mayor says there is a difference in being at the evaluation as opposed to filling out an evaluation form to discuss with someone. He would not be able to fill out a form asking if they had met goals from last year. Mayor Ferrazzano feels they should be involved with evaluation this year to see how it does since they have not done this in the past. He feels they could be at the evaluation and do the procedure that would normally be done at the evaluation and if the Council had any questions, they could ask. Chalmers stated they would have Koopman fill out the evaluation form and the Council would be part of the evaluation review and give feedback for the department heads. Koopman will get the procedure

started. Stobb asked if they have ever had employees evaluate their department head. Mayor Ferrazzano said they could get some information from the employees for that department.

Mayor Ferrazzano said he had a call from someone having a problem with some of the tenants that are staying at the old nursing home. Peterson and Stobb also had calls. Mayor Ferrazzano did not know at this point if there was anything they can do about the use of that building, but if they are having problems with tenants, it should be like anything else, they should call the police. Stobb said if the police are called, they have a way of keeping track of how many occurrences there are and what is going on. Mayor Ferrazzano encouraged the public to call the police department if they feel there is something going on there.

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

ATTEST:

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City Administrator

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Mayor

**July 13, 2009**

The regular meeting of the Tracy city council was called to order at 6:30 p.m., Monday, July 13, 2009 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 R. Stobb. Absent was C. Snyder. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Stobb to approve the minutes from June 22, 2009 as presented. All voted in favor of the motion.

Additions to the agenda included 4-A change order for 2009 Street Project, (6-D) Variance request from Jason and Angie Axford, 100 Union Street and (6-E) Variance request from John Rooney, 212 Center Street. Deletions include (4-D) Consider award of bid for the Hospital Renovation Project and 5-A Architectural Agreement for Hospital Renovation. Koopman stated the proper paperwork has not been completed at this time to proceed with these items. Motion by Stobb, seconded by Chalmers to approve the agenda as amended. All voted in favor of the motion.

S. Robinson from SEH reported that during removals today on 2<sup>nd</sup> Street they discovered an unknown. There is a concrete street underlying the bituminous for the majority of the street in that block. It appears that at some time in the past, the street was widened and added about four feet of width on the west side of the street. When soil borings were done they did not catch the underlying cement. This concrete needs to be removed along with the existing bituminous. There are about 4.5 to 5 inches of concrete through the majority of the street. The bituminous cannot be salvaged so additional Class 5 aggregate has to go in there. The estimate of the change order is an additional \$11,400 on the 2<sup>nd</sup> Street. They have worked with contractors this afternoon and have established unit prices which are the same as the unit prices for the rest of the projects. Peterson asked if it was normal to take soil samples from only one side of the street when projects are done. Robinson said they took one boring on that street towards the west edge in the drive line and they missed the concrete by inches and if they had been one foot east of that boring, they would have seen the concrete underneath. The location was directed by SEH to the geo-technical firm and they followed the procedure. SEH worked out the information given to them by the geo-technical firm, but was not complete information. The routine practice is to take one boring per block. Robinson stated they do not have the change order written up at this time because they just received this information this afternoon. Peterson asked how this would fit in with the bond sale. Koopman said there is a contingency in the process of bonding. Motion by Stobb, seconded by Enderson to approve the change order for removal of the concrete and the additional cost of \$11,400. All voted in favor of the motion.

Todd Haugen, from Ehlers and Associates presented the Pre-Sale Report for \$1,080,000 General Obligation Improvements bonds, Series 2009 to finance the construction and engineering costs of the 2009 Street Improvements. The bond sale will be scheduled for July 27, 2009. Some of the work has already been initiated in anticipation that the Council would like to go out for a credit assessment or indicator bond rating. The first interest payment will be due on February 1, 2010. They are operating under Minnesota Statutes, Chapter 429 as the City is assessing at least 20% of the project costs so the bonds can be a general obligation without a referendum and will not count against the City's debt limit. The city has held the required public hearing and has ordered the improvement by at least a 4/5ths vote of the City Council. The Bonds will be secured by the full faith and credit of the taxpayers of the City and this helps reduce interest costs. It is the intent of the City to levy property taxes and special assessments to support 105% of the debt service. There is a 5% cushion in the preliminary numbers in cases of delinquencies and non payments. The principal and interest on the debt will be paid with special assessments (approximately 29%), utility revenues (10%) and property taxes (61%). Haugen said some 2001 Bonds were refunded and that freed up about \$9,000 of tax capacity to downsize the tax levy. Also a 2002 Bond could possibly be refunded with cash to free up about \$43,000 worth of levy. This was discussed earlier and if that happens it would lessen the impact to the taxpayer. One of the risk factors of the levy going up is getting some pre-paid assessments that would be enough to offset that income stream at a lower interest rate. If the city receives a significant amount of pre-paid assessments, an increase in the levy portion of the debt service would be required to make up for lower interest earnings than the expected assessment interest rate. Martin asked what a pre-paid special assessment is. Haugen explained this is

something like taxes and taxes cannot be pre-paid and a special assessment is a lien on properties that is amortized by the county over a period of time and collectible twice a year with taxes. A resident can choose to pay off their assessment anytime before the end of the year. These Bonds would be issued for a 15-year period, with an eight year call feature which would lower the interest rate on the bonds and give the bond holders some assurance that their bond would not be taken away from them. Ehlers will solicit competitive bids to purchase the bonds from local banks in this area and regional underwriters. A minimum bid is established equal to 1.50% of the principal amount of the issue. If the bonds are purchased at a lower fee or by a local bank with this fee, the unused allowance will be used to lower the borrowing amount. Haugen stated that in the past the City has not requested ratings due to low interest rates and smaller issue sizes. In today's market, Ehlers has estimated a rating could attract two or three more bids and save more in interest cost to offset the fee for the rating. Haugen stated that at this time it is easier to get into the A Category because the rating agencies have discounted corporate bond ratings if increased ratings from municipalities in comparison to corporate because municipalities rarely default as a private corporation would. The rating scales are different. This is a benefit to municipalities to get a higher bond rating at this time. Before it was very difficult to get that. The bonds will be "bank qualified" has increased the limitation from \$10 million to \$30 million and does not make much difference to be "bank qualified" as it used to. Banks will have an opportunity to actually deduct the interest expense like they did before. The City has three years to earn as high as interest rate as possible when the bond proceeds are received. The City's outstanding indebtedness was looked at and Ehlers tries to catch all the refundings or refinancings. Right now there are no immediate refunding opportunities for the City. Haugen will be present at the July 27, 2009 council meeting to award sale of the bonds. The estimated closing date for the bonds is August 19, 2009 for the City to invest and draw on the construction as seen fit by the council. The Cash Flow Analysis/Deb Service Schedule shows where the market is at this time for non-rated bond issue which would average about 4.5% or 4.6%. If the City would get into the A Category, this would be reduced substantially.

Haugen provided handouts regarding credit assessment. A credit assessment would need to be done and basically consists of Ehlers sending the offering materials and financials that Standard & Poor's can review in the Chicago office to do a comparison from other cities and see where the City of Tracy would fall. This would be public knowledge and confidential feedback on the City's financial strategies between financial advisor and staff to see where the City would fit. If it is lower than where it is felt the city should be, the recommendations can be used to build off of. The Credit Assessment would cost \$2,520, Standard & Poor's could give the city an idea of where they are rated in the world. The rest of the fee, which the total fee is already included in the bond issue, would be \$1,680 to go with the rating call which could be next week and staff could meet and talk about things to walk through policy with Standard & Poor's to answer any questions they may have. It is an easy way for investors to see where the City would fall in the ratings. Stobb asked what the return would be in return for the investment. Haugen stated that if the City did not receive an A rating at this time, the suggestion would be to go non-rated. The return would be greater than the \$4,200 that the City would pay for the assessment. Nielsen asked how long the rating would last. Haugen said it would go until every time a new bond is issued. Peterson asked if the City had gone for a rating in the past. Koopman said that they had done it in the past but estimated that it has probably been 20 years, since it has been done.

Haugen introduced the concept of Build America Bonds. Any bond that can be issued tax exempt, qualifies for the direct pay Build America bonds which is a taxable bond to the investor. These bonds include a higher interest rate which is offset by the federal government. They will give you a check for 35% of your interest payment every six months which results in a 5.42% interest being reduced to 3.52%. This is supposed to broaden the market for a huge bond. The downside is that you have to rely on the federal government to give you that payment. There are no opinions out there that this program will continue and once it is attached to the bond issue, it is part of that and promised by the federal government. The checks are to be requested 60 days in advance and there is some administrative costs and you have to request it on a special form. There is the possibility of not getting the check on time to make the payment. For a large bond issue and longer bond issue this would be beneficial. The annual savings after the rebate could add up to \$60,000 and bond rating also may help a few thousand dollars a year. A lot of cities are not doing this as they do not want to be connected that way to an entity that is supposed to pay them. This program only will be continuing for another 1.5 years and once this is in a bond issue, it is good until the bond issue

matures. There is no know way to refinance this at this time so there are some issues with refinancing Build American Bonds. Koopman asked what Ehlers recommends. Haugen said that Ehlers in Minnesota is not seeing any of these done, because cities are weighing the risks. Haugen said you would be restricted to no more than 2% of the bond proceeds can be used to pay issuance of the Build America Bonds. The City of Tracy would have to issue funds of \$16,000 up front. The City would be out that \$16,000 until the bonds matured. The basic risks of the BAB would be:

Payment risk – sufficiency of Refundable Tax Credit

Payment risk – Timing of Refundable Tax Credit

Post-issuance Compliance/Relationship to IRS

Regulatory Uncertainty

Lack of clear direction on refunding of bonds for savings in the future

Mayor Ferrazzano asked when they would be required to pay the \$16,000. Haugen said it would be required at the closing on August 19, 2009. If this would be done, then city could potentially save \$67,000 over the life of the bond. Chalmers stated this is something he would like David Spencer to take a look at. Haugen said this is something that would probably have to be taken care of tonight as this would determine how the bond sale is structured. There would not be a benefit seen until the eighth or ninth year, rates are adjusting to compensate and the schedule appears to show a savings on the short end of this also. Koopman said that it appears that if the City could not achieve an A rating the savings would be less than the \$67,000. Haugen said the downside is there is no certainty on the refunding on the regulatory issues. Mayor Ferrazzano asked where the upfront money would come from. Koopman said they could come up with it from some funds, but does not fit well financially at this time. With the low number of cities that have done this, it seems there is a lot of caution in going this direction. Stobb felt that if they have to make a decision tonight, he does not see how they can go the BAB route. Haugen stated that if the Council wishes, between now and the week before the bonds are sold, if the City could like to think about this, they could shift gears before the official statement is sent out. Mayor Ferrazzano suggested they go the normal bond procedure and Spencer could send them an e-mail by the end of the week after he reviews the material with any recommendations that he may have.

Motion by Peterson, seconded by Chalmers to adopt a Resolution providing for the sale of \$1,080,000 General Obligation Improvement bonds, Series 2009 and to include acquiring a Credit Assessment Rating from Standard & Poor's. All voted in favor of the motion. (Res. No. 2009-15)

J.D. Burton presented copies of the Legislative Session Report 2009 published by the Coalition of Greater Minnesota Cities (CGMC) J.D. Burton is from the law firm of Flaherty and Hood and he is here on behalf of the CGMC. CGMC is a non-partisan advocacy organization representing Greater Minnesota Cities at the Capital and the media. Burton thanked the City of Tracy for their continued membership in the CGMC. He stated that having representation in these budget years at the Capital is important. The CGMC is different than the League of Mn. Cities because they focus on greater Mn. cities only and do not have the conflicts that the League may have with the metro area and other cities, such as suburbs. CGMC focuses mainly on five legislative issues: Local Government Aid, Land Use and Annexation Reform, Transportation, Economic Development and Environmental and Energy issues. This year they focused almost exclusively on Land Use Issues and Local Government Aid. CGMC put together two bills dealing with land use policy and reform statewide and felt it was important for the state to take the lead in what is the proper balance between cities and townships in the state. Proper planning for the future means they save money down the road. A bill was put together to protect agricultural land and open space and making sure that they can eliminate those duplicative government inefficiencies between cities and towns and reducing urban sprawl and growth around cities that is unconstrained that cities do not have a roll in. They were looking at ways to do this with reducing CO2 emissions. These bills gave cities more authority to develop outside the city limits and better plan for growth outside their limits. CGMC moved those bills through the Senate into the Tax Committee and in the House they were stuck with a committee chairman that did not want to hear any bills that were controversial and despite the repeated efforts

of CGMC, were unable to pass that bill through more than one division in the House. In the Senate they did make significant progress. In the end, the House spoke up and said no to the land use reform stating that it was not ready for this year and it died as a result of that this session. When the second session convenes on February 4, all the gains that the CGMC made this year are right back where they were so they can move forward.

Burton stated that an issue that is important to the City of Tracy is Local Government Aid. Burton said they were facing some significant challenges from the LGA aspect right from the beginning. First was the \$54 million dollar unallotment that took place in December 2008. With loss of funds occurring so late in the year it ends up being a cut for 2009 and cities cannot recover that as soon as other entities. Burton said that Governor Pawlenty has a long history looking to cut LGA in times of budget situations and he indicated that he would be making a \$246 million cut to LGA at the beginning of the session. Burton said the strategy of CGMC was to minimize the cuts to LGA and they recognized that cities have to be a part of the solution and everybody would have to chip in, but did not want to be the solution. Some of the proposals that were forwarded by the Governor and some legislatures themselves had a disproportionate cut to local LGA as it relates to the General Fund budget in general. The goal of the CGMC was to make sure that LGA was prioritized and make sure there was fair property taxation across the state. They also wanted to make sure that any cuts made to LGA were minimized so that cities can do their share and are able to handle those cuts to the best of their ability. The basic strategy was twofold:

- 1 A general advocacy strategy – direct lobbying of the legislature and direct lobbying of the direct branch and other agencies.
- 2 Proactive media campaign

Far too often the public does not understand LGA, what it is and what it means for the community and then as a result if cities, as a solution to their budget problems, have to raise taxes. Local populace blames the cities exclusively. With the proactive media campaign, CGMC had to make a clearinghouse website called [thanklga.org](http://thanklga.org) which provides an opportunity for all citizens, legislators, and media to use as a resource to understand what the program entails. Cities can send information to this website that shows what they are doing and how they are responding to the cuts so the citizens could understand what those cuts would mean to their community. There were a number of press conferences around the state to talk about the issue again and making sure Minnesotans know what it means to their community, so they can keep police and firefighters on the street, librarians open, lifeguards on the beaches, and help keep snow off the street. There was a major rally at the Capital as well. CGMC put together a handout, “Why Greater Minnesota Needs LGA”. CGMC met with almost every Legislator and Senator, to pitch the argument that LGA equals fair property taxation throughout the state and if LGA is taken away, cities are faced with two situations.

1. Raising their tax rates
2. Cutting services

They wanted to remind the legislators that LGA was created as part of the Minnesota Miracle to balance the disparities between the cities that have high property tax base and those cities that have low property tax base. No matter where you live you have the same right to the same amount of services at a fair property taxation level. Taking LGA away creates these disparities. With this they were very successful with the legislative body itself. At the end of the lobbying efforts the Senate proposed an \$11 million cut to LGA over the biennium and no cut in 2009. The House had proposed an \$85 million cut but based on a formula of adjusted net tax capacity. The CGMC was very successful at the legislature with the campaign to minimize the cuts and make fair property tax a priority. In the end and at the last day of the session, there was a zero dollar cut to LGA and the increases were still in place from last year and the levy limits were still in place and they are still in place now. However, there was a \$2.7 billion hole between what the Governor proposed and what the Legislature proposed. The Legislature sent all the spending bills to the Governor this year and sent tax bill on a couple occasions to make up the difference, which came down to about a \$1 billion difference if you take the \$2.7 billion minus \$1.7 billion of K-12 education shifts, which the legislature tried to enact or propose through revenue increase or tax increase. The Governor vetoed those bills, and chose to do that on June 16, 2009 and now we are into the unallotment period. Up

until June 16, the CGMC was still active and treated the end of the session as if it did not occur. They were still lobbying actively with the Legislature and the Governor. They met with the Commissioner of Revenue on three separate occasions. One with just the CGMC to make the argument to minimize the cuts, several press conferences with CGMC mayors and elected officials around the state and there was a series of articles and editorials from CGMC members. A letter was put together and sent to the Governor with respect and made sure that the Governor knew CGMC position was they wanted these cuts to be fair and needed to correct some distortions that the Governor made in the record about cities ability to maintain their reserves and how much these cuts were going to be and what some of these impacts had for cities. The CGMC tried to be respectful in spite of the Governor calling cities "whiners and complainers" in the media about cities stating they cannot handle these cuts or that they are not going to be fair. The efforts by CGMC influenced the Governor to drop his cuts down by \$100 million. Unallotment has been used in Minnesota a total of five times since the 1930's and this Governor has done this three times, but never at this magnitude. There are discussions there may be a lawsuit to stop this and at this point there has not been a remedy identified.

There will be a speaker at the CGMC conference, David Liddlhaug, who will be discussing unallotment, the legal aspects and what cities can do. They are also working on having a tax and financial expert who deals with cities on unallotment issues to discuss what is the best way for cities to respond to these decisions and how can cities better plan for unallotment in the future. The administration has determined the cities can levy back what they have lost through unallotment of 2008 and 2009, cities can levy part of that back in 2010 and the unallotment that comes back in 2010, cities can levy back in 2011.

Membership for CGMC becomes more critical at this point. There are 77 members at this time which means they maintain a very strong, persuasive and influential coalition. If they continue to cut LGA until there is a new administration, that digging in now and preserving what they can now for LGA and make sure the program stays in place until there is a new governor in 2011.

CGMC did a proactive campaign after the session to contact Republican representatives, and House Republicans and asked them to contact the governor and now it is time to contact both Republican and Democrats and ask them to speak out about these cuts. Cities need to make them aware of what these cuts means to the communities, for service and property tax rate. Legislators need to be held accountable for decisions made at the city level.

Burton stated the CGMC offers unique and unmatched labor programs. This is a service offered through the City membership and includes labor seminars and wage and hiring freezes, wages and insurance.

Burton said the CGMC summer conference is July 29-31 at Cragon's Resort in Brainerd. They recognize with tight travel budgets this year for many cities, getting to Brainerd is difficult. The CGMC tried to take the bulk of the program and doing a lot of the important decision making and talking about unallotment and how cities can plan for the future, and have legislative leaders and other present on Thursday. If there is an opportunity to come for one day, Burton encourages members to be present that day.

Mayor Ferrazzano stated that since the City of Tracy has joined the CGMC, they have received a lot of information and appreciate the weekly e-mails and work the CGMC has done. Burton stated the constant contact gives anyone the ability to contact anyone at CGMC at any time. Stobb expressed that with the legislation gets more metropolitan, the numbers out here are fewer and we need a voice to speak for us. Burton stated they are noticing a disturbing pattern that a lot of the LGA groups and committees formed are more slanted towards the metro. The House just came out with a LGA study group that was mandated by the legislature and of all the members there was only one from greater Mn. cities and the rest from the metro area. Chalmers asked if the CGMC tracks the voting records of these issues. Burton stated they do not keep a regular record but can easily find out that information if there are questions regarding a certain legislators and the state legislative website is the best one in the country and they are very thorough. The CGMC does not score them as some organizations do, but can find out what the vote tally is. Burton stated that legislators are calling CGMC when they hear from the public and this is very helpful to the CGMC.

Robinson stated that at the last Council meeting he was directed to poll other cities to determine if they are charging for airport services and if so, how much they are charging. Robinson stated there was an Airport Commission meeting this afternoon. Homer Dobson said some recommendations were developed at the Airport Commission meeting for the Council to consider regarding the use of the airport by various crop dusters or companies. Prior to this time there has been no set fee. The Committee is recommending a charge of \$500 as an annual fee for a crop duster or the company. Most of the crop dusters contract with a company such as Meadowland or Heartland, etc. There would be an annual fee plus a \$10 fee per airplane per day. For a company with two airplanes or less the annual fee would \$100 and then \$10 per day per airplane. There was concern about revenues from the sale of fuel, the sprayers are using faster and heavier aircraft and they burn jet fuel. The gas sold here is of no concern. If these policies are adopted, these various companies or sprayers will need to be notified so they need to know this before they start making contact with consumers. Chalmers asked if these fees would be based on the fleet that the company owns, or based on how many planes they bring in. Dobson said it would be based on how many planes they are bringing in. Koopman asked if this would be billed before they start or when they are done. Dobson said the initial fee would be billed before they start. Koopman asked how it would be known if they are coming with five planes or one plane. Dobson stated he would have to take that responsibility day by day and notify the City office what the fee would be. Dobson said they would be required to present proof of insurance at the city office, plus their pilot's license and health card. Koopman stated that in the past a bond was required and would that remain in force. Dobson stated they all are required to have a bond. Mayor Ferrazzano stated that he was under the impression from past discussions that at times, planes just show up. Dobson said they would usually let him know when they were coming. Koopman asked Dobson when they call him, would he be calling the office to let us know and Dobson said he would. Dobson stated the fuel tank was filled last fall when gas prices were still high and about a month later came down. Tracy Airport fuel prices are higher now than any of the surrounding airports. Dobson has been charging \$4.75/gal and the City has been billing \$4.90. Marshall is charging \$4.00 and at another location it was \$3.90/gallon. He had two planes from Michigan by-pass Tracy due to high fuel prices. Dobson suggests that they raise the price so the City is making some profit, but still be allowing the airport to be competitive with other airports in the area. Koopman stated that according to a slip she received from the front office the last fill was in May 2007. At that point it was filled at \$4.11 and from that they charged \$.50 above the cost to cover the expense of the facility and then the \$.25 approved by the Council for the taxiway. Dobson said the last fill was last fall after Labor Day. Koopman will have the front office check to make sure there are no more invoices and if there are, this will be changed. Motion by Peterson, seconded by Martin to adopt the recommendations made by the Airport Commission regarding the annual fee and the charge per plane per day and to have Robinson e-mail to other airports to be competitive with fuel prices. Chalmers does not know if there is enough time in this season to notify the sprayer/operators for payment of fees for this season. He does not know if there would be enough time for them to digest this information and make adjustments. Mayor Ferrazzano stated that he thinks three weeks will be sufficient time for them to make necessary arrangements. Enderson said that at the meeting they discussed other cities that are interested in how Tracy arrived at their fees. The Commission is not interested in tie-down fees or landing fees, but a company to bring their own fuel and chemicals in a public airport and when they leave the City crew is responsible for cleaning up their mess. Stobb said they are using the public airport for a commercial purpose. Chalmers stated there is administration that needs to be done. Enderson said they wanted to be competitive and not drive them to another airport but they are putting wear and tear on our airport and the City crew should not have to clean up after them without some type of compensation. All voted in favor of the motion.

Robinson stated that the building at 200 Morgan Street has been cleaned out and six or seven roll off dumpsters were filled with items taken from there. Mayor Ferrazzano asked if there was anything of value taken from there that could be sold. Robinson said there were a very few items that will be put on salvage bid at the City shop. A large number of appliances were picked up by a company from Willmar. Thursday the asbestos survey was done. The asbestos was removed today. This was done by MAAC from Montevideo, MN. They have gotten into a situation with the street repair of being able to get the fire trucks out of the fire hall. The problem is the fire trucks are too long to go out the west side of the fire hall, so they looked at relocating the fire trucks and turn out gear to a different building. This did not work well. They have the project far enough along to have the building demolished and has presented two quotes:

MAAC	\$20,444.00
Cooreman Contracting.	\$24,000.00

Both parties were both told the same specs. The crew from MAAC and Cooreman could be here tomorrow. Mayor Ferrazzano asked the cost of the asbestos removal. Robinson stated it was \$3,600 and the asbestos was in the duct work. Koopman said they have funds available for demolition of dilapidated buildings. Mayor Ferrazzano said that even though MAAC has a lower bid he would rather have someone from town do the work. Robinson said they are going to use fill from the compost site from previous projects and the contractors would haul it in themselves. Chalmers asked if they would go after the property owner for the cost of demolition. Koopman stated with this situation it would have to be assessed against the property as the property owner would probably not be able to cover this cost. Enderson voiced that he would like to see the demolition done by the local contractor. Stobb asked if they have had MAAC do any other projects in the city. Koopman said they have used this company for asbestos removal but not for demolition. Nielsen said he would like to see the business stay in town, but there is a 20% difference in cost and the Council needs to weigh the idea of getting the best deal as possible for the taxpayers. Stobb said the \$3,600 would just about pay for the bond rating process. Enderson said it is a lot of money and wonders if there is any way of negotiating with Cooreman to get a better price. Motion by Chalmers, seconded by Enderson to accept the bid from Cooreman Contracting, Inc. for \$24,000. Upon roll call the following vote was recorded with Martin, Peterson, Stobb voting nay and Mayor Ferrazzano, Enderson and Chalmers voting aye. The motion failed due to a tie vote. Motion by Stobb, seconded by Martin to award the contract to MAAC. Upon roll call the following vote was recorded with Martin, Peterson, Chalmers and Stobb voting aye and Enderson and Mayor Ferrazzano voting nay. Motion carried.

Koopman said the ambulance contract has been signed by the ambulance personnel and everything is in order. Motion by Peterson, seconded by Stobb authorizing the City to sign the contract with the Tracy Ambulance Service. All voted in favor of the motion.

Motion by Stobb, seconded by Martin to accept the recommendation made by Shane Daniels to grant a 60 day extension moving the deadline to October 1, 2009 for William Knutson to perform the necessary repairs to his property at 75 Rowland Street as stated in the compliance order. All voted in favor of the motion.

Motion by Peterson, seconded by Stobb to grant the following for Box Car Days September 4-7, 2009:

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

Midway to be held in Tracy and to operate Friday, September 4 through Monday, September 7, 2009 and waive the license fee.

2. Use of the City Parking Lot for the Beer Garden from Wednesday, September 2 through Tuesday, September 8, 2009 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 5, 2009 from 11:00 11 a.m. to 1:00 p.m.

4. Liquor licenses fro the sale of non-intoxicating malt liquors from Friday, September 4 through Monday, September 7, 2009 for the Beer Garden, the Minnesota X-treme Bucking Bull Tour and the Softball Complex.

Street Closure Requests:

1. For the line up of Grand Parade participants on September 7, 2009 from 9 am to 5 pm:

On E. Hollett Street from First Street East to Fourth Street East

On East Fourth Street from East Hollett Street to Craig Avenue

On First Street East from East Emory Street to North Street

On Emory Street East from East First Street across Center Street to Second Street

On Park Street from Rowland Street to Emory Street

2. For the Grand Parade on September 7, 2009 from 10 a.m. to 3:30 p.m.

On Emory Street from Second Street to Sixth Street

On sixth Street from Emory Street to Morgan Street

On Morgan Street from Sixth Street to Second Street

On Second Street from Morgan Street to Emory Street

3. For Midwest Rides and Concession and other carnival activities on Friday September 4 at 6pm through Tuesday, September 8, 2009 at 10 a.m.

On South Street from Fourth Street to Second Street

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

On Third Street from Rowland to South Street

Peterson said that there was a concern from last year with the South Street an elderly resident had to be helped to the post office as she did not know she could come around and park closer. They need to get better signage so they know that they can get up to the post office. She parked way back on Morgan and had to be assisted to the post office. Peterson suggested they move the barricade to 3<sup>rd</sup> Street until the post office closes and then move it back where it traditionally is. All voted in favor of the motion.

Motion by Stobb, seconded by Chalmers to grant the 3<sup>rd</sup> Street closure request from the Business Partnership for Crazy Days on July 30, 2009. All voted in favor of the motion.

A petition to remove stops signs at corners of East Hollett Street and 2<sup>nd</sup> Street East was received from concerned citizens. Terry Schaar, 313 E. Hollett Street, stated that he has lived on Hollett Street since 1970. In the Headlight Herald about three weeks ago there was a caption that stated this was the only four block section in town that did not have a stop sign and this is not true. He has heard through the grapevine that there are speeders on that street. He came to find out how this got started and he was told that Marv Rialson thought there should be three stop signs placed there on Hollett Street. To his knowledge for over 40 years there has never been an accident or speeding ticket issues for quite some time. Schaar stated that he started from the new stop sign and went east to the field and then took a couple houses on 4<sup>th</sup> Street East and those are the people that would be using this street. He would like an explanation of how and why those signs got there. Chalmers stated that it originally started as a request to the Planning Commission and it was initially requested that the speed limit be reduced there. Stobb said the request was for some type of signage to control the speed. Chalmers also stated that a point was made that it is a four block stretch between 4<sup>th</sup> Street and Center Street and people have a tendency to get going pretty quickly by the time they hit one end of the other. Chalmers stated that his house faces E. Hollett Street and he can attest to the fact that some people drive by pretty fast at times. Schaar stated if this was a hot bed for speeders it may be a place for the police to patrol. Chalmers stated that's what they were trying to do by putting some type of traffic control in place that would give people a reason to slow down. Other options discussed were lowering the speed limit or speed bumps. The thought was that lowering the speed limit would not necessarily make any different as they are not obeying the 30 mph speed limit, there is no reason to think they would obey a lower one. Speed bumps would be an additional cost as well as they would have to get something they could take up in the winter to plow the street and stop signs were thought to be the best option for trying to reduce the tendency for people to accelerate along that stretch. Schaar said there is a park west and there are two yield signs there, no crosswalk and when these kids that are supposed to be coming to the pool, they are not coming from the east side of town. They are crossing Center Street and there is no crosswalk on E. Hollett Street. Schaar suggested a crosswalk with a little yellow sign in it without a stop sign. Chalmers stated that sometimes that is a law that is less likely to be paid attention to than a speed sign. Peterson said the only logic that went with the placement of the stop signs is that is where the speed could be controlled. Stobb said that he was not at the meeting when it was decided where to place the signs and he feels it would be more logical to do something coming from the west on E. Hollett at the intersection of 1<sup>st</sup> E. and E. Hollett if anything was to be done. Enderson said it is obvious that the majority of the people in that area are not happy with the stop signs. Schaar stated that signatures on the petition are people that live along that route. Schaar feels the speeding thing is getting grabbed out of the air. Stobb said that Rialson did not ask that stop signs be placed there but to do

something to stop the speeding. Chalmers said that he would prefer to see a 4-way stop at 1<sup>st</sup>. Street E. and E. Hollett because of the foot traffic going through that intersection but before they decide to put signs there, they should hold a public hearing. Paul Knoblauch, 312 E. Hollett states that he has lived there 20 years and has not really seen a problem and the only reason he is here is that he hopes the Council applies some common sense. He thinks the Council acted to quickly and not enough thinking was done on this issue with the stop signs. Motion by Enderson, seconded by Stobb to remove the stop signs from the corner of East Hollett and 2<sup>nd</sup> Street East and not place them anywhere at this time. Stobb said it was not too many years ago the Planning Commission worked on removing stop signs around town because there were too many and some places where they did not make any sense. Stobb feels the issue should not die. Mayor Ferrazzano stated that if there is something that can be done other than the stop signs, this will be discussed. All voted in favor of the motion.

Knoblauch stated there is a 4-way stop at the corner of 4<sup>th</sup> Street East and E. Hollett and he is concerned with this being an emergency route and he would suggest they remove the 4<sup>th</sup> Street East stop sign and placing them on E. Hollett. He does not feel it is needed there and asked the Council to consider his suggestion. Koopman suggested that this may be something the police department should take a look at and report back. Chalmers stated that if someone is not going to obey a stop sign, they are not going to obey a slow down sign. Stobb suggested painting a crosswalk and maybe that is something the police department could consider. Chalmers stated that he does like the idea of putting stop signs at the corner of 1<sup>st</sup> Street East and E. Hollett as there is a lot of traffic but based on this episode, they should have a public hearing before this is done to make sure there is another round of “why in the heck did you guys do that”. Stobb said he is not asking that the police department go out and set speed traps but it would be nice to have a few more speeding citations issued than we have had. Peterson said it would be nice to have a traffic count on E. Hollett to see how much traffic is on that street.

Stobb said the Planning Commission did review the variance request from Jason and Angie Axford of 100 Union Street. Nielsen asked why there was a need for a variance. Stobb said having a six foot deck would have been okay, but they wanted twelve feet so they wanted a six foot variance for a front yard deck. Nielsen said he was of the understanding that you could have a big of deck as you wanted in the front of your house until you get into the setback area, then you cannot go six feet into that. Stobb said that Daniels was present at the Planning Commission meeting and felt that is something that he could discuss this with Daniels. Motion by Chalmers, seconded by Peterson to grant the request for a 6 foot variance for a deck with the condition if the variance is not needed, the \$35 would be refunded. All voted in favor of the motion.

Motion by Chalmers, seconded by Martin to grant a four foot variance to John Rooney at 212 Center Street for a deck on the front of their home. All voted in favor of the motion.

The Consent Calendar included the Municipal Accounts Payable, Hospital Advisory Board minutes for May 20, 2009, Multi-Purpose Center minutes for June 23, 2009 and Firemen’s Relief Association minutes for June 1, 2009.

The following explanations were provided to questions raised by Peterson.

<u>Check</u>	<u>Payable To</u>	<u>Amount</u>	<u>Description</u>
048372	Dakota Supply Group	\$2,544.54	Peterson asked if this was for the water plant. The reason for asking was that they got 2 boxes of meters and they agreed to not buy anymore meters and here is another cost. If we need them that is okay, but that is 15 meters in three months. <b><i>Koopman stated she could not give an answer and would have to check with Robinson.</i></b>

048380 Greenwood Nursing Inc

\$2,108.70

Peterson assumed this will be paid out of the donated funds and he would like to know if Greenwood planted and spread the mulch and if not, who did.

***Koopman stated this is coming out of the donated funds and Robinson stated that he and Bill Chukuske did the work.***

Stobb indicated that in the Hospital Advisory Board minutes, Gervais was discussing getting a dentist and he is wondering if it has been discussed having a dentist locate someplace within the clinic facility. Koopman said they explored a number of different options and from Sanford's standpoint they do not want to become involved in it and it has to be a city issue. Koopman said it would be very difficult to find a space large enough to accommodate the needs and provide services. They are looking at existing buildings or even the possibility of a new building. Sanford has been involved in the discussion part of it and have looked at the possibility of using the garage portion of O'Brien Court, but economically it was not feasible with the cost of renovation.

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

Koopman provided a memo regarding the cost of mileage reimbursement. It states during 2008, 5,303 miles were put on the Explorer and it would have cost the city \$2,943 to reimburse employees if they used their own car. If the City were to purchase another vehicle costing the City \$7,000 and this vehicle was depreciated out over five years, it would cost the City approximately \$1,400 per year for depreciation, fuel at \$603 and \$40 per year for oil changes for a total of \$2,043. Peterson stated the vehicle went 5,300 miles before it was repaired, it should be able to go another 5,300 after its been repaired and Koopman seems to be the only one that has issues driving it. Koopman stated that she is not the only one that has issues and she suggested that he ask any of the employees about driving it. She noted that Snyder stated at a previous meeting that he drove it six years ago and it was a piece of junk then. When she took it to Duluth a year ago, it drove badly and it drove even worse after the recent repair was done. She does not feel it is worth the hassle that the everyone is going through to have to deal with this. She invited each Council member to take the Explorer out and drive it for 20 miles at 60 mph to understand what she is trying to say. Peterson said he has driven it and stated that it is not a new car. She is merely doing as the Council directed to give them a cost of what it was to purchase a different vehicle and what it would cost if we reimburse for mileage. Enderson asked if the Explorer actually gets 22 mpg. Koopman said the 22 mpg came from when they were looking at the purchase of the Buick. Enderson feels that the Explorer cannot get more than 10-12 mpg. Peterson said it is about 16 mpg. Mayor Ferrazzano asked what the savings on insurance would be if they City did not have a vehicle. Koopman said she did not factor that in but did not think it would be a lot. If the City would get a different vehicle, they would carry liability with no collision as there is a \$5,000 deductible. Stobb said at the meeting where they were considering the purchase of a car, the one from Enderson had relatively low mileage at about 50,000. The others that could be purchased for \$7,000 were quite high mileage at about 120,000 to 150,000 on them. He is not in favor of spending the \$7,000 on a car with that many miles on it. Mayor Ferrazzano said they either need to spend \$7,000 on another vehicle or decide to pay for mileage reimbursement. Enderson still has the car available and has been using it. Mayor Ferrazzano stated that with the numbers presented, he would rather spend the \$7,000 on a different car for the City. Nielsen stated that he could prepare the paperwork by the next meeting if they decide to purchase the vehicle it can be done. Stobb asked if Paul DeSmith actually looked at this vehicle. Enderson stated that he did a thorough assessment and he might be one any of the Council members would like to talk to about it. Enderson said if there are any Council members that would like to take a look at it or drive it; he has no problem with that. Koopman said that was the car that was recommended by Mr. DeSmith for purchase. Nielsen was directed to prepare the necessary paperwork for the next council meeting on July 27, 2009.

Koopman presented a list of Local Boards of Review Training dates and time being conducted in the surrounding area. Currently Stobb and Peterson are the only ones trained. Koopman said the best

scenario is to have everyone properly trained. Stobb stated that he and Peterson are up for election next time and who knows what may happen so it would be good to have everyone trained. Koopman said there are also conflicts that come up. August 24, 2009 would be a Council meeting night. Koopman said the Council meeting could be held on August 31, 2009. Mayor Ferrazzano said they will move the Council meeting to August 31, 2009 to allow for training in Marshall on August 24th. Koopman will get Martin, Ferrazzano and Chalmers registered for that training.

Koopman asked for clarification on how the Council would like to proceed with employee evaluations. The employees are evaluating their supervisors and in order to allow them to remain anonymous the remarks will need to be summarized. Chalmers suggested to have a summary of the supervisor reviews that could be looked at in advance. Peterson said he would compile the information for the City Administrator. The Council stated they will do the evaluation for Koopman following the meeting on July 27 and for the other department heads on August 17 at 6:30 p.m. and schedule them at ½ hour intervals.

Fire Chief Johnson stated that with the construction on 2<sup>nd</sup> Street they either have to find a different location for the fire trucks or provide a different access route. With the removal of the building at 200 Morgan Street, they would be able to construct a driveway exiting on Morgan Street. This would be a whole lot cheaper to construct a driveway rather than finding a different location for the fire equipment. Some curb will have to be removed to construct the driveway and can be replaced in coordination with the street project. The curb was suppose to be replaced with the streetlight project, but this got pulled out in and was to be replaced conjunction with the next street improvement project. They have already taken much of the radius of the curb to be replaced so it would be from the front door of the building down to where the curb was tapered for the Hemmingsen building. It would be nice to be able to pull two or three of those sections out so that when the demolition of the building is done, they could get funds for eight to twelve inches of gravel to make a driveway and not have a curb to jump over. Peterson asked which would be cheaper, the gravel or crushed concrete from Cooreman. Johnson said he has not bought any crushed concrete. He does not have accurate prices at this time. Martin asked if they use private land on that. Koopman stated that the property right next to the fire station, the people that owned it tried to give it to the city and there was something to do with the abstract and was not officially transferred over. Koopman said they could try to find out who the actual owner is and try to make contact with them if necessary. Motion by Peterson, seconded by Martin to approve the removal of the curb and to build a driveway with gravel or crushed concrete, whichever of the two is cheaper and authorized the Public Works Department build the driveway. All voted in favor of the motion.

Chalmers stated he received a request made by the animal rescue group that the City should consider the purchase of a catch pole and handling gloves for the police department for handling animals that are not cooperative. Mayor Ferrazzano said they should check with the police department if they have a need for this equipment.

Motion by Peterson, seconded by Chalmers to adjourn the meeting at 9:15 p.m. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

### July 27, 2009

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 27, 2009 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K. Enderson, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Absent was M. Martin. Also present were A. Koopman, City Administrator and F. Nielsen, City Attorney.

Motion by Peterson, seconded by Chalmers to approve the minutes from July 13, 2009 as presented. All voted in favor of the motion.

Additions to the agenda included 4-B FFA Farm Lease Agreement and 4-C Contract for Exclusive Right to Represent Buyer. Motion by Peterson, seconded by Chalmers to approve the agenda as amended. All voted in favor of the motion.

Todd Haugen congratulated the City of Tracy from Ehlers & Associates and Standard and Poor's for receiving an "A" rating for Tracy's series 2009A general obligation improvement bonds. The rationale for this rating is based on the City's very strong financial performance and healthy General Fund reserves. The rating also recognizes the City's stable economy and tax base, adequate income and wealth indicators in a moderate debt level. Haugen stated that a conference call was held with Standard and Poor's and Koopman and Spencer. The rating was issued on July 23, 2009 and the report was completed on July 24, 2009. A certificate was presented to the Mayor and Council for display. Haugen voiced appreciation for the hard work of maintaining financial management as a high rating gives the City low interest costs. Haugen presented a Bond Sale Report. Bids were received from Northland Securities, Inc. from Minneapolis, MN and Cronin & Company, Inc. from Minneapolis, Minnesota. Northland Securities was the winning bid. The true interest rate between the two bidders was Northland Securities at 3.78% and Cronin & Company 3.9%. Haugen said they were looking more at the 3.9% or 4.15% in the projections if the City was rated "A" and 4.6% for non-rated. This translates into about a 3.65% average rate. With the difference between the high bid and the low bid is an interest savings of \$16,172. Haugen stated most of the work had been done when he was last here on July 13, 2009 and they were able to get this bond sale through quite quickly. In the net proceeds there is about \$6.571 extra to put into the project fund for unexpected costs during the project. The Annual Debt Service savings come to \$6,232 annual savings between rated and non-rated which helps cover the cost of the rating fee. The bond funds will be wired to the City on August 19, 2009 to pay for project costs, old and new. There is included a resolution prepared by Kennedy and Graven that sets forth acceptance of the bid from Northland Securities. Included in the packet is a final debt schedule. The City will need to decide what interest rate they want to set on the special assessments, this came in about 100 bases points lower than expected. The assessment interest rate is lowered, but the Council may want to keep this at about 6.5% instead, which would then lower the tax levy also. The graph shows it is at a good level at this time, but it has gone down since January when this bond sale was first discussed. Stobb asked how long the credit rating was good for. Haugen said it is something that stays with the City until another bond is issued and they will take a look at this every time a bond is issued. Motion by Snyder, seconded by Stobb to adopt a resolution awarding the sale of general obligation improvement bonds, series 2009A to Northland Securities, Inc. of Minneapolis, Minnesota in the aggregate principal amount of \$1,080,000; fixing their form and specifications; directing their execution and delivery; and providing for their payment. All voted in favor of the motion. (Res. No. 2009-16)

Koopman stated that in February 2009 the City entered into a one year lease with the FFA for the Central Livestock property which includes 18.74 acres at \$120/acre. They are asking this to be a three year lease rather than one year. This would allow them to plan ahead for their activities. They have been informed that they are going to be using a portion of that land for a snow field so they are aware of any problems that may create. The FFA said this should not be a problem for them. Peterson said he thought they went with the one year due to the plans the EDA was making for that property. Koopman said there would be a provision in the agreement addressing the sale of property. Motion by Stobb, seconded by Peterson to enter into an agreement with the FFA for two additional years lease, for a total of three years on the Central Livestock Property, with an out option if a portion of the property is sold. All voted in favor of the motion.

