

Votca said that an intra-fund loan was approved by resolution on 28 September, 2009 from the Hospital Trust Fund to the Fire Department Equipment Improvement Fund in the amount of \$310,000 at a rate of 3.5%. The Fire Department Equipment Improvement Fund has made a total payment of \$113,142.60 since 2009 which leaves a remaining balance of \$196,857.40 in principle or a total of \$230,487.53 with interest. Votca recommended since the Hospital Trust Fund will change in purpose with the sale of the hospital to Sanford, that the intra-fund loan be forgiven. Motion by Stobb, seconded by Johnson to adopt Resolution No. 2014-40 A RESOLUTION FORGIVING LOAN FROM HOSPITAL TRUST FUND TO FIRE EQUIPMENT REPLACEMENT FUND. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable and Municipal Accounts Receivable. Motion by Stobb, seconded by Enderson to approve the Consent Calendar. All voted in favor of the motion.

Votca stated that he was contacted today by Stacy Barstad and Randy Anderson and stated that Sanford agrees to the list for the Capital Improvements will be the facility assessment they did in December 2013. The City wanted for them to say that was that list and then the City would agree with the Letter of Intent. There is a blank on the Letter of Intent for what the closing date would be and that is the only issue right now before they had a complete document. Votca stated they had a motion and passed a motion last meeting they would enter into that with the agreement of the assessments. Ferrazzano felt they only need to fill in the date of the closing and then Mayor Peterson would sign it. He would prefer to have it by the end of the year, but don't know if that gives Nielsen and/or Sanford enough time. Ferrazzano suggested putting in the date of the first meeting on January 12. The City had asked they remove item 6 under #9. Votca stated they can talk to them about that also. Ferrazzano felt they could cross it off and sign it and then up to them to agree with that.

Mayor Petersons stated they still have an open position on the Council before the January meeting. He suggested that Ferrazzano and Enderson interview the applicants and then bring their recommendation to the Council. Votca stated at this time they have three applicants and would continue to take applications until January 5, 2015.

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

ATTEST:



City Administrator



Mayor

January 12, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 12, 2015 in the Council Chambers of the Municipal Building. The following Council members were present; Mayor Peterson, D. Johnson, Jr., K. Enderson, S. Ferrazzano and R. Stobb. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Enderson, seconded by Ferrazzano to approve the minutes of December 8, 2014. All voted in favor of the motion.

Oath of Office was given to Mayor Steve Ferrazzano and Pam Cooreman, Council Member.

Recognition of Services was presented to Tony Peterson and Russ Stobb.

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

C. Larson of I+S Engineering was present to give an update on the Wastewater and Street Improvement Project. A letter was received from USDA regarding the infrastructure improvements and the third PER Review Comments. Based on review of the information is the recent submittal of the PER, Jim Hammer, State Engineer concurs with the proposed wastewater collection system, water distribution system and storm sewer system improvement. The PER does not identify a site for the recommended stabilization pond treatment alternative. Larson stated that Rural Development will require soil boring information along the utility improvement sites and the pond site. If the Council chooses to approve obtaining a certain number of borings and if he hears back for RD the City would not have to wait for borings to be set up. Larson stated that these costs will be reimbursable costs and the city would have to pay for this up front. Mayor Ferrazzano asked what the cost would be. Larson estimated it to be around \$15,000. Motion by Enderson, seconded by Cooreman to move forward with the necessary borings. All voted in favor of the motion. Larson said there will be a pre-construction meeting in March or April for the proposed street project.

Motion by Enderson, seconded by Johnson to appoint Kim Kalas to the Multi-Purpose Board for a term of three years. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to appoint Tony Peterson to the Planning and Zoning Commission for a term of four years. All voted in favor of the motion.

A Work Order Contract with Trane for the GESP program was received. This program is to Guarantee Projects for the facility to pay back through the utility bill and the City can use savings to pay Trane for their construction costs and surveys. The will perform an in depth audit of the City facilities to see what projects would be best for the City as far as savings in energy. Motion by Enderson, seconded by Cooreman to enter into the Work Order Contract between the City of Tracy and Trane U. S. Inc. All voted in favor of the motion.