Chalmers stated the contract for exclusive right to represent buyer would be with Murrayland

Agency to represent the library as they go through possible properties to purchase for relocation of the library. They have graciously agreed to represent the library at no cost. Chalmers said they are looking at different options of purchasing a different building versus renovation of the present property. In a survey done by the library, there was a strong concern by the citizens they should consider the ETC. building and the bank. This agreement puts the Library Board in the position to have representation and go through the process. If the Board gets to the point where they feel entering an offer would be appropriate, there is someone to prepare the paperwork needed to do that. Stobb asked if Murrayland Agency was listing these buildings. Chalmers stated that the ETC building is listed by Knakmuhs Agency. This was something when that when they originally approached Murrayland about representing the library and they stated they had already taken a look at the building with Knakmuhs and they do not want to be "poaching". The Library Board explained the rationale for coming to them is that they want to make sure there is no problem with conflict of interest with dual agency representation. Chalmers stated that Murrayland is listing the bank and if the Board took a look at that, they would have someone else represent the library for them. Stobb asked what type of representation the Library Board was looking to have before an actual decision by the Council to do something. Chalmers stated they have to have a realtor draw up an offer, etc. They process is to negotiate, make an offer and it would be with the contingency that the Council had to approve any final sale. They cannot enter negotiations with the seller without having someone to draw up the paperwork. Stobb asked if they wanted to get to the point of making an offer prior to council approval. Chalmers felt it was hard to come and get council approval if you do not know what you are asking for. They would know what they are offering, but that is not necessarily what the seller would agree to. Mayor Ferrazzano felt that what Stobb was staying was that they cannot make an offer unless the council says they can go ahead and make an offer. Chalmers said they would offer under the assumption that since it would be with the donated funds it is at the board discretion and it would still come to the council for final approval and that is why any offer would be contingent on the council approval. This would not be totally at the discretion of the library board. Chalmers said there is always the stipulation that any offer that was made would be contingent on the council approving the sale. Enderson asked if they needed a contract for an exclusive right and could they just approach who the listing realtor is. Chalmers stated you could approach whoever is listing, and it is common that no matter who you go with; they are going to ask for a contract for exclusive rights. They normally do this for a fee or commission and want to make sure they are not going to do all the legwork and then have someone else close the deal. Murrayland is doing it as a community service. Nielsen felt there is some possibility they could recoup some compensation from the seller. Chalmers stated that you are not going to find many realtors that will represent you without some contract in place. Peterson said he has no issue with this, but does not understand why it is needed. Stobb asked if this discussion was in the library board minutes. Chalmers said those minutes were part of the closed meeting and are not in the council packet and he said he would get them for the council. Stobb asked if this is something that has to be done now. Chalmers said they have the issue of the current building not being handicapped assessable and sooner or later something has to be done. They have been discussing this for a year. Stobb hoped that the donated funds are not "burning a hole in the pocket". He said it would be nice to go to a different building, but then the city is left with another empty building. Chalmers stated the library board has been discussing if they spend more money renovating the existing location and still be left with all the inadequacies of it such as the space, maintenance issues, and musty smell in the building or do they take care of those issues by moving to a different property for hopefully a lower cost. It comes down to what is the best use of the money to meet the needs of the community for the library. Stobb asked if the library board has discussed or developed a plan on how they would use the space in a new building. Chalmers stated they have talked about it in general terms, where certain things would be located. They are still looking to see if the property is suitable. The board is taking things very slow with due diligence to make the appropriate decision.

Martin arrived at 7 p.m.

Motion by Chalmers, seconded by Martin to approve a contract with Murrayland Agency for exclusive right to represent buyer. All voted in favor of the motion.

Police Chief Hillger asked if there were any questions regarding the activity report. Chalmers asked where he took someone from jail to court. Hillger said it was an arrest from a previous evening and they are required to take their arrests from jail to their initial appearance in court. Mayor Ferrazzano

asked if there is a reason the Sheriff's Department does not do this. Hillger stated they never have on initial appearances. Each department is responsible for their own. Hillger stated that there was a meeting to discuss the quality of life issues. Part of it entails things the police department can and cannot do. Those attending the meeting were R. Robinson, T. Greenfield, S. Daniels, R. Gervais, D. Johnson III, J. Lichty, A. Hansen, A. Koopman, F. Nielsen and himself. There are some mechanisms that have been set up already. They are looking at what they can do short term and long term on issues in the city to make the city safer and cleaner. The next meeting will be on August 4, 2009, 4 p.m. in the EDA board room and they would like a couple members of the Council to attend. Hillger stated they need to look long term on this to resolve issues with sub-standard housing and would like to explore ways of trying to obtain properties before they go tax-forfeited and getting it fixed up or taken down. Stobb stated that what they are talking about goes with issues that the Planning Commission has been discussing and see the problems. Chalmers stated there are cities that have had great success with programs like this and community pride becomes contagious with the government and community taking action and wanting a better standard of living for them. Mayor Ferrazzano said there were discussions in the Planning Commission about residents parking on their lawns and feels this could be easily rectified. Chief Hillger said there are some residents that treat the streets like a parking lot and park boats, campers and trailers on the street. Chief Hillger stated there are parking laws to take care of that, but needs the approval from the council to go after them. Peterson said there are trailers parked on the streets for extended periods of time and are a hazard. There are construction trailers with no markers or lights and they are hard to see. Chalmers stated he did not think there were any members of the Council that felt Hillger needed their permission to enforce city ordinances. Stobb concurred as long as he is enforcing the ordinances there should be no objection from the council.

Robinson reported they have removed the stop signs on Hollett and 2<sup>nd</sup> Street East, sidewalk snow removal bills have been generated, weeds have been sprayed with Round Up within budget and they will be marking diseased elm trees in the near future. In the Utilities Department they have repaired a water main line on 2<sup>nd</sup> Street where a service line was pulled out from the main which Brown excavating hit. There may be more of these types as there are lines that are abandoned and they are not able to be located. Peterson asked if there are abandoned lines and the main is being replaced on 2<sup>nd</sup> Street, why they need to be repaired. Robinson stated they are putting in a sewer main as well in the middle and the water main is on the west side. The Circle Drive left station failed on July 17<sup>th</sup> and both pumps were replaced. They will take both failed pumps and try to make one spare out of the two as time allows. New safety vests were ordered to comply with new safety regulations and dump flushing of the sanitary sewer system was preformed.

Swift Lake Park has a few trees which are near the camping area that are dead and need to be removed. Normally the public works would remove these trees but will need assistance from Campbell Tree Service because they are too tall and there are power lines close. The department has been mowing and doing the usual maintenance in the parks. The fire department will be supplying a generator in the new fire truck for electricity that is needed at the gazebo site for the dedication. Robinson stated the lights at the tennis courts in Central Park have not been used for many years and has received a request to see what it would take to get the lights operational. He stated that it would take six new bulbs and someone with a bucket truck to install the new bulbs. There is a coin box there but has not been operational for many years and the lights could be operated with a switch. Robinson asked the Council for approval to purchase the bulbs and get the lights operational as this is something that was not included in the 2009 budget. There would be some added expense to operate the lights. Chalmers asked if a timer could be put on the lights. Robinson said it could but they would have to purchase a timer. If it was put on a timer, they would shut off automatically and would not have to depend on the police department to shut them off. Mayor Ferrazzano would be in favor of putting a timer on the lights and he said it looks worse if you have lights that do not work. Peterson felt that lighting would help as far as preventing vandalism. Mayor Ferrazzano directed Robinson to check into the cost of a timer.

Robinson reported that the normal maintenance has been performed on equipment. He noted that Verlinde's have cut and baled the non mowed areas of the cemetery and this has worked well. A 24" collapsed tile line in the new part of the cemetery was repaired and they hauled black dirt and clay from the cemetery as requested by Holm. This was used for fill at the 200 Morgan Street project.

Robinson said he would provide the Council with a pool water usage report as time allows. On July 19<sup>th</sup> a pipe which feeds water to the slides failed. This flows at 1300 gallons per minutes. The pool was closed Monday and Tuesday due to a combination of the pipe situation and a funeral. Repair parts were received and the pool was operational again on Wednesday.

Water service was installed to the gazebo. Robinson attended a pre-construction meeting. The street project is underway and there was one change order that was approved at the last council meeting. Public works has spent considerable time on street projects due to unknown issues that arise. A new wind sock was ordered for the airport and have tallied up expenditures for reimbursement from the FAA. He has submitted a memo to Koopman explaining who is renting space in Central Livestock building and how much area is being rented. Nielsen is working on rental agreements. Robinson attended a special budget meeting on June 29 and also attended the Hospital project bid letting. He developed the draft supervisor/employee evaluation form. Robinson has not completed evaluations for his staff but will complete them soon. He also attended a "Quality of Life Meeting" on July 21.

The building at 200 Morgan Street was demolished, asbestos removed and a roadway was built for fire truck use. There is a possibility that 2<sup>nd</sup> Street may not be finished for the parade route for Box Car Days and the route will have to be adjusted according to the Street project progress. The carnival will not be able to use the CHS lot across from the Liquor Store and he is recommending the carnival trailers use the central livestock area. The Chamber of Commerce will be responsible for providing electricity to the area for them.

Robinson reported that through June, Streets and Parks is at 42.41% of budget and the Utilities is 22.7% but will be receiving a bill from Their Well for work done on the rehab of well #6. At this time the budget is very favorable.

Mayor Ferrazzano asked where they are standing with the flooding situation on the S. 4<sup>th</sup> Street project. Robinson stated that ditch lays flat and the original plan was to put a better grade on that ditch and at that time it was discovered there was lead contamination on the property that they had to cross. EPA has finished up their project there and the S. 4<sup>th</sup> Street Project can be looked at to see if they can put more of a slope on the ditch so that it would not hold as much water. Mayor Ferrazzano asked what needed to be done and if the contractor would have to come back and re-do what they did not do. Robinson said there is some monies that have been held back from the project. Robinson said the contractor came back and tried to re-grade with a skid-loader and it could not be done this way. They will have to bring in an excavator. Koopman said 5% of the cost was retained. Robinson said that County Ditch #10 consists of a tile that flows east. and was on its own. Part of the project was that any tiles that the City came across were hooked into this new 42" pipe. Ditch 10 got hooked into this pipe and #10 flows all the time. It is an old tile line that starts way west of town and Ditch 10 has always had problems with collapsing and this relieved this. When it was put into this new pipe, the City has constant flow. Nielsen said he does not know why that happened. He was of the understanding there were going to be connecting farm tiles that would be hooked into that pipe, but the county ditch is supposed to pay for itself. If the County is getting a benefit from the City and not paying for it and it is causing the City difficulties, this should not have developed that way. Koopman said the county still maintains ownership of Ditch 10 and 23, but they just combined it into one system. Mayor Ferrazzano asked when they are going to revisit this issue. Peterson stated there have been a lot of complaints regarding the weeds and retaining the water. Mayor Ferrazzano asked if they were going to hire someone to fix it. Koopman was under the impression that they were going to block it off so it did not flow, let it dry up and then have someone fix it with the retained 5%. Robinson stated they tried blocking it off with sandbags to dry up and were concerned about getting a heavy rain and then it would be blocked off. Koopman suggested they have SEH engineers come to the next council meeting and address this issue as to what would be needed to get this problem corrected. Peterson felt they needed to get a good definition on who is responsible for Ditch 10. Mayor Ferrazzano stated that if the Ditch 10 is the responsibility of the County, then they need to be contacted to get this problem resolved.

Peterson said he has been approached and asked about the number of dead pigeons and sick birds wandering around and lying in the street. Peterson had asked if the City is baiting the birds. Robinson said the City is not baiting the birds. He said he would be speculating to say what is going on and can look into it if directed to by the Council. Snyder suggested they call the DNR or public

health and have them tested to see what is going on with them. Robinson said he would check into it and let the Council know what he finds out.

Koopman said in June she attended a Labor Relations Seminar in Mankato sponsored by the Coalition of Greater Mn Cities. She attended a two day Rural Health Conference in Duluth. Koopman also attended a Planning Commission meeting, two City Council meetings, Cemetery Commission meeting and a Hospital Advisory Board meeting. She was vacation for 1 ½ days during the month of June.

Koopman is asking if they could block off 2<sup>nd</sup> Street from Center Street to the first alley for the dedication at the Velta Memorial Park. Nielsen feels this would be needed for a safety issue with the traffic in that area. Motion by Snyder, seconded Stobb to close off 2<sup>nd</sup> Street from Center Street to the first alley for the park dedication. All voted in favor of the motion. Koopman stated the dedication starts at 6:30 p.m. on July 28 and will be at the gazebo site.

Peterson stated the state and county has policies regarding holes and how long a street needs to be closed off and was wondering if the City had a policy regarding this. Robinson stated they advise all contractors not to leave an open hole and there are times when one has to be left open. The state will not allow keeping a hole open and the City takes it case by case and he will not allow anyone to keep one open if they can keep going and finish the project. Peterson said the reason for asking was that State Street was closed for two days and that is a primary route for emergency vehicles.

Motion by Stobb, seconded by Snyder to adopt a resolution approving payment to Rupp Construction for work completed on the 2009 Street Improvement Project in the amount of \$77,105.04. All voted in favor of the motion. (Res. No. 2009-17)

Motion by Chalmers, seconded by Snyder to adopt a resolution approving increase in pledged securities at Minnwest Bank South. All voted in favor of the motion. (Res. No. 2009-18)

The Consent Calendar included the Municipal Accounts Payable, Hospital Advisory Board minutes for June 24, 2009, Monthly Financial Report and Receipts, Planning Commission minutes for July 6, 2009, Cemetery Commission minutes for June 18, 2009 and Economic Development minutes for May 15, June 5 and June 19, 2009.

Peterson asked if there was any sale of the Premium Plant building. He asked if they were going to hold it until they get out of it what they put in to it. Snyder did not feel that they would get back what they have put into it and they are waiting for the appraisal to come back. The last appraisal was done about two years ago and a lot of improvements have been done since that time. Premium Plant has made an offer but the EDA has not accepted anything at this time.

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

Koopman told the Council that the car they had considered at Kurt's Body Shop, has been sold. Peterson then presented a memo that was distributed Monday evening prior to the meeting which Koopman read into the record..

“As Audrey pointed out in her letter, the City Car accumulated 5303 miles in 2008. I took the time to go through the mileage log for that period and found the following:

- 1.A total of twelve (12) different drivers.
- 2.EDA account for the most trips in the car as a single user.
- 3.Public works was the next highest user.
- 4.Of the twelve operators, only 1 has complained of “safety issues”

Koopman responded to item 4. She told Peterson that she knows that he is referring to herself. Koopman said that at the last meeting she stated it was not just her and she wished he would ask other employees that drive that vehicle. They have not made any comments publicly, but they have made comments to her. Koopman again, invited all Council members to drive the car.

5. Audrey accounted for 1204 miles in seven (7) trips

6. Three of Audrey's seven trips were directly associated with Hospital conferences for a total of 1012 miles.

"Given this additional detail I see no logical or cost effective reason to replace the City Car. I understand that City Administrator must be on the hospital board and should attend as many conferences as possible. I know that Sanford pays for rooms and registration, has it ever been suggested that Sanford pay mileage?"

Koopman stated that they do pay for mileage. When the City Car is used, the receipts for gas are turned into Sanford.

"I am also aware that they do provide transportation to some events. With that thought in mind, if we only have to pay mileage on the remaining 192 (Koopman said this should be 182 miles) at a cost of less than \$60.00 per year." Koopman stated that this is referring to one individuals driving.

"Just as a correction, with the amount of miles being put on the vehicle, the type of driving it is used for an annual oil change would be all that is required."

Koopman stated that when she did her memo at the last meeting, she put in two oil changes to demonstrate the worse case scenario and could still save a \$1,000 by not reimbursing for mileage.

"Also, if it is the choice of the Council to still replace the city car, I would request that the Explorer not be sold, but put into service at the Airport as a courtesy car to be used by transient pilots to get into town to eat, get to motel, etc. This is a common practice at most local airfields."

Koopman agrees with using the Explorer for in town driving, that as the re-sale value is not that great and if it can be used locally without going on the highway, she feels that would be very doable.

Mayor Ferrazzano stated the Council needs to decide if they should purchase a different city car or continue to pay mileage. Enderson asked if the \$7,000 is still budgeted. Koopman said that it is. Enderson stated then they need to find a car. Chalmers stated the \$7,000 is a known quantity and paying mileage could wind up over the long haul being less and it could also end up being a lot more. Peterson stated that when he did the report on what it would take to fix the Explorer, they included all the mileage reports since the time it was retired from the police department to date and 5,000 miles is pretty much an average usage of it. The Public Works department uses it the most as a group and Gervais used it 15 times in 2008. Audrey used it seven times, Shane seven times, Gary four time, Robinson twice and Denny once and then someone just wrote City once. Peterson said it does not get used all that much. Peterson said he would not be comfortable going on the road with it at 70 mph, only because I would not drive it 70 mph. Running back and forth to Marshall or Mankato, it is suiting for what the users are using it for. Koopman said she has stated what she feels about the vehicle. Personally she thinks it is not a safe vehicle to drive and has gotten worse since it was repaired. She had driven it before and driven it after and she only went 70 mph on the interstate because that is what the speed limit it on the interstate. If you are in traffic, you better be moving with the traffic or you are going to get run over. She drove it on Highway 23 at 60 mph and even then that vehicle is rocking back and forth and if you are rocking back and forth with any kind of wind, it is not a comfortable feeling. She stated that if the Council expects the employees to use a city vehicle, they should have something the employees can feel safe in driving. Koopman stated they can ask anyone that has driven it, and she wishes they would. Peterson said he has asked and the city mechanic swears it is safe. Chalmers felt that in previous discussion, he thought they had moved past the issue whether or not the Explorer was safe and were down to the issue of going forward of purchasing a different vehicle for the \$7,000 or going to pay mileage. Peterson thought they were going to pay mileage for Audrey, or those that felt it was unsafe to drive. Koopman stated she did not appreciate being singled out in this. What they are trying to do is figure out what is more economical for anyone that is on city business. Is it more economical for the city to purchase a

vehicle, and she felt she described that quite clearly in her memo using a \$7,000 vehicle and depreciating that out over a five year period. She had included mileage at 22 mpg and could find a vehicle that got 30 mpg and still have a greater savings in comparison of paying \$0.55 ½ a mile for reimbursement. At the last meeting she had shown it to be a \$1,000 savings. She feels it is more economical for the city in the long run to look at purchasing a vehicle in the \$7,000 range that has good gas mileage. That would be safer than the Explorer. Martin felt they had passed a motion to search for a vehicle for \$7,000. Enderson said the motion was started, but did not think it was ever finished. Koopman stated that Nielsen was going to have the papers prepared for this meeting, and in the meantime, the car was sold. Chalmers also questioned about insurance, that if you are driving your own personal vehicle, the company insurance will not cover you if you have an accident. Mayor Ferrazzano stated that if you are doing city business in your vehicle, he feels the City insurance would cover that.

Robinson suggested that since they keep the cop cars for about six years before replacement, the Crown Vic is currently in good shape. Maybe they could look at getting a new cop car and use the present car for the City car. Stobb said the Durango is up for replacement first. Robinson stated it does not get good gas mileage. Mayor Ferrazzano said they either need to spend the \$7,000 on a different vehicle or spend \$7,000 reimbursing individuals for mileage. He does not feel comfortable talking about this every single meeting. Peterson felt Robinson had a good idea and they should look at numbers there and see what they come up with. Stobb said he has said at past meeting, they should continue to look for a vehicle. In his present business, he gets to charge mileage and knows that it accumulates quickly. It is nice to get the reimbursement but he knows the wear and tear that is happening on his vehicle and wishes that were not happening. He would like to see something other than the Explorer used for city business and if that is using the \$7,000 to buy something or money for a police car, they should go ahead and do it.

Motion by Enderson, seconded by Martin to look for a vehicle in the \$7,000 range that was already budgeted. Upon roll call the following vote was recorded with Mayor Ferrazzano, Martin, Enderson, Chalmers, Snyder and Stobb voting aye and Peterson voting nay. Motion carries.

Snyder said he would like to commend the staff on maintaining the budget at 54% overall just half way through the year, considering all the obstacles.

Motion by Martin, seconded by Chalmers to close the meeting at 7:55 p.m. to conduct the City Administrator’s performance evaluation. All voted in favor of the motion.

ATTEST:

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City Administrator

\_\_\_\_\_  
Mayor

**August 5, 2009**

A special meeting of the Tracy City Council was called to order at 6:30 p.m., Wednesday, August 5, 2009 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, F. Nielsen, City Attorney, S. Barstad, G. Kopperud and B. Schipper of Sanford Health.

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

Stacy Barstad, Hospital Administrator gave an overview of the hospital project. There are currently three different reception areas; one to the clinic, one to the hospital and one to the outreach department. This makes it difficult for patients to come in three different areas. With the new design there would be one entrance for all patients and once central area for registration. They would be adding two exam rooms to the current clinic and three provider offices. The nurses' area would be centralized in one location. The outreach area would be moved to the triangular area between the hospital entrance and clinic. Two more exam rooms would be added to the outreach department and they would move cardiac rehab closer to the new outreach area. The current lobby will be used for other functions. The current conference room will be used as a family room and they will be making a conference room in the area of the current lobby and also some different offices for behavioral health providers. Barstad feels it is a great plan for the patients and the physicians to work together with the outreach providers.

Motion by Stobb, seconded by Peterson to adopt a resolution approving the hospital improvement project. All voted in favor of the motion. (Res. No. 2009-19)

The architectural agreement with Horty Elving & Associates, Inc. was presented. Koopman stated the Amendment No. 1 is a summary of the amendments made to the agreement and this is in reference to the actual agreement itself. Nielsen stated that he has extensively reviewed this agreement and feels the Council can approve the agreement in its amended form. One thing the Council needs to keep in mind, is on Page 7 of the first document, § 1.3.6 there is a waiver of consequential damages provision that states between the architect and the City of Tracy are each waiving what are called consequential damages. In this case that would be such things on the City's part if the building is damaged in some way and rental is lost due to the damage, it cannot be claimed against the architects. Any loss of income, reputation, productivity by our employees or others, is called a consequential damage and could not be claimed against the architects. By the same token, they are waiving against the City damages should there be office expense or things of that nature that they might suffer in connection with something the City may do. Nielsen stated that is fine if the City chooses to do that, but with this property, it is not occupied by the City of Tracy, it is occupied by a tenant and if there would be consequential damages, in many cases, it would affect the tenants much more than it would the City. Nielsen stated the City does not want to be in a position of having waived against, the true responsible party, and our opportunity to claim consequential damages against them, where the City's tenant may make that same claim against the City and the City would have no recourse against the architects for those things. Nielsen discussed with Koopman concerning a supplemental waiver, where between the City and our tenants there would be a waiver for consequential damages so there would not be any liability to the City that could not be passed to someone else. He is aware that Sanford Health is agreeable to enter into an agreement with the City. Nielsen stated that two things have to happen for this to fit into the architect agreement. The waiver with Sanford has to be signed before the City approves and enters into the agreement with the architect or if that is not done, any approval the City Council gives to enter into this contract with the architects would be subject to a prior execution of this waiver with Sanford so that would be in place all at the same time. Chalmers then questioned if they could approve the contract tonight with the stipulation that it is not actually signed until the waiver with Sanford is executed. Nielsen said subject to the other waiver being executed also. Schipper stated that Sanford is comfortable with this being done. Motion by Snyder, seconded by Chalmers to enter into the architectural agreement between the City of Tracy and Horty, Elving & Associates, Inc. contingent on the signing of the contract until the waiver with Sanford is executed. All voted in favor of the motion.

Pursuant to an advertisement for bids for the Hospital Improvement Project, bids were received, opened and tabulated according to the law, and the following bids were received complying with the advertisement:

<b>COMPANY</b>	<b>BASE BID</b>	<b>ALT. 1</b>	<b>ALT. 2</b>	<b>ALT.3</b>
Merrimac Const. Co., Inc East Bethel, MN	\$949,092	\$ 626	\$3,000	\$20,000
Sussner Const. Inc. Marshall, MN	\$936,000	\$1,900	\$3,000	\$35,000
Buhler Const. Co. Butterfield, MN	\$972,900	\$2,475	\$3,050	\$39,800
Bladholm Const. Inc. Marshall, MN	\$941,145	\$1,290	\$3,000	\$25,710
Lund Martin Const., Inc. Minneapolis, MN	\$998,000	\$ 900	\$2,160	\$34,675
Salonek Construction Springfield, MN	\$874,900	\$1,200	\$2,800	\$25,000
Kue Contractors, Inc. Watkins, MN	\$840,000	\$2,205	\$3,000	\$34,700

Kue Contractors of Watkins, MN is the lowest responsible bidder. Mayor Ferrazzano asked if the project manager has worked with this company before. Schipper stated that he has not worked with them before but has checked references and the City staff has checked references and the project manager feels comfortable with the information that has been supplied in reference to the detail of the bid. Koopman stated that an outline of the Construction Management Services has been distributed. Stobb is glad to see this list. Nielsen stated this also has been a point of much discussion, there have been many occasions in the past where the City thought it was getting into a construction project and having someone observing and monitoring to make sure the City was getting what they bargained for in the contracts with the people doing the construction, then the City was disappointed to find that this was not true, that they thought they had something, but they did not. He and Koopman discussed this on several occasions as they have gone through this, because if they did not want it, they wanted everyone to know that. If they wanted it, they wanted to know how they were going to get it. Nielsen stated that in the architect agreement, in the back it talks about them making visits to the site, but they are not the visits of the type to monitor the construction and not frequent. They are more for the architect’s purpose in determining whether the general construction is proceeding as opposed to actual construction observation or monitoring. Peterson asked what the Alt. 1-3 entail. Koopman stated that Alts. include plantings, flag pole and HVAC for the clinic. This is for non-revenue expenses. Motion by Chalmers, seconded by Snyder to adopt a resolution awarding the bid for the Hospital Improvement Project to Kue Contractors, Inc. including Alt. 1, Alt. 2 and Alt. 3. All voted in favor of the motion. (Res. No. 2009-20)

Koopman stated in March 2009 an amendment to the lease agreement which included an annual lease payment of \$136,000 plus 20% of the net annual operating income was presented. The original lease could not support this project because it was based on the greater of either debt or depreciation. At the March meeting, the Council approved the concept of the project and agreed to delay entering into the amended lease until we were certain the project was moving forward. The amended lease has been reviewed by Nielsen. Snyder asked if the debt finance number would change because the bids were lower. Koopman stated that it would not and the amended lease would go to a flat lease payment and will no longer be based on debt or depreciation. Koopman stated the \$1.2 million is a comprehensive total of the entire project. Stobb asked who is doing the additional work on the non-revenue aspect of the project. Koopman stated there is a fairly substantial list of subs and depending on what it is that is being done and that is a part of the whole picture. There are also

architectural fees and that type of expenses that is over and above the construction costs. Koopman said that a portion of the project is monies the City is going to use to replace existing equipment or upgrade existing equipment and that is not included in the loan. These are items that would be paid out of the Improvement Fund which is what would normally be done if this was not part of an overall project. Nielsen asked if there are contractors being considered for that part of the project. Schipper stated the \$328,550 for non-revenue improvements is part of the \$840,000. What is added to the \$840,000 is the 10% contingency and architect fee of 10% and some external signage, clinic space remodeling and that is what brings you to the \$1.2 million. Nielsen stated that Kue is getting paid \$840,000 to themselves and all their subs. Schipper stated this is correct and then there is the additional construction service document that has the breakdown of signage and other things that are part of the contingency which equals the total amount. Nielsen has the concern that if bids were let, and a bid of \$840,000 was received to provide something and now there is some other number of things that will be provided to the City, is whether any of those items needed to be bid also. They cannot just decide they want to spend a \$100,000 to buy something unless it is bid. Kopperud stated the IT and phone system upgrades are not included in the contract bid because they have companies that are already providing that service and they would not want some outside company coming in and working on the phone systems and those types of services are not put out for bids for that reason. Nielsen does not know if the "extras" need to be bid or if it is apportioned among separate enough categories where it all falls below the bidding levels or quote levels. Nielsen said the Council is not called to approve that tonight, the resolution talks about the project cost of \$1.2 million, but the Council is not being asked to approve the other expenses, but feels that at some time the Council should be. The City Council should have the ability to make the decision whether it should be expended or not. Nielsen asked if these expenses were something the City should have, expenses for chairs, desks, etc. He does not feel this is a capitalized expense. Schipper stated Sanford is paying the City through the fixed lease payment for the City's building maintenance, so in a sense, they are paying for that. Peterson said he has no problem with the lease amendment, it is just the one part with the amount that is going to be financed. Koopman said they are not going to finance \$909,341.99, the \$328,550 is technically improvements that if they would have been brought to the Council separately, the City would be paying for these improvements from the Improvement Fund, and they will be brought to the Council separately, not a part of what the bid already is. Those types of expenditures will have to come to the Council to be approved. Koopman said the City is paying up front, out of the Improvement Fund, for some improvements that do not impact the operation of the facility and that is why it is not part of the loan. The agreement does make reference to the project as a whole, but in no way does the \$136,000 impact that. The amount is a reference point to recognize the project which is prompting the amendment to the existing lease agreement. Motion by Peterson, seconded by Stobb to approve the amendment to the lease and agreement between Sanford Health Network and the City of Tracy. All voted in favor of the motion.

A resolution was presented approving the terms of an internal loan in connection with the Hospital improvements. Stobb stated that if the amount stated in the resolution of \$909,341.99 and the bid approved was for \$840,000, so they are adding in some of the other things. Koopman said they need to keep in mind they are adding in architectural fees and contingency which is all part of this project. Koopman said that if you look at the breakdown of the entire project, these are the items that impact the operations and that is a difference of roughly \$69,000. The lease payment of \$136,000 would be used to pay the loan off plus the 3.5% interest would be added to that loan. The annual lease payment will be used to pay off the loan which will be amortized over 11 years to coincide with the amended lease agreement. Any funds in excess of the amortized payment will be deposited in the Improvement Fund. Koopman stated she has changed 2.02 to read (addition indicated by underline and deletion marked by strikeout) Principal and interest ("Payments") shall be paid ~~semi-annually on each August 1 and February 1~~ monthly. That is how the City will be receiving the lease payment. They would be using a combination of the Tracy Medical Center Trust and Improvement Funds because using the City's own funds they can pay themselves a 3.5% interest over the term of the loan and would save on issuance costs. Koopman indicated the actual total project cost is \$1.2 million. Of that \$1.2 million when it is broken down, portions of that such as the sprinkler system, HVAC, they are either replacing or updating existing equipment and it did not impact or even provide the potential for an increase in operational income, therefore, they tried to separate the two out and that is how it came out. She believes it is the cleanest way to do it, because that way those expenses come from the Improvement Fund as that is where the funding would have come from if they had been presented to the Council individually. They are doing the project in a lump sum total. That is why

they are taking monies from two separate funds. Nielsen stated this resolution is how they are going to determine how they are going to pay for the project. These different things that are going to be done by the contractor or someone else, they have been categorized into revenue and non-revenue and the revenue will be paid back in one and the other amount will be paid for like a normal expenditure. Nielsen stated they need to be aware that some of the things that will be paid for as a normal expenditure may need to be bid, and they should still look at whether that is an obligation of the City to provide that. If they are throwing out stuff and if the City bought it, it is the City's and it should not be disposed of unless they ask the City first. It is the property of the City. Nielsen states that is one of the problems he has had with this project, it is the impression that the hospital is doing this project. The hospital is not doing any project, it is city property, the City is doing the project and the City is the one that has to decide how to pay for it and what they want to have. They have to abide by the rules if something has to be bid and the City has the say if anything needs to be disposed. Chalmers stated it is important for the residents to know this is not going to happen without any additional taxpayers money and the funds is available in two accounts and will be paid back through the lease payments from Sanford. Stobb said this is money that has been dedicated to the hospital and the basis of it came from the initial signing of the lease with Sioux Valley at that time, and that is when those accounts were set up. Motion by Peterson, seconded by Stobb to adopt a resolution approving the terms of an internal loan in the amount of \$909,341.99 in connection with Hospital improvements with a change of a monthly payment versus a semi-annual payment. All voted in favor of the motion. (Res. No. 2009-21)

Koopman included a resolution prepared by Ehler's and Associates that allows for reimbursement of funds if the City chooses sometime within the next three years to bond for this improvement versus financing it in house. She explained this is merely a safety precaution and would only come into play if the City decided that they needed this money to be repaid immediately. Motion by Chalmers, seconded by Snyder to adopt the resolution declaring the official intent of Tracy to reimburse certain expenditures from the proceeds of bonds to be issues by the City. All voted in favor of this motion. (Res. No. 2009-22)

Nielsen stated that in the architects agreement that talks about the City Council designating an owner's representative and there may be a need for this designation to be in place now. This is on Page 2 of the agreement. Nielsen indicated that when this contract was originally presented, the hospital administrator was designated at the owner's representative. He recommended to Koopman that be deleted because that person is not an employee of the City and is not authorized to make decisions and not as attuned to the needs of presenting things to the Council and someone more directly associated with the City. He felt that Koopman should be designated as the owner's representative. Motion by Snyder, seconded by Martin to appoint Koopman as the designated owner's representative. All voted in favor of the motion.

Motion by Snyder, seconded by Peterson to adjourn the special meeting at 7:20 p.m. to conduct an emergency meeting. All voted in favor of the motion.

ATTEST:

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City Administrator

\_\_\_\_\_  
Mayor

**EMERGENCY MEETING**  
**August 5, 2009**

An emergency meeting of the Tracy City Council was called to order at 7:25 p.m., Wednesday, August 5, 2009 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, F. Nielsen, City Attorney, D. Johnson III, Fire Chief and S. Daniels, Building Inspector.

Johnson stated that at 6:30 a.m. today the fire department was called to a fire at the Ohman Furniture building at 224 South Street. There was a fire on the second story and upon arrival the fire department made entrance into the building by going through boarded up doors. They were able to extinguish the fire and after there was a heavy odor of accelerant in the building and it was determined to be arson. The building was sealed off at that time and the department stayed for observation. The rest of the building was cleared to make sure there was no damage to any other part of the building. The fire was in the upper right apartment. After the fire Daniels came in to do the building inspection.

Daniels stated the structural integrity of the building is not good. There is a roof collapsing, on the opposite side of the fire, the floor is giving out in areas. Two firemen actually fell through the floor but there were no injuries. In 2003 there was a hazardous building inspection done by Garrels, Judkins and Robinson. Another inspection was done in 2006 and at that time there was more deterioration. Daniels presented numerous pictures of the condition of the building that were taken today. Stobb asked if utilities are disconnected in this building. Johnson stated that some utilities are not disconnected in that building. Since the fire the electricity has been disconnected and Minnesota Energy was contacted and the meter was locked off. Due to the fact there is no account on the property, he contacted Koopman and an account was set up with the City for that property to get the meter removed. Johnson explained that in between the two sections of the building, there is a stairway in the back. Underneath the stairway, amongst trees and weeds, the gas meter is mounted up against the building and there is a 1 ¼ inch gas line that runs up the building where the meter is mounted. If the fire would not have been extinguished in time before it reached the accelerant and caught fire, there would have been a massive mess. Johnson said that upon determining this to be a hazardous building, disconnecting the utilities, there was still a very prevalent accelerant smell. They opened as many windows as possible and also removed some plywood that was currently on the windows to ventilate the building. This was done to eliminate some of the odor and fumes to help reduce the explosion factor. Johnson stated at that time it was decided to try and get the building razed. There are documents on the building and it is not tax forfeiture at this time and will be going on the county auction in November 2009.

Johnson and Daniels discussed this with Koopman and discussed ways of removing the unsafe building and cost of getting the building removed. MAAC, asbestos contractor, will be able to be here at 11:00 a.m. tomorrow to do an on site asbestos evaluation to determine how much of the asbestos could be safely removed due to the nature of the building and how much would actually have to be removed. Johnson also asked them to put together a quote for demolition of the building. At the same time Johnson contacted Cooreman Construction and he showed interest in demolishing the building and was interested in putting an estimate together. Johnson, Daniels, Koopman and Nielsen met to discuss the ability of the City to eliminate the hazardous building. It was decided that the building owner should be contacted and get some sort of sign off from them before moving forward with demolition of the building. Through eight hours of work, with the help of the Tracy Police Department and the St. Paul Police Department, they were able to get a phone number to somebody who helped acquire contact with the property owners in southern California. Two owners of the property were contacted. Johnson talked with one of the owners and he stated that he would draft up a document, send it to the owner to sign giving consent to demolish the building. The other owner, who is a general contractor, called Johnson back and he would like to come and demolish the building himself. He said he would rent dumpsters and backhoe and demolish the building. At that time Johnson mentioned to him that there was a tax forfeiture letter attached to the building and he stated he was aware of that and would be coming up with the intent of paying the taxes and he said they could be here this Friday to do anything that needs to be done to that building to tide it over until they could come to demolish it. Johnson then asked him what his time frame would be in

demolishing the building. The owner asked what would be a reasonable time frame. Johnson told him that there was going to be an emergency council meeting about this tonight and it would be discussed. The building has no insurance on it. Johnson made the owners aware that the gas line needed to be removed from the building and that since they did not have an account set up, the City would be responsible for what it would take to get an account on it and that they, as the owners would be billed for that or it would be assessed to his taxes. The owner stated that he would be here to take care of it. Johnson does not feel that the owners understand how big of a project it will be to raze that property, especially with the ADO building next door. Johnson said he is unaware if the City has any policies as far as a demolition contractor if they have to be licensed and insured or what their responsibility would be to ADO if they knocked that building down on ADO.

Mayor Ferrazzano asked what needed to be done and if they have to give the owner an opportunity to get rid of the building themselves before the City does something. Johnson said that if the City took the building down, it would be assessed to the taxes on that property.

Nielsen said they talked to discuss the severity of the problem. Normally if there was a building that was falling apart, they would go through a hazardous building process as they have done many times, and takes several months to do that. This property may not fit that scenario because of some of the things Johnson and Daniels have talked about and the fact of the accelerant in the building and could fall down tomorrow. Nielsen said they discussed how it could be done quicker and basically it can be looked at as a public nuisance and the current city code would cover that building as a public nuisance. Daniels has stated that parts of it are falling off onto the sidewalk in the past and the building is structurally in a way where it could injure someone or could damage the neighboring property. In that case, we look at the Tracy City Code that talks about an emergency procedure summary enforcement and it states if the City Council reviews this and decides that in case of an emergency, where going through a more lengthy abatement process, whether it is a nuisance abatement or hazardous building process, the Council feels that going through that will do nothing other than, "permit a continuing nuisance to unreasonably endanger public health, safety or welfare, the City Council may order summary enforcement and abate the nuisance." Nielsen stated that basically if the Council feels it is that severe, such as eminent serious hazard to human life or safety or there is a delay that is going to endanger someone, the Council can eliminate the process of contacting people and going through court and just get rid of the building. Nielsen stated that Johnson was correct in trying to explore an avenue with the owner, even if that does not pan out, the owners now know there is a problem and they have been told and have tried to get them to do something about it. If it turns out that the owners are not the ones that demolish the property and someone else does that, that should be reported to the owners also that it could not wait and it had to be done right away. The Council is going to have to determine the "right away" based on what has been reported so far and viewing the pictures or anything else that Daniels and Johnson have to explain how bad that building is right now and the danger it may be to someone else. Nielsen was under the impression from Johnson that all the venting that was done; there is still residue of the accelerant that could pose a much greater fire hazard than is typical. Johnson stated that after several phone calls with the state fire marshal, with the accelerant that was used in there, the remnants of that could affect that property for a long time. Johnson said there is a provision in the fire code where the fire code gives permission for emergency removal of a building due to that nature. The fire marshal will be faxing him a copy of that. As far as the severity of the building, Johnson feels that since they made an attack on the building today because everyone knows that it is an abandoned building and people still enter the building and can't rule out that there is nobody in there until it is checked. Johnson said he is not a fire investigator but the smell of accelerant was very evident. The distance from where the fire was started to the accelerant was about four to five feet. In that area there was a lot of accelerant and could not stand in that room even two hours after they started ventilating. He stated that if someone would have called it in even two minutes later, if the fire would have reached the accelerant with firemen going up the steps, they would have been blown right back out. Johnson feels this is something that needs to be acted upon immediately. If that building were to catch fire tonight, with people in there, it would be hard to send anyone in there, especially in some of the places the department went today. After the fire, walking through the building with Daniels, there was a part of the roof that felt pretty sound, but looking up at it there were spots where the only thing that was there was the roofing material. The sheeting and everything was rotted out below it. In a situation like this, someone could get hurt.

Chalmers stated that by looking at the pictures, there is evidence of people being in there. Peterson asked if MAAC said when they could take it down. Johnson said if they could have hired them, it would probably be down by now. The asbestos contractor wanted to start at 1:00 p.m. today. When the contractor came today, he was not able to give a hard number in writing and he gave Johnson his estimate on what it would take to remove it.

Mayor Ferrazzano feels there is no option. Nielsen asked that they discuss this further to make sure that everyone is aware of the nature of that property. Johnson has discussed the difficulties his department has had with the fact that someone could have been injured in fighting this fire already and we do not want to have that happen again. The condition of the building is apparent, there are a lot of hidden dangers in there where someone cannot enter in good conscience and feel like they are going to be able to do their job properly. Nielsen asked Daniels to elaborate more on the damage to roof and how it is affecting the integrity of the rest of the building and that something else could come down because of it. Daniels stated that since the roof is detached from the wall, it could finish caving in and most likely one outside wall would fall to the center and the other one could land in the alley behind the post office. Mayor Ferrazzano stated this could injure someone going to drop off mail. Mayor Ferrazzano is also concerned with the fact that the accelerant could be in there for a long time and where that building is positioned close to another building and being close to downtown. He feels that it has to come down. Johnson said the fire department babysat the building until this evening and at that time with the help of the Public Works department, the area was fenced off, taped and signs made telling individuals to stay out of the area. Chalmers stated that right now it is much easier for someone to get into that building with all the ventilation. Nielsen stated this is a two story building that is adjacent to an alley that is pretty frequently used for post office, he goes up and down that alley himself once in awhile, there are apartments that are entered in that area, there are children back of the apartments and there are other people that are coming and going in those residents back there.

Motion by Peterson, seconded by Snyder to use the emergency procedures to have the building demolished.

Johnson asked if they were going to give the owners a chance to demolish it themselves with a time line. The owner asked for a time line and would like to have 30 days to get it done. Peterson said he thought about giving him a week, but the more they talk about it, with the condition it's in, it has to go. Nielsen stated that the wall of the ADO building is only three feet away and there is a parking lot there also. Johnson said if that building became fully engulfed, it would be a challenge to save the other close buildings. Chalmers stated that he appreciates that the owners want to do something about it, but he does not see how the City can afford to wait a week and there is no guarantee that they would show up to take care of it. Johnson said the odor of the accelerant is through the whole building. Stobb asked if they act on this motion and approve it, he suggested that maybe Nielsen give the owners a call and explain what is being done and the basis for doing it. Nielsen said he could do that. Martin said the damage is well documented. Stobb said the owners should be able to understand the legal basis for removal of the building. Peterson asked if the state needed more time to investigate the arson. Johnson stated the state will not be involved in the arson inspection as the arson inspection was done by Johnson speaking with the fire marshal. As far as if there was a chance of it, the City could still have a civil or criminal case just off the documentation. With the building having no insurance, the state will not send anyone down. Unless there is insurance, a death or severe injury, they would send someone down then as there would be something more to go after than attempting to blow up a building. Nielsen stated the Council is aware of the standard that going through the usual process, would that unreasonably endanger the public health, safety and welfare and does the Council feel that immediately abating this nuisance would remove an eminent and serious hazard to human life and safety. Peterson said that is the basis of his motion. Chalmers feels that they are actually looking out for the interest of the owner, because if something does happen, it is all on them. Daniels pointed out that area is the endpoint of the midway for Box Car Days. There will be people parked there, hanging out there, riding rides there and that is a bad time if someone would decide to start another fire. With the street in front of the fire hall being torn up and everything sitting around, it would limit the ability to protect the area around that building. Martin asked if the City is protected with the amount of documentation they have if the owner would decide to bring suit against the City. Nielsen feels they are. He was a little leery when he first talked with Johnson, the more he thought about it and the more he has looked at the documentation, with all the

accelerant soaked wood and the proximity of other traffic, people in that area, what Daniels explained about the roof being gone and has weakened the walls and could fall any which way. He is convinced this is a serious danger and cannot take a long period of time to deal with it and that it would be in the City's best interest to remove that building as soon as possible. Chalmers said it is obvious there have been people in the building and he does not see anything short of parking a patrol car there now would help. Johnson felt that would not stop them. He had several firemen there due to the explosion factor to make sure they were still there if something were to happen. This afternoon he ended up with one person there and that is a lot of building for one person to watch all four sides of and there is only one side they cannot gain access and that is the alley side. There is a stairway up the back that you can get into the whole building and from there you can get down into the rest of the building. There are four doors on the front and obviously the windows between the ADO building and that building where they have kicked all the boarding out of them.

All voted in favor of the previous motion.

Johnson stated that MAAC estimate to remove the asbestos was \$2,800. Peterson asked if it was safe for them to go in and remove the asbestos. Johnson said the majority of it they will be able to remove and the stuff that has to come out will come out. The fire department will help with blowing some of it off the walls. MAAC estimate to demolish the building is \$32,444 and Cooreman Contracting estimate to demolish the building is \$23,600. Mayor Ferrazzano suggested having MAAC remove the asbestos and Cooreman Contracting to demolish the building. Johnson said that MAAC is waiting for the phone call and can be here tomorrow morning and his last conversation with Cooreman is that he could start as soon as the asbestos contractor is done.

Motion by Chalmers, seconded by Martin to have MAAC remove the asbestos and Cooreman Construction demolish the building. Cooreman would charge \$1,600 for fill and that is an option unless Robinson has some fill they can get rid of. Johnson stated there is a crawl space of some sort underneath the building. Johnson would go with \$23,600 to do the job as the street department is busy with street project and trying to get yards cleaned up and weeds knocked down. Stobb asked if the number from MAAC was an estimate or an actual bid. Johnson said it was an actual bid. The estimate was for the asbestos. Johnson said the individual from MAAC and himself went around and made a list a stuff that was asbestos and he then gave a number as he would not have time to get back to a fax machine to get it here tonight. The estimate is because of how much the fire department can blow off for them without them trying to get into some of the areas. Johnson said it is going to be kind of a hand in hand thing as to how much benefit the fire department can be them in assisting in getting in some of the areas where they probably should not be working. Nielsen said they do not want to save a dollar and expose someone to something. Johnson stated that the department helping them is what is going to assist someone from getting hurt. If it gets to the point where the fire department cannot accomplish what they need, then they will have to put some type of temporary bracing up to get in there and remove the asbestos. Then instead of \$10 a yard to haul it to a land fill, you would be looking at \$60 to \$70 a yard as they treat all as asbestos. With both of these estimates it is also a clean building as far as appliances needing to be removed and the paint, etc. There are a three window air conditioners that need to be removed and there is a couple appliances that need to be removed and if that needs to be done, they will find a way to accomplish this.

Motion by Chalmers, seconded by Snyder to have MAAC remove the asbestos at a cost of \$2,800 and have Cooreman Construction demolish the building at a cost of \$23,600. All voted in favor of the motion.

Motion by Peterson, seconded by Chalmers to adjourn the emergency 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

**August 10, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 10, 2009 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.

Motion by Snyder, seconded by Enderson to approve the minutes of July 27, 2009 as written. All voted in favor of the motion.

An addition to the agenda is 2-A Minutes from the Special Meeting and Emergency Meeting on August 5, 2009. Motion by Peterson, seconded by Stobb to approve the agenda as revised. All voted in favor of the motion.

Motion by Chalmers, seconded by Martin to approve the minutes of the special meeting and emergency meeting on August 5, 2009. All voted in favor of the motion.

Shane Daniels, Tracy Building Inspector presented his report regarding the condition of the Swift & Company building on 521 Center Street South. He states that one side of the building has collapsed on the north 25 feet or so. He is requesting from the Council the acceptance of the order for the hazardous building law. Daniels also presented pictures of the condition of the building. Stobb asked if any contact has been made with the owners. Daniels stated that he contacted them and a couple representatives from Swift came and demolition of the collapsed portion of the building was discussed. They stated at that time they would get that done as soon as possible and Daniels has not heard any word from them since then. That was two months ago. They did contact Daniels to see if they needed an asbestos inspection done. Daniels stated there are other maintenance issues regarding the remaining portion of the building. Nielsen stated that the general area where the roof has fallen in is the side closest to the railroad tracks and this is the kind of area that if someone wanted to get in the building and cause some type of "mischief" there is not anyone that is going to be watching very closely. This is another aspect because of the location and the condition of the building, someone could be injured. Peterson asked if there was any evidence of anyone getting in there and causing any vandalism. Daniels said they are still running the hog operation but no evidence that anyone else has been in there. He did have them board up the area where the collapsed section could be entered from the outside. He stated the trees along the railroad track are actually what are holding that section of the building up. Stobb asked if should declare this a hazardous building and have them remove the collapsed portion of the building and the remainder of the building brought up to code. Nielsen stated that is a fair statement. Wherever that point is where demolition ends and repair work begins will undoubtedly cause an inside wall to become an outside wall and will need to be covered with outside type of materials. Nielsen stated that since there is not an actual written order available for signature at this time, if someone would make a motion to find that this is a hazardous building based on the discussion and information presented, that motion could authorize the Mayor and City Administrator to sign a written hazardous building order encompassing what has been discussed. They will get the order over there within the next couple days so they can get working on it immediately. Motion by Martin, seconded by Enderson to declare the collapsed portion of the Swift Building as a hazardous building. Daniels stated the rest of the building will be eminent danger if not maintained and brought up to standards. Nielsen stated the building is one large building and it is a hazardous building because a portion of it is falling down and the remedy would be to demolish the portion that is falling down and repair or demolish the remaining portion of the building. The whole building needs to be considered because it is a hazardous building with a portion has collapsed. Martin and Enderson rescinded their previous motion and second. Motion by Martin, seconded by Snyder to designate the Swift building as hazardous building. Stobb asked if the order will contain the time deadlines that are indicated in the report. Nielsen said they will use the timelines unless the Council would wish to go a different way with it. Chalmers asked Daniels what his basis was for the deadline. Daniels stated it is 30 days from the report and he feels it needs to be done before the Labor Day weekend comes around with Box Car Days. All voted in favor of the motion.

Mayor Ferrazzano stated that he has received a lot of comments about the proposed ordinance regulating parking and storage of motor vehicles and trailers. The other Council members were also

contacted by several individuals and Mayor Ferrazzano felt a public hearing would be important so these e-mails can be read into the record. Peterson stated that overall he did not have anyone contact him in support of the ordinance. Martin stated that he also received many verbal and written comments against the ordinance. He would like to hear what the residents have to say for and against the ordinance. Peterson questions the need for a public hearing if the overall response has been negative. Mayor Ferrazzano asked why not and it is required to have a public hearing. Peterson stated the Council does not have to accept this as an ordinance. Koopman explained that they are not accepting this as an ordinance, they would be waiving the first reading and setting the second reading at a public hearing and only at the public hearing can the ordinance be adopted. Peterson stated that if the overwhelming comments are against it, he does not see why they should take the time to have a public hearing. Koopman commented that there may be other individuals who wish to speak in favor of it. Nielsen said it is not overwhelming against it, the Planning Commission has dutifully read through the ordinance and their position was to forward it to the City Council. Chalmers stated that he would like an opportunity to have the residents come in and propose alternatives that could be considered to alleviate the problem, because whether the ordinance is adopted or not, the problem exists or the Planning Commission would not be proposing this ordinance. Snyder said there already is a junk car ordinance and who are the Council to be telling people how many cars they can have parked on their yard. Some people do not have a garage and some people do not have a driveway. Mayor Ferrazzano would like to give everyone an opportunity to voice their opinion. Stobb agrees with the Mayor and has mixed feelings over the ordinance, but the individuals that contacted him with objections, many of those objections seem to hinge on one aspect of the ordinance. If that were to be revised or removed, that may change their opinion. Martin stated there is a reason the ordinance was proposed and put forward in the first place. Stobb stated there are complaints about certain residents in the city, where there are numerous cars in the front yard, back yard and the neighbors did not like it, but as a City there is nothing that can be done about it without the ordinance and that it is why it came to the Planning Commission. Motion by Chalmers, seconded by Enderson to waive the first reading and set the second reading at a public hearing to be held on August 31, 2009 at 6:45 p.m. Upon roll call the following vote was recorded with Mayor Ferrazzano, Martin, Enderson, Chalmers and Stobb voting aye and Peterson and Snyder voting nay. Motion carries.

Jean Larson, representing Joshua Hunt of 161 8<sup>th</sup> Street and who is deployed to Kuwait at this time, was present to discuss a plumbing bill resulting from the 8<sup>th</sup> Street waterline installation. In the fall of 2008 Swish's Plumbing did some street work in front of his house and then on June 16, 2009, a friend that lives in his house called Ken Holm from Heartland Mechanical and stated there was water and sewage coming up in the basement. Holm went over there and he found there was no compaction under the pipe that was installed and the pipe eventually sank and the coupler came loose in the street. This caused the sewer line to be plugged. Hunt has not received a bill for \$3,144.10 and they believe that Swish's should be responsible for this bill. Since then Holm has discussed this with Swish's and they are not in favor of paying it. Larson is asking for help from the Council as she feels that Hunt should not have to pay this because it was not his fault. The problem is with what was done by Swish's. Mayor Ferrazzano asked Robinson if he saw the problem. Robinson stated that he was on leave that day, but did see the pictures and had discussed this with Holm. Robinson stated they have a letter from the Currie State Bank, signed by Don Hansen who was willing to back Swish's for the bond and his work and he feels that they need to go back to him. Larson stated that Holm has been in contact with Swish's and so far they are at a standstill. Larson asked if he was insured and bonded when he was hired by the City. Peterson stated that he could not get the bond and went and got insurance. Koopman said that Murrayland was guaranteeing his work and acting as surety for that work. There is an agreement signed by Murrayland or Don Hansen, the president, clearly states "whereas the parties have discussed possible solutions to the bonds not being posted and toward this Murrayland has agreed to act as surety for the contract and to guarantee the performance of the contractor to the City for the project involved." Koopman stated the contract that the City has for Swish's states that they have to warranty the work for one year. There should be no question that if Swish's does not pay, Murrayland will. If they disagree on the bill with Mr. Holm that is between the two of them, but from the City's perspective, we have the proper documentation to force their payment. Robinson explained that Swish's was putting a water main in the street and while they were doing that work, they hit Hunt's private sewer service line and it was repaired. They used a coupler to join the two ends together which fell off and caused the blockage of the sewer service line. Nielsen stated that the contractor was then trying to repair some damage that he had

caused to the private sewer line while he was working on a city project. Robinson stated this is not unusual because many times the line cannot be located. Holm presented some photos of the situation. Mayor Ferrazzano felt that they need to just contact Murrayland directing them to pay this. Holm stated it is like it is a dead end but last week things were going good and then last Friday communications ended. Murrayland has not been involved in discussions at all. Stobb felt Murrayland should be the contact people now on this issue. He asked if there is a burden of proof that needs to be established. Chalmers asked if there was any other cause of this other than the work that was done by Swish's. Holm said a City employee was there and verified the situation and Swish's was also called and they came and verified the situation. Holm said everyone has seen the situation as far as the burden of proof. Chalmers asked if Swish's was debating responsibility of it. Holm stated there are some legal things they can do to secure their money but he is afraid they are going to run out of time. Larson does not want to see a lien put on Hunt's property and does not feel that he should be responsible for paying this bill. Mayor Ferrazzano said the Council could not force them to pay anything and feels they need to go back to Murrayland and submit a claim. Nielsen stated that Swish's contracted with the City. Mayor Ferrazzano asked that Holm submit a bill and the City will contact Murrayland and tell them that their insured agreed there was a problem and they should pay. Peterson asked that if during the project the City was notified that they hit this line and are other issues going to come up before this twelve month period expires. Mayor Ferrazzano asked that Koopman or Nielsen contact Murrayland about this bill. Nielsen stated that it will be done.

Gervais presented a Dentist/Health Care Professional Incentives Package for the Council to consider. The EDA Board is looking at an incentive package to help with recruitment of a dentist and have met several times with a young gentleman attending dental school. He will be graduating in May 2012. They are looking at a forgivable loan to help with school costs. The package would include:

1. A \$25,000 loan per year for the next three years (\$75,000 total)
2. Forgivable at 10% per year for 10 years starting the last day of the first year of practice
3. The loan would be interest free, unless the practice closes; the dentist no longer practices or leaves the business for any reason. If this happens before the last day of the 10<sup>th</sup> year, any remaining principal would be due along with the total interest (calculated from the start of the loan) of the loan calculated at 4%.
4. The business must be a private practice.

Gervais has discussed this with Nielsen and there are some issues that need to be taken care of. Nielsen said there are some statutes that talk about "business subsidies" and there has to be an agreement made, there are reporting requirements from both those giving the funds and those receiving the funds. There needs to be a written agreement that the City Council would approve as opposed to the EDA board or officers. That would all have to be put together in the future when the actual details of this process would be discussed. Gervais stated there is about \$200,000 in O'Brien Court cash fund balance and about \$200,000 balance in the 3<sup>rd</sup> Street East Town Homes. They were considering taking \$15,000 from the O'Brien Court fund and \$10,000 from the 3<sup>rd</sup> Street East fund for each of the three years. Gervais explained pay a substantial sum to hire someone to recruit a dentist, and there is no guarantee. This gentleman is a local person and his wife is also from the area. They have three children in the school system. They are 99.9% sure, barring anything unforeseen would happen, they will be here to practice. It can not be guaranteed, but that is the purpose for having the forgivable portion built in. This money cannot be considered a grant as that could prohibit him from getting other grants or funds for his schooling. Gervais stated a dental office brings in a large amount of revenue and there is a potential for four to six employees working in the office. Nielsen asked if they were considering giving this person funds before the practice has started. Gervais stated that what the EDA board has considered is taking out an insurance policy as this gentleman actually does some farm work in case of any accident to protect the EDA. Chalmers stated it does not state in the package but if he would finish school it would be due. Gervais said that would be written into the contract. Mayor Ferrazzano felt that conceptually this is a good idea and they need to be proactive and not sit back and do nothing. Gervais stated if another specialty professional would come to the area, this type of package could be replicated in the future. Peterson stated the concept is good, but they need to make sure the contract is written so if they would back out the City would not be left holding the bag. Motion by Stobb, seconded by Peterson to accept this concept of a Dentist/Health Care Professional Incentive Package. Nielsen stated that there may

be interim points during negotiations when Gervais would come back to the Council for approval. All voted in favor of the motion.

Motion by Peterson, seconded by Snyder to approve a request from Radke for a special Sunday on-sale liquor license for Sunday, September 6, 2009 of Labor Day weekend. All voted in favor of the motion.

Deb Schenkoske has submitted a letter of resignation from the EDA Board effective immediately. Motion by Stobb, seconded by Martin to accept the resignation from Schenkoske with thanks for all the work she has done and authorize advertisement for an opening on the EDA Board for the remainder of her term. All voted in favor of the motion.

2010 Department Head budget requests were presented.

Gervais stated that on page 7 is the general fund for the EDA. The only thing that he changed was the Communications from \$300 to \$400. The Transfers Out was put back at \$15,000 as that would be transferred in for the Revolving Loan Fund. O'Brien Court on page 28, Other Contractual Services was changed from \$500 to \$1,000 as O'Brien Court continues to age, although the shingles have been replaced and the siding and windows, there are other things that come up. This is a revenue account and not a levy item. Temporary Loan was put at \$15,000 for the Dental/Health Care Professional Incentive Package. Eastview Apartments on page 35 is basically the same as last year with the exception of Temporary Loan at \$10,000 for the dentist. 5<sup>th</sup> Street town homes on page 37 are basically the same as last year. CDBG on page 57 in Other Contractual Services budget of \$17,000 as they will be closing this grant out this year and would like to reapply for a grant next year. Part of that money will come from the funds that have been received into CDBG so far from the 2004 grant and this one as well. EDA Reserve on page 61 the interest payment is \$46,000 that goes to O'Brien Court and that was interest on the money that was borrowed for the AquaPower building and temporary loans and this is basically a guess what they would make from loans next year from the revolving loan fund. He did increase Printing and Publishing to \$1,500 from \$1,000.

Chief Hillger stated that on page 9 the changes included:

101-421-102 Overtime. He is requesting an additional \$500 raising this item from \$12,000 to \$12,500, since they have expended \$6,223.31 in the first half of the year. They are incurring more overtime due to not having a fourth officer.

101-421-103 Temporary and PT wages. He is requesting an additional \$516 raising this item from \$14,484 to \$15,000 since they have expended \$7,421.64 in the first half of 2009.

101-421-104 Stand-by Wages. He is requesting an additional \$1,000, raising this item from \$6,000 to \$7,000 since they have expended \$3,397 in the first half of 2009.

101-421-202 Motor Fuels and Lubricants. He feels this can be dropped back \$3,000 from \$13,000 to \$10,000 since they have only used \$3,400 so far this year. He is hesitant to drop it much more than that, because of how rapidly fuel prices can fluctuate.

101-421-401 Transfers Out. This item is what is taken from the Police General Fund and placed into the Equipment Replacement Fund, in reserve to purchase squad cars. It has been at \$9,500 for quite awhile. Normally a car is purchased every three years and now they are trying to keep them six years. For the three years it would equal \$28,500. Hillger states they have never paid that much for a squad car and the most was \$24,000. This item can be reduced from \$9,500 to \$8,500.

On Page 10 for Civil Service and Page 13 Civil Defense can remain the same. Stobb asked that with the squad car there are other expenses to get it equipped, if Hillger was comfortable with the amount he has proposed. He stated that normally not everything is replaced on a squad car; they use such things as the light bar until it stops working. Snyder commended Hillger for reducing his budget. Hillger said that in the past they have over budgeted. Stobb felt the fuel arrangement has been a good deal for the City. Chalmers asked when they would be replacing the Durango. Hillger stated the Durango will be replaced in the Spring of 2011.

Verdeck stated that on Page 17 they kept everything pretty much the same. She stated the Plum Creek is not expecting any increases in services. The only thing that she has asked is to replace computers under Equipment Improvements

Eugene Hook stated that on Page 24 for the Senior Center they are asking for funds for remodeling of the kitchen. They are also hoping for window replacement and sandblasting of the building. He is hoping that they do not have to use funds from the money that was donated by the Tracy Nursing Home and is hoping that maybe in the future those funds can be used for a new Senior Center or some other development of the community. He is asking for leniency on the use of those funds.

Nielsen is proposing his budget on page 6 to remain the same as it has been the past three years. Koopman felt that should be acknowledged that this has been done and that the arrangement has worked well.

Robinson proposed to leave the 2010 budget the same as the 2009 budget for the most part but with the following changes:

Dept. 462 Airport Page 21. 101-462-221 Maintenance and Repair Building. There would be a decrease of \$2,500 due to terminal building rehab project 2009.

Dept. 431 Streets and Parks, Page 15. 101-431-223 Maintenance and Repair Other - Robinson is requesting an increase from \$30,000 to \$35,000 for spraying of parks and properties if needed in the fall of 2010. He stated the cost varies depending on where they spray, how heavy they spray and what chemicals they use.

Dept. 492 Utilities, Page 602-492-224 Maintenance Chemicals. Robinson is requesting an increase from \$20,000 to \$22,000 due to rising chemical costs in the water plant.

Page 46 – Radke stated the major change in the Liquor Store budget would be Temporary Wages going up \$5,000. He also increased the Transfers from \$10,000 to \$15,000. The last two items, Misc Purchases for Resale and Cigarettes this is a big turn around and Cigarettes were always in Misc. before and never have a Cigarette account. He also put in a decrease of \$1,000 in the insurance as it has been decreasing each year.

Fire Chief Johnson referred to page 11 of the expenditure budget. Changes include decreasing the Fireman's Relief – State Aid by \$1,200 and increasing Fireman's Relief - City Aid by \$4,300 for retirement. This is what was based on the Schedule 1 and 2. Johnson said it is a matter of what the market hits the day it is all finalized. This is the worst case scenario and if the City wants to just put the \$2500 back in there, but needs to be aware that it could change. Koopman asked if it was by what appears on August 1, that is what is locked in. Johnson said they have been told different things and he cannot give an exact answer on that. Peterson said that for planning purposes they are supposed to use the number that is available August 1<sup>st</sup>. Johnson decreased the amount in Communications – Telephone from \$1,000 to \$750 and he feels that it could be decreased more if necessary. Johnson proposed a \$1,000 increase in Travel, Conferences and Schools as the cost for training of firemen increases. Stobb thought they had approved some firemen training from to be taken from Other Financial Uses, rather than funds for the fire department. Johnson said they approved additional training as it was going to be over budget. Johnson left the Printing and Publishing at \$100. They had gone over last year due to advertising for a new fire truck and advertising the old truck for sale. Transfers Out was to go to \$35,000. Most other areas will stay the same as last year. Johnson said this does not provide for new doors for the fire hall. He stated that he has applied for two different grants through the stimulus package. One is for a fire hall renovation grant and in that grant he applied for four new doors. Stobb asked if they had replaced the heating units in the building. Johnson said they replaced two of them quite a few years ago and three have not been replaced.

Johnson reported that Cooreman will be done with the demolition of the building on 224 South Street and they will start filling it in tomorrow. Johnson spoke with Mr. Yang, one of the owners of the property, and he asked for a copy of bills and minutes from the meeting where the Council decided that the building needed to come down. Johnson said the asbestos removal bill came in

\$500 more than what MAAC had quoted that day and he has not yet received an answer back on why. He feels part of it was when removing one of the floors, they found another layer of asbestos that needed to be removed. There was also asbestos in the garage that was removed. Cooreman's estimate was for demolition of the building and fill only. The cost for demolition of the garage is an additional \$800. Mayor Ferrazzano stated it had to be taken care of and the additional costs are not that bad. The total difference in costs is \$1,300 which is actually cheaper than they every thought it would be. The gas line service will be removed so Cooreman can finish the demolition and filling in the area. Motion by Peterson, seconded by Snyder to approve the additional payment of \$500 to MAAC for asbestos removal and \$800 to Cooreman Construction for demolition of the garage. All voted in favor of the motion.

Koopman stated that the budget for Mayor and Council – Page 1 includes funding for \$1,250 for the Southwest Mn Initiative Fund and the \$1,000 for the Lyon County Economic Development and the Council can decide if they want to keep it in or not.

Elections – Page 2. There will be an election in 2010 and it is not known yet if there will be a primary but she is including funding for one. The minimum wage has also increased so there will be an increase there.

Administration – Page 3. There are no major changes from where it was in 2009. Koopman based the cost for Maintenance and Repair – Equipment on the amount that has been expended so far. Communications was reduced and Printing and Publishing was based on what has been expended so far so there is a slight increase there. In Subs, Memberships & Contributions she will be doing some adjusting as she has now received the bill for membership to the Coalition of Greater MN Cities and it is about \$1,000 less than what she had planned for. Other Contractual Services is what it totals to be with all the services that includes the audit, support for computers, etc.

Planning and Zoning – Page 4. Koopman put the \$5,000 back in for the paint program. Daniels has done a very good job in identifying properties that are in need of maintenance update and the Planning Commission thought it would be good to try to offer this program to make it easier for owners to bring their property into compliance.

Assessing – Page 5. Koopman left this at the \$12,600 as before.

Municipal Building – Page 8. The only thing that Koopman added \$2,000 to the cost of Maintenance & Repair of Building and this is based on what has been expended in 2009. Koopman did speak with Bruce Rhykus today and there are some equipment needs that includes a wet vac and the buffer which are both at the point where they need to be replaced so they may have to add \$2,200 under Equipment and Improvements.

Building Inspection – Page 12. Koopman states that this is basically the same except she realized she did not add the \$10,000 for demolition of dilapidated properties. That was cut when the 10% cut was done last year. She felt that if they want to continue the proactive approach for getting rid of the dilapidated properties, they will have to put money aside for that.

Ambulance Garage – Page 14. Koopman did increase Utilities slightly based on the amount already expended this year.

Street Lighting – Page 16. Koopman left that the same for the time being and there will be some adjusting.

St. Marks Museum – Page 18. Koopman indicated there was \$600 in Utilities for the Welcome to Tracy sign and this will be an annual amount that the City will be reimbursing them for electricity and is based on the kilowatts used. Stobb asked if it is the same for the sign on the east side of town. Koopman said they do not pay for that one.

Community Ed & Rec – Page 19. Koopman stated this is for the Aquatic and put in the same amount as in 2009 and by the time the final budget is done, there should be a better idea of where that is at and that figure may change before the final budget.

Cemetery – Page 20. Koopman included a slight increase of \$300.

Unallocated – Page 22. Koopman put the same amounts at this time for Transfers – Out and that is the amount that goes into the Multi-Purpose Center that helps them with operations. This amount will depend on what their expenditures are.

Other Financial Uses – Page 23. Koopman left this at the \$15,000.

Cemetery Operating – Page 25. Koopman left this basically the same.

Cemetery Memorial – Page 26. Koopman left this the same as 2009.

Licensing – Page 50. Koopman said this is an enterprise fund and there is very little change in that. There is nothing listed at Transfers – Out at this time.

Aq Center Operations – Page 52. Koopman stated that it is basically the same.

Koopman told the Council that is the first preliminary preview of the 2010 Budget and she will be presenting a balanced budget to the Council with recommendations at the next regular meeting which is August 31, 2009.

Koopman stated that in the past they were able to get worker's compensation coverage for the Council members from a private company. They no longer offer that and now it can be provided through the League of Mn. Cities at a fairly reasonable cost. Motion by Enderson, seconded by Snyder to adopt a resolution enabling elected and appointed officials of the City to be covered by the Minnesota Workers' Compensation Law. All voted in favor of the motion. (Res. No. 2009-23)

Motion by Chalmers, seconded by Snyder to adopt a resolution approving increase in pledged securities at Minnwest Bank South. All voted in favor of the motion. (Res. No. 2009-24)

Peterson asked what they are looking at for a completion time of the 2009 street project. Koopman stated they should be finished by October 15, 2009. Motion by Peterson, seconded by Snyder to adopt a resolution approving payment to Rupp Construction for work completed on the 2009 Street Improvement Project in the amount of \$60,816.58. All voted in favor of the motion. (Res. No. 2009-25)

The Consent Calendar included the Municipal Accounts Payable, Multi-Purpose Center minutes for July 28, 2009, Economic Development Authority minutes for July 6, 10 and 24, 2009, Planning Commission minutes for July 6, 2009 and Fire Relief Association minutes for July 6, 2009.

Peterson stated there was a payment to the engineering firm for the I&I study, and he asked where they are at with that study. Robinson stated the meters were pulled on July 31, 2009 and the report should be ready about the second week of September. Robinson said it would have been nice to have more flow and they needed a big rain. But there were some rains and there were some spikes in the I&I. Motion by Chalmers, seconded by Peterson to approve the Consent Calendar. All voted in favor of the motion.

Robinson presented a memo from Steve Robinson, SEH engineer stating that the alternative taken at the time the contaminated soil was discovered was to construct a drainage area generally along Front Street and allowing the storm water to surface drain to the ditch. Robinson will be discussing this with the engineers and at this point the least expensive route would be to take the natural topography and now should be able to get through the ground that was cleaned of the contamination. They will put a grade on the route so it is not so flat. At this time there is \$28,336 left in that project. The memo indicated that the contractor was notified in June 2008 about the incomplete work and was requested to respond by July 7, 2008 with a schedule to complete the remaining work. It was noted that if he failed to respond to that letter, the City would retain another contractor to complete the remaining work and deduct that amount from States Borders. States Border never responded to the letter. Robinson said that he and the engineers will be going out to take some shots of the area and select the best route where they can remove the least amount of dirt. Martin asked if there was sufficient time to plant grass so it does not get filled in again. Robinson said dormant seeding is usually after September 25 and this area could be dormant seeded. Peterson asked if SEH had an estimate of what this repair will cost. Robinson answered that the estimate is not available yet.

Mayor Ferrazzano stated that performance evaluations for department heads will be done on August 17, 2009 at 6:30 p.m. Koopman said they will be doing evaluations for Robinson, Radke and Chief Hillger. She asked if they want to do the part-time employee evaluations. Mayor Ferrazzano said the Council would not be doing those evaluations.

Koopman included a thank-you letter from the Engelkes family to the Fire Department. She felt it was great acknowledgement of the fire department and their response and how they dealt with the situation.

The training for Boards of Equalizations will be held in Marshall on August 24, 2009 and the next regular Council meeting will be on August 31, 2009.

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

of the motion.

ATTEST:

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

\_\_\_\_\_  
Mayor

**August 31, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 31, 2009 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. Absent : Frank Nielsen.

Motion by Peterson, seconded by Chalmers to approve the minutes of August 10, 2009 as written. All voted in favor of the motion.

Additions to the agenda include 4-B Acquisition of City Car and 10-A 2010 Budget. Motion by Chalmers, seconded by Peterson to approve the agenda as revised. All voted in favor of the motion.

Paul DeSmith test drove a 2002 Ford Windstar today from Koblegard Auto in Walnut Grove, MN. He feels this vehicle is mechanically sound and the only thing that needs to be replaced is a rear windshield wiper. This vehicle had been sideswiped on the passenger side so most of the damage repaired was cosmetic. There does not appear to be any alignment issues. When driving there is no unusual wind noise. The rocker panel has had some welding along the factory seams. It has a 3.8 engine with many extras, power windows, seats and appears to be a non-smoking vehicle. DeSmith commented that there can be reluctance to purchase a re-builder, but it does depend on who does the work. He feels that Koblegard Auto does very good work. With the amount of money that has been designated for a different city vehicle and to get one that is reliable, you almost have to look at a re-builder. Upon roll call the following vote was recorded with Martin, Enderson, Chalmers, Snyder and Stobb voting aye and Peterson voting nay. Motion carried.

Motion by Peterson, seconded by Chalmers to approve the lease agreement with Ryan Verlinde to rent City property at 460 South 4<sup>th</sup> Street at a rate of \$167 per month. All voted in favor of the motion.

Motion by Stobb, seconded by Peterson to approve the lease agreement with David Bosacker to rent City property at 460 South 4<sup>th</sup> Street at a rate of \$18 per month. All voted in favor of the motion.

The Mayor opened the hearing to public testimony at 6:45 p.m. on Ordinance No. 306, an ordinance regulating parking and storage of motor vehicles and trailers.

Koopman explained this ordinance originated through the Planning Commission because it appears that there is an increase in the number of vehicles left in storage on properties in the residential areas. In some cases, there are anywhere from five or more vehicles stored on residential lots. This is becoming more prevalent in the community to the point where it was necessary to address this issue. She knows there will be objections to portions of this ordinance and she hopes rather than totally disregarding the ordinance in its entirety, that portions of it can be salvaged and addressed. The objective that the Planning Commission is trying to achieve is to clean up the community and right now we don't have an ordinance in place that regulates the number of vehicles allowed on individual properties. Koopman said this ordinance also addresses the issue of junk cars which the existing city code only makes reference to junk cars on vacant lots and does not address the cars on lots that are occupied. Koopman said that she welcomes information in opposition to this ordinance and hopes that some type of ordinance can be brought forward to control the excessive accumulation of vehicles on residential lots.

Allan Schmidt of 273 Rowland voiced concern of cost to the homeowners. There is suggestion of cement pads and getting cars in garages and is not sure that everyone will have a garage. Cement is expensive.

Dale Klein of 437 7<sup>th</sup> Street felt they should look to see that if a pad is required, it should be taken down to gravel or other material. His main concern is the number of unlicensed vehicles in the City and some of them are on cars that people are driving. He is unhappy because people are allowed to tear engines out sitting in front of their houses and doing car repair in the street. Klein feels there is a need for an ordinance but it should be toned down and asking the Council to take another look and make it livable for everyone in the City of Tracy.

John Kelly of East Morgan states that he owns three vehicles and his sister also lives there and she has a vehicle. They also have a boat and camper there and have no problem with the need for a pad but in the City of Tracy there is no available storage. The nearest storage facility is Marshall or Shetek.

John Petit of 585 Morgan voiced that he is against this ordinance as he has two vehicles, his girlfriend has her own vehicle and a business vehicle and his brother's vehicle. One of the things is cost if you have to put gravel down and no one wants to put gravel on their yard to park one car. Stobb stated the ordinance does state that you can have four vehicles outside and more in the garage. Chalmers stated that the proposed ordinance allows parking for 12 hours. He states there are a number of people that have more than four vehicles in the household but they are not there during the day. This is for the cases where people just have cars parked there permanently and some of them obviously don't even run. Chalmers stated they could consider amending the 12 hour limit to a longer time.

Gary Garrels at 140 Tracy Street does not have a problem with regulating the number of cars, but the pad for the trailers he does have an issue with. Part of the time his trailer is parked in the backyard and he would not like to run a gravel strip from the side road into the backyard and does not feel it would be attractive. He would not like to run cement there either. He feels this part of the ordinance needs to be reviewed and feels the pad is an issue with a lot of people. The length of the trailer has been limited to 22 feet and most trailers and RVs are more than 22 feet and a few that are less. He feels an RV is an RV no matter how long it is.

Elaine Fischer at 740 2<sup>nd</sup> St. E stated the part of the ordinance that she would like the Council to review is that they would be allowed to park on the grass in the winter season. She has three vehicles and it is much more convenient if one is parked on the grass so that she can easily get out with the other two if need be. During snow removal they cannot be parked on the streets and the vehicles need to be parked somewhere. As a tax payer, she would hope that she could park on her own grass.

Barbara Vinson, Summit Avenue, states they have a 31 foot camper, a small tractor used in the winter to clean up drive-ways and street because the plow goes down and pushes snow against that. This tractor is parked to the side of their house and they also have a dual pick up truck that is over 20 feet and wonders if that is going to be counted as two vehicles. Mayor Ferrazzano stated it would be counted as one vehicle. They have put stone down to keep the camper on.

David DeVetter states that he has a fishing boat, a pop up camper, two trailers and two fish houses. He has a large lot and the grass under them is cut. He said there are things the City can do like fix the sidewalks and do not bother the private citizens.

Colleen Nydell, East Hollett, states she strongly supports this ordinance. She does not think it goes far enough. She has watched Tracy deteriorate over the years and now she is seeing it getting cleaned up and looks like a nice community. She hopes that the ordinance is passed.

Don Polzine, Hollett Street, states that his issue with this ordinance is if you are going to push all these cars off the yard, they are going to end up on the streets. Some streets are too narrow and with cars parked on both sides of the street, it is difficult to get through. He knows there is an ordinance that states that cars are not supposed to be parked longer than 24 hour and it is not enforced. That is going to be a big problem. Where are cars to be parked in the winter? It makes a difference if you have a 50 foot lot or a 200 foot lot. A 50 foot lot with four vehicles looks trashier than a 200 foot lot with four vehicles parked on it. If everything is pushed onto the street, the 24 hour parking ordinance needs to be enforced.

Karl Bauman, Center Street, states that he is not going to get into too much of the details and his letter to the editor explained his views about this ordinance. He states that he has lived at his present location for 18 years and since he first moved there he has had neighbors come and go and he has had neighbors Ron and Audrey Koopman and Donna Lanoue that have been there the whole time he has been there. He has never received a complaint from the neighbors. He has always had a lot of stuff with five kids. If his neighbors had suggested that he clean up his lot or put up a privacy

fence, he would do that. He has gotten comments that his place looks nice, they have put on an addition and garage, hoping that someday he can construct a shed and that is what he plans to do. Until then he has a tractor, boat, etc. Baumann commented on Chief Hillger's response to his letter where he stated that ten of 900 residents are going to be affected by this ordinance. As a percentage wise, about 98.9% are in compliance and the 1.9% will not be in compliance. He feels it would be easier and more neighborly to resolve their differences. He stated the ordinance that is being proposed is seen in new housing developments but is not seen where it has been pushed on the whole community. Baumann asked if when an ordinance like this is proposed, is it published so people can read it, examine it and if they want to investigate on their own to see what other communities have? He would like the Council to encourage the neighbors to resolve this amongst themselves.

Harvey Rhykus, 201 Morgan, states that he has five vehicles in the yard when his family is home. He has two lots so is wondering if he is allowed more vehicles. Mayor Ferrazzano stated there is no answer to that. Those cars are not there 24 hours a day but he walks to work so his car would be a problem.

Homer Dobson, 249 5<sup>th</sup> Street asked about a house on a narrow lot with no garage. There may be times when an individual cannot park on the street and if the ordinance passes they cannot park on their lawn, what are they supposed to do with their vehicle? Stobb said that it is written in the ordinance that for 24 hours of a snow event, you can park on your lawn to get your cars off the street. Chalmers read the ordinance that "you can be parked on the street due to pending or in progress snow removal or within 24 hours of the conclusion of such operations or due to a temporary closure of the street." Dobson asked who would enforce this. Stobb said it is the responsibility of the police department to enforce the ordinances. Dobson feels that if you are paying taxes on your property, you should be able to park your vehicle on it.

John Domine, 460 Monroe, felt it is bazaar with the new laws that the Council is trying to put into place. The main thing is, "who owns the property?" You and your neighbors have rights, if they don't like the way your property looks, have them build a fence. The Council should be concentrating on getting some jobs and manufacturing in town. He felt that implementing something like this ordinance is not going to help Tracy, it will actually hurt Tracy in the long run.

There being for further public testimony, the Mayor declared the hearing closed and referred the matter to the Council for their consideration. The following letters were read into the record.

Margie Nielsen at 675 2<sup>nd</sup> Street: "I won't be able to attend the council meeting regarding the number of vehicles in your yard. Please vote yes. We have two neighbors whose yards look like a used car lot, 662 3<sup>rd</sup> St. and 668 3<sup>rd</sup> St. The yards look awful. They want pride in the community. No matter what you do to your yard, you have this to look at. How many of these vehicles are insured? Check these places out yourself. I'm sure you aren't getting many people in favor of this. Most neighbors do not have excess vehicles in their neighborhoods. Please vote yes."

Tammy Mercie – "I have been living in Tracy for 10 years if not better. I have had the City of Tracy tell you what to do and not to do in this town for years. What happened to having a little say in what you own?? I own my property and I pay taxes in this town. Why would you tell me what I can do with it?? I understand if there is something on your property that is illegal. (Vehicles that are not tagged or junked out) Don't we have a rule on that already??? When will this end??? I have a single car garage with a single driveway. I have 2 children that work and have cars plus my husband and I have vehicles. I also have a trailer and 2 motorcycles. Yes, I bought my house this way; I don't have the money or the room to build on to my garage or driveway. I have a neighbor that his driveway is not more than 10 feet from mine and my back yard is very big with no alley. (As I understood that there will never be an alley behind my house, because the people on our block do not want to give up their yards.) It is getting down to the point that where is the freedom to do as you please on your own yard??? What's next the city going to tell me what day I have to mow my lawn or where to plant my garden. In the winter you can't park on the street. Now you can't park on your yard. Where do you want everyone to park?? Maybe up at the City Office??? It is coming to the fact that Tracy has nothing for kids to do and I can tell you now that the businesses are not booming in Tracy either? Is it telling all of us lower income people that are trying to make ends meet that we either sell our vehicles which we need to go to work or to sell our older home that don't have

the big driveway and garages. Don't you think we have enough homes for sale in the town of Tracy??? I guess my point of view is that if I would have to sell my home to move because of Tracy I would NOT buy another home in Tracy. Question?? Does Tracy want people to move in or out??? What does this town offer???"

Don and Bonnie Jacob – “Tracy residents need some positive reinforcement, not the punitive negativity this ordinance conveys. We need to promote a sense of community instead of division. What about having Community Pride weeks in the spring and the fall – for example, Neighborhood Block parties – to help each other spruce up their properties? The Tracy Planning Commission, EDA, and Chamber of Commerce could organize events and prizes could be given for different things. I seems that could accomplish more positive results than or ordinance dictating extreme requirements.”

Robert J. Bruder at 272 E. Morgan St. – “ City Officials, I have been following this issue and have been in several discussions regarding it since I first read about it in the paper a couple of weeks ago. While I understand the Council is trying to make Tracy more presentable to anyone who either lives here or is thinking about living here, I do feel that we have a pretty decent setting already. Kim and I purchased our home in June of 1987 and in the last 22 years Tracy has made some great efforts in an effort to improve our town. Such as the removal of dilapidated buildings, un-licensed/un-operable vehicle ordinance, weed control ordinances, etc.

The first year of the existing vehicle ordinance, as I recall, nearly 80 vehicles were removed from the City. I personally have been sighted twice for violations of the ordinance myself for you see I am not interested in the typical sporting activities that most people are, I am a car nut, motor head, whatever you want to call it. I have always been interested in vehicles, and would like to own several at a time. As a child it would take me 2 hours to walk home from school as I had to go by Salmon Chev and Hemmingsen Auto Sales lots each day, and each day I would study each and every car that was there.