The Consent Calendar consists of the; Municipal Accounts Payable, Municipal Accounts Receivable, Tracy Relief Association Minutes for November 3, 2014 and Liquor Store Profit and Loss Statement for November 2014. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to approve the following Mayor Appointments:

1. City Clerk/Administrator – Michael Votca
2. Deputy Clerk – Shane Daniels
3. Public Works Director – Shane Daniels
4. City Attorney – Frank Nielsen
5. Fire Chief – Dale Johnson III
6. Assistant Fire Chief – Mike Erbes

7. Assistant Fire Chief – Tony Rolling
8. Weed Inspector – Tim Jacob
9. City Forester – Tim Jacob
10. Building Inspector – Shane Daniels
11. City Assessor – Lyon County
12. Civil Defense Director – Police Chief Jason Lichty

All voted in favor of the motion.

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

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

Motion by Enderson, seconded by Cooreman to approve Minnwest Bank South, the 4-M Fund, Morgan Stanley Smith Barney, Bremmer Bank, State Farm and Ehler's Investment Partners as the official municipal depositories. All voted in favor of the motion.

At 7:00 p.m., interviews were conducted for the two year open Council Member position. Candidates included: Bill Chukuske, Rhonda Fredericks, Tammara Schons, Jon Chalmers and Sarah Willhite. After interviews were concluded the present Council members discussed who would be chosen to fill the position. The Council agreed that all were very qualified candidates and would be an asset to the Council. Motion by Enderson, seconded by Cooreman to select Tammara Schons to fill the two year Council position. All voted in favor of the motion.

Oath of Office was given to Tammara Schons.

Motion by Enderson, seconded by Johnson to approve the following Council Appointments:

1. President Pro-Tem – Pam Cooreman
2. Community Ed Financial Advisory Board – Tammara Schons
3. Planning Commission – Dale Johnson, Jr.
4. Economic Development Authority – Tammara Schons and Kurt Enderson
5. Attorney Meetings – Steve Ferrazzano and Pam Cooreman
6. Hospital Advisory Board – Steve Ferrazzano
7. Labor Management Committee – Pam Cooreman and Steve Ferrazzano
8. Wheels Across the Prairie Museum – Kurt Enderson

All voted in favor of the motion.

A letter of resignation was received from Robert Gervais, EDA Director. Votca felt the Council and EDA Board should discuss what type of position they want for this vacancy. He will research on contracting with someone for part time. Votca felt it is important to have a contact person available when the EDA person is not in the office. Options will be researched and brought back to the Council for discussion.

Ferrazzano asked if the Council would be in agreement to having a youth representative that would come to the Council to discuss specific issues they feel are important to the youth in the community. The Council agreed this would be a good idea and Ferrazzano will check with the school to see if they have any group at the school such as a school council.

Ferrazzano some cities have a format where they have invocation by a local minister prior to the meeting. Ferrazzano will check with the local ministers and design a schedule with them.

Motion by Cooreman, seconded by Enderson to adjourn the meeting at 8:10 p.m. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

January 26, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 26, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P. Cooreman and T. Schons. Also present were M. Votca, Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Pastor Miller gave the invocation.

Motion by Enderson, seconded by Schons to approve the minutes of January 12, 2015. All voted in favor of the motion.

An addition to the agenda includes 8-D Lion's Club Raffle. Motion by Cooreman, seconded by Enderson to approve the agenda as amended. All voted in favor of the motion.

Chris Larson stated they had discussed the assessment policy for the street project. He and Votca felt that a couple members of the Council should be included for it to be a formal committee. They can narrow down some options and discuss things before they are presented at the Council level. Larson suggested they meet the middle of next week and work out a recommendation for Council for the February meeting. Votca stated they did this once with Ferrazzano and Peterson last year, but since Peterson is no longer on the Council any more, they could make a new group. Ferrazzano and Johnson stated they could do it on February 4 at 3:00 p.m. Larson stated they will apply the policy to the bid results for the project. This one is higher cost because it is a thicker street section and the City is getting outside funding so will try to take something that is more typical of a residential area and apply that same policy.