I have never owned a baseball glove nor wanted one. Now that I have clarified my background in the automotive industry, I am glad to see that if a citizen issues a complaint, the city officials do spend the time to look into the matter. After reading Chief Hillger's letter to the editor in the August 26 edition of the Headlight, it seems to me that the existing ordinances are effective. Chief Hillger states that 900 residences were looked at and if the proposal passes then only 10 of the 900 would be in violation. I'm thinking that no matter what ordinance is passed, the 10 out of 900 ratio will always be there.

In the 22 years I have lived here I have had countless vehicles, trailers, tractors in various states of repair in the few buildings I own and in neighbor's buildings, under tarps, etc. I have put up 2 buildings in my yard to accommodate my hobby and have replaced a 10 ft by 75 ft concrete driveway with a 22 ft by 75 ft concrete driveway to accommodate my hobby. Upon doing these things I have had the neighbors complain about the noise from the contractor's equipment, try to stop the contractor from staking out the driveway project, refer to my driveway as a “runway” and was told I had better have good insurance in case a wayward plane tries to land!!! So you see, you cannot please everyone.

In my yard, where the trailers and etc. are parked, my boys will move the vehicles around to ensure of weed control, the area is located under a big oak tree and never has grown much grass.

If I were to gravel that area I would have to spray for weed control as I do not want to pick up a rock with the mower and launch into someone or their property, not to mention the damage to my mower. I have had to pay for tomato plants over the years due to alleged over-spray and I already have 1 runway out in front, so concrete may not settle to well with my neighbors either. Also, getting rid of my “memoirs” is not an option.

If people are allowed to pay money to belong to an organization where you place a ball on the ground, take a stick and strike said ball a great distance, then get into a motorized vehicle to chase down the ball only to repeat the process....(No offense intended to anyone that golfs!!!) I just do not agree with your definition of “entertainment, then I should be able to own as many vehicles as I deem necessary.

But, if the ordinance passes, then I am already in violation for you see I have 3 trailers outside, 2 pick-ups outside with one of the trailers being over 22 feet long. The retired postal jeep that currently sits outside will be going back in shortly. It has been here for over a year, mostly inside. I also have a car sitting in the Ghent area that soon will be coming to Tracy, along with the possibility of another “classic” car that could be arriving as well. I have also joined the Wheels

Across the Prairie Museum and have been approached to “tinker” with some of the vehicles there, which if I so choose to, I will bring them to my yard as that’s where I want to work.

I have “tinkered” with race cars, demolition derby cars, school buses, old pick-up truck, bicycles, skateboards, an electric John Deere Gator, and even a couple of fire trucks in my backyard in 22 years. In order to be compliant with no more than 4 rule, I need to put up an additional building. What then will I face, too many buildings, not enough room, not enough money. Does the city offer any incentives to help me with my situation similar to the recent “Stimulus Package” President Obama recently offered???

Chief Hillger states that Moorhead, Marshall, etc. have strict ordinances, ok, St. Cloud at one time also had an ordinance (may still be in effect) that if a person is walking their pet then that person will have the means with them to clean up after the pet relieves itself. A police officer has the right to inquire of anyone at anytime they are walking with their pet on a leash which is also required. Now I can hear from all the pet owners I suppose, but I really find it offensive to be in my own yard only to have to clean up after someone else’s pet when I do not own a pet.

The point of my ramblings here is to express my opposition to the proposed ordinance, and to point out while I understand that if a citizen issues a complaint, then the city officials need to look into the matter, which did happen, and the city needs to consider all sides of the issue and act accordingly. Also, just because Marshall, Moorhead, St. Cloud have an ordinance does not mean Tracy has to follow suit.

Chief Hillger talks about driving around Bloomington and not seeing one camper or boat in a back yard. Maybe because the crime rate in the 7 county metro area is more than Lyon county, or could it be that these vehicles were in use somewhere or a combination there of, or an ordinance.

Again, by a 10 to 900 ratio with the 10 being in violation, I feel that the existing ordinances are effective and if someone wants to park vehicles on their lawn, let them as from my own experience, no matter what you do, someone is going to complain. Beauty is in the eyes of the beholder.

The proposed ordinance needs to be dropped as it while maybe not intended, dictates what and how much a person can own, I do not need ‘Big Brother’ dictating that.

I also feel it is getting to close to the line of discrimination as some residents in Tracy have more than one family living there, where there could be more than 1 car involved, some yards will not accommodate a gravel parking lot due to their size. Parking on the street is not always an option as I have had the neighbors upset that my visitors had the “nerve” to park in front of their house.

Maybe the best thing that could happen is that if a person’s yard is unacceptable to their neighbor, then a fence should be installed between them instead of creating new laws.

I thank you for allowing me to ‘air’ my views. I want to stress to you that these are my views. My employers, family, or friends are not accountable for these views and I would appreciate your cooperation in the matter of discussing my views with me only.”

Matt Meiner – “Tracy City Council members, I am against the proposed parking and trailer ordinance. This will affect lots of people in the City of Tracy. Within a one block radius of my home, 5 people will be in violation of the proposed ordinance. My neighbors and I have trailers, campers, and vehicles that are neatly arranged in our backyards.

The cost of storing or complying with the ordinance will be costly. In these times people don’t have the money to pave or gravel an area or pay for storage.

Tracy residences with large families or residences who love outdoor activities will suffer from this ordinance. Limiting the number of vehicles to 4 on properties is a little extreme. For instance, if you and your wife each have a vehicle and you have 2 children that have vehicles and a 26’ camper with no garage. You will be over the limit and in violation of the ordinance.

My wife and I moved to Tracy 3 ½ years ago from Nebraska. When we were looking at houses, we looked at several towns around Marshall. Tracy was one of the cleanest town.

I hope this ordinance doesn’t pass.”

Katie Meiner – “Tracy City Council members, I fear the notion of the proposed ordinance passing in the condition of its current format. The proposed regulations appear as harsh restrictions. I do not believe that cities should establish regulations but not at the cost of the lifestyle for residents. The allowance of only 4 units to be parked outside a residential home is crazy talk.

Please take my house as one example. I love my stupid house. When my husband received his job transfer 3+ years ago, finding a house that met all of our requirements was difficult. We settled for a home with a small garage. Back in the day when the garage was built, they didn’t have SUVs or Yukon XL or Crew Cab Extended box Pickups. And of course, my midsize SUV and my husband’s

pick up don't fit into our garage. In addition to that problem, we have two kids. Connect the dots on your own. If we have a garage problem, how many other people inside city limits also have the same issue?

Before this proposed ordinance is passed, I would like to know where the line will be drawn. To my understanding, the Quality of Life group brought this ordinance to the city. Great? It's wonderful that citizens care about the town enough to become involved. But how much more are they planning to regulate? Do they have plans to regulate the amount of children's toys in the yard? Or say what type of shingles I'm allowed to put on my historic house? Or regulate the condition of my clothesline? Where will the line be drawn? So please, do not make a quick decision. Think about the repercussions and long-term effects of the proposed ordinance. I fear the proposed ordinance in its current format."

Anderson does not understand why a trailer would be considered two vehicles and why it was decided that 22 feet was the limit. Stobb said he does not know where the 22 came from. Stobb agrees that part of the ordinance is a problem the way it is written now. Anderson feels that one camper is one camper no matter what the length. Stobb agrees with that. Stobb said it is not a concrete pad that is required, gravel can also be used. Peterson questioned that if the owners park their camper on their grass and they move it around and keep it mowed, why does it need a pad? If they allow the weeds to grow around it, there is an ordinance to cover that. Peterson stated that he read the ordinance regarding junk cars and compared it to the one written in this ordinance. He feels that if junk cars are redefined with the way it is here and reinforce what they already have, he does not feel there is a problem. If they have six cars and four are not licensed, you do not have to have an ordinance that tells them they have two extra cars, as there is an ordinance that will get rid of four of them. Stobb said they could just go out and license them. Stobb agrees with a lot of what the Council and the public are saying and understand their concerns, but what none of them said tonight is what they should tell a homeowner that is trying to sell their home, but prospective buyers are not being attracted to it because the neighbor uses their yard as a parking lot. Peterson asked if it is government's job to have regulations so someone can sell a house? Stobb said they are concerned about property values and that is part of our domain. Stobb said he does not want to tell the public what they can and cannot do, but he sympathizes with the person that takes a lot of pride in their yard and do not want to look at their neighbor's yard, because it may be a parking lot. Snyder felt it was no different that a yard having 400 wind chimes or 22 statues, it is a matter of beauty is in the eye of the beholder. He feels that if your neighbor is doing something wrong that you don't like, you should be an adult and go talk to them and not come to the City Council and ask for an ordinance because they don't like what their neighbor is doing. Chalmers states there are cases where someone has talked to their neighbor and the neighbor responds that they do not want to do anything about it, the next step going to the police and asking for help. The police cannot do anything about it because there is nothing that says that they cannot do what they are doing. The public has picked up on the statement made by Chief Hillger that there are maybe 10 residents that would be in violation, so why be worried about such a small number. It is the minority that doesn't seem to be concerned about the community as a whole or their neighbors. If we took the logic not to make rules because there are not a lot of people breaking them, we would not have laws that you are not supposed to go out and kill people. Peterson said that people still break rules so what good is it. If the ordinance passes the same ten people are going to be in violation and the other 890 are alienated because they are doing it right and the problem is still going to be there. Peterson said they should define and use the ordinances that are already in place. Martin said the reason for the ordinance was not to affect the residents that have seven cars and everyone that lives there uses those vehicles. He drove around town today and looked and there are residents that look like a car lot or salvage yard. Martin said he is not for or against it right now. There is talk about property rights and if you own it you can do whatever you want on it. He said that Hillger commented that they have rights of what they can do on their property, but when it affects the neighbors there is a responsibility to take in to account how it affects them. If you are trying to sell your house and there is a salvage yard next door, that is a problem. He feels there is a lot of confusion about the ordinance itself. Martin feels the main points of this ordinance are updating the junk car section so it accounts for property where people live as well as vacant lots and nobody seems to have a problem with that. The second would be no cars on grass and the third being four cars per residence. A lot of people have problems with these two issues. Of the thirteen residents that spoke, there were two who spoke in favor of the ordinance plus three in favor from the letters received. Mayor Ferrazzano stated that this ordinance does not state that you can only have four cars, it is saying you can only have 4 cars on your property,

but you can have as many as you want on the street as long as they are properly parked. This only addresses what you can park on your property outside and for more than a 12 hour time period. Koopman stated that if there is a three day blizzard you can park on your yard for 24 hours following a snow event. Stobb said he received a call from a resident that has a one car garage and a short driveway that abuts an alley. Their house is rather large and yard is very small and they cannot park on the street because there is the bike path on both sides. Stobb felt the ordinance needs to make some allowances for conditions such as that. Enderson said there is a junk car ordinance already. Koopman said the present ordinance only regulates vacant lots and how do you regulate the properties that are occupied and have junk cars on them. Snyder suggested that the present ordinance on junk cars be amended. Koopman stated they could address that only if that is what the Council wishes to do. Chalmers stated you still have the issue of residents that have vehicles that do not appear to fit the definition of a junk car that they still tag and license, but have eight, nine or ten parked in their backyard. Koopman said that you have to differentiate between the terms "parking" and "storing". Vehicles can be parked there and moved within the 12 hours time limit, but when the vehicle is stored there, that is what this ordinance is regulating. It is when you are storing eight to ten cars that is the primary objective of this ordinance. This ordinance includes the definition of trailers and campers. She agrees that the 22 foot provision could be taken out so that it would be considered as one vehicle. Mayor Ferrazzano stated that you could have four or more vehicles, provided those four or more vehicles are not parked longer than a 12 hour time period at a time. People could be coming and going. Enderson asked where people are supposed to store trailers and campers if they cannot park them on their lawn. Mayor Ferrazzano said one thing would be to exempt them and just deal with cars and trucks. Enderson asked if there is a problem with ratty campers. Chalmers felt you could run into a situation where someone would park a number of boats and trailers on their property and then they would be back here talking about that. Enderson asked if this could be dealt with in the nuisance ordinance. Chalmers stated that you could if there was something that defined it as a nuisance. Mayor Ferrazzano felt they are not going to pass what they have here. He feels the provision for 22 foot trailers be eliminated and questioned what other revisions needs to be made, or should we say do not revise this ordinance because they are not going to pass anything that is in the ordinance. He said they could change the junk ordinance and not do anything with this ordinance. Stobb suggested sending it back the Planning Commission and have them revise it. Mayor Ferrazzano felt they should have instructions for them to state what specifically needs to be worked on. Peterson felt the junk car ordinance is not bad and not very intrusive and pretty well defined but for the arguments of the numbers of vehicles in a driveway, maybe they should re-define the nuisance ordinance. Whoever inspects it declares it a nuisance or safety hazard, but if someone has eight cars on their property, they are all maintained and licensed and used, it is not up to the Council to tell them how many they can have. Chalmers stated he had trouble with that from the standpoint and concerns expressed by residents to him, that there is subjectivity of these things and are worried that one person's opinion of what is and what is not a nuisance may be different to individuals and things will not be fairly applied. Chalmers stated this ordinance amends the previous ordinance for junk cars. Stobb feels the 22 foot provision is gone and feels the Planning Commission should look at what kind of pad, if any, needs to be under a camper or trailers and if the home owner is keeping it neat around their trailer, he does not see where a pad would be necessary. Chief Hillger asked about a sundown time on the campers, boats and vehicles, giving them a date in the future where it has to be on concrete or gravel. Chalmers asked Chief Hillger if the properties that he has looked at, would the vehicles parked be covered under the junk ordinance as it is rewritten. Chief Hillger stated that a couple problems that he sees happening is there are several times that warning letters have been given out on junk vehicles in yards and rather than get rid of the vehicle, they will pump of the tires and buy tabs. By doing this they have not improved anything. The weeds and vehicle are still there but now it is licensed and the police department cannot do anything about it. This happened last week. Stobb asked Hillger according to the definition of a junk vehicle, would some of the race cars in town be called a junk vehicle. Chief Hillger is not sure where that falls and does not know how to address that at this time. He stated that these vehicles are not licensable and not street worthy. Stobb would like to have it not apply to race vehicles that are used during the summer months. Some are on trailers and some are not. Chief Hillger stated he has a lot of sympathy for some people, but the house he used to live in had a one lane driveway with one car garage. They had two vehicles and a squad car, and not once did he have to park on his grass during snow removal. It was inconvenient but they made it work. Enderson stated that he owns a house with a garage, but he always parks on the grass by the front door, does that mean he cannot park on his lawn anymore? If it is parked at 6 p.m., that means you

have to have it moved by 6 a.m. before anyone even goes to work. Stobb felt that maybe that time should be looked at also. Enderson feels they should just amend the junk car ordinance they already have. Mayor Ferrazzano stated this is possible. They can refer it back to the Planning Commission and they could recommend just changing the junk car ordinance.

Motion by Enderson, seconded by Martin to refer Ordinance No. 306, an ordinance regulating parking and storage of motor vehicles and trailers back to the Planning Commission for revisions. All voted in favor of the motion.

Radke stated that everything is going well at the liquor store and is hoping for a large crowd for Box Car Days.

Gervais reported that the past few weeks have been busy and has been working with two businesses on expansion possibilities in Tracy and adding employees. Gervais stated they are continuing discussions with a dentist and he is in the process of reviewing the business subsidy policy drafted by Nielsen. The state has changed some of the business subsidy policies and are trying to go through it before presenting it to the City Council for approval. The CDBG is wrapping up and there were seven projects left on the home owner occupied and he stated that a couple of those are done now. They will be closing that grant out the end of this year as the money is all basically gone outside of some demolition money that will be spent shortly. Gervais stated the goal is to reapply for another CDBG next year on the home owner occupied side of things. Gervais stated he attended the library board meeting for a potential relocation to The ETC. building, explaining that the EDA is involved with the lien they have against it with the present owner. The loan is delinquent at this time and have met with members of the TADC who has first position on that property. The EDA second position on that property with the CDBG grant. The owner owes \$10,500 and a \$5,600 forgivable grant that the owner would owe as well. The EDA is looking at options and they have discussed moving forward with foreclosure on that property. Gervais discussed the EDA's intent with the Library Board and discussed what their intent was. The foreclosure will be discussed at the next EDA meeting.

Starting January 1, 2010 they will be increasing the rent for the EDA town homes and the rent on 5<sup>th</sup> Street will go from \$550 to \$600 per month and on 3<sup>rd</sup> Street East from \$575 to \$625 per month. Gervais has not had too many questions from the renters at this time and part of the increase is that the cost goes up as the units age, but also they do not want to inhibit any private developer to come in to build town homes or rental units. Gervais stated that back in the mid-1990s we were able to build these properties at a reduced rate because of the bond rate, etc, so the actual cost of construction was low and they were able to keep the cost of rent down. Looking today for a private developer to build a multi-unit dwelling would cost considerably more. Gervais has been keeping track for the month of August they had nine inquiries for town homes and two of those nine were added to the waiting list. The others will find somewhere else. There is a continual need for rental units in the city. He is guessing that all rental units in the Tracy are 95% full at any given time for the past 1 ½ to 2 years. Chalmers asked if the EDA is looking at any opportunities for private development. Gervais indicated that they had looked at a request for proposal on Morgan Street where two homes were demolished with a potential duplex style or even a single family unit going in there where they would be willing to sell that property for \$1.00. If they go forward and run the request for proposal again, they would include some type of tax increment finance or tax abatement that might make it more attractive for a contractor or developer and abate those taxes for a period of time to make cash flow a little easier. To continue to look at properties to demolish or get rid of, it is hard to find a couple that are next to each other to make a nice size lot. Maybe there could be something built on Front Street as the EDA looks to continue to develop that area. If there was a contractor out there interested in building in Tracy, the EDA would be willing to work with them to make it cash flow.

Chief Hillger asked for any questions regarding the activity report. Chief Hillger reported that he has given out three verbal warnings for blowing grass on the street and with his direction, Janelle has sent out about eight to ten more. Hillger reported that he is getting frustrated and angry with people not complying with public nuisance warnings. Chalmers asked about an incident where the department assisted Redwood County wondering if they ended up in Lyon County when they were stopped. Chief Hillger indicated that the accident happened west of Walnut Grove and the driver

was taken to the Tracy Hospital where he was arrested.

Robinson reported that Campbell Tree Service has started removing elm trees. The Street Department has been installing Box Car Day banners and the cable was put up on the east end of town to hold that banner. They have been doing pothole patching with cold mix and street sweeping will be performed this week in preparation for the weekend. Wednesday morning one of the employees will go out early and start sweeping downtown. They have been doing some cement work and installing curbs where there were water main breaks. The 2009 street project is going well and the street department will have all the intersections passable by the weekend. Utilities has repaired turf where there were main breaks. They have looked more into the 4<sup>th</sup> Street Storm Sewer project and they are looking at an idea of putting in a drain tile down through the middle of that ditch. The reason it stays wet all the time is they tied into old Ditch #10 that constantly trickles water. Robinson said that if the tile plow would run down through the ditch and take it all the way to Ditch #23, it would be under the surface a couple feet and then the rest of the ditch would be there for the big storm. That would dry it up but they did not want to lose the capacity of the ditch itself. They have removed dead trees at Swift Lake Park. They were fast growing trees at the time but they do not live long. There was a fire in the 9030 Ford tractor and was extinguished immediately. It was a caliper on the emergency brake and the emergency brake got left on. There was minimal damage. That tractor also started using a lot of oil and it was found that the turbo charger was out of it and a different radiator was installed. There is a large ash tree at the cemetery that has died which is too large for the utility department to handle so they'll have Campbell remove the tree. Chalmers asked who takes care of the bathrooms at Sebastian Park. Robinson said that Tom Greenfield checks them everyday. Chalmers noted there are a couple benches on 3<sup>rd</sup> Street that are almost completely overgrown with trees. Robinson stated they will take care of those. Peterson asked about 2<sup>nd</sup> Street construction. Robinson said they have not been able to pass pressure tests. The water main runs about 52 lbs of pressure and part of the inspection process is the main has to be able to hold 150 lbs. of pressure for two hours. It has not been holding and they put 150 lbs. on it and within about 20 minutes it will leak down about 1.5 gallons of water. They have taken the vac truck and sucked right down to the main and today they found two small leaks. Two flare fittings were not flared correctly and so the flares will need to be redone.

Koopman stated that during the month of July, she attended a Planning Commission meeting, Pre-Construction meeting for the 2009 Street Project, two City Council meetings, and monthly meeting with the Aquatic Center Manager, Hospital Advisory Board meeting, and Quality of Life meeting. She also attended the Velta Memorial dedication. Koopman used 3.5 days of vacation. She has been working on the 2010 Budget and performance evaluations.

A request was received from Eleanora Monsen, 236 Union Street for an extension of a Compliance Order. A recommendation was also received from Shane Daniels, Building Official. Koopman stated that Monsen did not acknowledge the compliance order written on July 7, 2009 until August 21, 2009. Martin stated that he had spoken with Monsen and she said there are things in the residence that need to be moved out and he got the impression from her that October 15 deadline would work for her. Chalmers felt that Daniels concern is that the letter served in July states that Monsen was to appeal within 10 days of receipt to the City Administrator. Motion by Martin, seconded by Peterson to approve the recommendation by Shane Daniels for an extension of the Compliance Order at 236 Union Street no further than October 15, 2009. All voted in favor of the motion.

Koopman received a letter from Matt Miller, AFSCME Staff Representative requesting a change in the union negotiation structure. The Local would like to propose the following negotiation structure:

1. Three representatives from Labor and three representatives from the City Council.
2. Three sessions – 5 pm to 9 pm on the following dates.
  1. September 14, 16, 17

Koopman stated that in the past the Union submitted their requests, it was presented to the City Council during closed session and the strategy was discussed and it was passed back to the Union. Mayor Ferrazzano stated that this arrangement may be beneficial. Stobb asked if Koopman would be included in the negotiations. Koopman stated she did not think so and that would be fine, she

would not have to be there. Mayor Ferrazzano stated that September 14 would be the regular council meeting and that date would not work. Peterson and Chalmers stated they would meet with Union members for negotiations. Labor representatives will be selected by the Union members. Koopman suggested that Peterson and Chalmers contact David Spencer, the Union Steward and coordinate meetings. Peterson stated that he will check with Spencer and Matt Miller. The present Union contract expires on December 31, 2009. Koopman stated that she does not have any wage increases in the 2010 Budget and she also included in a memo that if the Council would like to include the financing for an increases in wages, that could be done. Peterson asked when the police contract would expire. Koopman stated that also expires on December 31, 2009. She has not heard anything back from their union. Peterson said it would be nice to have the contracts finalized before the Budget is finalized. Koopman said it would be beneficial for the Unions to contact the Council before the budget is prepared so they actually knew what they would be dealing with. Koopman said that last year they did a one year contract because of the unknown with the unallotment. Peterson stated that he would talk to Miller and see if they could arrange a meeting before September 14 so a closed session could be conducted at the Council meeting on September 14 and finish it up the rest of that week.

The Consent Calendar included the Municipal Accounts Payable and the Hospital Board minutes for July 15, 2009. Peterson asked when they would be receiving the report on the I/I study. He thought there was only about \$17,000 left in that account. Koopman stated that each billing shows the amount billed, what has been paid to SEH and what the balance left is. Koopman stated she does not know the amount left in that account is. Peterson asked if the Library Board has come up with a location and decision. Chalmers stated the \$2,000 was for plans that True Value had prepared on the existing location. They gave the board the plans and the bid. They questioned if they were going to proceed with the renovation because True Value had the concern that they put a lot of time and effort into creating the drawings for the renovation. The Library Board felt they should compensate True Value so they could use the plans however they wanted to. Motion by Peterson, seconded by Stobb to approve the Consent Calendar. All voted in favor of the motion.

Koopman stated there were very minimal changes made to the 2010 Budget compared to the requests made by the Department Heads. She stated the department heads did an excellent job trying to recognize that they are working with limited funds this year and basically kept their request in line with where we were before. With the cuts that were made in January, it set the groundwork for this budget year and basically it came together very nicely with the essential areas being funded. Koopman stated that she does not have any wage increases for the employees but the budget does include step increases if the employee was entitled to them based on longevity. Koopman stated that if the Council wishes, they can include financing for a wage increase and if a 3% increase which would increase the overall levy 4%. Comparing this to previous years is fantastic, especially with bonding for a sizeable bond issue this year. Being able to meet the bond obligation for the 2009 bond as well as all debt service and still offer an increase in wages while maintain a 4% levy increase is pretty good. Koopman said the \$7,000 for the purchase of a city vehicle would be coming out of the budget. Peterson was concerned about the street lighting. Koopman stated that she put a bit of a cushion in that area to make sure there was sufficient funding. She said there was a definite difference between what was spent in 2008 compared to the cost in 2009 for street lighting. The next council meeting they will be certifying the preliminary levy. Chalmers stated that hopefully he and Peterson will be able to meet with the Union representatives to negotiate. Koopman felt it would be worthwhile to include \$19,000 in Other Financial Use as a cushion to give some play room if something comes up. Peterson asked when they were due to renew the fuel contract again. Koopman is unsure and will check the minutes to make sure. Stobb said the levy at 4% is the lowest it has been, but they are looking at less state money and an increase in the overall budget. Koopman said there is no increase in the General Fund. The General Fund was actually reduced by \$37,278. The Debt Service increased by \$56,236. In January they made cuts of \$107,000 and only lost the \$47,000 in the unallotment. The reason there is a reduction in the General Fund is because of having two less employees salaries and benefits. Koopman said that if funding gets back on track, hopefully those employees can be replaced and she definitely feels there is a need for another police officer. Koopman asked for direction on how the Council would like her to proceed and if they want her to include the 3% wage increase or put it in Other Financial Use Fund without having it designated specifically for wages. The Council would like her to increase the Other Financial Use fund by \$19,000. The following summarizes the recommended changes:

**FIRE** – worker’s comp was increased by \$900.

**STREET & PARKS** – Motor Fuels & Lubricants was reduced by \$2,000 based on what has been expended. Communications were reduced by \$400 again based on what has been expended and Equipment & Improvements was increased by \$5,000 to transfer out for park improvements.

**STREET LIGHTING** – Was reduced by \$7,000 comparing current cost to last year’s.

**UNALLOCATED** – The transfer out to the Multi-Purpose Center was increased by \$7,000 to cover proposed expenditures. And, finally I included \$7,000 for replacement of the City Car in case we don’t find anything before the end of the year.

Other areas of importance include transferring \$7,000 from the Eastview Apartments to offset the Economic Development Director’s salary. The proposed kitchen remodeling, windows and sandblasting for the Multi-Purpose Center will be funded from the donations they have received.

Koopman stated the Regional League Meeting is going to be held in Marshall on October 7, 2009. Koopman said attendance is quite beneficial and those wishing to attend should let her know and she will get them registered.

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

ATTEST:

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

\_\_\_\_\_  
Mayor

### September 14, 2009

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday September 14, 2009 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.

Motion by Peterson, seconded by Snyder to approve the minutes of August 31, 2009. All voted in favor of the motion.

Additions to the agenda include 5-A Thein Well bill, 6-A Request for plumbing license: Water's Edge Plumbing/Scott Schwartz and 7-E a Resolution approving change order for the 2009 Street Improvement Project. Motion by Chalmers, seconded by Peterson to approve the agenda as revised. All Voted in favor of the motion.

Robinson reported that Thein Well did return the shafts that were missing and verified that they were in very bad condition. In April the City Council approved the rehab of Well #6 not to exceed the cost of \$17,000. Due to the amount of work that was needed on Well #6, the chemical cost for the project caused the cost to go above the \$17,000 approved at that time. Robinson has reviewed the bill and feels the cost for the project to get capacity back in Well #6 at \$20,435.21 is reasonable. Motion by Enderson, seconded by Snyder to approve the bill of \$20,435.21 to Thein Well for the rehab project of Well #6. All voted in favor of the motion.

Motion by Peterson, seconded by Chalmers to approve the request for a plumbing license for Water's Edge Plumbing/Scott Schwartz contingent on completion of paperwork and payment of fees. All voted in favor of the motion.

Motion by Snyder, seconded by Peterson to adopt a resolution authorizing the transfer of funds in the amounts of \$8,490.19 from the 2009 Construction Fund to the Public Works Improvement Fund and \$41,679.00 from the 2009 Construction Fund to the General Fund. All voted in favor of the motion. (Res. No. 2009-26)

Motion by Chalmers, seconded by Snyder to adopt a resolution approving a loan from the Equipment Replacement Fund to the Liquor Store fund in the amount of \$13,000, amortized over a five (5) year period bearing an interest rate of 3.5% for repair of the roof on the Liquor Store building. All voted in favor of the motion. (Res. No. 2009-27)

Koopman explained that last year it was decided to keep the Sidewalk Improvement Fund but because it has such a minimal balance to try to maintain it and distribute the interest accumulated it's not really worth it, and recommended transferring the remaining funds into the Permanent Improvement Fund.. The thought was that if sidewalk improvements were continued in the future funding would still be available. It is more a bookkeeping issue than anything else. Peterson stated from what he has read if you are going to close this fund, upon termination it needs to be transferred to the debt service fund. Koopman said the money in the Sidewalk Improvement Fund was not revenue generated from bond funds but came from excess revenues from the deputy registrar's office as well as collected assessment. Peterson stated that if you were to terminate that fund, there would still the ordinance out there that states it is to be inspected on an ongoing basis, and if the funds are not set aside for the sidewalk specifically, would they just ignore the other ordinance. Koopman stated that it could be paid for from the Permanent Improvement fund. This fund balance of \$6,386.51 would become part of the balance of the Permanent Improvement Fund. Peterson was concerned that it would be used for something else. Koopman stated the decision is up to the Council and stated again that it is more a bookkeeping issue than anything else. Mayor Ferrazzano asked if it cost more to have the funds separate. Koopman said that because it is a smaller fund balance, it just takes extra time to distribute the interest received from investments earned, merely one more fund to try to keep track of and appropriate the accrued interest. Motion by Snyder, seconded by Stobb to adopt a resolution closing the Sidewalk Improvement Fund and transferring the balance of \$6,386.51 to the Permanent Improvement Fund to provide financing for the sidewalk replacement program. Upon roll call the following vote was recorded with Martin, Chalmers, Snyder, Stobb and Mayor Ferrazzano voting aye and Enderson and Peterson voting nay. Motion

carries. (Res. No. 2009-28)

Motion by Snyder, seconded by Chalmers to adopt a resolution ratifying payment to Rupp Construction for work completed on the 2009 Street Improvement Project in the amount of \$186,706.13. All voted in favor of the motion. (Res. No. 2009-29)

Al Murra, SEH, explained that change order No. 2 for the 2009 Street Improvement Project is a result of changing the initial mix design for the asphalt pavement. Taking a closer look at it, it was overlooked by the engineers. They would like to use a different mix design that has more polymers in it that will reduce rutting in the pavement during high temperature periods in the summer. This is especially needed by the fire station. The change order is for an increase cost per ton from the contractor to switch to this higher grade oil that will be used in the asphalt. Murra said the quantity in the project was a little over 19,000 tons and the increase cost per ton would be \$7.15 with a total increase estimated at \$13,700. Tonight they are looking for approval for the change order so when they pave they can use the higher grade asphalt. Mayor Ferrazzano asked what the benefit would be to use the higher grade asphalt. Murra stated that with the heavy fire trucks turning on 2<sup>nd</sup> Street they could end up with ruts in the pavement during the summer. Peterson questioned why was this not caught in the beginning. There have been two change orders on that street. Murra stated the other change order had to do with soil borings being taken just outside of where the concrete street was and if it was known there was a concrete street there, they would have acknowledged them in the plans. Murra stated this was something that was overlooked and if the Council does not feel it is necessary to use the higher grade asphalt, it does not have to be done. The geotech engineer noticed this and suggested a change. Snyder asked if the higher grade asphalt would be needed on the whole project or just 2<sup>nd</sup> Street. Murra stated they are mostly concerned on 2<sup>nd</sup> Street but given the amount of paving on the entire project, it would be more efficient for the contractor to use the same mix on the entire project, since. Mayor Ferrazzano asked if Murra recommends that they use the higher grade asphalt. Murra said that is his recommendation. Martin asked if the street will hold up better using the higher grade of asphalt. Murra said it would and that is why they are recommending this change. Chalmers asked that the streets that do not get that high of traffic, does that do anything to extend the life of the asphalt. Murra said it certainly would, it is better grade asphalt. The mix that they had in the design was the typical design mix used in Tracy and was noted it would benefit to use the higher grade mix. He said the City does have a fairly large group of fire trucks and if they do go in and out quite a bit and if the higher grade was not used, there would be rutting. Stobb asked if this increase in cost would fit in the budget for this project. Koopman said this would be part of the contingency fund. Stobb asked how much of the contingency fund would remain if they did this. Koopman does not have that figure but could get it for him. Murra said the original estimate was \$938,000 and the bid came in for the project at \$769,000 which was 22% under. Koopman said that she would not like to make a wrong guess at this time but there should be a sufficient balance there for this increase. Motion by Chalmers, seconded by Martin to approve Change Order No. 2 for the higher grade asphalt for a cost of \$13,700. All voted in favor of the motion.

The Consent Calendar included the Municipal Accounts Payable, Multi-Purpose Center minutes for August 25, 2009 and Firemen's Relief Association minutes for August 3, 2009. Peterson said he had e-mailed a question to Koopman concerning the pool vandalism. The first occurrence was last year when the roll up window was repaired but not replaced. Peterson asked if they have any idea who is doing this vandalism. Koopman said she has discussed this with Robinson and they may need to invest in cameras for all the main parks and the aquatic center. She stated that lately the vandalism happening too often. Robinson stated that one of the windows that were broken was a cemented in window and is going to be costly and difficult to repair. Koopman said the city needs to take a proactive approach to this and stop the vandalism before it gets out of hand. Chalmers asked if they have done any pricing on a surveillance system. Koopman said they have not because all the vandalism has been happening in the past couple weeks and it is getting late in the year. Before the next season starts, her hope is that they would be prepared to have cameras in place to try to stop the vandalism. Robinson stated the roll up window is out in the open and they have considered putting a chain link fence around it so they can not get to that area. Stobb asked if lighting is sufficient in the evening. Stobb suggested maybe a movement activated light would work and would be a cheaper solution. Mayor Ferrazzano suggested trying motion lights before investing in cameras. Motion by Peterson, seconded by Stobb to approve the Consent Calendar. All voted in favor of the motion.

Koopman stated the levy as presented would equal a 4% increase and thinks it is a very reasonable amount, but allows room for changes. Revised budget sheet pages were distributed tonight so they could be included with the budget. Chalmers asked if they had looked at what the levy would have had to have been if they would not have enacted the budget cuts in the beginning of the year. Koopman said she did not but it would have been another \$100,000 and if \$19,000 raised it 2%, the additional \$100,000 would have raised the percentage increase quite a bit more. She believes they did the correct thing by making the cuts when they did and it made the budget a lot easier to work with. When the department heads submitted their budget requests, they recognized that we are in the financial situation the City is now faced with which ultimately made balancing the budget much easier. Considering the loss of LGA, Koopman feels that have adjusted very well to be able to contain that cost to 4%. Motion by Peterson, seconded by Snyder to adopt a resolution approving the proposed preliminary tax levy. All voted in favor of the motion. (Res. No. 2009-30)

Koopman reminded the council of the Regional League meeting that will be held in Marshall on October 7 and anyone wishing to attend will need to contact her so that she can complete registration for them.

Peterson felt they had another successful Box Car Day weekend and would like a personal thank you to all the workers involved and especially the Police Department recognizing the great job done with only three officers for the long weekend and the hours they worked.

Martin received complaints from a few residents regarding the condition of the bathrooms in Central Park. It was at 7:30 a.m. there were 50-60 people showing up for the Tracy Road Race and the bathrooms were horrible. There was emesis in the sink. If we know there is going to be a lot of people there early in the morning, either the night before or early that morning, the bathrooms need to be checked out to make sure they are clean. Robinson stated that there are people still around late at night and they are hard on the bathrooms. Robinson stated this could be done, but would require some overtime. Stobb asked if this was the type of situation where cameras would be a benefit.

Motion by Chalmers, seconded by Peterson to adjourn the regular meeting at 7:00 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

### September 28, 2009

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 28, 2009 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.

Motion by Peterson, seconded by Stobb to approve the minutes of September 14, 2009. All voted in favor of the motion.

Additions to the agenda include 4-A 2009 Street Improvement Contract Amendment, 6-A Request approval to assess street repair bill and 6-B Request authorization to purchase tools. Motion by Peterson, seconded by Chalmers to approve the agenda as revised. All voted in favor of the motion.

Koopman explained that the 2009 Street Improvement Contract Amendment is intended to delay the improvements to 5<sup>th</sup> Street East, due to construction and renovation that will be taking place at the hospital and the potential damage that this street could experience if it is done now. They have decided that the best course of action would be to delay this portion of the project, and this is acceptable to the contractor. Nielsen has drafted an agreement that would delay the construction of 5<sup>th</sup> Street East but allow for the warranty on the remainder of the project to begin at the final completion. 5<sup>th</sup> Street East will be done sometime in 2010 after the hospital renovation is complete enough that the road would not be damaged. Koopman stated there will be additional costs that will be absorbed by the hospital. Peterson asked what the total additional cost would be. Nielsen stated that it would be about \$4,000 plus whatever the change, if any, in the asphalt cost. Chalmers asked if there is anything in writing with the hospital that they agree to pay for that additional cost. Koopman said there is nothing in writing but it is clearly understood it would be their cost. She met with them last week at the construction meeting and at that time it was discussed and they also do not want to see the road damaged. If we proceed with the repair of the road and it becomes damaged, they would have to pay for the cost twice and the hospital would rather wait because even with the additional cost it will be cheaper than paying for it twice. Motion by Martin, seconded by Peterson to approve the 2009 Street Improvement Contract amendment. All voted in favor of the motion.

Radke reported that the Box Car Day weekend was good for the liquor store. Sundays have become a busier day than Mondays of that weekend. Last year Friday, Saturday and Sunday of Box Car Day weekend fell in August as opposed to September this year. This will show a down swing in August sales and September sales will be increased. The Profit/Loss statement is enclosed in the packet.

Verdeck stated the library was busy in August, but not as many participated in the program as they did in June and July. She stated that next year they will do more of the crafts and programs in June and July when there is better attendance. Changes have been made to Fall and Winter hours for the library.

Monday 10:30 a.m. – 4:30 p.m.

Tuesday 1:00 p.m. – 6:00 p.m.

Wednesday 10:30 a.m. – 4:30 p.m.

Thursday 1:00 p.m. – 6:00 p.m.

Friday 1:00 p.m. – 4:00 p.m.

Saturday 9:00 a.m. – 12:00 p.m.

The Library Board now meets on the 3<sup>rd</sup> Monday of the month at 5:30 p.m. Verdeck stated that back when they started getting donations they had thought of fixing up the library and she had made calls to different companies about tuck pointing and of the five companies that she contacted, three stated that it was too far away for an estimate. She stated that before Box Car Days a gentleman called from Sioux Falls, Jones Caulking and Tuck pointing and he came and looked at the building. The north building with two floors, he thinks it is just the upstairs that needs to be done and would not do anything with that. He says that needs to be routed out and put in more caulking. The south building is pretty well cracked and he gave two bids. Right now the mortar is in almost ½ inch and if we wanted it put back in the same way that would cost a little more. Jones suggested grinding out the big cracks and then filling in the mortar to the brick level and this would make it smoother and saves them time. Verdeck said the Library Board is not interested in putting money into the building

since it belongs to the City. She suggested that they go half and half and the board was agreeable to that. She asked the City Council if they would be interested in splitting the cost of this project to fix the front of the building to stop the leaking that continues to add to the mold and mildew problem they have. The cost estimate from Jones was \$10,500. Nielsen stated they needed to try to obtain more estimates if possible. Verdeck said it was not worth getting more estimates if the City is not interested in sharing the cost. Stobb asked if there has been a determination made that the cracks are the cause for the moisture problem. Jones thinks the rainwater gets into the cracks and follows the bricks down. She stated that in the north building since the first floor brick is pretty good, it just goes to the inside and that is where it is hitting the walls and ceiling panels. Snyder asked if there are any long range plans for moving the library to a different building. Verdeck stated they have had discussions and looking at different possibilities. One of the things that people felt was needed at the library was more hours and more space. Verdeck said the building is owned by the City and it has been leaking for a long time. Chalmers stated that if the library did find another location, the City property would still have to be maintained. Stobb commented that if \$10,000 would solve the leak problem, it would be money well spent, but he wondered where the City would get their half of the cost for repairs. Koopman said that she did not know at this time where the funds would come from and she feels they need more input from the library board as to what their plans are. Koopman suggested that she attend a Library Board meeting to get a better understanding of what is going on. Verdeck said this estimate is only good till the end of the month. Mayor Ferrazzano asked Robinson if the estimate from Jones is accurate as to what the problem is. Robinson stated that they could spray the side with the fire truck and see if it is coming from the east as a strong east rain seems to cause the problems with leaking. He would also hate to see it tuck pointed if that isn't going to eliminate the leaking problem. Verdeck stated that Garrels did not think it was the tuck pointing but could not find a reason for the leaking. Mayor Ferrazzano asked if Daniels had looked at it. Verdeck stated that she showed the estimate to Daniels and the only thing he recommended was leaving the brick recessed and routing out the old mortar. Daniels has been in the building and has gone to the second floor on the north building and rattled the walls to see if they were soggy and could not hear or feel anything different, but cannot find where the water comes in. Mayor Ferrazzano stated that if they do not know where they would get the funds to do this and if they are not sure this would eliminate the leaking problem, it would not be worth doing this. Mayor Ferrazzano suggested that Koopman attend a meeting to get more information to see if this would be worth it. Chalmers also questioned the state of the cracks and what that does to the integrity of the brick overall. Verdeck stated that Koopman had said that the fire department was going to spray the building but has not been done. Chalmers felt that this might be something to try to see if they can determine where the leaks are. Verdeck said they would love to have another building with more room for the seniors, youth and having programs and does not look like there is a place for that right now. Chalmers stated that it will still be several months before the library would possibly move.

Chief Hillger asked for any questions on the activity report. Mayor Ferrazzano asked if the swimming pool burglary is solved. Hillger stated they are contemplating charges on two juveniles. Chalmers asked what happens with the auto theft incidents and if the cars are recovered. Hillger stated usually they end up in St. Paul or Minneapolis. Hillger stated that Box Car Days went fairly well and the median age in the beer tent seemed to go down considerably this year to age 25 or so, so there were a few more activities going on in the beer tent. Stobb asked if they had any active help from the County that weekend. Hillger stated the department worked some long hours and the Sheriff's Department did send some deputies down every night. Hillger stated that he took a tour of the new jail today and it is fairly impressive. Hillger said he was told by the Sheriff that they will be doing the initial appearances for the Tracy Department. Normally when someone is put in jail, the Tracy Department has to go up the next day and take them to court for their first appearance and being it is connected to the jail, the County will do the first appearance.

Robinson reported that the street department has been patching asphalt with hot mix where there have been water main breaks. Rather than hiring to have this done, the street department has been doing this themselves to save money. Street sweeping is being done. The 2009 Street Project is going well, there was some rain delay and as of today if things go well, they will be putting down asphalt on Wednesday. Tomorrow morning the intersection of 8<sup>th</sup> Street and Morgan will be closed for about 3 days to put the cement back in the intersection. They have completed the crack filling/seal coating project. After the Minnesota Department of Health inspector, inspected the pool this year, the City received a notice that the sand play area inside the pool area needs to be removed.

This is to avoid getting sand into the pool and through the pumps. The street department will be removing the sand and replacing it with black dirt and then seeding the area with grass. Nielsen asked if this should never have been put in there in the first place. Mayor Ferrazzano said the sand was there the last time they conducted an inspection and questioned whether they care because there is sand in the pumps or are they just saying that anyone that has sand in the pool area is in violation. Robinson said the state does not know if there is sand in the pumps and to his knowledge there has not been any evidence of sand in the pumps. Robinson said that he will check into it more before they start removing the sand and spring toys. Nielsen said he was under the impression when the pool was built that the Dept. of Health approved the plans. Robinson stated there was a different pool inspector than they have had in the past. Snyder asked if this was a recommendation or a “you have to remove it” thing. Robinson took it as a “you have to thing”. Mayor Ferrazzano asked that a copy of the letter from the Mn Dept. of Health be included in the next council packet. Koopman said that the original plans were approved by the Dept. of Health and has been inspected in the past and seems unusual that they are saying this now. Robinson said they are trying to repair the chlorine scale before purchasing a new one. The load cells are bad. They are trying to repair it because a new chlorine scale costs approximately \$1,800. It is required so they may end of getting a new one. Robinson reported there was an issue at Prairie View. In 1973 there was a 12 inch main that was extended to service the hospital area and there was some stub lines. Prairie View put in a sprinkler system so the main was tapped and T tied into one of the stubs. When they turned on the water, there was water coming up in the street. Someone had put wood on the end of the pipe instead of a capping it, so today they were trying to find parts and did get it fixed. The asphalt roller needed some repairs and other than that there was normal maintenance that was performed.

Peterson asked if the cost for this repair will be billed back to Prairie View. Robinson stated the problem is there was a valve there and they had made a live tap. In 1973 it was never properly capped off and they left the main open. Peterson asked who left the main open. Robinson stated that whoever installed the main in 1973. There was a stub going north from the intersection of State and 5<sup>th</sup> Street East. There was a valve in the intersection, but on the end of that stub they never put a cap on. When the valve was turned on, it was open-ended.

Chalmers stated that they had talked about getting some timers for the lights at the park and tennis courts and was wondering how that was going. Robinson said that Hebig’s Electric will be putting them in. They need to remove the fence so they can get the truck in there. Robinson stated that at the last meeting they had talked about the bathroom being cleaned during Box Car Days and he said that the public works had been there and cleaned the bathrooms at 6:00 a.m.

Fire Chief Johnson said that they have gotten all the bills in for the Ohman Furniture building and they are in the process of being submitted back to the owner. There have been numerous billable fire calls since then. The asbestos has been removed from the EDA house on Greenwood Avenue at a cost of \$400. The paperwork has been submitted and so we should be hearing back from the EPA to get the all clear to burn and get it cleaned up. Johnson said they did the annual hose test where they test every section of hose and for the first time in a long time, they all passed. Helped the school with a bonfire for Homecoming. They are in the process of the annual raffle and the drawing will be at the Chili Feed in October. The Department is in the process of putting together a live burn trailer for Fire Prevention Week to keep the children educated about the dangers of fires. Last year they did fire extinguisher training. Johnson had written a DNR grant for some equipment for the new truck and at that time they had said it was okay to spend up to \$5,000. The grant came back initially that it would be fully funded and then the DNR did not get all their money and the funding was cut back. The fire department only received \$1,000 from them so they only spent the \$2,000 instead of the \$5,000. That paperwork has been submitted and the check should be received very soon. The state has come out with a reimbursement grant for firemen training compensation and the bad thing about this is you have to have paid for the training and completed the training to get the reimbursement. Johnson has written a grant for this and it could be up to \$3,600. Mayor Ferrazzano asked where he finds out about these grants. Johnson said that he comes upon them when goggling the internet or through fire magazines. In Lyon County there is a Mutual Aid Association which is all the fire chiefs in the county get together every three months and this is discussed at this meeting. The fire chiefs from Marshall go to the state conference and there are grant workshops there and they share the information they receive there. There are many grants out there, it is taking the time to do them as it takes about 10-15 hours to do a basic grant and the FEMA

grant is 86 pages. A lot of the grants are repetitive every year. Johnson has received a letter that the fire department will be receiving some money from an estate and does not have anymore details about that. They are gathering information for the paperwork to proceed forward with that. Johnson also requested that when they are tarring 2<sup>nd</sup> Street in front of the fire hall if they could also do the parking lot at the fire hall. Johnson said that at one time the parking lot was included in the project and was later cut. He wanted to bring this issue up again in case there was funding available. People use this parking lot to get in and out of the food shelf and it is half tar and half gravel at this time. Peterson asked if there was anything left in the contingency fund. Koopman said she would have to check and a couple change orders have been approved already from that fund. Johnson said it would cost \$9,000 to \$10,000 to do the parking lot. Johnson said the lot measures 38' by 140'. He was told that he would have to check with the contractors to make sure they had time to do it while they were here in town. When he talked to McLaughlin and Schultz it came out to be about 125 tons to go four inches. Robinson stated it would depend on what type of base there is also. Mayor Ferrazzano asked that Koopman check to see what is left in the contingency fund and e-mail the council members to let them know how much is left. Robinson said there are a couple areas in town that they want to touch up such as the dips in Morgan Street and he was going to measure those up and see how much it would take to do that. The funding from that would come from the Street Department Maintenance and Repair budget. Stobb asked if they knew what the price per ton for asphalt is. Robinson stated that it is \$73 per ton. Mayor Ferrazzano stated that it would have to be voted on to be done. Koopman said that she has polled the Council on rare occasions and then it's ratified at the open meeting. Motion by Peterson, seconded by Chalmers to approve the construction of the fire hall parking lot pending availability of funds from the contingency fund and the availability of McLaughlin and Schultz to be able to pave the parking lot at a cost not to exceed \$10,500. Stobb questioned action if there were other change orders with the project and the availability of funds for these change orders. Koopman reminded the Council that the purpose of the contingency fund is not to be able to add to a project, as this was deleted along with a number of other streets from the original plan and was done to contain costs. The contingency is intended to cover the unknown as in the change orders that have already been presented. She hopes they are far enough along that there will not be anymore surprises, and if there are and the contingency fund has been depleted, there could be difficulty in getting funds to cover it. Chalmers stated the parking lot was part of the project that was cut, but that was at the time the cost was expected to be higher than it turned out to be. Mayor Ferrazzano said it would be an easier decision to make if they take the \$10,500 from the contingency fund and see what the remaining balance is. Koopman stated she would find out what the balance is and let the Council know and they can make their decision based on that. Stobb suggested that rather than rushing into it, would it be wise to make the parking lot part of the completion of 5<sup>th</sup> Street next year. Chalmers stated that would be a good idea since the contractors have to come back anyway. Upon roll call the following vote was recorded with Enderson, Peterson, Chalmers, Snyder and Mayor Ferrazzano voting aye and Martin and Stobb voting nay. Motion carries.

Koopman stated that her primary focus during the month of August is always budget. She attended the following meeting: Planning Commission, four meetings relating to the hospital construction, two City Council meetings, department head performance evaluation meeting, Hospital Advisory Board. She also met with the Aquatic Center Manager and the League of Minnesota Cities Loss Control Manager. Koopman attended the ground breaking ceremony for the hospital renovation.

Tim Jones stated that he lives on State Street and had some sewer problems this summer and the line needed to be dug out. His plumber had given him an estimate of \$3,750 to repair the black top and Jones was told that this would be done next August. He was under that impression till about 1:30 p.m. today when Robinson called him and indicated that they wanted to do it as soon as possible. He would have the money for this repair next summer but at this time he does not. He is asking if he could have this assessed onto his water bill to make payments towards that so it can be done now. Jones does not know what the cost on the curb and gutter will be. Snyder indicated that he has been the policy to leave those types of holes open for a year to allow for freeze/thaw cycle. Robinson said they normally do, but this area has been hard to maintain with all the traffic on State Street. He said the plumber did a fairly good job of packing that back in. Jones stated that he knows that this was his cost and is willing to pay it, but his budget does not allow for this 10 month earlier time line. Koopman said they can draft an agreement which has been done in the past and set up a monthly payment plan. Once they have the complete bill they can set up a payment plan to meet his budget.

Motion by Snyder, seconded by Stobb to approve setting a payment plan with Tim Jones for repair of the black top by his residence. All voted in favor of the motion.

Robinson stated they have been cleaning up behind the shop and hauling the scrap iron to Marshall. They have collected \$859 in scrap iron money which was deposited in the utility fund. The Public Works is requesting the purchase of tools and would like to use the scrap iron moneys to fund the purchase. The costs include:

1. 18volt sawzall	\$269
2. Spare 18 volt batter	\$120
3. Bosch portable 10 in table saw	\$650
<b>Total</b>	<b>\$1,039</b>

Robinson stated the current sawzall is broken and it is used often with main breaks, etc. The table saw would be used often for different projects but the one they have been using belongs to Gary Garrels and they will be returning it to Gary. Robinson stated they are short about \$180 but they could haul in some more scrap iron to make up the difference. The public works is asking for approval of this expenditure. Motion by Peterson, seconded by Chalmers to approve this expenditure for purchase of the needed tools. All voted in favor of the motion.

Motion by Snyder, seconded by Stobb to adopt a resolution closing the 2001 Swimming Pool bond and transferring the balance of \$108,376.38 into the 2008 Refunding Bond. All voted in favor of the motion. (Res. No. 2009-31)

Motion by Snyder, seconded by Peterson to adopt a resolution approving a fire truck loan from the Hospital Trust Fund in the amount of \$310,000 with an interest rate of 3.5% to be used to pay off the USDA loan. Koopman stated that by doing this with the grant received from the USDA the savings realized on the interest equals a total of \$54,271.43. All voted in favor of the motion. (Res. No. 2009-32)

Motion by Snyder, seconded by Chalmers to adopt a resolution approving payment to Rupp Construction in the amount of \$148,722.22 for work completed on the 2009 Street Project. All voted in favor of the motion. (Res. No. 2009-33)

The Consent Calendar included the Municipal Accounts Payable, Planning Commission minutes for August 3, 2009, Cemetery Commission minutes for September 17, 2009, Economic Development minutes for September 4, 2009, Monthly financial report and receipts and Library Board minutes for July 22, 2009. Peterson asked what needs to be done to change the Cemetery Commission meetings from monthly to quarterly. Koopman said they would need to amend the ordinance. She stated that this will be presented to the Council at the next meeting for the first reading to begin the process. Koopman said they hope to have the Aquatic Center financials by the next meeting also. Motion by Peterson, seconded by Snyder to approve the Consent Calendar. All voted in favor of the motion.

Stobb said he was glad to see in the receipts that they have been selling pavers for the Velta Memorial Park. Koopman stated that an ad has been put in the paper and hopefully that will generate more interest. Peterson asked where the \$5,000 donation was from for the Aquatic Center. Koopman said that is the medical centers donation.

Koopman indicated the Truth In Taxation hearing will be held the first Monday in December. Having the 2010 Budget on the agenda till then allows changes to be made before then.

Mayor Ferrazzano said there was a Letter to the Editor concerning the Street Project and its completion date. Robinson stated the completion date was set for October 15, 2009.

Motion by Peterson, seconded by Martin to close the meeting at 7:45 p.m. to discuss labor negotiations. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**October 12, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 12, 2009 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.

Motion by Peterson, seconded by Chalmers to approve the minutes of September 28, 2009. All voted in favor of the motion.

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

Motion by Peterson, seconded by Stobb to waive the first reading and set the second reading and public hearing on October 26, 2009 at 6:45 p.m. for an ordinance amending City Code Section 9.40 creating the Cemetery Commission. The proposed ordinance would allow the commission to hold regular meetings not less than once each quarter rather than monthly. All voted in favor of the motion. Enderson said he had received a call from someone indicating that many of the monuments on the north end of the cemetery are either tipped over or leaning. Koopman said she will notify the cemetery superintendent about this issue.

Motion by Chalmers, seconded by Peterson to approve Change Order No. 3 for the 2009 Street Improvements. This includes the deletion of 5<sup>th</sup> Street East from the project with a deduction of \$17,076 from the cost of the project. The improvement of 5<sup>th</sup> Street East will occur after the completion of the Hospital renovation. All voted in favor of the motion.

Koopman said that she, Robinson and David Spencer met to discuss the utility rates and after reviewing several scenarios, they are recommending a \$4.00 base fee increase for both water and sewer and a 10¢ per unit increase for both water and sewer. The increase is needed to help build the fund balance that has been depleted somewhat as improvements are done. They need to continue the meter replacement program and if they plan to purchase 83 meters annually it would cost approximately \$15,000 and will take seven years to replace all meters in the city. The feedback from the radio read meters has been very positive. Some of the meters that are in some of the homes have been there for many years. They also need to continue the valve replacement project. This has been an ongoing problem. Twelve valves have been replaced and 30 remain to be done. It has been the policy of the City that if a street is reconstructed, the water and sewer mains are replaced to coincide with the reconstruction. The last utility rate increase took place in 2006. With these increases a family using an average of seven units per month would see a monthly increase of \$9.40. Collectively this should generate an annual average of an additional \$106,000. Koopman told the Council that if this is something they would like to present to the public, a public hearing would be required as the ordinance would need to be amended. Peterson asked when they would be looking for these rates to increase. Koopman would like them to become effective January 1, 2010. Mayor Ferrazzano asked what the increase was in 2006. Koopman said the base fee increase at that time was \$2.00 increase for both water and sewer and a 10¢ per unit increase as well. Stobb asked if a better option would be going with a smaller base increase, but then building in a yearly adjustment that would increase it years beyond. Chalmers agrees with Stobb's idea with a gradual increase. Koopman said the key element is that they need to start recognizing this fund balance needs to be built back up. Koopman suggested that maybe they could go back to a \$2.00 base fee with a 10¢ per unit for a five year period. An increase in the base unit could be built in to that also. Chalmers stated the memo also talks about a conservation rate coming into effect in 2013. Koopman stated this will be mandated by the DNR and will be used to force higher uses to conserve water. Martin suggested that they raise the base rates by \$2.00 for two years and the unit increase of 5¢ for the two years. Nielsen stated they could revisit this again in 2012 to prepare for the 2013 conservation rate. Stobb stated that for the Council and public's information, it would be nice to have an idea of where the City is compared to other cities with the rates. Koopman said that is fine, but we have to keep in mind that every city is unique and all have different needs. Koopman said that Tracy is faced with a major issue with lagoons and the major repairs needed for the infrastructure of the City. The public hearing regarding utility rate increases will be held on October 26, 2009 at 7:00 p.m.

The Council received a letter of recommendation from Shane Daniels, Building Official to grant an extension to Kevin Sachs, 683 Harvey Street until November 1, 2009 to make repairs on his property. This would be an extension of 30 days. Motion by Peterson, seconded by Enderson to grant a 30 days extension to Kevin Sachs per Daniels' request. All voted in favor of the motion.

Motion by Snyder, seconded by Chalmers to appoint Lori Hebig to the Economic Development Authority for the remainder of the vacated 5 year position. All voted in favor of the motion.

Motion by Peterson, 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 \$66,337.00. All voted in favor of the motion. (Res. No. 2009-34)

The Consent Calendar included the Municipal Accounts Payable, Multi-Purpose Center Board minutes for October 5, 2009, Firemen's Relief Association minutes, Aquatic Center Financial Report and the Monthly Financial Report. Chalmers stated he was pleased with the Aquatic Center report. Stobb stated that the revenues are up but looking at the individual items, most of them are down except for Refunds and Reimbursements. Koopman said the insurance payment for the damaged pipes is what has caused the Revenues to increase. Stobb stated that it was a cool summer and looking at the fees they are down somewhat. Chalmers felt that with the pool opening late also hurt revenues. Peterson asked if the wages were per hour and was curious as to the number of days that the pool was closed, why the wages increased about \$2,000. Koopman said that after the employees reach so many hours, they get a step increase and that accounts for the increase in wages. Peterson questioned the increase in chemical costs each year. Koopman said it is reflective of the cost of chemicals and not that more are being used. Stobb stated that Other Contractual Services was also increased over other years. Koopman said that had to do with the pipe repair. Peterson would like to see how many chemicals were used in 2008 compared with 2009 to verify the water leakage issue. Motion by Stobb, seconded by Martin to approve the Consent Calendar. All voted in favor of the motion.

Peterson said that he had received a call there is an issue with keeping the sand out of the pool. The vacuum they have is not cleaning it up and the Minnesota Department of Health would prefer to have the sand removed. Mayor Ferrazzano felt that they are not allowed to have sand in the pool area, but if they are not able to keep the sand out of the pool, it should be removed. It was felt that removing the sand and sodding that area would be beneficial over the cost of a new vacuum system. Koopman said the Street Department will be removing the sand and spring toys as directed by the next season. Peterson asked if they are removing this equipment, if it could be moved to the Greenwood Park. Koopman said they will be moved to a different area by the pool.

Martin stated the Masons are interested in putting a cornerstone in the new hospital building. They are now researching costs and details.

Motion by Peterson, seconded by Chalmers to close the meeting at 7:05 p.m. to discuss labor negotiations. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**October 26, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday October 26, 2009 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, M. Martin, E. Enderson, T. Peterson, J. Chalmers and R. Stobb. Absent was C. Snyder. Also present were A. Koopman, City Administrator and F. Nielsen. City Attorney.

Motion by Peterson, seconded by Chalmers to approve the minutes of October 12, 2009. All voted in favor of the motion.

A deletion to the agenda was 5-A Hospital Update. Stacy Barstad will attend the November 23, 2009 council meeting to give an update on the hospital construction. Motion by Chalmers, seconded by Peterson to approve the agenda as revised. All voted in favor of the motion.

Radke reported that things are going well at the Liquor Store. The September off-sale was up approximately \$7,532.55 and on-sale was up about \$15,225.70. This was due to Friday, Saturday and Sunday of Box Car Day weekend fell in August last year as opposed to September this year.

Chief Hillger asked for any questions regarding the Activity Report. Peterson asked if there have been issues with animal complaints and if they are able to handle vicious animals. Peterson suggested that with budget cuts, a fundraiser could be organized to raise funds for a catch pole.

Robinson reported the Street Department has been patching asphalt in the very worst spots such as Morgan Street and North Street. The also patched the Tim Jones section on State Street. Public Works prepared the holes and McLaughlin Schultz laid the mix. The 2009 Street Project is nearing completion. Street sweeping leaves is being performed. Two loads of road salt have been ordered and delivered and calcium chloride has also been received. The Department removed a large bush on the corner of Hwy 14 and 6<sup>th</sup> St. that was obstructing the view at that intersection. After a Mn. Dept. of Health pool inspection the City received a notice that the sand play area inside of the pool would need to be removed. Robinson said that DeSmith was having problems with sand in the pool. The sand play area will be removed to eliminate the possibility of getting sand in the pool and through the pumps. The same area will be replaced with black dirt and then seeded with grass seed. Robinson said they repaired a 12 inch water main near the hospital and he has met with Spencer and Koopman regarding the utility rates. Plumbers have been working on repairing non-operational curb stops. Robinson stated that last month he had told the Council that they were trying to repair the chlorine scale. They were not able to repair it and a new one has been ordered. The parks are now all winterized. A new gutter system was installed on the senior center as the old system was broke and water was running into the basement. The department has also been cleaning up behind the shop. Robinson stated that the bucket on the Ford bi-directional tractor was rebuilt by Public Works in the shop. The Toro mower failed and a PTO shaft, drive shaft, bearing, belts, etc. were installed. Some years ago when the big snow blower was put on the Terex, Schroeder had gotten tractor suitcase weights from Denny Vandeputte to mount on the Terex. Robinson was recently made aware that the City had not paid Vandeputte for these, so they found out what they were worth and paid Vandeputte for the #1600 weights and bracket. The airport terminal building project is underway.

Robinson stated the street sweeper is scheduled for replacement in 2010. Included with his request is a depreciation schedule. The current sweeper is a 1991 and in need of major repairs. They have been evaluating how much it would cost to rehabilitate the machine. So far in their evaluation the department has determined that it would take \$15,000 plus to fix it and now the fuel system injector pump is failing. DeSmith is recommending that they get a new or slightly used sweeper. The Council granted approval for Robinson to start the process of putting together specs for a new or slightly used sweeper. Stobb suggested that if the money is there for it and there is a better deal before 2010, they could look into it. Martin asked if Robinson had any idea of what a sweeper would cost. Robinson stated it would be \$130,000 plus.

Robinson told the Council that they did some exploratory excavating in the fire hall parking lot and found that there is no base under the existing asphalt. In one area there is only black dirt under the asphalt. Other areas had rubble under the asphalt from the demo of the old school. It is the

recommendation of the Public Works Department that the parking lot should have a new packed gravel base plus a geo textile mat placed under the new asphalt in order to do the job properly. In estimation, doing the job properly would exceed Councilman Peterson's motion of \$10,000 at an earlier council meeting. The cost estimation with the mat would be in the range of \$11,000 to \$12,000. Peterson asked why they need the mat as they did not put it in the alley that was recently redone and they will get more traffic that the parking lot. Robinson stated that he and Scott LaVoy were looking at it because of the debris that is buried under there. Peterson stated that the majority of the debris is gone and that Cooreman had taken most of it out. Nielsen stated it was just in the one spot. Peterson stated there was nothing to the west of that area. There was no building there. Nielsen said that does not mean that when they knocked the building down, it did not spread there. Peterson said there was no hole to put it in when they took down the school. Robinson stated that when they dug the test holes, there was debris from it. Peterson said there made have been a small amount of debris and when the twelve inch base is taken out, they will lose it all. Peterson stated that is what took so long when Cooreman was doing the parking lot, because they removed the tunnel. The old school sat in the bank parking lot and when they tore it down they pushed everything in the hole and threw dirt on it. On the west from that stairway, it was the back side of the fire hall and there was no hole. Robinson stated that if they got down there and they needed the mat, they wanted to have it approved so they could put it in. Peterson said he was asking why they need it. Robinson stated it is because of the unstable soil. When they dug down, they dug up some bricks and that is an indication that something was there. Peterson stated that he was talking with Fire Chief Johnson about the digs and he did not see any debris come out. Peterson said the parking lot is a safety issue and something needs to be done with it. Peterson asked what happened with digging it out and putting a base in this fall that was agreed on at the September meeting. Robinson stated that a motion was made not to exceed \$10,000. Peterson said that they cannot do anything till spring and they would spend \$2,000 now and look at the overlay next year. Robinson stated that the combination of the base and overlay would exceed \$10,000 with the mat. Peterson said there is all that gravel to the north of the ramp, plus the gravel sitting on Morgan Street that could be used that is bought and paid for and has to be cleaned up. They could take that off the \$10,000 or \$12,000 and may not exceed it. Robinson stated that if the Council wishes, they will go ahead and do it but it may exceed the \$10,000. Peterson stated the \$10,000 limit was to do it now when they were paving now was what the motion was for. The gravel mess needs to be cleaned up and the parking lot is not safe. Firemen park in there and take off running from their vehicle and there is soft gravel in some spots. It is also not level and with snow removal there are going to be ice patches and someone could get hurt. Peterson suggested that they at least get the base in this fall. Mayor Ferrazzano asked how much extra the mat would cost. Robinson answered that it is \$1.50 per square yard. He can measure the lot and let the Council know exactly how much the mat would cost. Stobb said he has not looked at the parking lot recently. Peterson said he went and looked at it today and there are bubbles and soft spots. Peterson said there is gravel, soft spots and the asphalt could probably be picked up with a shovel and would not take a whole lot to put the base in. If the base is packed in good the water should flow off and prevent ice buildup. Right now it is too uneven and not packed. Mayor Ferrazzano stopped this discussion to be resumed after the public hearing.

A public hearing was held at 6:45 p.m. on an ordinance amending City Code Section 9.40 creating the Cemetery Commission. This change will change the Commission from meeting monthly to not less than once each quarter. There being no testimony from the public, the hearing was closed for Council consideration. Motion by Martin, seconded by Peterson to adopt the ordinance No. 306 to become effective 30 days from today's date. All voted in favor of the motion.

Discussion was resumed concerning the fire hall parking lot. Robinson stated that the holes they dug, they had closed again. Mayor Ferrazzano stated the parking lot is in bad shape. Motion by Peterson, seconded by Martin to dig out the lot and put in a base and will look at paving it this coming spring. Robinson said the street department will work on this when they can. All voted in favor of the motion.

Robinson asked the Council if there is anyone that would volunteer to assist going through job applications for the street department position and interviews. Peterson said he would be available to go through the process. They will meet tomorrow morning at 10:00 a.m. in council chambers.

Koopman stated that during September she worked at finalizing the preliminary budget and

certifying the preliminary levy to the County Auditor. She also spent time reconciling the personnel files, verifying accuracy of leave time, etc. Koopman also attended the following meeting: Planning Commission, monthly hospital construction meeting, two City Council meetings, two meetings with the head librarian and one with the assistant, Hospital Advisory Board and Cemetery Commission meeting.

An updated list of compliance orders and their status was prepared by Shane Daniels, Building Inspector. Mayor Ferrazzano asked if anyone had any questions regarding this process. A revised copy of the list will be e-mailed to the Council with the color coding. Chalmers got the impression from the update that the process is working. Koopman felt that it is working well and these updates keep the Council informed of the status of the orders that have been issued. Peterson asked who makes the call if a property goes to court or not. Koopman answered that it goes by the deadline that has been established for that property and if there has been no response from the owner. Peterson asked what constitutes a response. Koopman answered that it would be evidence of improvement, evidence of change, evidence of identifying and correcting the problems that were identified in the compliance order. If there is no evidence of any improvement, if there has been communication that would indicate that the property owner is aware that it needs to be done but cannot complete it at this time but with whatever circumstances will get it completed at a later date. Peterson stated that if there is a property owner that has a deadline of 6/01/09 and they have showed some improvement, but they are on the court list, who decides if they are going to go to court. Koopman stated it depends on how much improvement has been done and if there is a concerted effort being made to reach that compliance. She stated that it is her understanding if there is evidence showing that improvement is being made to satisfy that compliance, Daniels will talk with that resident and find out what the schedule is and he will work with that. If the order is just ignored and there has been nothing done, the order is given to the City Attorney Nielsen and he processes it through the court system. Stobb asked how many are actually in the court process at this time. Koopman stated that there are seven in the court system at this time. Peterson stated that he is at a loss here and asked who determines if significant progress has been made or who determines any effort has been made. Koopman stated it would be Daniels, the Building Inspector as he is the one that issues the compliance orders and he will determine that whatever has been identified in the order has been completed. Koopman said that if the order determines that the soffit needs to be replaced and it has not been replaced and this would be identified. If there is something in the order and nothing has been done to it, which would indicate to Daniels that no efforts have been made to correct the problem. Chalmers clarified that it is if nothing has been done by the deadline date. Koopman stated that was correct. Koopman stated that it is policy that the date following the deadline, pictures are taken to prove that no efforts made to complete it. Chalmers stated then that if the deadline was June 1 and they started making improvements on June 15, at that point it may have already gone to court. Koopman stated that was correct. Peterson asked if someone got a building permit to complete the compliance items and was told that the permit gives them six months, when then is the compliance date. Koopman stated she does not know what the circumstances were when the building permit was acquired. But if the building permit had been acquired prior to the deadline, she would think that there would be some indication that the resident was planning to proceed with it. Peterson said it would like someone explain to him why he was served court papers and why he went to court. Koopman stated that she is not the person there and she felt that he was asking questions that she does not know that she is qualified to answer. Peterson stated that is why he keeps asking the same question; who determines when a property goes to court and where is the review process on that and what constitutes communication. Mayor Ferrazzano felt that like with any case, the prosecutor determines when it goes to court.

Discussion was stopped and will resume after the public hearing. At 7:00 p.m. a public hearing was held on Ordinance No. 307, an ordinance amending City Code Section 6.14, Water and Sewer Rates. Koopman explained that what is being proposed is a \$2 per month increase in the monthly base rate of water as well as the monthly sewer base rate and 0.5¢ per unit for water and sewer based on 1,000. Mayor Ferrazzano asked if there was anyone from the public that would like to comment on these rate increases.

Ken Giles asked what benefits will the customer see for the \$4 per month? Mayor Ferrazzano answered that eventually all residents will have radio read meters and other updated equipment. Robinson stated that the funds would be used to keep the hydrants operational and repair valves. The

City has many water gate valves that are faulty and when there are water main breaks they would like not to have to shut off half the town to fix it. Robinson stated they are also trying to get the utility fund back into a healthy state to where things can be fixed as they break. Giles asked if there were any plans to improve the water quality? Robinson stated that the water quality meets all the state standards. The water in Tracy is hard and they know that.

Martin summarized that the increase is to upgrade the infrastructure and put more money back into the utility fund so repairs can be made. Chalmers stated also just to operate the utility department keeps going up and providing the basic services cost more each year. Stobb felt that one of the greatest benefits they might see is that they may still have water, when a water main does breaks close to them.

Mayor Ferrazzano closed the public hearing for Council discussion. He stated the comparison chart of what other cities charge for water service varies greatly. Koopman states it is difficult to do comparisons when it comes to utilities as each city as their own unique set of circumstances and their own needs. Koopman stated that referring to the proposed ordinance under **Meters one (1) inch and over Monthly Service Charges as follows\***, Six to Nine Potential Users should be \$50.00 instead of \$42.00. Under **Subd. 10.**, Koopman has recognized the 0.5¢, per unit but not the \$2.00 each for the base rate of water and sewer and that will be added if the Council would like to include that. Stobb stated that was their intention at the last meeting.

Motion by Peterson, seconded by Stobb to adopt an ordinance amending City Code Section 6.14 Water and Sewer Rates with these proposed changes. All voted in favor of the motion.

Discussion was resumed regarding the compliance orders. Peterson had asked who determines when a property goes to court. Mayor Ferrazzano assumed that after Daniels gives recommendation to the prosecutor and the prosecutor decides whether to bring it to court or not. It would be the same thing when a Police officer does a police report on a crime, they give it to the prosecutor and the prosecutor decides whether or not to charge it out. Nielsen said this was accurate and another thing that was mentioned was the idea of getting a building permit. Building permit does not tell you that you have six months to do any improvements; it just says the permit is good for that length of time. The permit has very little to do with the compliance. Peterson stated that he asked this specific question of the city employees when he purchased his permit and also mentioned it to Daniels when he was inspecting Peterson's house and his answer from both was yes. Peterson said to throw that aside. Peterson said that if the compliance deadline is June, why it is an October court date. Nielsen said that they are not going to throw that question aside because it is illogical to have received that answer because you could buy a building permit and after five month and three weeks go in and get another one and indefinitely extend the period within which to do the improvements. The time period for the permit is just that, the permit is good for "x" period of days or months and has nothing to do with any change in compliance order dates or anything like that. Peterson stated that is not the impression the city personnel are putting forth. Nielsen stated that in his view they would then be in error. Chalmers stated that someone getting a permit bumping up against the deadline would also need to ask for an extension on the compliance deadline. Nielsen stated that would be one way to do it. Peterson stated that if you read the compliance ordinance it is not mentioned in there and that is why reading everything sent by the City, he did not respond as he thought he had options a, b and c and now he is being told that he didn't. He assumed that when he asked the questions he was given the correct information as the employees are the ones that are getting paid to do it. He stated that he purchased a building permit and the interesting thing about it is that when he got the permit, he asked if this covered all the shingling he needed to do and was told that he had it all covered. He stated that he shingled what was in the compliance order on a Saturday and Sunday and on Monday morning the building inspector said that he did not have a permit. Peterson stated that he discussed this with him and this was the end of June. He asked if he was covered for the rest of the stuff now and was told he was. Then he got a notice to go to court in September and got the notice for an October date. Peterson stated that he is confused. Nielsen stated that it cannot be helped if he is confused. Peterson stated that he would wait till the 3<sup>rd</sup> of November then. Nielsen felt that this is not the appropriate place to be discussing this and should have waited till the November 3<sup>rd</sup> date before he started talking, but that is okay. Mayor Ferrazzano stated they would wait then to get the color coded copies of the compliance orders e-mailed to them.

Koopman stated that the only thing she has left blank on the resolution regarding costs to be assessed for the 2009 Street Improvement Project is the rate of interest. She stated the past practice has been that they go 1% above the interest rate the bonds are sold for. The interest rate for the bonds was 3.781%. She has if the Council wants to use the 4.781% or round that up to 5%. Stobb said that he is not personally inclined to round it up. Mayor Ferrazzano suggested that they keep it at the 4.781%. Motion by Peterson, seconded by Martin to adopt a resolution declaring cost to be assessed and ordering preparation of proposed assessment for the 2009 Street Improvement Project. The portion of cost to be assess against benefitt4d property owners is declared to be \$265,406.52 and the cost to be paid by the City declared to be \$638,440.90. All voted in favor of the motion. (Res. No. 2009-35)

Koopman said the hearing on the proposed assessment for the 2009 Street Improvement Project would require a special meeting. This will be on November 16, 2009 at 6:30 p.m. Motion by Stobb, seconded by Peterson to adopt a resolution for hearing on proposed assessment for the 2009 Street Improvement Project. All voted in favor of the motion. (Res. No. 2009-36)

Koopman told the Council that the final payment amount is \$32, 814.99 is the correct amount and not the amount of \$30,790.03 as stated in the resolution. This was discrepancy was due to the amount of gravel and bituminous. This payment will close out the project. Motion by Stobb, seconded by Chalmers to adopt a resolution approving final payment to Duininck Bros, Inc. for work completed on the 2007 Street Improvement Project in the amount of \$32,814.99. All voted in favor of the motion. (Res. No. 2009-37)

Peterson asked if there were weather dates built into the deadline date of October 15, 2009 for the 2009 Street Improvement Project. He noticed they were putting down asphalt after October 15. Koopman stated that she was not sure if weather dates were put in the contract, but feels they were not. Nielsen asked if the completion date was changed after the initial negotiations of the contract as he thought he had seen paperwork that stated the date for completion was October 1, 2009. Koopman stated that October 1 was the substantial due date and final was supposed to be October 15. The laying of asphalt after the October 15<sup>th</sup> was not due to their fault. She stated there are liquidated damages included in the contract and if the Council chose to charge them, they could. Koopman stated that if they would have blatantly held the project up because they were elsewhere, without question would force that issue. She does know that efforts were made to complete the project in a timely manner but the weather is what caused the delay. Robinson stated there were no weather dates included in the contract but there were liquidated damages included in the contract. Motion by Stobb, 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 \$200,931.19. All voted in favor of the motion. (Res. No. 2009-38)

Motion by Peterson, seconded by Enderson to adopt a resolution for authorization to execute Minnesota Department of Transportation grant agreement for airport maintenance and operation. All voted in favor of the motion. (Res. No. 2009-39)

The Consent Calendar included Municipal Accounts Payable, Economic Development Authority minutes for October 2, 2009 and Monthly Receipts. Motion by Chalmers, seconded by Stobb to approve the Consent Calendar with the addition of the EDA minutes for September 18, 2009. All voted in favor of the motion.

There were no comments or questions regarding the 2010 Budget.

Mayor Ferrazzano had an opportunity to view an agenda from another city as to the structure of their council meetings. They have a specific time for the public to comment at the beginning of the agenda so that if someone from the public, if they have a question, they do not have to sit all the way to the end of the meeting. Mayor Ferrazzano feels they should have a part of the agenda for public comments so that people know they can come if they have a question or comment about something. Another idea was to say the Pledge of Allegiance at the beginning of the meeting. Stobb asked if there were any guidelines to the public comment section. Mayor Ferrazzano stated each comment or questions is given approximately 5 minutes. If someone brings up a subject on November 9, it will be put on the agenda for November 23 to take action on the issue.

Motion by Stobb, 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

**November 9, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday November 9, 2009 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 Stobb to approve the minutes of October 26, 2009. All voted in favor of the motion.

Additions to the agenda included 7-A Hospital Change Order, 7-B Fire Department Parking Lot Update and 10-A a resolution approving Hospital Renovation Pay Request. Motion by Peterson, seconded by Chalmers to approve the agenda as revised. All voted in favor of the motion.

Mayor Ferrazzano told the public that there will be a time scheduled at each Council meeting for any public comments. He asked the public to limit their comments to five minutes, however, no action would be taken on any item until the next meeting when it will be placed on the agenda.

Gordon Kopperud, Director of Ancillary Services presented a request for a change order for the hospital renovation project. He explained that the clinic sits at an angle to the rest of the facility and where the roof currently drains would cause the water to drain right onto the building and there are a couple more drains that are draining into a current open area. When too much water is drained into this triangular area, which is flat it causes the water to run into the clinic basement. He requested funds to install a concrete gutter that will channel the water to the curb and into the street. The cost of the change order would be \$3,688. Kopperud also gave a brief update on the project. The roof is on and they are planning to pour the floor this week or the first of next week. Progress has been a little slow because of the weather and some of the construction workers have been having problems with the flu. The project manager feels that they may still get it done by the original timetable. Steel has been erected, the pre-cast plank has been installed and hopefully the floor will be poured along with installation of the membrane on the roof. Kopperud stated the construction manager of Sanford or his assistant has been to every other construction meetings that are held every week. The contractor has been very good to work with. Martin asked if the gutter would cause any problems with accessibility to the facility. Kopperud stated the water would run to the sidewalk and a grate will be placed over the sidewalk and the water will be able to run underneath it as well. Motion by Stobb, seconded by Snyder to approve the change order to install a concrete gutter at the cost of \$3,688. All voted in favor of the motion.

Robinson said they have been digging out the parking lot at the fire hall and have run into a few problems. There is quite a bit of black dirt there and in some places two to three feet to remove along with other debris such as metal and bricks. Robinson stated it may cost a little more to repair it as they will have to put in a deep base there instead of just going down ten inches and putting in a base. They will have to put in a base of over two feet as they are not able to put asphalt over the black dirt or debris that was buried there. Stobb commented that they are removing a lot of debris that is deeper than was discussed at the last meeting and asked if enough of the debris will be able to be removed to eliminate the use of mats. Robinson stated that they have used mats on 4<sup>th</sup> Street East, the hospital parking lot and the alley by the Eagles Club has a mat so it is not that uncommon. Robinson said they are going down to the clay to find stable soils and evaluate after that. He says they can possibly get by without the mat. They will be using about 18-20 inches of granular material and then on top of that they will put classified lime.

Gervais presented a memo regarding a CDBG Loan that was made to Jay and Sheila Fultz. Back in April of 2008 subordination had been agreed upon with Minnwest Bank South. Minnwest Bank South took a different form of collateral than taking first position on that property. Fultz has restructured some of his loan with Lyon-Lincoln Electric and that is why they are asking for this subordination. They would then take a shared position with the bank and the City of Tracy would have the second position. Motion by Snyder, seconded by Stobb to enter into the Subordination Agreement with Jay and Sheila Fultz. All voted in favor of the motion.

Lisa Schaar was present to appeal the classification of their dog, Ali as a vicious dog and would like to give testimony as to why they feel he is not vicious. (Schaar's dog was classified as vicious after biting Amanda Waters) They have had their dog since he was four months old and now is 4 ½ years old. He is a German/Husky mix. His temperament has always been fun, loving and likes to jump around and not aggressive in any way. He loves to please, he loves to have attention and they have been able to let him run around in their yard without fear that he would run away. He obeys commands by voice and he knows the property and the property line. Ali does not go into the street, does not bother the neighbors and does not bother other dogs in the neighborhood. He has never been aggressive with anyone when they take him places. The meter reader comes once a month and if Ali is out, the reader bends down on one knee and rubs his backside. Bikers and walkers come by their property often and the dog does not run after them, does not bark at them and is not aggressive with them. Schaar's have had no complaints about their dog up to this point. Schaar stated that she was sure Amanda was very frightened and Schaar knows that Amanda has given Ali treats from her pocket. Schaar believes that he knows that and is going after her for more. Mr. Waters has walked by the house when the dog is out and the dog does not even get up from lying down when he goes by. Mayor Ferrazzano asked what the structure of this is as there has never been an appeal before. He asked if the Police Department has to present evidence first. Chief Hillger stated that the ordinance states that hearing shall be conducted informally and there are no requirements as far as the evidence being strict as with a court trial. Terry Schaar stated that in the police report it talks about attacked, puncture wounds and bites. In the medical report it says there was an abrasion to the right buttocks. The laceration on her arm was caused by one of the dog's teeth. He felt that if it was a vicious dog, he would not have stopped there. Schaar stated that Ali is a playful pup and not vicious. On TV if they show a person that was attacked by a dog, such as a pit bull, that is a vicious dog. Schaar stated that he was not home, his wife was in the car with the youngest daughter Lauren and Jenna was home and was the one that was interviewed by the police. Chalmers stated that Officer Hansen stated in his report that the daughter stated that Lisa had seen Amanda delivering papers and called Jenna to let her know to keep the dog inside. Lisa stated that Ali has run over to Amanda and pulled her mitten off and scratched her hand and she knows that Amanda is afraid of Ali. Terry stated that dogs are smart and they remember things. He knows their dog and he is not a vicious dog. All these words such as vicious, attack and bite, there is no proof of bite or bite down marks and things get twisted around. Nielsen pointed out the final diagnosis on the hospital report states dog bite. He believes the abrasion on the buttocks came from when Ali put his paw on her butt when he went up to get her arm when she raised it. Nielsen stated in the report they use the word wound and he does not know what the distinction would be between them and maybe the doctor had an idea when they were writing this down. Lisa stated that is not Ali's demeanor or temperament and that is not the way he is. He is not a vicious dog and she would not want a vicious dog on her property. There are too many children that go back and forth to the pool. There are students that come to her house and she would not want a vicious dog on her property. Mayor Ferrazzano asked when it was that Ali had taken Amanda's mitten. Lisa stated that she was doing her paper route last fall and she and Terry were hanging Christmas lights and they were out with Ali and he saw Amanda and she had before that given him treats from her pocket. This time she was at the neighbor's and he ran to her right away and he grabbed her mitten. Lisa stated that is part of his game, he likes to take mittens and run with them. Enderson asked if she felt it was a playful type of bite. Lisa stated that she believes it was but she does not know how Amanda felt that day because she was not there. Enderson stated that he has seen their dog many times and has never chased him on his motorcycle or anything. Lisa felt it is a playful thing and he is a big dog.