Larson stated they have been getting shop drawings from the contractor for the 4th and Morgan Street Project and they are getting ready to get the materials ordered.

He should be receiving a letter from the FAA with some response regarding the waste water treatment project to what they are going to require. Chris stated that he will try to get some proposals from some qualified wildlife biologists addressing the wildlife mitigation. This will help determine the cost of wild life mitigation and be included in the projects within the 5000 ft. setback.

At the last meeting the Council gave approval of up to \$15,000 to do some soil borings. Bids were received and Larson is holding off the ones at the treatment sites. They do have a price for them so when they are ready to move forward. The total including those came to \$13,000 and right now will be moving forward with just short of \$6,000 along the utility improvements.

Larson stated that if any of the Council members or Mayor has any questions, to let him know.

Sandy Lau, Liquor Store Manager reported she offered complimentary samples in off-sale of a variety of liquor and wine for the Thanksgiving holiday. She also had complimentary samples on Christmas Eve. The customers seem to enjoy the samples and it also helps move the product. She will now be working on the February Birthday party and also some ideas for Valentine's Day.

Police Chief Jason Lichty presented the activity reports for November and December along with the 2014 Activity Report. Due to changing reporting systems during the year, 2014 activity numbers are not going to be accurate on the year end as calls that may have been entered into both accounting systems during the transition. Lichty asked that if the Council wishes to discuss the differences further, they may contact him. Lichty has renewed grant paperwork with the 10-33 Program and also the grant paperwork with the Dept. of US Navy for night vision and the department was awarded an upgrade in equipment. Lichty attended a chief meeting last Wednesday and there was good training. The next meeting will be in March and the meeting in June will be hosted by the Tracy Police Department.

Shane Daniels, Public Works Director was to remind the residents about vehicles on the roadway when it snows. The rule is that when there are two or more inches of snow, they will be out plowing. Residents can get the information on Nextel and also on the Tracy Police Department facebook page. Throwing snow on the road from driveways and sidewalks is not allowed. Those residents that have sidewalks are required to clear them of snow and ice. The water tower paint has been corrected. Daniels stated the rehab on Filter #2 at the water plant has been completed and they will be starting with Filter #1 in February. Due to the corrosion progressing more on this filter, there will a little more metal and welding involved prior to applying the epoxy. All the wells tested in a good status and should run this year with few issues.

Michael Votca, City Administrator said that Val Quist, Librarian was not able to attend the meeting but has provided a report.

Votca said he had an initial meeting with Amy Dorsett from Trane on Thursday and are working through the contract negotiation with them. Once the contract is signed, meetings for the investment grade audit. Votca reported that the City council and Sanford Health have come to an agreement to sell the hospital. Votca has been working with F. Nielsen to get bids to survey the property so that Frank can finish the parcel description necessary for the sale documents. Sanford Vice President Randy Anderson has directed one of the real estate personnel of Sanford Health to contact Votca's office so that they can work through the sale details. Mayor Ferrazzano requested Votca to create a Facebook page for the City of Tracy. This was set up on 22 January, 2015. Votca feels this will be another tool for the City to keep the public informed and promote City activities.

Votca and city staff have been working on preparing an orientation of the city for the new members of the City Council. Votca asked that the City Council choose a date that works for all members and the staff will fit it into their schedule.

Votca has attached a listing of the City Board vacancies that are either vacant now or will be vacant as of 1 February, 2015. These vacancies will be published in the Headlight Herald.

Votca had a meeting with Chad Anderson at the Tracy High School. They discussed having a student as ambassador to the City Council. This would get students involved with City Government. The Council also discussed having students from the Political Science classes at the college get involved. They will continue to move forward with this idea.

Motion by Enderson, seconded by Johnson to appoint Lynda Baskerville to the Multi-Purpose Center Board for a term of three years. All voted in favor of the motion.

Motion by Cooreman, seconded by Schons to appoint Tom Dobson to the EDA Board for a term of five years. All voted in favor of the motion.

Motion by Schons, seconded by Cooreman to approve a gambling permit for the Waterfowl Association Banquet. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to approve a permit for a Lion's Club Raffle. All voted in favor of the motion.