Arlene Knoblauch, lives across the street from the Schaars', stated she was in the living room watching TV and she got up to go to the bathroom and she turned and looked out the window and saw Ali come from the garage and he headed for a girl that was on the lawn. Knoblauch stated that the girl put her arm down kind of fast and then in the next breath Jenna was there. She did not see anything that looked terrible to her and she went about her business as everything seemed under control. Mayor Ferrazzano asked if she saw anyone get knocked down or anything. Arlene stated that no one got knocked down. Nielsen asked if the girl was poking at the dog or kicking at it or anything. Arlene stated that she did not, she just put her arm down to shoo him away. Stobb asked how the dog responded when Jenna came out. Arlene stated that he was playful and obedient to her. Mayor Ferrazzano asked if she could see what the girl was wearing. Arlene stated that she had on long pants and jacket covering her arms.

Paul Knoblauch stated that he walks everyday and is here in defense of the dog. He does not know how you could call him a vicious dog because Schaars' have three children and he has seen them have friends over and the dog would never bother them. There are delivery trucks that come to the house and he does not bother them. He would not call him a vicious dog. He stated that Ali never comes across the street and feels that he is well-behaved.

Nielsen stated that the word vicious evokes pictures of a slathering, tongue-hanging out, jumping around dog and blood and other stuff. The Council needs to keep in mind that vicious dog is defined in the city code and need to understand that is the definition that they are working with and not working with blood thirsty, pack type animal thing. The connotation gets in the way of things. The ordinance states it can comprise an animal that shows one of four tendencies.

1. Dog has known propensity, tendency or disposition to attack unprovoked causing injury or otherwise threatening the safety of humans or domestic animals.
2. When unprovoked, inflicts bites on humans or domestic animals on public or private property.
3. When unprovoked, chases or approaches a person including a person on a bicycle, on the streets or sidewalks or any public or private property other than the dog owner's property in apparent attitude of attack.
4. Deals with dog biting and Nielsen stated it does not pertain to this particular situation in any event.

Chalmers stated that the theme he picked up from this is that the dog attacks. Nielsen stated that attack has those connotations to it and the ordinance does not say anything about attack, it states bites. Nielsen stated the first definition talks about attacks.

Peggy Peterson states she works at 301 East Hollett, that is two houses down from Scharr's house. She stated that their ladies go out every morning on the bus and Peggy has worked there for five years. She states that twice during that time the Schaar's dog has come over to where the ladies are. One of the ladies is in a wheelchair. Ali goes around and sniffs them and goes back to his yard. Lisa is always visible and not like the dog is out roaming. Peggy feels that Ali does not mean to be hurtful, but is playing. That is how they do it, they grab at you, etc.

Mayor Ferrazzano asked if there was anything else that Chief Hillger would like to add to the report. Chief Hillger stated there is nothing he would like to add. He stated that he is looking at this from a liability standpoint, for the City and also his own. If this were to occur again, and he did not do his job making this dog a vicious dog, that would make him liable and he did not want that. Chalmers felt Hillger did the right thing. Stobb stated that was his response also when he read the police report, that the police did what they had to do and now the ball is in the Council's court.

Jerald Waters, Amanda's father, stated that he let the first bite go and didn't file a complaint. When they talk about bite, it is kind of like splitting hairs, because there is only one puncture wound. His sister was bit by a German Shepherd on the side of her face and it took seven stitches, but the dog can't obviously get the whole mouth around it. Mayor Ferrazzano asked when the unreported incident happened. Waters stated it was November or December of 2008. Mayor Ferrazzano asked if she went to the hospital that time. Waters answered that Amanda did not go to the hospital after that incident. When looking at the vicious dog definition in the city code, and this is what he was going on and why he asked for it. It states "when unprovoked inflicts bites on a human or domestic animal on public or private property." Waters states that he has been by the house and Ali has stayed on the grass, but has also gone by the house delivering papers with his daughter, walked into the house just east and had the dog on his heels, barking at him in the neighbor's driveway. He saw someone come to the door and yell for the dog to come back. He was ready to turn around and kind of give it a kick, but it was called back. Under section 3 when it says "unprovoked chases or approaches a person", this incident was unprovoked. The city ordinances are pretty much directly out of the Minnesota Federal Humane Society. Waters stated there are people here that say the dog is nice and if the dog is nice and yet on different occasions, chases or attacks. To him a puncture wound is a bite. This incident involved her left arm and buttocks. There was blood drawn and it shows what the dog is capable of when unattended. He has nothing against the neighbors and he tried to let it go and thought they would take action to keep their dog chained up and that did not

happen. Waters stated that he was chased by the dog personally. He stated that his youngest daughter and her friend were chased by the dog. He stated that two paper carriers before his daughter was chased by this dog and she had a car to get into as her sister was on the street and they lived across town. This is not about whether or not the dog is friendly it is about what the city ordinance states and that is what he would like to emphasize. Mayor Ferrazzano asked if he took his daughter to the hospital and what she was wearing. Mrs. Waters stated that they had pictures but they did not bring them. She did not have anything covering her arms. Waters stated there was a whole in her jeans and through her pocket. Mayor Ferrazzano asked if she had any stitches. Waters stated they were thinking about putting one stitch in but they wanted to let the wound drain to get rid of any infection that might be there. They were told that dog bites can be the most infectious of animal bites and they wanted to leave it open.

Stobb stated that he is a dog lover and has had dogs most of his life and knows how they can become part of the family. To the young girl it was serious and traumatizing. His question tonight is how we ensure that this does not happen again. This is his biggest concern. Stobb asked if there is someone home when he is out. Lisa Schaar said that he is on a chain that is around a tree and there is someone home when he is out, otherwise he is in his kennel. Stobb asked the Schaaers' how he can be assured this is not likely to happen again. Lisa Schaar said that if he is out, he needs to be with someone and that is a promise that the family has to make. Otherwise he will have to be on his chain or kennel. Stobb stated that some individuals, for whatever reason, some people have a commanding presence over a dog and the dog is not like to do anything to them. Other people if they have a little fear or reservation, the dog senses that. For those types of people, we need to provide some assurances.

Waters stated that a couple months before the dog bite incident, the dog was in their neighbor's yard during the night. They had heard a cat scream and ran outside to see what was going on. It was dark. The Schaaers' say the dog does not leave the yard but in both incidences with his daughter, and on the October 11 incident his daughter was in the street. The Schaar's daughter had to come into the street to separate the dog from his daughter. Waters stated that Ali will go out of their yard. The incident he was talking about before was about 9 p.m. and Ali must have chased a cat out of Jackrabbit Hill and ended up in someone's yard. Stobb asked if Waters was positive it was Ali as at that time of the night it is dark. Waters stated that he walked over to the neighbor's yard and there were lights on in the neighbor's downstairs. The dog was right up by her house and he could see that it was that dog. Chalmers stated there is another black Shepherd dog on North Street and he asked if it by chance was that dog. Mayor Ferrazzano asked if there are times the dog is out when no one is there. He stated the reason he asks is because when Lisa stated that she called her daughter to make sure the dog stays inside because Amanda was delivering papers, was the dog outside already and the daughter had to come outside and get him. Lisa Schaar stated that the daughter was in the house with the dog and that is why she knew the dog was in unleashed as she knew that the daughter had him in the garage and in the laundry room. She told the daughter to not let him out by himself as Amanda is in the neighborhood. Just as Lisa had called, Jenna had opened the door to take him out and he saw Amanda and shot out. Chalmers asked Waters if he knew that Amanda would give the dog treats in the past. Waters stated that when she first took the route she would give the dog treats. Chalmers asked in the incident where the dog ran after him barking if he felt the dog was taking an aggressive stance towards him and not playful type barking. Waters answered that there was no one outside the house with the dog, someone opened the door and told the dog to be quiet and get back in the yard and they shut the door and went back inside. Waters felt that the dog was being aggressive towards him. He had his earphones in and was listening to music, went into the neighbor's yard and when he turned around he had this dog barking at him. Chalmers stated that everyone needs to understand the dilemma the Council is having because of the experience that the Waters' have had with the dog and then other people are saying the dog is nice. Waters stated that is why he is bringing the City laws and the attorney read what the laws are and it is unprovoked, whether it is biting or chasing. It does not say it needs to be once or twice or three times, it just says unprovoked. Waters stated he is citing the City's laws and it also tells what the hearing is about. Stobb states that he has that ordinance in front of him and it does state the propensity or tendency or disposition to attack unprovoked otherwise causing injury or otherwise threatening. Waters said there are four different criteria and under 2. and 3. this dog fits. Martin stated that he has had dogs since he was a year old and he is hearing these witnesses talk about how nice the dog is and it makes him feel worse. Since he has had dogs, they have been friendly with him and his family and could

not stand one person, so he had to be muzzled. These laws are for people not the dog and the people have to be protected.

Enderson asked if the Schaars' have a kennel for when the dog is outside. Terry Schaar stated he has a 6x10 kennel and shed that he can go into. Schaar stated they do not have a fenced in yard so if Ali is out of the kennel, they are outside with him. Martin stated that what the ordinance is asking them to do is put up a sign that states "Beware of Dog", muzzled and leashed when outside and purchase an additional \$50,000 in liability insurance. Lisa Schaar is willing to make sure that he is leashed and is not happy about using a muzzle. Terry Schaar stated that if you do not have a vicious dog, if you use a muzzle on them, you will create a vicious dog. Martin stated that when he hears about dogs on the news that attack people, the people say he was the nicest dog and they had no clue, and all of a sudden it happens. Terry Schaar states he knows what a vicious dog is. A vicious dog causes much more damage with scars and plastic surgery and all kinds of medical treatments. This dog if he did lay a seven inch laceration on the arm, he could have taken the whole arm and why didn't he, because he is smart. Mayor Ferrazzano states the ordinance does not state what type of bite it has to be and you could say there are no puncture wounds, but what caused the scratch, a tooth? Some people would say that is a bite because when a tooth in your mouth causes a scratch and it does not state in the ordinance that he has to be a puncture wound, or scratch, it just says bite. If they look at the strict interpretation of what that ordinance says, would you agree there was a bite? Snyder said again they are splitting hairs, what is a bite and what is a scratch? Mayor Ferrazzano states that it does not make a distinction. If there is a scratch on an arm that is not covered, but a bite or tooth through a pair of jeans. He asked if that was a bite of some kind? First they have to determine if there was a bite and then determine if it was unprovoked or not. Chalmers asked the witnesses if when they saw what was going on they could hear anything. Knoblauch stated they could not. The dog did not appear to be barking. Chalmers asked if they saw the dog come in contact with Amanda. Knoblauch did not see the dog come in contact with her, but saw her arm go down and he was running out of the garage towards her. In the next breath, Jenna was there. She did not see if the dog bit her or scratched her. Mayor Ferrazzano asked if Amanda was in the Schaars' yard when she saw the dog running at her. Knoblauch said she was in Buck's yard on the grass. Waters stated that since the first incident last year, his daughter has not delivered papers to the Schaars' and they pass by that house on the street. Peterson stated that if she was feeding the dog treats before, what made her quit? Waters stated that the dog started barking at her and she got nervous because the dog came at her. Mayor Ferrazzano did not feel that criteria one of the ordinance does not fit this dog. Mayor Ferrazzano feels that they are possibly dealing with criteria two or three as it did not happen on the owner's property. Chalmers stated they need to ask themselves if it was completely unprovoked or was feeding the treats and establishing some expectation provoked. Waters stated that he was not given treats since October or November of last year, so if the dog learned in a short period of time, that he was going to get treats, then he should learn in a short period of time that he is not going to get treats also. Schaar said they are not humans, they are dogs. Waters stated that Schaar said they are smart also. Schaar stated that they are. Schaar stated that is the way it is in the real world and he does not know what world Waters is in. Nielsen told Schaar that he does not need to be making those types of comments. Paul Knoblauch stated that he cannot see that this is a vicious dog. The Schwan's man is around and he has never see Ali bark or run after him. He has not bothered the Fed Ex, UPS or meter readers that come by. Chalmers asked if he has seen the dog interact with other children. Knoblauch stated that they have friends from school come to the house and the dog is sitting by the tree and the dog would not even acknowledge them. He said is a very calm dog. Enderson asked that whether the dog is vicious or not vicious, they are not denying that this incident happened. Mayor Ferrazzano stated there is an injury and they need to decide if the injury was provoked or unprovoked. Chalmers stated that if the bite is unprovoked, then the law is the law and the only question is, was it provoked or unprovoked. Mayor Ferrazzano is not ready to say that even though there was no puncture wound, therefore it does not mean a bite. Chalmers stated that his experience with the dog when he has walked his dogs by there, the dog lies in the yard and does not seem to respond. But as with Martin's comment, it only takes that one time. Stobb stated Scharrs have given some assurances that it is not going to happen again and the dog will be leashed when outside by himself. Enderson stated they have taken steps, they have a kennel and leashed when outside.

Chief Hillger stated this is not a "Let's Make a Deal" hearing. Either the dog is vicious or he is not vicious. Mayor Ferrazzano stated that the ordinance does not state that if assurances are made that

it will not happen again, it will not be designated as a vicious dog. Enderson felt that every dog has a tendency to pounce on someone. Chalmers stated that part of the concern he has is what we decide here establishes a precedence that this could apply to half the dogs in town. Enderson said he is not trying to make light of what happened. Chalmers said the ordinance does not state a bite of “x” degree of magnitude, it just says bite. The medical report states there was a bite. Mrs. Waters stated that they have pictures that she could e-mail to the Council. Mayor Ferrazzano stated that they can do what judges often do, they can take this under advisement and give an order later. The ordinance states that an order has to be given within three days. Mayor Ferrazzano asked if the Council would like to see the pictures. If it does matter then they should be e-mailed to the Council and if it does not matter then they can decide now. Lisa Schaar stated that they had asked for the pictures seven days ago. When they asked for the hospital report, they specifically stated they would like pictures. Mrs. Waters stated they took pictures at the hospital and at home. Schaar stated they were told there were no pictures. Mayor Ferrazzano asked Waters’ to also provide copies of the pictures to the Schaaers’. Mayor Ferrazzano stated that personally he would like to see the pictures. Nielsen asked if they were having a special Council meeting after viewing of the pictures. Mayor Ferrazzano felt that before making an informed decision they should have all the evidence, so if there are pictures, it would be nice to see what it looks like. Koopman suggested that they could continue the hearing at the next Council meeting at which time they could provide pictures and the Council could make a decision. Stobb stated that his dog’s tooth left a scar on his hand, but he was playing with her. Thirty-four years teaching school he saw kids hurt one another playing together. If Ali was playing, the dog did not know that Amanda was not playing. Neighbors are saying it is not a vicious dog based on what they have seen over the years. He is not sure he is convinced this is a vicious dog, and not sure looking at pictures will tell him one way or the other. Mayor Ferrazzano asked that in terms of what they have to work with, would you say there was a bite. Stobb stated the skin was broken. Mayor Ferrazzano asked if he felt it was unprovoked. Chalmers stated that is the part they do not know. Stobb stated that he has not been given any evidence that it was provoked. Getting treats in the past, a dog can remember that. Chalmers agrees with Stobb in that he does not know what difference pictures would make. The medical report states there is a one centimeter scratch on the forearm and an abrasion on the buttock. Waters stated the puncture wound was on her arm and the scratch from a tooth or claw that had to go through two layers of cloth. He stated that his daughter stated that he bit as she turned around and was facing away from the dog and it bit her. Chalmers felt they were all in agreement there was a bite. Does it make a difference if it looked like the dog took out a chunk or just a scratch. Mayor Ferrazzano stated that some would say this is playful and not vicious, therefore they do not feel that this applies. What type of bite it is does matter to some. Chalmers stated the only thing they know for sure, is there was a bite and to meet the other part of what the ordinance says if the bite was unprovoked. Peterson asked Chief Hillger if his grandson is in the yard and a dog comes up to him and bites him, the grandson probably caused it by throwing a rock at it or whatever, and he calls the police, would there be any call for claiming doing an investigation and claiming the dog was vicious. Peterson stated that is kind of hard for him to get a grip on this. If you have any fear, the dog will figure that out. Nielsen stated that what Peterson has described, the dog was provoked. Peterson stated the point he is trying to make is, if a dog bites someone, it needs to be called in right away and not put up with it a couple times and then call it in. Chief Hillger stated he was going by the ordinance and not whether the dog is playful or not. There may be some truth to the animal having something against this person or having some type of relationship with this girl that cannot be explained. Dogs are like people, they have a dislike for somebody and like somebody else. Even with the vicious dog designation, there is not a requirement to get rid of the dog. Peterson stated that if they rule this as a vicious dog and the dog winds up in the same situation ten to twelve months down the road, what happens next. Chief Hillger stated it would then be a case for Nielsen in court. Mayor Ferrazzano asked if the ordinance indicated that once there is a ruling of a vicious dog what happens if it would happen again. Nielsen stated that the ordinance does talk in terms of if a dog has been found vicious and the owners do not comply with the requirements that are involved, the signs, muzzling and so forth, or if the dog poses a threat of serious harm to the public. Then we are not talking about categorizing a dog as vicious as in the code. They then talk about pounding and destroying the animal at which time there are also hearing provisions. Mayor Ferrazzano questioned what happens to the property owner that does not comply with the vicious dog ruling. Nielsen stated that any person violating the ordinance could be charged with a misdemeanor. Enderson asked if any of the homeowner’s insurance coverage liability of a pet. Schaar stated that he is not buying liability for the dog, the homeowner’s should cover that. Enderson stated that if this was considered a vicious dog, would he have to purchase an additional

\$50,000 liability for that animal. Nielsen did not think the term additional was used in the city code, it states there must be proof that the owner has procured liability of at least \$50,000. He presumes that if he already has enough, they may require something from the insurance company stating that their policy has “x” dollar limits to cover biting conduct of dogs. Chief Hillger stated that he talked with an insurance man this weekend he said the insurance may cover this type of situation once and they may require that the owner get rid of the dog or they would drop the insurance. Chalmers stated with the vicious dog you are basically telling the insurance company you have something that is an additional hazard or liability to cover. Chief Hillger stated that something that should be considered if the Council decides it is not a vicious animal, are you going to assume the liability for this. If the dog does something again, the City could be considered liable. Mayor Ferrazzano did not feel that they would be liable for anything. Mayor Ferrazzano stated the motion that would need to be made would be that agreeing the dog is vicious dog according to the ordinance or accept the appeal made by the owners of the dog. Mayor Ferrazzano asked Nielsen if he could foresee that if this dog was not ruled a vicious dog and something happens in the future, that the City would be liable for not taking action today. Nielsen stated they have all heard about the coffee in the lap at McDonalds and other cases where the logic is unacceptable to normal human beings. Nielsen stated that in this case, he probably could as he looks at it in the sense that there is a law that needs to be enforced and you are not enforcing, there is a possibility that someone could say that the City did not take its responsibilities under the ordinance seriously enough and there would be some liability. Nielsen stated he cannot say to rule against these dog owners to prevent liability, but yet you need to do justice as it needs to be done in this particular case and if the bite occurred and find that the code provisions are met, that is where the duty lies. Stobb stated that he felt that Chief Hillger and the police department has done exactly the right thing, making this declaration, but tonight he is not convinced they have a vicious dog. Motion by Stobb, seconded by Snyder that this dog not be declared a vicious dog. Upon roll call the following vote was recorded with Chalmers, Enderson, Peterson, Snyder and Stobb voting aye and Martin and Mayor Ferrazzano voting nay. Motion carries. Nielsen stated that the City is required to provide that decision in writing within the appropriate time frame. Mayor Ferrazzano asked that Koopman prepare a written decision in the next three days.

Peterson stated that he did some checking and took some pictures. He stated that on the compliance orders the Council receives a little note in the packets once in a blue moon, about what residents are doing what. The pictures that he took yesterday have addresses on them and some don't, some of it is city property and some of it is private property. The only address that is pictured there that is on the compliance list are the very first two pictures and the rest are not. At the last council meeting he attempted to figure out how you go about getting on the list or not, and have discussed it with a lot of folks in town and they have pointed out properties that are not on the list. His biggest issue is there is no communication other a “fine howdy-do in the mail” that says here is your list, get it done. If law enforcement pulls you over if you speed and asks what your plan is, where you going, what you're doing and they communicate with you, they do not just send you a letter. Since he has been in the situation he has not said anything up until right now other than trying to do some research. Peterson feels they are “cherry-picking” the ordinance and not applying it fairly across the board and there is “none or damn little” communication from the City to anybody on the list. With all that being said, he would like to make a motion that they cease and desist on all legal actions on any compliance orders until each case has been reviewed by the Council. This motion was seconded by Enderson. Enderson stated that he also was called to court with some houses and was surprised when he had to report to court on two of the houses he was working on. But instead of anybody talking to him, he gets a summons to appear in court. He went to court and there were other Tracy residents there in court about their properties. Mayor Ferrazzano asked that before you get to that point, did they get a letter from Daniels telling them what they need to fix. Enderson said he did. Mayor Ferrazzano stated there is communication. Chalmers stated he is not sure what the expectation is here, if after the letter is received, someone is supposed to follow up with you and ask how you are doing. Enderson stated that no one followed up with him after he received the compliance letter. Chalmers is asking what the expectations are, is that after someone gives you a letter, someone is going to follow up and ask how you are coming with it. Enderson asked if they did not think they should. Mayor Ferrazzano felt that it is on the property owner like some of those residents that have asked for extensions and needs more time. The Council has always been receptive to that. If you sit by and do nothing for months and then do not ask the Council for an extension. Enderson said that he did not sit and do nothing. Mayor Ferrazzano asked Enderson if

he came and asked for an extension like others have done. Enderson said that he did not, but kept working on it. Mayor Ferrazzano stated that if he knew he could not finish in the time that was allowed, he could have come to the Council and asked for more time. Peterson asked why there are other properties that are not on the compliance list. Peterson wanted to know why the City is not complaint with their property. The other properties pointed out by the citizens and asked if they were on the list and they are not on the list and the citizens are wondering why. Mayor Ferrazzano stated that if what Peterson is saying is, that the Council has to approve whether the case goes to court or not. Enderson answered, "right". Mayor Ferrazzano asked then if they were going to take that for every single criminal case that comes in town. Will they have the city prosecutor come in and talk with the Council before he prosecutes a DWI. If they are going to make the prosecutor come and talk to the Council before any case goes to court, it is not going to end with compliance violations. Peterson said if you get pulled over for a DWI you get read your rights and charged and you know what is going on. You get a letter in the mail, you are aware of what is going on and what is expected of you. The same thing with speeding tickets and other offenses. Peterson stated they were doing just fine and getting properties cleaned up before this ordinance and if there is such an importance on this ordinance, why aren't these properties on the list. Peterson stated that he went and got a building permit and part of his compliance ordinance was the north side of his house. After he got the permit, he shingled the north portion of his house. At 8:00 a.m. on Monday morning he got a visit that he did not have a permit to do that. K. Christians then told the Council that when residents come in for a permit the office staff does not know what the resident plans to put on the permit. Peterson stated that his argument is that if he goes and does the work and nobody has said anything to him and then after he does it they ask for a permit. K. Christians said that was not on the permit. Peterson stated that he did some work, what was on the compliance and no one had talked to him for four months and now they are running down there "Johnny on the spot". K. Christians felt that where people are getting confused, they feel the compliance order and permit are same thing and they are not. The permit only gives permission to work. It has nothing to do with the compliance. Chalmers asked for help in understanding of his motion that all compliance orders that have proceeded the court or pending going to court be ceased or in the future be ceased. Peterson stated that all of them. He feels it is not a good way to treat the citizens of the community, by just sending a letter in the mail. Another letter example that he got complaints on from people is "we seen you blowing grass on your curb this week and if you do that again, we are going to do this." Peterson stated that all he got was a letter in the mail in March that stated he had six months to do his house. Peterson stated that he has been working on his house since he bought it and does not need the City telling him what he needs to do on his house. Chalmers asked Nielsen once the compliance order has been referred to court can the Council even do anything on that. Nielsen stated that as a prosecutor, he does not feel that it is appropriate for an elected body to tell him that he should not prosecute a case and he is not trying to sound like he knows everything or that he is a lawyer and what he says, goes. He is stating this from terms of selective prosecution. The law is pretty clear that when elected bodies are saying who gets prosecuted and who does not, that is a strong factor indicating selective prosecution, because the Council would be using non-legal factors to decide who gets crapped on and who does not. He is not amenable to be instructed on, especially pending cases, but he should not go ahead and do that. That is his job to decide that. Nielsen does not want to jeopardize cases and go into court and have someone say, "you only prosecuted me because the City Council said you should". He cannot defend that from a selective prosecution stance. That person may be as guilty as they can possibly be, but if they were picked on especially because an elected body said they would authorize a prosecution against them, the judge will dismiss that case. Nielsen stated that is the delineation between the powers of the City Council and prosecuting cases. Peterson asked how that differs from the Council identify a building as condemned so they can take it down and then the Council has to vote on it. Nielsen stated that it is not a criminal case and the prosecution has no bearing on non-criminal cases. There is a specific statute in a hazardous building case that is the City Council's job. There are no statutes or court rules anywhere that says it is the City Council's job to instruct the police, prosecutors or the court who they should prosecute. Peterson asked who picks the arbitrary times for someone to get something done on their house. Peterson said he has been trying to find out who pulls the trigger on getting a property on the list in the first place and have not gotten to that point yet. Nielsen did not think they were arbitrary and does not know the answer to that question and he does not pick them. He believes it is the city building inspector who looks at the nature of the work as he sees it and how much time it would fairly take to repair that defect and sets that time. He knows that if he is short on that time, the person will ask for more time, either from him or the City Council through

the appeal process. Chalmers asked if there was an appeal process in place for the compliance order. The compliance order specifically states on there that there is a right of appeal that includes pertinent provisions from the City as to how the appeal can be taken. Mayor Ferrazzano felt the Council has been reasonable when someone makes a request that they need more time. Mayor Ferrazzano stated that a previous motion was made to stop the prosecutions for these compliance violations until they are reviewed by the City Council. Martin asked Peterson and Enderson if they requested more time to get the work done. Peterson stated that he was under the impression that he did not have to and when Daniels came to his property on July 2 and looked it over and proved to him that he did not have rotted OSB and knew what he was doing. He told Daniels that he knew he was in the middle, and he hated for him to be in the middle and just go back and tell them, that he would have it done. Daniels stated at that time, "okay". Peterson stated that it is done but was not done July 1. Peterson stated that everything in his order is done. Stobb agreed that Peterson's house is looking much better, but doesn't the maintenance code also pertain to having side or weather proofing material. Peterson stated that he watched a house south of town sitting in Ty-Vek for more than a year.

John Coulter commented that Tracy has been his home and after recently losing a daughter, he stated that the way Tracy responded to his daughter her whole life is incredible. He does not like to see the people of Tracy quarreling about these things in these economic times and in times when people seem to mistrust government at all levels. As a neighbor, he is delighted with what the Peterson's have done and have turned that house into a showplace. He does not like to see people quarreling about such things. If there is something the City Council needs, maybe someone could go talk to them. His son mowed the lawn and John knows you are not to put clippings off the curb, but he was mowing and three days later he got a letter. He was guilty, just come and talk to him. He is out of town a lot with his business, but he loves this town and does not want to see people quarreling especially when the Peterson's have spent a ton of money. John stated that Kurt has worked hard on his properties. Go talk to people and then if you need to put the hammer down, do it. Maybe those duties need to be divided up. People have a combative attitude towards government right now and the more this is pushed, the more people are going to stand up.

Peterson would like to know who is putting the properties on the list. Stobb stated that the ordinance states that whenever the compliance official determines that any structure or part thereof. It is the compliance officer who is the building inspector. Peterson asked why he wrote everything he had on the back of a neighbor complaint. Are the compliance inspections being done based on neighbors complaining? Peterson stated that in his court papers, there is a letter from a neighbor complaining about the way his house looked and on the back side of that letter, Daniels had hand written notes for the compliance order. Is it the neighbor that gets to complain and send the compliance orders out or where is the trigger? Stobb stated that he has no idea under what conditions Daniels wrote his notes. Peterson stated that he did not go after any extensions because he and Stobb had the phone conversation of how people think that you are on the Council, you have special privileges. Stobb stated that he come down to his office. Peterson stated they talked on the phone in March 2009 before he got the compliance orders about a neighbor calling Stobb to complain about Peterson's house. Stobb stated the first time was a little over a year ago, because at that point he was hopeful to get the dumpster out of his yard before the snow. Peterson assured Stobb at that point that he was going to be talking with the neighbor. Peterson stated it is hard to talk with someone that will not look you in the eye. Peterson stated he tried. Martin told Peterson that his place is looking nice and obviously making work on it and when he saw him in court that one day, and could not believe that he was going to court. Martin stated the responsibility is on the homeowner to ask for more time and that is what he cannot get passed right there. If there is a letter in black and white that gives a deadline, and he has seen people come in and get extensions. Martin states that additional time is granted, it is easy. Mayor Ferrazzano does not agree with the motion as it sets precedence for the Council to review every single case the attorney is going to bring. This would be no different than someone that gets a speeding ticket and someone else does not get one, to say he was going 40 and how come he did not get a ticket? Stobb felt it is bringing politics into a decision that should not be political. Peterson asked if the decision to put the residents on the list wasn't a political one? Stobb answered that it was not to his knowledge. Peterson said it is not to anyone's knowledge because he cannot find out who pulled the trigger on it. Peggy Peterson said that someone had to give Daniels the complaint letter to come to their house. Stobb felt it was sent to city offices and then was given to Daniels. P. Peterson stated that she thought none of the ordinances they have were supposed to pit a neighbor against a neighbor. Mayor Ferrazzano stated then the alternative would

be if there is a complaint from a neighbor, you throw it away because you don't want to start a fight.

Upon roll call the following vote was recorded regarding the previous motion with Chalmers, Martin, Snyder, Stobb and Mayor Ferrazzano voting nay and Peterson and Enderson voting aye. Motion fails.

Motion by Chalmers, seconded by Peterson to adopt a resolution approving Hospital Renovation Pay Request from Kue Construction in the amount of \$42,528. All voted in favor of the motion. (Res. No. 2009-40)

The Consent Calendar included the Municipal Accounts Payable and Firemen's Relief Association minutes for October 5, 2009. Peterson had a question regarding the 200 State Street curb repair. Robinson stated the property owner made arrangements to have Swish's fix his curb stop and then the property owner made arrangements with Koopman to reimburse the city for those repairs. Peterson asked about the computer for Spence and if there was something wrong with his computer, or was it replaced because it was put in the budget to replace it. Koopman stated that it was due for replacement and did not know if there was anything wrong with it. Peterson asked what the City is using to decide when something gets replaced. Koopman stated that she would have to ask Spencer and he determines when they get replaced and if they would like she could have him come to the next Council meeting or have him do a Memo. Stobb stated that it was on the Capital Expenditure list. Peterson asked what they are doing with the old ones. Robinson stated the old computers go out to Public Works for use. Motion by Chalmers, seconded by Stobb to approve the Consent Calendar. All voted in favor of the motion.

Stobb asked how labor negotiations were proceeding. Peterson said that they are waiting for some verbiage changes. Koopman said that with LELS there has not been anything finalized yet. They have reached an agreement with ACSME.

Peterson stated that someone talked with him about monuments lying over for a year or longer and why they are not being fixed. Koopman said they do not have the money right and they had reduced the cemetery's budget by a \$1000 with the groundskeeper and the superintendent each being cut \$500 in their compensation. Peterson stated there is \$10,000 in the Cemetery Memorial Fund. Koopman said there is only about \$3,000 or \$4,000. Koopman stated that may be what was budgeted, but that is not what the bank balance is. Peterson stated the Operating Fund had \$23,500. Koopman stated that is not the bank balance, that is the budget. Martin asked what is involved in tipping up a monument. Koopman stated they usually need to redo the foundation. It depends on the size of the monument and they may have to have the monument company come in and lift or remove the stone so it could be reset. Koopman stated these monuments are old. She stated that Holm has them identified. They are going to look at increasing maintenance fees to try to generate more revenue. Enderson stated there is some concern about the road washing out. Martin asked if this is a specialized task to fix these monuments or could a group of community volunteers come and do it. Chalmers asked where the bulk of expense is. Robinson stated it is a combination of machinery and labor. Sometimes they need to be glued back together. Mayor Ferrazzano suggested that maybe the Council members could volunteer to fix up the cemetery and step up to the plate. Nielsen stated that another organization that could help is 4-H groups that have worked on other cemeteries. Mayor Ferrazzano said they could check the ones that they do not need heavy equipment for and go out there and fix them. Stobb stated the cemetery got a donation for some trees. Koopman stated that Elaine Bicek was very generous.

Motion by Snyder, seconded by Chalmers to adjourn the meeting at 8:25 p.m. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**ASSESSMENT HEARING**  
**November 16, 2009**

A special assessment hearing was called to order at 6:30 p.m. Monday, November 16, 2009 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.

This assessment hearing is on the proposed assessment for the 2009 Street Improvement project consisting of the 8<sup>th</sup> Street between South Street and Highway 14, 2<sup>nd</sup> Street between Morgan and Rowland and the alley from 3<sup>rd</sup> and 4<sup>th</sup> Street between Morgan and South Streets, by the installation of curb and gutter, bituminous surfacing, groundwater interceptor and other appurtenant items.

Scott LaVoy from SEH stated he was the on-site inspector for the project this summer. He said the assessment values on the hand-out are different than what the residents had received in the mail. There was an error in the sidewalk assessment and since then have corrected that issue. He briefly explained how the costs were arrived at. The curb and gutter cost is a front footage price for total removal and replacement of the curb and gutter divided by each properties front footage. The footages were supplied by the City from the property descriptions. The driveway costs was based on a square yard price and involved removing and replacing the driveways. Sidewalk costs were based on front footage price to cover the cost of removing and replacing the entire sidewalk. That was only charged to the residents that had public sidewalk abutting their property. If there was no public sidewalk, there was no charge. The groundwater interceptor cost was based on a flat fee per property owner with access. LaVoy explained the groundwater interceptor was a six inch tile that runs along side the street and access is if it runs in front of your house then you are charged this fee. The cost was determined by the total cost being divided by the total number of accessible properties. Sump pump service line is constructed with two inch PVC extending into the residents yard. The service line cost is based on \$6.00 per foot for installation. Street cost is based on front footage and this is to cover the total cost of asphalt, sand, gravel and basically everything other than curb and gutter. This is assessed at 25% of the total cost divided by the total front footage. The last item is the administrative cost and that is 25% of the total cost of the engineering fees, legal fees, fiscal fees and administrative fees divided by the total number of property owners on the project.

Wade Rasmussen, 285 8<sup>th</sup> Street stated that he was charged a sidewalk cost when nothing was done to it. LaVoy stated that sidewalk was by the front footage and if he has access to sidewalk in front of his house, regardless if he had work done or not, he was charged because he has access. Rasmussen asked if he took it out himself, he could take it to the dump for free as it is in bad disrepair. He stated that when the contractors ran over it with some of their heavy equipment, they made it worse. Rasmussen stated that nothing was done to his sidewalk and does not feel that he should have to pay for something done to someone else's sidewalk. Chalmers stated he does not understand the part about spreading it out when there is no sidewalk cost for those that do not have sidewalk. LaVoy stated this is how the City ordinance is written that anytime there is any sidewalk work done on a project, it is assessed 25% of the total cost distributed to residents that have property abutting where the sidewalk is. Koopman stated the ordinance is written that it is 25% of the cost to the abutting property. The question would be did they actually have the sidewalk replaced or not. She understands what Wade is saying and feels it is a legitimate concern. If nothing was done to his sidewalk, it is difficult to justify charging him for any improvement.

Steve Robinson from SEH stated that as they understand the assessment policy the City has, it is to maintain the sidewalk to the length of the block. To continue that, if your neighbor's sidewalk is replaced because they had to come in to run a sub-service line or repair a driveway or something, that is a benefit that everyone that has sidewalk shares in. That is how they interpreted the City's ordinance as far as sidewalk repair, so that you are not saddling the individuals that just had the repair done. You are sharing that cost among everyone that receives the benefit of having a sidewalk in front of their residences. Martin thought sidewalks were a community asset because it is easier for people passing through your property to deal with it. Mayor Ferrazzano stated it is up to the Council if people are assessed this cost.

Richard Regier, 360 8<sup>th</sup> Street, stated that his driveway was assessed 22.8 feet and he asked if that was the concrete and gravel. LaVoy stated that he did not get assessed for gravel as that would be

part of the street cost and his driveway was 22.8 square yards. Regier stated the 5.1% interest seems high for municipal interest. At the lake when the sewer was installed they paid 3.1%. Koopman stated the bonds were sold at an interest rate of 3.781% and the policy of the City is to add 1% above what the bonds are sold for equally a total interest rate of 4.781%..

Judy Wilson, 248 8<sup>th</sup> Street, stated their assessment went up about \$100 from what they were previously told and was wondering how this was determined. LaVoy stated this was a typo and they would be sending out new notices. Wilson also asked when street work is paid by the taxpayers and when is it charged to the citizens. Koopman stated they have an assessment ordinance that has been in place since 1976. The assessment policy of the City is curb and gutter than is over 30 years old is assessed at 100% and if less than 30 years old it is a prorated amount. Street work is assessed at 25% and the City picks up 75% of that. The groundwater interceptor is a new improvement the City is required to put in according to the MPCA and that the service lines are assessed at 100% and the six inch PVC used for dual purpose to collect the water from basements and also to drain the street and this is assessed at 25%. This is an assessment policy that is adopted by ordinance. Wilson asked if the street was torn up to put in the new water system. LaVoy stated there was a storm sewer put in along 8<sup>th</sup> Street by Lyon County a number of years ago and it had settled badly and there were some bad drainage issues. Lyon County did pay part of that cost. Wilson asked what you do if the person assessed is not able to pay the cost. Koopman stated there is a Senior Citizen deferment. This assessment is spread over a 15 year period and there will be interest at a rate of 4.781% applied to that assessment. Wilson asked if you do not want to pay it through the assessment how you would go about paying it. Koopman stated that if you want to pay it in full they will be sending out notices and it will detail how to pay it without interest if paid within 30 days. Steve Robinson stated that deterioration of the street is what prompted the project and Lyon County did contribute to the cost. Robinson stated they were under no obligation to pay anything and there were several meetings with County and through discussion they did come back and stated they would contribute. They had the option of covering the settled area with bituminous to smooth it out and given that option they had offered around \$20,000 to contribute to the repair. The city had the option of accepting that or they would fill in the settled area. Robinson stated that since the street was going to be torn up, they added a couple valves and hydrant was installed but no main line work done.

Mayor Ferrazzano felt that they should revisit about who got assessed for sidewalk costs and did not have anything done. Stobb stated that on one hand he sees the logic of the way the City ordinance is written that if you have a sidewalk and it continues to someone else, it is part of one system. On the other hand it does not see totally just. Koopman stated that it is a matter of interpretation. Mayor Ferrazzano feels that it should be interpreted that if no work is done on the sidewalk, that you do not have to pay for it. Nielsen said that to be consistent with whatever the past policy has been. People in the past were assessed or not assessed under the old policy and to change it now would be inequitable also. Mayor Ferrazzano said he understands that but to continue a policy that is not right in the first place does not make it right by continuing to do it. Nielsen asked why it isn't right though. Mayor Ferrazzano felt to him that it did not make sense that you should have to pay for an improvement you did not get. Nielsen stated that if you look at it in the sense of a sewer system does run by your house, but it is down the street and it services your property, it is main sewer line you are assessed to pay part of that even though you are not an adjoining property owner because you benefit from it. He states this logic is that the sidewalk system is a system and whether it abuts your property or not, if there is a benefit to you from it, you are part of the system and should pay for the system cost. Mayor Ferrazzano would agree with that if the defective parts of the sidewalk were all taken out and all replaced. It seems in this case some sections were replaced and others were left bad. The ones that are bad, you are saying that if you walk down a few feet to a new section, you are benefitting from this. It would make more logical sense if all the sidewalks were all replaced and everyone pays. Nielsen stated that all new sidewalks it has to be that way and cannot be done partial. Mayor Ferrazzano asked if there was a way to determine on the assessment roll who actually had sidewalk work done. LaVoy stated that he has those measurements. Martin stated that those that did have sidewalk work done will boost their bill by thousands of dollars. LaVoy stated that the Methodist Church for example, has a substantial amount of sidewalk replaced, not because they needed to but because the new street and gutter grade required them to in order for the sidewalk to have proper drainage on it. Their assessment would increase substantially. Mayor Ferrazzano asked how many of the properties on 8<sup>th</sup> Street had their sidewalk replaced. LaVoy estimated it to be about 40%. Martin feels that sidewalk is a benefit to the people that live on that property and a benefit to the people passing through. He feels that everyone getting charged gets assessed and not just anyone that does have sidewalk. Martin feels it is a community asset. S. Robinson stated that the City is

paying for 75% of the sidewalk cost. Nielsen asked LaVoy to explain further about the Methodist Church because they sidewalk did not need to be replaced due to deterioration, but was replaced for other reasons. LaVoy explained that when the streets are designed, they try to improve the grading for better drainage. Nielsen states that benefits not only the street but theoretically all the people in that area. LaVoy stated that if their sidewalk was in good repair prior to the project beginning and the grade needed to be changed on the street, the sidewalk needs to be removed to match in with the grade on the street. Mayor Ferrazzano asked if it improved drainage for property owners that did not have their sidewalk removed. LaVoy stated by re-grading the street they would. With the Methodist Church, their sidewalk would not have matched with the front of the curb and gutter. S. Robinson stated that on 8<sup>th</sup> Street they only replaced the sidewalk where they had to dig through it. Mayor Ferrazzano asked for thoughts on this as he understands spreading out the cost but in a sense, if someone has a sidewalk that is falling apart in front of their house, but they are assessed for a newer section down the block, that does not make sense to him. Chalmers agrees that it does not make sense, but at the same time, it sounds like the way the ordinance is written today. Peterson said you could argue the people at the end of 8<sup>th</sup> Street that did not have any sidewalk, except for one little spot should not be assessed at all and this can be argued from both sides. Mayor Ferrazzano asked that if they do not assess the people for sidewalk that did not have anything done, is there another way to spread that assessment out so that only a certain number of residents are not assessed the whole cost. Koopman stated the City would absorb that additional cost and it would not be assessed. If you are going to spread that cost over a limited number of residents instead of the whole project, those assessments are going to increase substantially. The only way to avoid that happening would be the City to absorb more than they are currently absorbing. Mayor Ferrazzano would like to see how many of the residents had work done on their sidewalk and then seeing what the cost would be eliminated how much would have to be absorbed by the City. Peterson remembers there was a little over \$3,000 in the Sidewalk Fund that was moved and put in another fund. There is a total sidewalk cost of \$3,071.74 in sidewalk cost for this project, if that was paid with the money from the sidewalk fund and then review the ordinance and assessing sidewalk repairs in the future so it is equitable to everyone in the future. Mayor Ferrazzano stated that if 40% of the people listed are going to have improvements, the worse case scenario would be about \$3,000. The remaining balance would not be a large amount for the City to absorb.

Nielsen stated that residents were talking about removing sidewalks and the City code does not allow individual property owners to remove their sidewalk unless the City Council approves it. Chalmers questioned then that the people that did not have anything done, the City would then absorb the assessment cost. Stobb asked if there was still money in the contingency fund to cover this amount. Koopman said that would depend on the cost of the fire hall parking lot. Koopman feels that Peterson made a worthwhile suggestion as a way to resolve the concern and not have to completely redo the prior assessment roll. Chalmers stated that his major concern was raising some of the assessment amounts for some of the residents. Mayor Ferrazzano said if this issue would come up again within a specific block, if some is going to be repaired, the whole segment of sidewalk should be repaired and they can see why they got assessed for it.

Motion by Chalmers, seconded by Stobb to assess the sidewalk repair cost to those residents who had repairs done to their sidewalk and those residents that did not have any repair to their sidewalk not be assessed any of the cost. The City will absorb the cost difference. All voted in favor of the motion. Koopman will get the list of names not involved from LaVoy and notices will be sent.

Motion by Peterson, seconded by Chalmers to adopt a resolution adopting assessment for the 2009 Street Improvement Project as amended as far as the sidewalk assessments. All voted in favor of the motion. (Res. No. 2009-40-A)

Motion by Enderson, seconded by Peterson to adjourn the assessment hearing at 7:10 p.m. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**November 23, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 23, 2009 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.

The Pledge of Allegiance was given to the flag.

Minutes from the November 9, 2009 City Council Meeting will be included on the next agenda.

Deletions to the agenda included 7-B Senior Citizen Special Assessment Deferment and 10-A Municipal Accounts Payable. Motion by Peterson, seconded by Chalmers to approve the agenda as revised. All voted in favor of the motion.

Mayor Ferrazzano asked if there was anyone that had any issues they would like to present for Public Comment.

Peggy Peterson stated that she spent part of today in court with her husband and he was found guilty of an ordinance violation. She wanted to say that it stated that July 1, 2009 the order needed to be complete and they were not sure because according to the one letter it said it was not completely done, but according to Nielsen he wanted everything done. In another case it was dismissed at court, just let it go and gave the person till next June. Nielsen: "you are mistaken Ma'am, of course." Peterson: "I am speaking". Nielsen: "You're mistaken." Peterson: "I do not think so." Nielsen: "I know you are." Peterson has heard that because of her Letter to the Editor that she is making Tracy look bad or that this whole ordeal is making Tracy look bad. Her comment was that it started the day Koopman sent Daniels to her house. It was March. She asked who is going to be out fixing their house in March. Peterson stated they have worked on their house every single year and not like they are slum lords and have not done a thing at their place and Daniels is sent to their house to write them up for stuff that they could not fix till spring came. It was stated that there was no need for communication, the letter they received in the mail was communication, and guess what, it is not. The judge even said today it was a shame there was no more communication between the City and its people. Peterson stated they tried to communicate and they were shut down at the last meeting. She stated that she is not a happy camper and she is not going to stay quiet. She stated that this is their home and they have been working hard on it and it may not be getting done as fast as everyone wants, so be it. She keeps hearing that they live in a high traffic area and have lived there for eleven years and now it is an issue because their house is not done. She stated that they have been working on it for four years. She asked why it is an issue now all of a sudden. Was it because the neighbor complained? She does not understand why, with the size of Tracy, why Koopman could not have directed Daniels to come and talk to these people or why couldn't Audrey herself come and talk to them. She drives by their house everyday and has seen them outside for the past four years working in the summer. They are not letting them fall down around their ears. Peterson says there have not been any complaints before. Stobb stated that is not totally true. Peterson stated the same guy has complained twice or three times maybe. He is the one with the toilet in the yard. He can have a toilet and rotten siding because he is a renter and that does not matter. This is just not about the city here. Peterson stated you are talking about families, how they do things and how they can afford to do things. She stated that if they could afford to have their whole house done in a year, they would have had it done. Peterson does not feel the City is giving the residents any options and not helping anybody. Taking them to court is not going to get their house done any faster and not make them run out and get a loan they cannot afford to get the house done because the City wants that corner to look nice. Peterson stated that she had approached Koopman years ago when there was money for people downtown to fix up the downtown and asked why they were not hitting the people on the highway. She was told that she was in a high income area and they did not qualify for any of that money. Within a City area, not everyone in that area has the same income. Peterson just wanted to say that since now they know that Daniels is the one that makes these decisions, the people in the future will know who to go through but she hopes it is clarified that either all the work needs to be done or part of the work needs to be done and not on who interprets it.

Mayor Ferrazzano stated they might as well discuss this issue now since he had it placed on the agenda. Mayor Ferrazzano stated that he would not want anyone to think that they could not say anything. He told Peterson that if she feels that she wants to not keep quiet about this that is fine. She has to do what she has to do. He feels that some of the things procedurally, have to be looked at. It is not just simply a neighbor making a complaint. This started back in 2007 and 2008 when Western Community Action did a windshield survey. That was to identify homes in need or repair and the building inspector at that time, which was not Daniels, would go and look at those homes identified. This process was started well before then. Mayor Ferrazzano said the second thing is about not having communication. He stated that there have been a number of residents that have come to the Council and stated that they had received and notice and needed more time. If someone would come and say that they could not get it done within the time period because of financial concerns, he would completely understand. If they are saying the City is not communicating with someone, the City does not know to communicate until they come and ask the Council. Because of all the residents that get compliance notices, is the Council supposed to contact each of them and ask how they are doing on their order. Peterson feels they should. Mayor Ferrazzano did not think so because he does not know that someone has a problem unless they present it to the Council. He said it was unfortunate in their situation that this issue comes at a forefront while they are going to court. Had the Council known about this prior to any court action, then maybe something could have been done. Mayor Ferrazzano stated that he completely understands if someone gets a list of things they need to improve on their house and financially cannot do it, he could understand that. But unless someone says something to the Council, how can the Council know that? They don't. Mayor Ferrazzano stated the other thing is that whether or not with the letters that Peterson and her daughter-in-law wrote, whether they intended to put Tracy in bad light or not, he does not know what their motives were. If it is to bring to the forefront an issue that is fine, because they have every right to do that. But to give people the impression that the Council does not communicate and are unresponsive to people's concerns is inaccurate. In her letter she indicated how easy it is to press a reply button, but the things she failed to mention is that he talked to her on the phone on November 2 and he talked to Tony Peterson the following day before he went to court. Technically that is not returning an e-mail, but that certainly is discussing the issues that she presented in an e-mail to him. To give people the impression that someone would contact the Council and they would totally disregard what was said is inaccurate. Procedurally there has to be a two way street with communication because it can not be anticipated if someone is going to have a problem with the compliance unless they come to the Council prior to having to go to court. Mayor Ferrazzano does not think it is Daniel's decision who goes to court, ultimately it is the City Attorney's decision who goes to court. Mayor Ferrazzano certainly does not want the Council to decide who goes to court and who doesn't. If they were to decide who goes to court and who doesn't with compliance cases then who is to say they shouldn't be involved in every other thing that goes to court on behalf of the City of Tracy. He does not want to do that and that is why they have a City Attorney. Those are the points that he wanted to make and he told P. Peterson there is no reason she has to be quiet about anything, if something bothers her, say it. But then people have a chance to respond to things that are brought up. Peterson asked that it could not be stopped after the first two times they went to court and it could not be stopped before they went to trial. Mayor Ferrazzano stated that is something a prosecutor or attorney would decide. The Council cannot intervene in the plea negotiation process, that is not their job. That is why the City has an attorney to make those decisions on the council's behalf. Mayor Ferrazzano does not want to be involved in any plea negotiation that the City Attorney is involved in because that is not their responsibility. Peterson stated so they do not question anything he does, he can just run amuck and do whatever he wants. Mayor Ferrazzano would not say that he is running amuck, but if she wanted the council to intervene every time the City Attorney is involved in a case, that would not be appropriate. If the Council were to intervene this one time, what is to stop for every single case that he does. That is why the City has an attorney. Peterson stated she is not here to complain about her case, she is here to make sure the future cases are thought about before it gets to the court and that the communication is better. Mayor Ferrazzano stated that what he wanted people to leave with is, if they have a compliance letter and they cannot complete it within the time period specified, come to the Council and tell us. Anytime someone has done that, the Council has been responsive in extending the time periods and understands. He would understand completely if someone would come before the Council and say they could not afford the work. But unless they take that step to come in and tell the Council, they cannot anticipate that happening for particular cases unless the Council knows about it.

T. Peterson said that what he would like to see in the future, whether nuisance or compliance, is for the inspecting official to grab the property owner and inspect the property with the property owner present. Explain what is going on and then when it is time to serve the compliance notification, as it says in the ordinance, “shall be personally served on the appropriate party or”. He stated he is a simple retired GI and his regulations if it said “shall”, that is what you will do and you will bust every effort to get it done that way before you go to the “or”. You don’t automatically go to the “or”. The reason he knows it can be done is for the same reason as when he shingled the north side of his house on a Sunday, they could find him to tell him that he did not have a permit. If they can find him to tell him he needs a permit, they can come and find him to say that someone has complained and they need to look at the property, instead of impersonal notification in the mail. Peterson said that is all he is taking out of this and he thinks that everyone else should be treated that way and if they cannot be treated that way, the process needs to be improved. Mayor Ferrazzano asked if that was for the notification letter. Peterson stated that should be for the inspection and the notification letter. You cannot do a good inspection from the windshield of your pick-up. WCA proved they lose their selves on which directions as his letter from them stated that he needs to put house letters on the north side of his property. Peterson asked why he would put the address on an alley. If they are going to take this survey and spend the money for it, the Council has to be responsible enough to go back and check and make sure it is being done and not just flip a letter in the mail. Peterson said that is his pet peeve, no communication. Mayor Ferrazzano said if that is the issue to have it personally served, he does not see why that is a problem. Peterson said he does not see why it could not be done. If it was personally served on him, they could have talked about it and he would have said that this is what is going on right now, the time allowed is not sufficient and I will address it this way. He would not have had to miss three days of work and they would not have the big stink that they are having right now. Mayor Ferrazzano said to him and he does not know if it is because he is used to looking at statutes or not, but personally serving something is different than personally serving it and going through the checklist. Personally serving could be “Tony, how you doing, here you go.” Peterson wants them to sit down and explain it. Mayor Ferrazzano felt that was more than just personal service. Nielsen stated that personally serving would be sending a deputy sheriff to the house and serving it. Peterson felt it should be served by the inspecting authority. Nielsen stated that is not what the ordinance says. He told Peterson that he read the ordinance and that is what personal service means, it means having a person who is authorized to serve process come out and bring the paper to you and that is normally a deputy sheriff. Nielsen asked if he would like to have the City incur that cost in future cases for someone to basically be a delivery boy and bring papers out, who would having nothing to say about any compliance orders. Peterson stated, “he would already be there to do the damn inspection Frank.” Nielsen asked the deputy sheriff is going to do the inspection? Peterson stated, “the building inspector.” Nielsen stated the building inspector is not authorized to serve process, he cannot make personal service. Mayor Ferrazzano felt that if it is in the ordinance that way and they would like to change it, it can be put on the agenda sometime and see if it can be changed.

Enderson agrees that before it gets thrown in the courts, it should be reviewed again. Koopman stated there is an appeal process right on the notice and very clearly stated and has the timelines that puts the burden on the owner to file an appeal. That is all that is necessary. Chalmers stated that is the Council’s opportunity to review it is when the owner makes an appeal and the Council can then decide if they should be given more time or whether or not the order is even valid. Once that time period is past, then it goes to the City Attorney and at that point they determine if it is something that should go to the court. At that point it is a legal matter that the Council should not have any involvement in and that is the whole concept of separation of the legislative branch from the judicial branch. That is so you do not have the people making the laws telling the people who enforce the laws how they have to enforce them. Enderson felt it seems pretty impersonal. Mayor Ferrazzano suggested that if there is a way to put on the order ways or who people can contact for financial help with the orders. It would be helpful to have contact numbers on there that state which agencies could help them with their improvements. Koopman stated the letters sent out by Western Community Action did include that information and asked for voluntary cooperation of the property. It was a totally non-threatening letter. Enderson stated another question that was brought up, who decides which ones are going on the compliance list and why are some on the list and others are not. He stated that he has seen some that are in worse shape than some on the list. Koopman stated that on Peterson’s case, she did receive a complaint and if she receives a complaint related to a building, it will go to the building inspector and if she receives a complaint relating to a nuisance, it will go to

the police chief. That is how things are channeled. She does not select who does and does not get a notice. The other part of that is that if complaints are received, they are responded to. She states that they try to take what is considered the worst case and in some cases they are in very much disrepair and if they are allowed to continue it will just get worse. The other part is that they only have a part-time building inspector and having very limited funds, so only so many can be processed in a year's time. It does not matter if it is nuisance or whatever, there is always someone else that was not identified, and this will always happen. All we can do is try to continue to make progress and she feels that is what they have been doing with this. Chalmers asked if the whole purpose of the maintenance is not beautification and "I don't like the way your house looks", as much as it is about ensuring that properties are maintained so they don't deteriorate and suffer damage that will affect the structural integrity and safety of the property. Peterson stated that is why he made the point that you cannot tell from a windshield survey and they need to meet with the property owner and actually go and do it. What looked like a lot of rot and damage around his property actually was not. He put it up that way he did for a reason so he could let it dry from the inside out before he sealed it up and every time he took a piece off and replaced it, it was dry inside, or it would otherwise still be up. He stated that he showed that to the building inspector when he came by and did the July 2 inspection. Peterson has asked him then if he did not think about mentioning that he was not done yet with the order and the inspector answered no. Peterson was under the impression that he did not need to and not that he did not want to or try to start an argument. Koopman asked if the order gave him that impression. Peterson stated the order stated that all work will be done in compliance with the building permits and inspections. Koopman said the work was not completed and that is what prompted it to go to court. There was no communication and that is what prompted it to go the level it did. Peterson stated that when he got his permits he was under the impression that his permits would allow him to do the work in the time that is allowed by the permits. Peterson told the judge today, that was his mistake, whereas, if someone would have said, here is your paperwork and here is what is going on. Peterson stated it is not like they are doing a hundred of these a day. If he can take the time to go and look at the place, he can take the time to get out of the truck and find the property owner and go through it and listen and bring that information back. If there needs to be a compliance order, it takes but five minutes to write one up. Koopman stated it goes both ways, the property owner should assume the responsibility. Peterson felt that if you are going to impose a rule or regulation on someone, you better make sure they understand the rules and regulations. Peterson said if you are a lawyer, you understand the order and not everyone in town is a lawyer. Koopman stated the back page has the appeal process on it. Peterson said everyone is going to concentrate on what they want you to do and not "oh by the way, you can appeal." Mayor Ferrazzano suggested they revisit changing the ordinance and that may be the best way because if there is a lack of communication and he also feels it is a two way street. If there are problems, the residents need to come to the council collectively otherwise they cannot anticipate every problem. P. Peterson suggested that they take into account the time of the year. She stated that others got letters in February and they had until June 1. With the snow and rain this spring, that is not enough time and if you are going to hire it done, what are the odds of finding someone to get it done in that short of time. Mayor Ferrazzano stated whether it takes six months or eight months, in the end it gets done. P. Peterson found out today according to the judge that with their permits, they are not ending. They thought they were good for six months but if you are showing an effort and working on your home, that permit could be good for as long as you are working on your home. Nielsen stated that is a building permit, that is not a compliance order. Nielsen stated that even if they had gotten the building permit and said you needed to be done within six months, six months is next week. He asked if they are going to be done next week. Nielsen stated they would not have complied either way, they would not have complied with the compliance order as it was written and they would not have complied with it under the date they thought they had which was six months from getting the first building permit. Peterson stated that he would like Daniels to come by his house tomorrow and will inspect and find out if he is in compliance with the compliance order. Nielsen stated that Daniels does not need to come and do that, as he has already been determined to not be in compliance with the compliance order by the judge. Nielsen stated the only word that need be said at the courtroom today was "guilty" and the judge said that. Mayor Ferrazzano again stated that the only way it can be dealt with is to look at the ordinance and see if they need to change the way people are notified. Enderson felt there needs to be more communication. Mayor Ferrazzano stated there needs to be more communication both ways. If someone has a problem, do not assume everything is alright, come to the Council meeting and state your case. Chalmers assumed the compliance letter has to be in the form it is in to be legal and would there be any problem with

putting in an attachment that has things in simpler terms and has the bullet points and the key things that people need to know about their right to appeal. Nielsen states it already has that. Enderson felt there should be a follow up letter. Nielsen stated the back side of the compliance order has those provisions from the City Code that describe how you can appeal, but you have to read it. Nielsen encouraged all the Council members to look at a copy of the compliance order and see if they feel it is worded in legalees. He feels that considering the complexity of the topic involved, it is in a very understandable form if you read it and try to understand it. Stobb asked if they could have that e-mailed to them. Nielsen said if there are suggestions to make it more readable or more understandable, they can try to do that.

Dale Klein stated that he lives on 7<sup>th</sup> and has been there for 20 some years and they have a neighbor to the south, that every year, he might get around to getting his leaves taken care of around December. If you go over and talk to him about it, he states that he is a renter and he really does not care. They then have leaves all over the neighborhood and everybody is picking up and they are getting in his snow blower and it is not just him. It is everybody in that block gets a share of leaves that do not belong to them. Klein stated that he got tired of getting them so he took his mower and mulched 2/3 of them for him. This needs to be addressed as there are piles on his yard and some that have been there for years that may be rotting underneath. These are things that happen between neighbors and the Council suggests that you go and talk to your neighbor. He does not like having someone's leaves on his yard as he tries to keep a very tidy place. He stated in regards to communication, about 20 years ago he had the same problem Tony has but he went to the building inspector and told him that he did not have enough money and he has to do the work himself, and no one said anything to him when his house sat for 3 ½ years with aluminum siding on it. There was stuff all over his backyard. But they gave him enough time to get it done. He has over a 100 year home that he feels looks nice, he has built some nice garages, put in cement, but was given the time and was not harassed by anyone. Never had a neighbor that said anything about it. Mayor Ferrazzano stated there are some cities that if you put your leaves out by the street, a machine comes by and cleans them up. Klein stated that he felt the City does an immaculate job coming along the curbs and cleaning up the stuff.

Enderson stated he had a homeowner call him and stated that his recyclables have not been picked up. Mayor Ferrazzano stated that the schedule has been changed and now it is picked up early every other Tuesday morning so the carts need to be set out every other Monday night.

Enderson stated that he was uptown and someone had approached him about painting parking spot marks on the east side of 3<sup>rd</sup> Street. Nielsen indicated that public works is aware of this and there are other parking issues along 3<sup>rd</sup> Street such as orange paint where they should not be orange paint where it is confusing to people. It does not pay to do now as they will be cleaning snow this winter and it then gets scraped off or covered with snow.

Stacy Barstad is asking for approval to replace the Central Supply Room flooring in the hospital surgery area. The present flooring is the original and is coming up in spots and loose in other spots. She is asking for approval of the estimate from Randy's Floor Covering at \$1,936.00. Other estimates included from True Value in Marshall for \$3,766.00 and C&C Custom Interiors in Marshall for \$3,741.10. This is for the Teknoflor which is a very good quality that they have had throughout the hospital before. Stobb questioned that True Value had twice the quantity than the other estimates. Barstad said that on the True Value estimate you have to have a certified person with Teknoflor because it is a special type of flooring and True Value does not have a certified person. Randy's Floor Covering does have a certified installer. Motion by Peterson, seconded by Martin to accept the estimate from Randy's Floor Covering for \$1,936. Stobb questioned if their estimate would be good since it was dated 8/21/2009. Barstad did not foresee a problem with that. All voted in favor of the motion.

Barstad is hoping to be on the monthly agenda to give hospital updates and feels that it is important. She stated they are a couple weeks behind track on the building project but should be made up and nothing to be concerned about. They are waiting for supplies. They are still on target to complete the project in May. The roof drains are being worked on and a large part of the cement work has been completed. The roof is on but they are still waiting for the skin to be installed which they are working in coordination with some of the HVAC materials. Otherwise there are no major issues and

they have weekly meetings with Kue Construction and then hospital reps and monthly they have a meeting with the architect, construction manager, the city subcontractors and Kue Construction. There are no major issues with the project. Barstad stated the meetings are every Wednesday at 10:00 a.m. at the Wellness Center. Nielsen asked if they will be moving to more indoor work with winter weather coming. Barstad said they are hoping to get the roof completed and one side of the wall is all windows, so they are hoping to get those installed and closed in so they can concentrate on the inside.

Barstad also gave an update on physician recruitment. Dr. Fared, left this summer and now they have one physician, Dr. Paul. They are searching for two permanent physicians. She stated that physicians are very hard to find, specifically family physicians or internal medicine physicians. It is very difficult to find physicians to come to the rural area and many medical students are going into specialty practices such as cardiology or orthopedics as they get paid way more money and do not have as much call as a family or internal medicine physician. Barstad stated that by 2025 according to the American Hospital Association, a shortage of about 124,000 to 159,000 physicians is expected throughout the United States. They are trying things to try to recruit physicians to this area. The turnover for physicians is very high in this area over the last several years and physicians typically stay three to five years. At this time they are using several locums to fill in the gaps until they can recruit a permanent physician and a locum physician is a firm that contracts physicians out and they work at your facility for three to four days a couple times a month. The downfall of this is that they are costly and also they do not provide the continuum of care. Sanford has a dedicated physician recruitment department and they have a recruiting firm in Texas that they work with that goes nationwide. Barstad stated they also have physician recruiters through MediSota, consortium of Southwest Minnesota hospitals and they have actually developed their own physician recruitment program. Recently Sanford Tracy has formed a Community Physician Recruitment focus group with a goal of involving the community in physician recruitment. Sometimes it is easy when a physician has been recruited to forget about them when there are only a few people involved. This committee is composed of community leaders and staff members at the hospital. They have had a couple meetings and done some brainstorming different ideas to get physicians here and then retain them. They will be focusing on different interests they have and getting them connected with individuals with similar interests and get them involved in the community.

Barstad stated they have planned a benefit to help support Dr. Apostol and his mission to the Philippines every other year. He goes there to help those that do not have funds for medical care. He works many long hours. They take medical equipment and supplies to the Philippines. This benefit will be held on December 13 from 10:00 a.m. to 1:00 p.m. at Shetek Bend and more information will be coming. Dr. Apostol helps many people and they hope everyone can come and support him.

Radke reported the October off-sale was up approximately \$1,493.98. The on-sale was up about \$2,152.91. Nielsen asked how long this has been using the new accounting method. Radke stated they have been using it since January 2009. He feels that it works fine and gives a better picture of what the trend is. This way he knows month to month what is happening versus the end of year when they get the audit.

Verdeck reported that in October she issued three new library cards and so far in November she has issued seven. The number of people coming to the library is not as high though as before. In October they were collecting slightly read paperbacks or new paperbacks in donations and sending them to the troops and have sent off ten boxes so far with each box containing about 16-20 paperbacks and current newspapers from Tracy and Marshall and current magazines such as Time and Newsweek if there is room in the boxes. As long as people keep bringing in books and dropping off \$10 for postage they will keep sending them. On November 17, she went to visit the Southwest Area Multi-County Interlibrary Exchange. They get libraries to work together in southwest Minnesota. The State has also given the libraries a Legacy Grant which has to do with bringing Minnesota history in with fine arts, music, and libraries. This is about \$1,000 per fiscal year per library. This would be to bring in author or to have someone come in and do a writing workshop or take a bus to Pipestone to see the Civil War Reenactment in August. If they could team with some historical society that would also be given this grant, they could pool the money together. She provided a copy of a sheet that shows the number of books that go out of Tracy on the Plum Creek

Library truck. There is a truck that comes in three times a week and picks up the books and returns them when the patrons from other libraries are done with them.

Chief Hillger asked for any questions on the activity report. He stated he had a busy month in the department. Chief Hillger commented that he is a firm believer in the separation of powers. The government is set up into three bodies: legislative, judicial and executive. He stated the Council is the legislative and they should not be used as a hearing board on anything. Every time the Council gets involved, unfortunately politics come in to it. Enderson asked if that is the case, why do they hear about dogs. Chief Hillger said he did not know. Mayor Ferrazzano felt that if it is appealed to the Council, they have no choice. Chief Hillger stated that incident was set up by ordinance, but most of these things the proper place to hear it is in court.

Gervais stated the EDA has made an offer to purchase property in the industrial park that is currently owned by Kevin Hoflock. Kevin has a building that was moved in the late 1970's and sits across two industrial park lots. The EDA has put in two offers on the property, a contract for deed and straight cash price. Mr. Hoflock has until December 4 to respond to that. They are also working with the CDBG money and it is wrapping up. There is some money in the demolition fund yet and they are looking to find a couple houses that they can own and demolish before the end of the year. There is approximately \$19,000 left in that account that could be used for demolition but the catch is that the City has to own the property. If the money is not used it gets returned to the feds. Gervais stated there is a process and Nielsen has been helping him with one of these and they have looked at a couple other properties to consider but would like to use some of that money if they can. With the CDBG money, the rental money is used and the money that has been out in the home owner occupied has been spoken for so those projects will be wrapping up soon. Once that grant has been closed, then the EDA can apply for another one. It was brought up earlier tonight about the home owner occupied, where do you find money. This is certainly one opportunity for people to apply. There are income based guidelines with a lot of this. Western Community Action does get a lot of requests for weatherization money, such as furnaces, insulation, windows, siding, etc. There is opportunity out there for people to take advantage of. The snag is usually on the income based guidelines part of it that people may not qualify for it. Gervais stated they continue to work on the dentist recruitment. They are getting closer to having an agreement with one of their candidates and they continued to work with Premium Plant Services on future plans with them. They have started business retention/expansion meetings and have met with five businesses and will have more meetings in the future. What that involves is sitting down with each business and talk about future plans and any issues they may have such as infrastructure, expansion or current trends. It could be something as simple as needing a dog groomer in town. Approaching Brockway-Brown Vet Clinic and trying to set up something with them to bring a dog groomer to town and that would enhance their business by bringing pets and animals into their business and offering grooming through their business. Enderson asked if there were any plans to bring another bank to town. Gervais stated the economy for banks right now is pretty tough. The EDA has this issue on their radar and has been brought up in the past. With all the bank closures out there it is pretty tough at this point and there are other things they are focusing on at this time other than a bank. It would be different if there was not a bank in town already. This could be something they could look at in the future when the economy turns around to try to attract another one to offer the people a choice. Chalmers stated that according to the paper, a bank in Mankato owns the BP property now. Gervais stated it was going through a foreclosure process. Chalmers stated now that is done, are there any plans for that area. EDA has not discussed this issue. Personally, Gervais stated the property is small, the tanks need to be brought up to code if they continue to operate a gas station there. He is not sure of the condition of the interior of the building and it would be something to look at and reviews. The size of the property limits what could be done in the future. Gervais stated that talking with Dale Johnson in the past, one thing to consider would be to look at having them bring the tanks up to code immediately or have the tanks removed and the City can certainly do that. Mayor Ferrazzano questioned if they have the bank do that. Gervais stated that is who the owner is at this time and this is a process that the fire department could do. Martin said that would be good property to put up a sign to promote the downtown area. Gervais stated the Food and Fuel property is the same. Those tanks could be brought up to code or removed also. Gervais is not for sure, but feels that Dale Johnson would be the one to act on this as the issue is the hazard within those tanks. Gervais said the Food and Fuel Property is owned by Avanti from the metro area. Stobb asked concerning the property on the corner of Center and Pine, that the demolition funds would not apply to that property

as the City does not own it. Gervais stated that he and Nielsen have rekindled that process and hoping in the next few weeks that the owners would deed it over to the City and could use the funds to take care of that property. Stobb stated he goes by that property frequently and it is getting worse and worse. Snyder stated the EDA has talked about this issue monthly at their meetings. Gervais stated the key is for the City EDA to own the property to use those funds. The CDBG guidelines state it has to be a one to one replacement unless it has been vacant for a period of time or condemned or suitable for rehab. Otherwise they get around that one to one replacement. The properties that they have demolished have either at that point or beyond and this property would fall within those guidelines.

Robinson reported that the street sweeping is being performed as well as grading of gravel of the right of ways. The American flags were put up for Veterans Day. The main project has been the fire hall parking lot. The lot is now finished until spring when at that time it will be graded in preparation for asphalt. At this time he does not have the total cost of expenses but will get it as soon as the bills come in. They have also started on Christmas decorations. He, Scott and Steve have developed the punch list for the 2009 Street Project. The sand has not yet been removed from the pool but the department plans to remove this as time allows. The pool is winterized and has been double checked by another employee. He does have the pool chemical numbers Peterson has requested but need to get the water comparisons from 2008 to 2009. The Public Works department worked on a water leak that turned out to be the responsibility of CHS. That was on the south side of Food Pride. A list of non-operational curb stops was repaired. He receives a list of bills that are delinquent and the curb stops that do not operate. Robinson said they have been looking into what to do with the façade on the front of the City shop. It either needs to be painted or removed. It is the recommendation of the department that it be removed because it backs up snow on the roof with as much as four feet at times and causes many leaks. Robinson said it is angle iron that is bolted on there and would take time to remove. They could then try to seal the holes. They have been busy getting snow machines ready for winter. The airport terminal building project is underway and the bulbs in the wind sock have been replaced. Robinson has received a cost estimate from MacQueen Equipment to repair the sweeper. This cost estimate is \$55,785.82. They will now start pricing new, used and demo machines. The Public Works Department has hired a new employee, Adam Bruder who will begin work on November 30. Robinson thanked Peterson and Stobb for helping with the interview process.

Robinson responded to the issue of street painting on 3<sup>rd</sup> Street and explained what has happened is budget restraints and trying to spend as little as possible, but they did not get the painting done as they normally would. They have had a works program individual that the government pays for who was hand painting the yellow and they got some areas painted that should not have been painted. They will get those corrected. They would not want to do anymore this year as the plows will scrape it off some. Peterson asked if previously this was set up on like a semi-annual basis. Robinson said it was not and they were doing it annually in certain areas. There was no real pattern and they did it as staff and time allowed. Robinson said earlier someone talked about the leaf problem, but they did not get the parks mulched this year either. It was very wet and mulching when they are wet does not work very well. Enderson stated that the hangar doors at the airport need lubrication. Robinson said they will take care of that.

Robinson said they have had some issues at the cemetery with trees and the landowner to the east with tillable ground. Some years ago he and Garrels tried to figure out boundaries on the cemetery and it is very difficult to figure. The original cemetery was started in early 1900's and another piece of ground was bought in 1948. The maps that they have are not very good. They tried measuring from the center of County Road 73 and do not know if the road is in the middle of the right of way. When they went through this he and Garrels concluded that someone should be hired to do a survey as there are not pins out there. Robinson said that he did price that today, Mosey quoted him \$1,500 for the survey and install pins. Stobb questioned if they should meet with the landowner as he may have information that the City does not and it might lead to a survey. Robinson found that from the rough measurements, it looks like on one end the cemetery property would be a couple rows into the corn and on the other end, the trees may be on the land owner's property. Peterson asked if a survey would help with the township's complaint. Robinson felt that it could, with the township complaint he did talk to Planning and Zoning from Lyon County. John Biren told him that if they had put up trees that were meant for a windbreak, that they would want them 50 to 60 feet back. Robinson

explained that they put them 25 feet apart and 15 feet of the line. Biren said he would write a variance of us to leave them there as he did not see any problem with leaving them there. Snyder said eventually they will look like the other pines that are there. Robinson said they would be similar. Robinson said they talked with Ted across the road and did not have a problem with it. Ted felt that if they moved them back it would make it worse. Mayor Ferrazzano asked where the money would come from to pay for the survey. Peterson suggested that they meet with the other land owner and township and offer a three way split so everyone knows where everyone is at. Nielsen asked if the county had any survey information. Robinson said he did not talk specifically with the county about it, but the surveyor felt he would have to dig up the stones in the road, there is always a stone buried in the middle of the intersection. If they need to do this they would like to do it soon, within the next week or two before there is frost in the ground. Nielsen asked if there was anyone that was really pressing right now and maybe it could be done in the spring. Stobb indicated that the landowner had called him over the weekend and he is not looking for any immediate resolution to this, this fall. Nielsen asked what the issue is with the landowner. Robinson stated that the land owner feels that he is losing crop yield. Stobb said that there are places where he cannot get through with his combine and has to swerve around the trees that are hanging over his field. Robinson stated that he can meet with the land owner and see if they would like to split the cost and can let the Council know at the next meeting. Stobb stated that if they need to do a survey, they can tentatively approve that. Peterson felt they should find out how much it is going to cost before they approve anything and if it is not something that needs to be done immediately, they could wait till spring. Snyder suggested calling the county and seeing if they have any specifics.

Chalmers asked if anything more came of fixing the tennis court lights. Robinson stated that they did not get the fence down. They did not have the time or man power to take the fence down so they could get a bucket truck in there.

Koopman reported that during the Month of October she began working on coordinating the documentation necessary to prepare the assessment roll for the 2009 Improvement Project. She also finished reconciling the personnel records. Koopman attended the following meetings: Planning Commission, monthly hospital construction meeting, Regional League meeting, two City Council meetings, Library Board meeting and Cemetery Commission. She reminded the Council about the Webinar that is scheduled for tomorrow at 1:30 p.m. She said that she will be watching it here and if anyone is interested they can register on line. She has found that in the past they have been very beneficial and worthwhile in information they provide. They will be discussing the 2010 Budget and hopefully there will be no more unallotment this year and they may be addressing this as well.

Koopman said they will be discussing the special assessment deferment at the next meeting when more information is obtained. Nielsen stated that another issue related to that is that last year legislature expanded that deferment to include certain National Guard members. He does not feel that any of the current criteria deal with that type of deferment. It deals with Senior Citizen or disabled individuals. That ordinance needs to be fine tuned or criteria to include this other part also. Koopman asked if the statute addresses it. Nielsen stated that it is kind of worded the way it is now for senior citizens and disabled persons. It states that certain National Guard members that are deployed overseas and have a hardship. The hardship part also fits in with the senior citizens and the disabled. There has to be a definition of what is a hardship. There is something that defines hardship for senior citizens and disabled persons, but there is nothing for the National Guard end of it.

Motion by Peterson, seconded by Chalmers to enter into the AFSCME Local 1687 agreement. All voted in favor of the motion.

Gervais stated The Etc. building was used a few years ago on a CDBG to fix it up. When the agreement was set up it was done on 1/3-1/3-1/3. Thirty-four percent of the money was from the owner, 33 % was a 1% loan and 33% was a forgivable grant. The forgivable portion was forgiven 20% per year over five years and the loan was set up on a repayment plan. The loan portion of this has been delinquent numerous times and the last time got to the point where it was delinquent almost a year. The EDA Board had made recommendation to start the foreclosure process and the lien holder paid up the note and so the process was stopped. It went delinquent for about a year and the EDA then again started the process and decided to move forward with it. They are current with the

loan portion of this. When The Etc. closed, they were three years into the five year forgivable grant portion of this. The day the business closed that remaining forgivable portion becomes due. They are still delinquent on that \$5,600 of what they owe for that forgivable portion plus some past interest which is not a whole lot. Nielsen stated the legal point is that the EDA has basically been handling all the money and making the calls, but for whatever reason, the actual mortgage was to the City. The EDA officers do not have the ability to sign any of the legal documents to proceed with the process. The City of Tracy through the City Council needs to authorize appropriate staff to go ahead with the process and authorize the Mayor and City Administrator to sign whatever documents are necessary to forward that process. Gervais stated that money that is repaid back in is like the revolving loan fund, so that money in turn gets lent back out to businesses and homeowners, etc. If they do not go forward with the foreclosure or if not repaid that money, other people are prevented from utilizing those funds. Stobb asked when the last communication with the owner took place. Gervais stated that he had sent several letters from the EDA and Nielsen has drafted several letters as well. Gervais actually received loan payments today remaining for October, all of November and all of December and small portion of January. The owner should be well aware of the process. Stobb asked if they do this, what are the options for the owner? Gervais stated the \$5,600 is due the CDBG fund and the City actually has a second position behind Tracy Area Development Corporation and that has been discussed at the EDA meetings as well. TADC would still have first position. The goal is to recapture the money that is due the fund to pay that up or if that building is sold to recapture it at that point. Nielsen stated the options to the party being foreclosed, they would have the same rights as anyone else. They could come in and pay it, or they could go to a foreclosure sale and they could show up at the sale and pay it. Even after the sale there is a redemption period, where the prior owner has the option to come in and pay the cost of foreclosure and interest and back amount and still retain the property. The redemption period is an extended period of time because so much has been paid towards the loans in the past. Stobb stated that it has been well publicized that the Library Board has been talking about this building and he does not want there to be any association between those two. These are two very separate things. Nielsen stated this loan process was undertaken well before there was any talk from the Library Board. He stated that the property owner could be sitting back and thinking that if the library does buy the building, then they would have the money to pay the EDA. But when is that all going to take place. The EDA has had to deal with this at many of their meetings and they would like to recup that money so it is available for future uses, so how long do they wait? The EDA has examined this on many occasions and they have decided this is the appropriate course of action to take at this point. Gervais stated that the EDA has discussed that if they do not go forward with this, there would be a precedent set going forward. Gervais stated they have not had any other issues like this. Motion by Snyder, seconded by Martin to authorize the City officials to continue with the foreclosure of the former The Etc. building. Chalmers abstained from voting because he serves on the Library Board and they have been discussing the acquisition of the property and does not want any conflict of interest. All others voted in favor of the motion.

Mayor Ferrazzano stated the Ford Explorer is now surplus equipment and questioned what they should do with it. Peterson stated that it was discussed in the past to use it as a courtesy vehicle at the airport. Koopman stated that she and Robinson had discussed that if it is kept, they will continue to have to repair it and that is part of the reason why they got rid of it in the first. She is wondering if there is a high demand for a courtesy vehicle as people that do fly in, usually have made arrangements for transportation. Peterson said they use Homer's pick up and according to Homer, he would appreciate something out there. Robinson stated that if it would need repairs, he would like that it come from the airport budget. Stobb stated that if they need to repair it, that would be the time to get rid of it. Stobb asked how they provide security for the vehicle out there. Peterson stated that some of the airports are very strict and some are very casual. He feels it would be up to the Airport Commission how they want to handle it. If the airport decides they do not want the Explorer, it can be brought up again. Motion by Peterson, seconded by Enderson to keep the Explorer at the airport for a courtesy vehicle. All voted in favor of the motion.

Stobb stated that he had a request regarding the resolution approving the transfer of funds. He agrees with the need to repay code enforcement to bring that back to a zero balance. There is a little extra in Other Financial Uses of about \$1,200 than what is needed to pay off the Code Enforcement. After he took a closer look at the cemetery and conditions of the stones and maintenance out there, he would like to amend this resolution to pay what is needed on code enforcement, but use the

remainder for the Cemetery Maintenance Fund. Motion by Stobb, seconded by Peterson to amend a resolution approving the transfer of funds from the General Fund Other Financial Use to Code Enforcement with \$1,200 of that to be transferred to the Cemetery Maintenance Fund. Enderson indicated that he had talked with Holm about straightening monuments, etc. and he is concerned about the bases under the monuments and the condition of them. There would be equipment needed to lift some of the heavy stones. The \$1,200 would probably not be enough to cover all of it, but it would be a start. All voted in favor of the motion. (Res. No. 2009-41)

The Consent Calendar included the Monthly Financial Report, Cemetery commission minutes for October 15, 2009 and the Hospital Board minutes for September 16, 2009. Motion by Peterson, seconded by Martin to approve the Consent Calendar. All voted in favor of the motion.

Koopman stated they will be holding the Truth in Taxation hearing on December 7, 2009 at 6:30 p.m. and the final adoption will be at the Council meeting on December 14, 2009. Mayor Ferrazzano asked that an e-mail be sent to the council members as a reminder of the December 7, 2009 meeting.

Motion by Peterson, seconded by Chalmers to close the meeting at 8:15 p.m. to discuss labor negotiations. All voted in favor of the motion.

ATTEST:

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City Administrator

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Mayor

**Truth In Taxation Hearing 2010  
December 7, 2009**

The Truth In Taxation Hearing was called to order at 6:30 p.m., Monday December 7, 2009 in the Council Chambers of the Municipal Building. Present were Mayor Ferrazzano, T. Peterson, J. Chalmers, C. Snyder and R. Stobb. Absent were M. Martin and K. Enderson. Also present was A. Koopman, City Administrator.

Koopman presented the following information:

“Tonight we will be reviewing the 2010 proposed budget. This year’s budget hasn’t changed much over other years in that we are still very dependent on State Aids. A total of 45% of our General Fund revenue is received from Local Government Aid (LGA). An additional 3.5% is received from other state aid such as Police and Fire State Aid, Police Training, airport maintenance and PERA state aid. On December 2<sup>nd</sup> the Commission of Management and Budget, Tom Hanson and State Economist, Tom Stinson announced that the state is facing another massive deficit of \$1.2 Billion. The long term deficit for the 2012-2013 bienniums is projected to be \$5.4 Billion. Once again we have to keep our fingers crossed and hope that the Legislature and the Governor are able to reconcile their differences and reach an agreement on how to balance the budget. The governor has indicated a willingness to reach a consensus with the legislators and that unallotment would be a tool of last resort. Governor Pawlenty has been very firm and has not deviated from his position that the deficit will be solved through spending reductions, not in increasing taxes. The Democrats seem to recognize that unallotment pushes the financial problems on local units of government and would ultimately increase local property taxes. The Republicans believe that the deficit was due to excess state spending and that the state needs to establish a budget that lives within its means. The reality of this is that unallotment is once again rearing its ugly head which puts us in a very precarious position. Should unallotment occur with the December LGA payment, the city would have the option of replacing the loss by recertifying their 2010 property tax levy and this would have to be done before January 15, 2010. This is good in the sense that this option if available, but realistically you have to question just how much of a financial burden can we place on our tax payers. If in fact the December payment is unallotted, this would represent the third unallotment in 12 months. At this point, we just don’t know what will happen. With that being said, I believe the only recourse we have is to proceed as we originally proposed.”

“The proposed levy for 2010 will increase 4.1%. As you may recall, we added \$19,000 to the General Fund levy to cover a wage increase in case one was granted. A total of \$5,757 was used to cover the wage increase in the General Fund and \$483 was needed to cover the increase in the Senior Center transfer, leaving \$12,760 plus the \$15,000 originally budget in the Other Financial Use Fund with a total of \$27,760. I am recommending leaving the additional \$12,760 in the Other Financial Use Fund just so we have a larger balance to cover the cost of the ‘unknown.’ For example, who would have anticipated that we would have to demolish two sizeable buildings in the same year like we did this year.”