A Liability Coverage Waiver Form was received from the LMC. Motion by Enderson, seconded by Johnson to not waive the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04. All voted in favor of the motion.

Motion by Enderson, seconded by Cooreman to adopt Resolution No. 2015-1 A RESOLUTION TRANSFERRING FUNDS FROM FUND 412 TO FUND 403 FOR REPLACEMENT OF PURCHASES FOR STREET PROJECT in the amount of \$34,638. All voted in favor of the motion.

The Consent Calendar consists of Municipal Accounts Payable and Tracy Relief Association Minutes for December 6, 2014. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Votca stated that he is leaning more towards filling the vacant EDA position according to the job description. He stated he had tried to contact contractors for this position. They did not seem to be interested in contracting with Tracy. Votca felt it would be wise to contract with someone to write grants and getting funds for large projects. He had talked with Jim Kuel who would be interested in setting up a system but was not interested in the vacant position. Kuel will come and talk to the EDA Board if requested to do so. Ferrazzano felt that if the EDA Board wants an EDA Director, then they should advertise for the position and EDA members would be part of the interviews. Votca will advertise for the position and include a job description. They will accept applications till the beginning of March.

Mayor Ferrazzano stated a letter was received from Tony Peterson and he recommended to the Council it would be beneficial having a resident of the city working with the Council on the Wastewater Project. Motion by Schons, seconded by Enderson to appoint Tony Peterson for this position. All voted in favor of the motion.

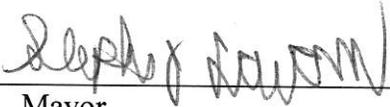
Votca will set a date with Cooreman, Schons and Johnson for new council member orientation.

Motion by Enderson, seconded by Johnson to adjourn the meeting at 7:10 p.m. All voted in favor of the motion.

ATTEST:



 City Administrator



 Mayor

February 9, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 9, 2015 in the Council chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson Jr. and K Enderson. P. Cooreman and T. Schons were present via Skype. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Enderson, seconded by Johnson to approve the minutes of January 26, 2015. All voted in favor of the motion.

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

There were no public comments.

Chris Larson stated that he met with Mayor Ferrazzano, Councilman Johnson Jr and City Administrator, Mike Votca to discuss options for the street assessment policy. The Sanitary sewer assessment will be based on units as the water is. That means that a 75 foot lot and 50 foot lot will pay the same for water and not based on footage. Corner lots the side yard is defined as the longest measurement and sides are assessed at ½ of a unit. It is 30% of Street, 30% of the Storm based on area and the square footage of the lot. Water and Sanitary are both at 30%. New side walk will be assessed at 100% and if there is no sidewalk now and sidewalk is added, they would pay the full cost what is adjacent to the property; otherwise the sidewalk is wrapped into the street cost.

Larson stated that assessment range from about \$5,000 to \$35,000 which makes the average assessment about \$10,000. Mayor Ferrazzano stated that the committee did take considerable time looking at different numbers and trying to save the residents as much money as possible. The biggest thing they did was that any external funding would be applied to the residents getting assessed. Votca stated that going forward with the policy they should having something that this is left to the discretion of the Council. Certain situations such as this, makes sense to apply that. The County is spending money to do a certain part of the project so it should be put in before the assessments, whereas in some situation it might not make sense to do that. Larson stated it is a county route but because of the county route, thicker streets section, prevailing wages and things such as that drive that cost up. There may be some outside funding from grants such as the Wastewater Project that may not necessarily be applied to the assessments.

Larson stated the other target number was 25% of the total amount it is bonding. They ended up with 27% to allow for some buffer when the bid numbers when they get them back. Mayor Ferrazzano asked if the residents are going to see some savings from what they got last year. Larson stated they will. Votca said another thing to remember is these will be paid over 15 years and not sure what the interest rate is right now, but when they do the final resolution they will have to put in an interest rate based on what the bond interest rate is. Larson said that if the Council is comfortable with the numbers they should send something out to the residents before construction starts. Larson stated there are three instances by statutes that the assessment can be deferred if you are over 65 years old, veteran and if disabled. Votca stated that if the Council feels this is where they want to go then they would rewrite the policy and approve that. Larson stated the County is contributing \$600,000 and the City's current policy says that any outside funding goes toward the City's portion of the cost instead of first going to reduce the assessed amount. They are changing that to knock down the amount assessed. Larson stated for simplicity, if the total project cost is \$3 million and the County was contributing \$600,000, the former policy states you calculate all the assessments based on the \$3 million, figure what the homeowners are going to pay and what the City is going to pay and then take the \$600,000 off the City's portion. This way they are taking the \$600,000 off the top so the assessments are calculated on \$2.4 million.

Daniels asked if there were any questions regarding the list of surplus sale items and stated there might be some old bicycles from the basement added. Votca stated the Police Department has a couple office chairs and a couple bikes and that would be about it. Motion by Enderson, seconded by Johnson to approve the surplus sales items. All voted in favor of the motion.

Mayor Ferrazzano stated that he had talked about the Mayor's Youth Advisory Board in January. He stated that other cities do this to get a committee or board together of kids in the community to advise the Council and discuss issues they are facing. Mayor Ferrazzano read the resolution so the public would know what the resolution consists of. Motion by Enderson, seconded by Johnson to adopt Resolution No. 2015-2 A Resolution Establishing the Mayor's Youth Advisory Board. All voted in favor of the motion. Votca will set something up for applications and ads. Votca stated that Chad Anderson said that he would put it on his announcements and help distribute applications.

The Consent Calendar consists of Municipal Accounts Payable, Municipal Accounts Receivable, Fire Relief Association Minutes for January 5, 2015, Planning and Zoning Commission Minutes for November 3, 2014, Profit/Loss Statement for Liquor Store, Tracy Library Board Minutes for January 15, 2015 and Tracy Economic Development Minutes for January 16, 2015. Motion by Johnson, seconded by Enderson to approve the Consent Calendar. All voted in favor of the motion.

Votca stated that before he started working here, Ehlers ran the numbers on these 2007 bonds which have a call date in February of 2017. A refunding is like refinancing a bond. The bond proceeds are put into an escrow and when the call date comes up, payments are then made with principal and interest and when you call you pay that bond off with proceeds that are in the escrow. "According to the report on page titled The Debt Service Comparison with the rates they City could save \$58,000 to \$60,000 a year off the debt service paying off these bonds. That is about a 7.3% savings. Votca stated it can be a gamble as it is unknown if the rates are stay good or go up or down. Johnson asked if the rate can be locked in. Votca stated they would be getting those bonds at the new rates, so will be locking it in at the current rates rather than what it will be when the call date in 2017. Votca stated that if they want it explained further, Ehlers can come and do that. Mayor Ferrazzano suggested that they invite Todd to come and explain it. Votca will talk to Todd about this.

Votca stated the Library Board asked him to discuss the County Library Funding with the City Council. When Marshall pulled out of the Plum Creek System, they put a spotlight on how the County funds libraries in Lyon County. About one month ago, Votca attended one of their meetings where they were having discussion about this. By State Statute they have to spend \$300,000 on libraries in Lyon County that are part of a library system. A majority of that goes towards Marshall. Some of the members thought Minnesota and Tracy should get some of that money. They had talked about \$11,000. When he talked with members of the County Board, they were talking they want that money to go to new initiatives, which they have not defined and Tracy would have to come to an agreement with them on what that means. Talking to the Library Board they have been discussing what they would use the \$11,000 for. The librarian is currently hired at 28 hours to avoid paying for benefits, etc. The Board is thinking of hiring her for around 32 hours, depending on how much that cost. Doing this would cost the City around \$14,000 or so for additional benefits and pay. Mayor Ferrazzano asked if this would be locked in. Votca stated that does not mean they would get this amount the following year. Mayor Ferrazzano stated that they need to get some understanding with the County that this funding is going to continue at the current rate or something similar, because they are spending more than \$11,000 we might be into \$14,000 from the City's pocket if they decide not to give the \$11,000 next or the year after that. Votca stated that since Quist started there has been outreach to the day care providers and giving her more hours to her schedule would get programming after hours programs. Mayor Ferrazzano stated it would be good use of the money but need to get some kind of guarantee that they would get this money each year. The Library Board does not want to increase the library hours, just the hours the librarian works. Votca will check on this.