“In January of this year, we cut \$107,000 from various budgets. For the 2010 budget, each department head submitted a realistic budget and very little adjustments were necessary. I have reviewed their requests and feel confident that their budgets represent their needs and not their wants. The General Fund levy actually decreased 3.5% for 2010 compared to an increase of 6.7% for the 2009 budget.”

“As in past years, our revenue sources remain consistent. If you will look at the **SHEET ENTITLED “GENERAL FUND REVENUE – 2010”** you will note that 48.5% of our total General Fund Revenue is received in the form of State Aids. 29.9% is received from Local taxes and 22.4% from other sources. There are very little variances in these percentages from year to year. As I have said in previous years, the high percentage in state aids is nice because it relieves the local tax burden, but it also leaves us very dependent on the whims of our legislators and Governor.”

“The **GREEN AND RED BAR GRAPH** shows how the levy for 2009 compares to the proposed levy for 2010. In 2010 our Debt Service levy increased 16.2% while the General Fund levy actually decreased 3.3% and the Permanent Improvement remained the same.”

“As I previously stated, the overall levy increased 4.1%. The **SHEET ENTITLED ‘TOTAL LEVY’** shows how the levy for 2009 compares to the proposed levy for 2010.”

“The **PIE CHART** illustrates you’re your tax dollars are being spent. The levy distribution for 2010 shows 56% of the total levy is used for General Fund operations, 1% for Permanent Improvement and 42.7% for Debt Service.”

“The General Fund levy decreased 3.3%. The spending trend in the General Fund has changed somewhat due to the reduction in staff in both the Police and Street Departments. The sheet entitled **‘GENERAL FUND EXPENDITURE SUMMARY – 2009-2010’** compares 2010 to 2009. This is a 3% increase in general government, 9% decrease in public safety, 12.6% decrease in public works and a 13.5% decrease in recreation and a 5.6% increase in other. Overall the proposed 2010 budget is 4.5% less than the 2009 budget.”

“Due to the loss of State Aids, you will note a noticeable drop in our cash reserves. When you combine the aid reduction for both 2008 and 2009, we have lost a total of \$120,074 which is demonstrated on the sheet entitled **GENERAL FUND CASH RESERVES**. Further reductions in State Aids will have a major impact on our reserves unless we take corrective action.”

**“GENERAL FUND CASH RESERVES COMPARED TO GENERAL FUND EXPENDITURES** you will see that the green squares identify the expenditures while the red squares show the cash reserves. Once again, the loss of Aid is very evident. Even with the cuts we have made in past budgets, we are still seeing an upward trend in expenditures, however, there is a slight downward motion between 2008 and 2009. The bigger concern is the separation that is growing between the expenditures and reserves. This remains an area that we need to continue to watch closely.”

“The final chart is entitled **DEBT SERVICE BY LEVY BY YEAR** shows that the Debt Service levy spiked in 2009 which represents the purchase of the 2009 Bond for the street improvement project. Our levy in future years is as it should be either showing a downward trend or remaining somewhat constant. This has always been our goal to either show a downward trend or remain constant.”

“The information I have provided to you so far is based on leaving the remaining \$12,760 in the General Fund’s Other Financial Use. If you chose to delete this amount leaving a balance of \$15,000 in the Other Financial Use Fund, the General Fund levy would decrease a total of 6% and the overall levy would increase by 2.8% versus 4.1%.”

“Overall the budget that is presented tonight represents the efforts of many people. It has been carefully scrutinized and includes funding needed for 2010 operations. As in the past, tonight’s meeting is intended to provide information to the public and give a general overview of the 2010 budget. The actual adoption of the budget will be done at our regular meeting scheduled on Monday, December 14, 2009 at 6:30 p.m.”

Snyder asked if the proposed LGA cut \$118,000 represented the December LGA payment. Koopman is not sure what would remain in the December payment but the \$118,000 would not be the entire payment. Stobb asked if he could infer that the City receives about \$900,000 per year in LGA. Koopman stated that roughly it was about \$800,000 and comes in two payments. Koopman stated that in 2009 they were to receive \$837,676. The \$118,000 cut was information that was provided by the Department of Revenue and the House. Koopman stated that either way it is a lot and the hard part is that it is a loss of \$118,000 and even if they chose to levy for that loss, the City would not receive the first half of that loss until July 2010 and the second half in December 2010. This could create a major cash flow problem. She stated it would increase the levy to 16% if they would try to make up for that kind of loss. Chalmers asked if the 48.5% represents what will be received in 2010 after what was already unallotted. Koopman stated it is what they would be receiving before any unallotment in 2010. Without unallotment, we should be receiving close to \$1 Million in LGA alone.

James Regnier felt that they could not help him out tonight and what he needs to do can be handled this spring. He stated that the market value of the house he owns in Tracy at 360 8<sup>th</sup> Street is quite high. He had Duane Peterson look at it and asked if he could sell it. It is not finished at this time and he stated that they would be looking at selling it at \$50,000. Peterson told him that they are houses in town that are ready to move into and they cannot get \$65,000 for them. Regnier stated the market value was \$75,100 in 2009 and \$69,800 for 2010. He feels the market value is way out of line. He stated that he had called Mr. Bruss to come and look at it and so far has not heard from him. Mayor Ferrazzano stated that the Council cannot help him tonight and will have to discuss this with Mr. Bruss. Regnier stated that in 2008 he gave his daughter \$55,000 for it and Bruss felt that was because it is a family sale.

Koopman asked for some direction from the Council regarding the \$12,760 if they want that left in or taken out so that she can prepare the resolution for the next meeting. It was the consensus of the Council to leave the \$12,760 in. Mayor Ferrazzano asked when a decision would be made on the unallotment. Koopman felt that someone would let them know soon, but has not received anything. She stated there is a hearing at the Senate on December 10.

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

ATTEST:

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City Administrator

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Mayor

**December 14, 2009**

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, December 14, 2009 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.

Peterson requested a correction to the spelling of Peggy in the minutes from November 9, 2009 be changed to Peggi. Motion by Peterson, seconded by Snyder to approve the minutes from November 9, 23 and December 7, 2009 as corrected. All voted in favor of the motion.

Deletion to the agenda was 7-C Sale of EDA Property and an addition was 7-G Senior Citizen Deferment. Motion by Peterson, seconded by Enderson to approve the agenda as amended. All voted in favor of the motion.

No Public Comments were brought to the Council.

Rose Marie Brooks had members of the Citizens Concerned for Tracy identify themselves to include Peggi Peterson, Allan Haney, Delores Fredericks, Rhonda Fredericks, Paul Knoblauch, Linda Tikkala, and Marlin Muenchow. Brooks stated that on December 1, 2009 a group residents formed a committee known as Citizens Concerned for Tracy and they would like to make it clear that they are not a single issue committee but a group of citizens that are not satisfied with the current state of policies and leadership. They are looking for more members. The first task is to seek new leadership in the day to day operations of the City. They are aware of previous petitions to the Council by the Chamber members asking for street lights. The Citizens Concerned for Tracy are asking for the same consideration. They believe the City could save money by replacing the Administrator at this time. They are also aware it would be impossible to expect a definite answer on their petition this evening. This petition is not about the seven citizens on the committee as it is about all the citizens of Tracy. The Committee challenges the Mayor and Council to each take one page of the signed petition and contact those people in order to get their reasons as to why they feel a change is necessary. They would also ask the Mayor and Council to seek out and ask residents outside of their normal social group if they support or do not support this action. The Committee has found residents that support the petition but declined to sign for many reasons and the one most common reason was fear of retaliation. They also ask the residents of the City of Tracy to contact the Mayor and Council and express their concerns whether they are for or against this petition. The Committee will continue to collect signatures until a decision is reached. The Committee then offered the list to the Council and Mayor in support of their petition to this date. Stobb asked if everyone that signed the petition is a resident of Tracy. Brooks stated that their names, addresses and signatures are included on the petition. Mayor Ferrazzano stated that phone numbers are not included and since the Committee has asked that the Council contact those that signed the petition it would be nice to have the phone numbers included. Mayor Ferrazzano stated the residents that have signed the petition are welcome to call members of the Council if they wish. Stobb stated that he is not opposed to calling those residents, but since the Council has seen the petition and the Committee is here, he stated they are very specific about what actions they want the Council to take, but the petition does not give reasons why they should take that action. He would like to hear something about that tonight so that it can be on record and everyone hears the same thing. Delores Fredericks felt they could save some money by hiring a new administrator. Peggi Peterson stated that is why they offered retirement packages last year so that the City would save money if employees would retire and the new employees would come in at a lower salary. Stobb stated this was voluntary on the employee's part. Stobb stated the Committee is asking them to do something different than that in his opinion. As a Council they do performance evaluations on the City Administrator and nothing has ever come up that would warrant a dismissal. P. Peterson said that is from the Council and not the residents of the City. Stobb stated that nothing has come up in the criteria that they use that would warrant a dismissal. Stobb asked the Committee if they were offering anything tonight.

Paul Knoblauch stated that he was voted into the Council in 1996 and the vote was deliberately

counted wrong he would say. All that Audrey offered at that time was “human error”. He stated that is one of the reason he is present here tonight, because a “new broom will sweep a lot cleaner than an old one.” Knoblauch stated that he chose to sit on the county board for 20 years and at 16 years he was going to quit. A friend of his paid his filing fee, so he went the next four years out of courtesy. He does feel that people stay too long in a position, including congressmen, etc. that they cannot do anything about. But something that is here, they can do something about if the Council listens. As far as he was concerned he served his time because the people put him in. They were off too many votes for it not to be deliberate by 118 or 119 votes. Knoblauch feels that the Clerk is responsible to check that and also the Council. The Council took her word for it as far as he was concerned. He went through 20 years on the county board and half of that time he served on the board of checking the townships and cities. Nothing was resolved at that time. Knoblauch stated that he had talked with the County Attorney and the County Attorney told him that she had come down and talked with Audrey. Koopman stated that yes, she can verify that and she asked what the County Attorney told him at that time. Knoblauch said that he was told it was human error. Koopman asked if the County Attorney found anything different. Knoblauch said there were four or five judges and clerks and that should have been caught before it even got that far. Koopman stated that it maybe should have, but she stated it was human error and that is exactly what the County Attorney said it was. Mayor Ferrazzano asked Knoblauch if he was here because of something that happened in 1996. Knoblauch stated that he was and things that have been going on since then also. Mayor Ferrazzano asked what other things have been going on. Knoblauch stated another thing is slapping ordinances. He feels they should be effective in the beginning of the year and have everything lined up. Do not do it piecemeal and the same way with other things that are done. He agrees with the ordinance of cleaning up the city. He tries to keep his property in order. He stated that he goes by Peterson’s place just about everyday and feels it was a misunderstanding. Knoblauch stated that he works everyday also on his own and ran into more problems with his home than he thought he would. From what he read in the paper, it was a misunderstanding that he did not renew his “repair thing” and had thought he had gotten a building permit. Mayor Ferrazzano asked then if he was here for what happened in 1996, Tony’s house and enacting ordinances the first of the year.

P. Peterson stated that is why the Committee wanted the Council to talk to the people on the list so it would not escalate to this. This is not what they wanted. Stobb stated that on the same token, if they take action... Peterson stated they want the Council to talk to these people to say yes or no and for the Council to decide from there. Stobb asked if he could now finish what he had started to say. Stobb stated that if they take action without documentation, evidence and they terminate an employee and hire someone younger and less experienced, they are opening themselves up to lawsuits for unlawful discharge and age discrimination. If they would chose to do this, they need to do it carefully and everything out in the open. They are in an open meeting and he felt this would be the perfect place, rather than one on one on the phone. P. Peterson stated they cannot answer for those that are not at the meeting and that is why they have asked the Council to call these people. Stobb stated that one of the problems in the town is too much hearsay, “so and so said this”, conversation between two people. Who is to prove it and vouch for it? They need specifics on the record. Mayor Ferrazzano stated that is one of the reasons that Stobb asked, is because they obviously as a committee, were concerned enough to come to the meeting and it is an opportunity to ask you why you had the petition filed and why you came here tonight. Mayor Ferrazzano said he would ask specific questions also as to why the Committee is here and what you want the Council to do. All they have seen is the signature page of the petition that says something about the street lights, budgetary restraints and other matters that have happened. Stobb stated that most of that was in the paper. The petition says recent events and funding constraints. Mayor Ferrazzano states it says recent events without specifying. Mayor Ferrazzano stated they need specifics from the Committee. If the Committee states they are not prepared to answer that because they want the Council to contact the people on the list, I guess that is the answer. Mayor Ferrazzano stated that now is an opportunity to tell the Council.

Knoblauch stated he thought the street lights were going to be paid for by the people that benefited from them and not the whole residential area and everything. Snyder asked if he felt that the whole city did not benefit from the street lights downtown. Knoblauch states that he does not use it, and he does not have a light in front of his house. Knoblauch stated that the swimming pool lights, last night was the first night they have been off otherwise they have been burning. Knoblauch felt if they

were a hands on Council, like he was when he was on the County Board, they never had an administrator and he does not feel the City needs one. He feels they should give the finance director another secretary and he could do the job. Knoblauch feels they can save a lot of money if the Council did some of this work themselves.

Marlin Muenchow stated the reason he got on the petition was because of all the bureaucracy that is going on and has had nothing but problems in any of his building experiences. In fact he states that he was jerked around for four months when he was trying to put an addition on his garage. They had him in such a state of mind, that when he got it built and drove the car in, it was four feet too short and the reason was because he could not think straight after the bureaucracy he was pushed through and most of it unnecessary because his property is six foot from the line. After he got shuffled around enough, he found that he is grandfathered in at six foot, so there should not have been any problem to start with. He ended up with his garage that was too short and could not shut the door. It was all because what City Hall was doing to me. His second experience on a building project and feels it is horrible what City Hall does to citizens. Muenchow felt the Council members do not know it. He stated he talked to a Council member and got blown off. He stated that he started his building project in January to get a permit to start work in April. Mayor Ferrazzano asked if that was this year. Muenchow stated it was about two years ago, and it does not matter what the year was. He stated he went in January to get a permit for April because he was going to put a dormer on his house in April and was going to re-roof in October because he worked at a school and has MEA off. He started checking things out; I did not get a permit till the June 7 to put a dormer on. When he got this all done, being he is trying to follow the rules, he was going to dig along the footing the next spring. He called for a locate and they notify everyone to come and mark the utilities. His wife got home in the morning and she was greeted by the building inspector and treated like trash because they are building without a permit. She told the building inspector he would have to talk with her husband when he got home. When he got home it was like "God Almighty coming on here" and he was the "little peon". He is being ripped up and down and he was lost as to what is going on as he had made a plan and drawn pictures. He stated he then came to City Hall to talk with Audrey Koopman and she treated him like he was sneaking something off and trying to build without a permit. Koopman stated that all his conversations were with the building inspector. She stated that she referred him to the building inspector as she has nothing to do with the issuance of the permit and she signs them after the building inspector has reviewed them. She is not the one that told him that he should or should not have a permit or the variance. That all goes through the building department and he should be here to respond to that because she can't. Muenchow stated that Koopman was the one that was cutting him down and told him that he was trying to building without a permit. He feels it was an error on City Hall's part. It is a simple mistake but what happened with Koopman shutting him off, she went and got the permit and on the permit, it showed roof. On the application it showed a roof and dormer. He felt he was being treated as a common criminal trying to follow the rules and nobody cares. He feels that he was treated terrible and knows what goes on in City Hall. The people responsible should take notice to it. Muenchow feels that someday it is going to end up, somebody is going to drop dead of a heart attack or stroke because of the bureaucracy put on them. What was done to him was just horrible. Here he is a citizen trying to do his best, following the rules and he was being treated like he was trying to slick one off, like he went out at midnight and put a scaffolding up, took it down at 4 a.m. and hid it so nobody could find it. This is why he is on the Committee and this is horrible what is happening. The thing that surprises or shocked him was he didn't know that the City of Tracy wasn't in the USA anymore. The people are scared terrified. He works out of town and those people wonder where this is coming from. Muenchow tells them that the City is trying to enforce the fear of God into you. He feels that he done all the work on this and he had everything in order and it was a typo error from the City. He feels that the way he was treated was intolerable. Koopman stated the building inspector needs to respond to his questions and concerns as that went through the building department and not the City Office.

Mayor Ferrazzano clarified that the Committee wants the each of the Council members to take a page of the petition and contact the people who are on there and then decide what to do in January. P. Peterson stated that is correct. Stobb asked if there was only one copy of the petition. Koopman said they will need an official copy for the City to have on record. P. Peterson stated they only had the one copy as they are still collecting signatures. Mayor Ferrazzano stated that they can continue to do as they like and they will keep the petition and make copies. P. Peterson stated that she did

make up a page for each of the Council members of contacts and handed them to each of the Council members. Stobb felt that each of the Council members should have a copy of all the signatures. Copies will be scanned and sent to each of the Council members.

Radke distributed copies of the profit/loss statement for the liquor store. November the Off-sale was down about \$2,500 and the On-sale was up about \$1,000 which makes them \$1,500 down for the month. There was also one less Saturday in the month than there was last year November.

Police Chief Hillger asked for any questions regarding the Activity Report. Mayor Ferrazzano asked if the department was still doing okay with one officer short. Chief Hillger stated they are making it work.

Gervais stated the Canadian Pacific train was here last Tuesday and he helped with that project. The Canadian Pacific presented a check to the local food shelf for \$1,500 and was not sure what amount of food was collected that day. He has received the Certificate of Rent paid forms from the state and will be completing those for the 4-plexes. They have sent out letters for the Build a Home project they do each year and the incentives that go along with that. They have heard back from a number of the businesses and contractors in regard to that. Gervais stated that most of his time has been spent on three main projects; dentist recruitment, Hoflock property and Premium Plant Services potential expansion and growth. They have also started some very preliminary work on Rural Business Enterprise grant through the USDA. The goal would be to work with the local business and they could get just short of \$100,000 and would have to be a match from the EDA or City as well. If the City is able to get a grant, that money goes out to the business and would come back to the EDA and stay here then. It would not go back to the USDA and would help build another revolving loan fund here in Tracy.

Robinson reported that the street department has been moving snow and has been going well. They typically start removing snow at midnight or 2:00 a.m. People have been pretty good about getting their cars off the street. A private tree did fall during the last blizzard and was blocking Emory Street. We removed it to allow emergency vehicles to get down the street if needed. Robinson stated they do have the pool chemical numbers that Peterson had requested and there is an FYI in the packet regarding those findings. Public Works has installed a 4x8 sheet plywood and insulation board over an area on the west side of the liquor store as the exterior wall has deteriorated badly. Robinson is recommending that next spring a qualified person evaluate the condition of that wall as the bricks are in bad shape. Robinson has included a report on the street sweeper replacement. There is also an estimate to replace one of the snow plow hitches. This particular hitch has broken several times and been repaired many times. The City Mechanic is recommending that if at all possible, this hitch be replaced. It breaks every time it is used. If there are any questions from the Council as to what is wrong with that hitch, they could give DeSmith a call at the shop. This would be funded either through the equipment replacement or Streets and Parks Repair, Other. This hitch is not a stock item and needs to be manufactured and needs a lead time to be built. Robinson is asking for approval to purchase this hitch at a cost of \$4,498.40 from MacQueen Equipment, Inc. Snyder asked what this hitch goes on. Robinson said it goes on one of the gravel trucks and the blue two-way plow. This is the hitch between the plow and the truck. This was rebuilt by the Street Department a few years ago and this one is bent beyond repair and has been welded in multiple places. Peterson asked if this was scheduled for replacement anywhere. Robinson said the blue plow was scheduled to be replaced in 2012. He and DeSmith thought that if they got a different hitch, they could in 2012 move that blue plow to the yellow one and get rid of the yellow one. The plow part of it is still fairly good. The hitch would cost approximately \$4,500 and an all new plow would be in the range of \$18,000 to \$20,000. Stobb indicated that he trusted DeSmith's opinion on this. Motion by Stobb, seconded by Snyder to approve the purchase of a new hitch at a cost of \$4,498.40. Peterson said they should know what the account balances are before a decision is made on this purchase. Robinson stated there should be about \$6,000 in the Streets and Parks, Other Fund and the Equipment Replacement Fund there is approximately \$300,000. Robinson stated that he has discussed this with the Financial Director and if it is over \$1,000 he likes to take it from the Equipment Replacement Fund so it can be depreciated out. Peterson stated that if they waited until 2012 it would be coming from the Equipment Replacement Fund at that time. All voted in favor of the previous motion.

Robinson stated the Ford Explorer is at the airport in the open-T hangar. The key will be given to Homer. Adam Bruder has been hired and started November 30<sup>th</sup>. Robinson has included information on a new safety meeting program which will be held in Walnut Grove on a monthly basis. The program that they used before, Safety First was running around \$6,000 per year and then with budget cuts, the program was dropped. The City needs to fulfill the OSHA requirements for training. The proposed program is being subsidized by the League of MN Cities, so this program would cost approximately \$600 per year. They were able to get enough towns to do it to make it work. The meetings will be in Walnut Grove. Robinson is recommending that the City of Tracy join this safety meeting group. There were other options available earlier but they would have to travel a distance for the meetings. This will meet the requirements for OSHA and they will get a month where the instructor will go to each town and they would look over all the City equipment and give a safety analysis. Motion by Stobb, seconded by Martin to approve joining this safety meeting group. All voted in favor of the motion. Robinson stated that they have run all the generator sets in case of a power outage. They run the whole water plant and water system on the generator. Martin stated that Robinson had mentioned that he had numbers for the chemicals used at the pool and water usage. Robinson stated that the numbers were for this year and they show that if it is a windy, hot or cold day and if they are running the amenities, the chemicals gas off. Robinson said they have a radio read meter at the pool now and they can run profiles to see what it uses on a daily basis

Stacy Barstad, CEO of Sanford Tracy Medical Center reported that the building project is going well and the rough in framing and wall studs are pretty much done and the mechanical rough ins will be done this week. Sheetrock should follow this. They started with installation of the sprinkler system today in the new part and will expand into the rest of the building next week. Barstad stated they had a very successful fund raising for Dr. Apostol and his mission to the Philippines. She stated the staff is also working on some other things to help him with the trip in January. Barstad stated they have two physician candidates to interview and give tours of the hospital and community in the next couple weeks. One of the candidates would not be able to start until late summer and the other would be available after the first of the New Year.

Koopman stated that the month of November included six days vacation and three holidays. In addition to her daily work, she met with department heads and the general public. She attended two City Council meetings, an assessment hearing on the 2009 Street Project and the Hospital Advisory Board meeting.

Motion by Stobb, seconded by Snyder to approve a cigarette license contingent on payment of fees and submission of appropriate paperwork to Tracy Food Pride, Tracy Liquor Store and Casey's General Store. All voted in favor of the motion.

Motion by Stobb, seconded by Martin to approve a plumber's license contingent on payment of fees and submission of appropriate paperwork to Christianson Plumbing, GH Plumbing & Heating, Heartland Mechanical, Sahlstrom Heating, Cooling & Refrigeration, Sanderson Mechanical, Swish's Hardware, Wilk's Plumbing and Water's Edge Plumbing. Peterson asked if the bond issue and incident from 8<sup>th</sup> Street with Swish's has been resolved. Koopman does not think this has been resolved and she indicated that Nielsen has written letters and there have been attorney's involved, but does not feel that a resolution has been reached. Nielsen stated that he does not feel that the City is directly involved. He stated that three to four months ago he contacted the party that had guaranteed the performance of Swish's and they, through their attorney reviewed it, and declined to fulfill that. There are some legal points that were mentioned and that was conveyed to Koopman. Nielsen and Koopman have talked with the person taking care of that property for the gentleman that owns it, and she had asked what was going to happen. He suggested that if she wanted to contact the insurance provided by the contractor to help prevent these types of things, she could maybe recoup something there. Mayor Ferrazzano asked if they would be able to not issue a license or does there have to be a specific reason why if they pay the fee. Nielsen states that he does not agree to why they did not take care of it, and if there is a legitimate disagreement, can a license be held from a party for that purpose. He is not sure that is a valid thing to do. The City may chose to not do business with this individual and that is within the Council's prerogative to look at the criteria of performance that have not been fulfilled in the past. Stobb said the City had required him to have insurance, which he apparently does, because that is not the basis of the rejection, it is something

other than that. Nielsen stated the insurance company may have rejected paying and have not told that to him, but the supposed reason the guarantor did not want to pay, that was conveyed to him, was they felt they should have been told before any of the work was done that there was a problem so they could go out and correct it themselves or they could arrange hiring someone or doing it at what they felt, would be a lower cost. Nielsen tried to explain to them, that he understood the situation when this problem cropped up; it was probably the last thing in the homeowner's mind. This area out by the street, that was just worked on and should be good and it is a problem somewhere else and the plumber that was hired tried to find the problem, starting at the house and working out. It was after they got out to the street and dug up the hole, they found this deficiency. Suddenly it was Swish's problem. He tried to ask what they wanted this guy to do, fill in the hole and have someone else come and dig it up and fix it. Nobody knew it was going to be this guy's problem until they got out there and they still would not pay. Mayor Ferrazzano felt they should approve the license for everyone else and then just talk about Swish's individually. Stobb withdrew his previous motion. Motion by Peterson, seconded by Stobb to approve all of the listed names on the Plumber's license list except Swish's Hardware. All voted in favor of the motion.

Mayor Ferrazzano stated that they should maybe find out where Swish's is at with settling their dispute with the gentleman in the military. If Swish's did nothing wrong and they pay their fee and if the City has the option of not doing business with them then maybe the Council needs to protect the citizens from companies that are not doing what they are supposed to do and one way of doing that is not issuing them a license. Stobb felt that if Swish's does have customers in town, then the Council is depriving those customers of his services and he has presumably has done other work for them. Stobb felt the biggest leverage was if the City chose to do business with him or not. He would not care to hold the license issue over his head. Robinson stated that Swish's does do some work for the City and they have had him fix some curb stops. He said that Nielsen did describe the situation quite well and the part that went bad on that was a rubber connector that got rolled over in the pipe and Joshua Hunt had then called Heartland Mechanical who came down and started at the house and by the time you get out there to find out what is wrong, the job is already done. Peterson stated that he did not want to deny Swish's a license, but if they hold it for a couple weeks or whatever, maybe he can get with his insurance company and put pressure on his carrier for results. Robinson stated that the issue was when they started the project, they received a paper from Murrayland Agency saying Swish's was insured and now his insurance is not covering this. Nielsen stated that Swish's had the primary responsibility and at that time there was not a bond in place, but they got the guarantee from Murrayland. On top of that Swish when he entered into the contract he was supposed to be insured to help pay for any damages that would occur while he was working on the project. That is the avenue he had encouraged this lady who is working with Mr. Hunt, to try and explain and see if they could file a claim with that company to get paid back that way and by-pass Swish and Murrayland. He does not know if they have done that or what has transpired there. Robinson stated that on that project they had sent out bids to six different local plumbers and Swish's was the only one that bid on it. Stobb said that the next time they could approve a license for him would be January 11, 2010 at the next Council meeting. Mayor Ferrazzano feels that Peterson has a valid point. Martin feels the dispute is between Swish's and his insurance company right now and sometimes it takes a long time for insurance companies to settle things. Stobb stated that he did not want leave Swish's other customers without his services until the next meeting in January. Motion by Stobb, seconded by Enderson to grant a plumbing license to Swish's Hardware. Upon roll call the following vote was recorded with Martin, Enderson, Snyder and Stobb voting aye and Mayor Ferrazzano and Peterson voting nay. Motion carries.

Motion by Peterson, seconded by Martin to approve a split liquor license for Shetek Bend Banquet, Bar & Grill upon submission of payment of fee and paperwork. All voted in favor of the motion.

Motion by Martin, seconded by Peterson to approve a Sunday liquor license for Shetek Bend Banquet, Bar & Grill upon submission of payment of fee and paperwork. All voted in favor of the motion.

Gervais stated the EDA has a verbal agreement with Kevin Hoflock for the purchase of property in the industrial park contingent on approve from the City Council. This is a contract for deed for \$30,000 with \$1,000 due at the time of signing and the other \$4,000 of the down payment due at the time of closure on April 15, 2010. The remaining \$25,000 would be paid over 10 years at 5%

interest rate. Looking at the map of the industrial park, the large black line represents the boundary of the Industrial Park right now. The only developed lots at this time that the City would have would be the softball fields. The south softball field has a gas line that runs southwest to northeast across the south half of that field. To extend the 4<sup>th</sup> Street East 430 feet that would run to the north edge, with a quick cost estimate from SEH would be \$275,000. The goal with that property would be to either sell the building or get rid of it at some point to clear the lots for development of them for industrial use. It would give access to the northerly property outside of the end of 4<sup>th</sup> Street East through access of the northern lot. An access road could be made into the northern lot and have access all the way through that lot to the northerly properties. The funding for this would be taken from the Revolving Load Fund. Gervais is asking the City Council for approval to purchase the property. Peterson asked if Gervais had spoken with Mr. Hoflock today. Gervais stated that the last time that he had spoken with Mr. Hoflock was last week and he had told him that everything was drawn up and the EDA was waiting for his signature. Motion by Snyder, seconded by Enderson to purchase the property in the industrial park from Kevin Hoflock. All voted in favor of the motion.

Gervais told the Council that a letter of agreement has been signed with Jon Heezen. Heezen is a dental student attending the University of Minnesota who will be graduating in May of 2012. Gervais said that Heezen and his wife graduated from Slayton High School and live two miles west of Lake Sarah Baptist Church. They have three young children and have strong ties to the area with his in-laws and family in the area. They have been working on this agreement for about one year. The money for this, basically \$25,000 per year for the next two years and \$24,999.99 the third year would fall below the business subsidy policy. \$15,000 would come from O'Brien Court and \$10,000 from the 3<sup>rd</sup> Street East Apartments account to make this happen. The goal would be to have that dental practice started a little before June 1, 2012. They have had contact with a couple of retired and semi-retired dentists that would be willing to come in and help Heezen jump start the business and would open that practice about one year ahead of Heezen's graduation. They would start seeing patients and get the business started. They would mentor and help Heezen with the transition as well. Gervais stated they have met with Dr. Randy Johnson about his building downtown and they have not come to an agreement on a price or anything. They have also considered other options with other buildings and properties and building new as well. Gervais stated that now they have Heezen signed and they can take the next step. He said there are benefits in having the dental office downtown that would bring traffic to the businesses downtown and there are also benefits in having a new dental office by the hospital creating a medical campus. Peterson asked if there were any legal issues with using the funds from O'Brien Court and 3<sup>rd</sup> Street Apartments. Gervais stated there are no levied funds, but an income fund. They have taken money from O'Brien Court for the Premium Plant Services property and made that forgivable loan. Motion by Stobb, seconded by Peterson to enter into the agreement with Jon Heezen for a forgivable loan from the Tracy EDA in the amount of \$74,999.99 payable in three annual installments. All voted in favor of the motion.

Nielsen stated the Legal Services Agreement contains the same language as last year except for dates. Motion by Snyder, seconded by Martin to approve the Legal Services Agreement with Frank Nielsen to provide certain legal services to the City of Tracy in the amount of \$40,000. All voted in favor of the motion. Nielsen stated that he has been the City Attorney for ten years next year and sixteen years before that as assistant. Stobb expressed appreciation for his services. Nielsen stated that when he submitted his proposal that he understands that this year in particular has been trying for the City financially and would like an increase and may ask for one next year, but this year did not seem to be the appropriate time.

Nielsen asked if Section VII of the LSS Senior Nutrition Program Site Use Agreement was clarified last year about them being an additional insured on policies on the City would have on that property. Snyder thought the approval of the agreement last year was contingent on getting that clarified. Koopman stated that she will check into that. Motion by Peterson, seconded by Stobb to approve the agreement to LSS Senior Nutrition Program Site Use Agreement for 2010 contingent on the clarification of Section VII and review by Nielsen. This is in the annual amount of \$2,468 to be paid by LSS. All voted in favor of the motion.

Koopman stated the City maps were incorrect and after verification at the County Recorder's Office it was determined the one property owner listed on the original assessment roll for the 2009 Street Improvement Project was incorrectly listed and that same amount should have been applied to the

abutting property owner's property. It is a fairly sizeable assessment. Peterson asked who prepared the assessment rolls. The engineering firm prepared them based on the information supplied by the City. Koopman stated the City maps were incorrect. If the property owner would have brought this to the City's attention when the preliminary assessment notices were sent, the correction would have been made at that time. The City was not informed that it was incorrect until the final assessment notice was given to the property owner. Peterson asked if the engineering firm was responsible for verifying the data before they do the assessment roll. Koopman said the engineering firm provided the cost per foot and on the City maps we indicated that this was how many feet that property owner had. They are not going to know the property lines any different than what is indicated on the maps. Koopman stated this was a tax forfeited property that the City owned. She noted that the City acquired about seventeen properties back ten to fifteen years ago. This property was split and offered to the abutting property owners if they would pay for the cost of transferring the titles. The property was split running east and west, not north and south like the map indicates. The confusion occurred as the whole west side is owned by the one property owner. Nielsen stated the procedure would be a supplemental assessment as opposed to a re-assessment. Each of the property owners will receive a mailed notice of what has transpired and a hearing will need to be set as for an assessment hearing and only these two properties will be dealt with. There is no requirement that it be published again or that any notice to the other property owners that were assessed. There would be a supplemental assessment hearing and has to be within two weeks of the notices being mailed. The Council can make a decision at that point. Koopman felt they could do it whenever the Council decides to as this assessment will not appear on the 2010 taxes. Motion by Enderson, seconded by Snyder to hold the supplemental assessment hearing at the Council meeting on January 25, 2010. All voted in favor of the motion.

Koopman stated that she just received the information for the special assessment deferment. She explained at the last Council meeting that the application identified the legal description of the property and the ownership. Now the financial data was provided. She had sent them a letter on November 23 along with the application that would give detail on the financial situation. She had not heard anything yet last Friday and had asked Kathie to contact them. She was finally able to get a hold of a family member and they dropped this off today. If the Council approves the deferment, it delays the payment of that assessment however interest accrues during the deferment. If the owner were to lose Homestead status in any way, that deferment is terminated and the assessment becomes due and payable. Motion by Martin, seconded by Peterson to grant the special assessment deferment to Darold and Rose Gottig. All voted in favor of the motion.

Robinson stated the street sweeper is due for replacement in 2010 and an estimate was also provided to rebuild the current 20 year old sweeper. Robinson presented two state bids on street sweepers. That means the State has already done the negotiations with the manufacturer and has done the bidding. One is for a 2008 "Demo" unit with 250 hours on it for \$134,514 which includes the trade in value for the old sweeper. They would not take the old sweeper and the Public Works Department could sell it or part it out. The second state bid is for a 2010 sweeper with zero hours for \$153,436 and they would not take the current sweeper on trade for that. Both units have one year warranty and are standard units with very limited options. Robinson stated there is currently \$232,000 in the Equipment Replacement Fund with an additional \$64,000 transferring in at the end of December for a total of \$296,000. Robinson stated they have checked the competitor's machines and there was only one other competitor with the Elgin Pelican type sweeper. On review the competitor's machine is approximately \$5,000 cheaper but is a much cheaper machine which would not hold up as well. The Public Works Department recommends the City to purchase the "Demo" machine with 250 hours on it if it is still available at a cost of \$134,514 plus taxes. Stobb asked for clarification that they are giving a trade-in discount but they are not taking the old sweeper. Robinson stated they do not want it, but are giving us money for it. The only way a demo can be sold and in order to sell that for \$134,514, they are giving us the difference in trade on the current one. Stobb asked if proceeds that they receive from the old sweeper would be the City's. Robinson stated that money would go back into the Equipment Replacement Fund. Robinson stated that the current one has a John Deere motor in it and it may have some value to somebody and the rest of it is scrap metal. Peterson asked the life expectancy of the "Demo" unit would be about 15 to 20 years. Robinson said they are recommending on sweepers now is to keep them for six years and then get rid of them, but the City has a history of keeping things till they are shot. Peterson asked if they took the \$55,000 and rebuilt the one they have, what would the life expectancy be for that. Robinson said the problem with that

is if in five years they want to get rid of it, it is still worth nothing. He has no idea how long it would run as basically the chassis is shot and the motor or transmission could go any time. Robinson stated they had planned on spending about \$132,000 to \$134,000 and that marked was missed as the cost went up faster than planned. The one that fit into the City's depreciation schedule is the "Demo" unit. Motion by Enderson, seconded by Stobb to purchase the 2008 "Demo" unit with 250 hours for \$134,514. All voted in favor of the motion.

Motion by Peterson, seconded by Martin to adopt a resolution approving the 2009 Tax Levy, Collectible in 2010, upon the taxable property in the City of Tracy, for the following purposes:

General Fund	\$532,083
Permanent Improvement	\$ 10,000
Debt Service	<u>\$404,000</u>
<b>TOTAL LEVY</b>	<b>\$946,083</b>

All voted in favor of the motion. (Res. No. 2009-42)

Motion by Snyder, seconded by Stobb to adopt a resolution adopting the 2010 Budget for the City of Tracy, Minnesota with the expenditures as follows:

<b>GENERAL FUND</b>		<b>\$1,986,541</b>
General Government	\$506,032	
Public Safety	\$468,009	
Public Works	\$563,556	
Recreation	\$ 57,789	
Other	\$301,155	
<b>PUBLIC ENTERPRISE</b>		<b>\$3,465,039</b>
O'Brien Court	\$169,000	
Eastview Apartments	\$ 66,000	
5 <sup>th</sup> Street Apartments	\$ 58,200	
Liquor	\$814,200	
Utility	\$731,250	
Utility Surcharge	\$248,000	
Refuse Collection	\$126,000	
Licensing	\$1,077,700	
Tracy Med. Cent. Imp.	\$ 68,000	
Aquatic Ctr Operations	\$106,689	
<b>DEBT SERVICE AND BONDS FUNDS</b>		<b>\$ 837,116</b>
<b>OTHER</b>		<b>\$ 509,480</b>
<b>TOTAL ALL FUNDS</b>		<b>\$6,708,176</b>

All voted in favor of the motion. (Res. No. 2009-43)

Motion by Peterson, seconded by Snyder to adopt a resolution approving payment to Rupp Construction for work completed on the 2009 Street Improvement Project in the amount of \$7,511.41. All voted in favor of the motion. (Res. No. 2009-44)

Motion by Snyder, seconded by Stobb to adopt a resolution approving budgeted transfers as follows:

<b>AMOUNT</b>	<b>FROM</b>	<b>TO</b>
\$ 9,500	General – Police	Equipment Reserve
\$51,285	General – Street	Equipment Reserve
<u>\$ 3,750</u>	General – Airport	Equipment Reserve
<b>\$64,535</b>		
\$ 4,000	Refuse	General
\$36,000	Licensing	General
<u>\$ 7,000</u>	Eastview	General
<b>\$47,000</b>		
<b>\$65,640</b>	General – Comm Ed	Aquatic Center Operations
\$134,000	Utility	Water Revenue Bond
\$ 18,000	Utility	MPFA Bond
\$191,128	Utility	General
<u>\$ 16,000</u>	Utility	2007 Bond
<b>\$359,128</b>		
<b>\$ 32,000</b>	Utility Surcharge	2007 Bond
\$24,500	General – Fire Dept.	Fire Equipment Replacement
\$ 3,400	General	Economic Development
\$19,514	General	Senior Center Fund
\$ 3,700	General – Cemetery	Cemetery Operating
<u>\$10,000</u>	Liquor	General
<b>\$61,114</b>		
<b>\$629,417</b>	<b>TOTAL TRANSFER</b>	

All voted in favor of the motion. (Res. No. 2009-45)

Motion by Snyder, 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 \$96,175. All voted in favor of the motion. (Res. No. 2009-46)

The Consent Calendar included the Municipal Accounts Payable and the Monthly Financial Report. Peterson asked on check 049489 Maintenance & Repair – Other for \$1,500 Misc. Curb & Gutter Repair had to do with the street project and if this was going to be paid back. He asked if this was budgeted anywhere. Robinson indicated this was under Maintenance & Repair Other and this was for different spots in town where there were complaints of dips in the road, etc. This was not included in the street project but the contractor was used as they were in town. Robinson said they also did a repair for Tim Jones and he will be paying the city back for his share. Peterson asked if there was a method in place where they keep track of that and it is known there is a street project coming up in a couple years or whatever, to try and budget for these repairs. Robinson stated that they do not have a method to do that and go mostly by complaints from the residents. Motion by Stobb, seconded by Peterson to approve the Consent Calendar. All voted in favor of the motion.

Mayor Ferrazzano asked if anyone had any questions regarding the compliance order form and letter received from Nielsen regarding that form. Stobb stated that in reading through the form, he feels it is very understandable and workable form. Enderson stated that he would like to see that before someone is prosecuted, they be notified that they will be prosecuted. Peterson feels the appeals rights should be listed right under what needs to be done instead of on the back of the form. Stobb said that right under where it indicates what needs to be done it states there is a right of appeal. Enderson questioned how these properties are being chosen as there are a lot of non-compliant

properties in the City. Stobb stated that they do them a few at a time. Mayor Ferrazzano felt they could highlight the area on the front concerning the right to appeal. Enderson stated that he did not like the form. Stobb asked him if there was a specific item that he did not like and would like to have changed. Enderson felt that instead of going directly to the courts, it would be nice if the City would send a second letter stating that they were being prosecuted. Stobb stated the form reads that "certain failures to comply with this order may constitute a misdemeanor offense and may also result in further proceedings by which the City of Tracy may undertake needed corrective action for the property. Enderson stated the buildings are re-inspected and after that time nobody is informed if they will go to court. Stobb stated that if Enderson wanted to propose a change to the ordinance he could. Martin stated that if everyone gets their notice they have a certain time frame to make repairs and they do not have it done by that time, then they ask for an extension. The council agreed other than highlighting the one area of the form, it was approved.

Enderson asked for an extension on repairs for 130 South Street stating he just purchased this property last year. The compliance order states the roof is deteriorated and has 1-0 sag in the middle and is uncertain if the building is structurally sound. The doors and trim need paint. Enderson stated the doors and trim has been painted and the sag is gone. It does need re-shingling. There is another building in back of the property that is listed in the compliance order and states is twisted and leaning on all sides and walls are kicked out on the bottom causing possible safety hazards. Structure also needs paint, siding rotted, trees growing in the foundation. He purchased this property with intent of upgrading them but is asking for more time to do this. This property is not in court and the compliance date was in August. Mayor Ferrazzano asked how much more time he would need. Enderson is asking for a new date of August 2010 because he cannot work on the exterior in the winter weather. Motion by Snyder, seconded by Martin to extend the time deadline for repairs on 130 South Street till August 1, 2010. Stobb asked if this was in the process of something at this time. Nielsen stated that it has been reviewed and Enderson has talked with him about it and Nielsen told him they would talk with the building inspector about getting him so more time. Nothing has happened with this property as far as prosecuting goes. All voted in favor of the previous motion.

The next council meeting will be held January 11, 2010 at 6:30 p.m.

Motion by Peterson, seconded by Enderson 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