Votca stated the Board of Appeal and Equalization is scheduled for April 28, 2015. Votca also enclosed a piece of information that starting next year or the end of this year, they will start with E-learning so will want to get a couple more members trained.

Votca stated Charter sent him a letter with Charter channel updates and are changing a couple channels.

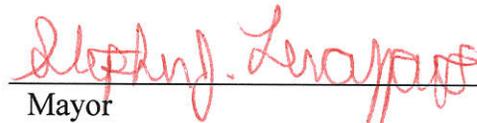
Mayor Ferrazzano stated there was recently a letter in the local newspaper about it being a conflict of interest for Cooreman to second a motion for Schons to be appointed to the Council. It also stated that maybe Mayor Ferrazzano could benefit from some more training for not realizing there was a conflict. He appreciates when someone wants to address something with him to improve things, but would rather respond to that question by talking about opposed to writing about it in the paper. Mayor Ferrazzano is going to take the time to respond to that in case other residents were thinking the same thing. If the Council and the Public can recall, this issue was brought up December 8, 2014 when Peterson brought up if Cooreman and Schons would be a conflict of interest since they are sisters. The answer was no because the conflict of interest with Robert's Rules talks about a financial gain or something along those lines. When they interviewed people to fill the last two years of his Council position, they already knew ahead of time it was not a conflict of interest. The second thing according to Robert's Rules, even if someone thinks there is a conflict of interest and it is pointed out to someone that is a voting member that there may be a conflict of interest, Robert's Rules does not prevent that person from voting. The main issue is there was no conflict, the Council was told about it in December. If there is anyone that has any questions, they can come and talk to him about it.

Motion by Enderson, seconded by Johnson to adjourn the meeting to discuss labor negotiations. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

February 23, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m. Monday, February 23, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P. Cooreman and T Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Haberman.

Motion by Cooreman, seconded by Johnson to approve the minutes of February 9, 2015. All voted in favor of the motion.

An addition to the agenda was 13-B ASCME Agreement. Motion by Enderson, seconded by Johnson to approve the agenda as amended. All voted in favor of the motion.

George Tanguy presented some printed material concerning his issue. He thanked the Council for letting him speak tonight. He hopes to provide some insight and obtain some knowledge regarding the Public Safety issue. He hopes the Council can come to some type of resolve involving the matter. He wanted the Council to picture a small child sitting in the center lane of a small residential road when a large truck comes around the corner and shows no sign of stopping. Suddenly the child's mother dashes into the street, pulling her baby from harm's way at the last minute. She is hailed as a hero. The community is thinking she is courageous and showing selfless act of love and bravery. What if she is also responsible for putting that baby in the street knowing full well that it was only matter of time before that truck came roaring by. Is she still a hero for saving the baby from danger she exposed it to? Think about that for a second. Let's also look back on that last part of the story, but what if she was responsible for putting that baby in the street in the first place, and knowing it was only a matter of time before that truck came roaring. A matter of time. A matter of time is what we are dealing with here in our very own community in Tracy. Tanguy stated there is an ever growing amount of Tracy Firefighters and EMS Ambulance volunteers speeding through the streets in response to the call of duty. It seems as if the safe driving policies at the fire hall have also been lax and no longer part of the safety policies that have been instilled in this great tradition of the Fire and EMS system. He also finds it interesting that the two biggest offenders who do these violations of the safety policy daily are department heads and leaders in this town, our Fire Chief Dale Johnson III and Chief of Police, Jason Lichty. I also find it very frustrating when calling in to make a complaint about the violations that continue to go on and the failure of an officer or anybody showing up to take any statements including a no show of police officers to take valid complaints. It seems to me there is a very solid fact of "look the other way policy". Mayor Ferrazzano asked Tanguy who he called. Tanguy stated that when you call the Lyon County Sheriff's Office and then they send an officer. They told him there is nothing they can do about it and left a message with Mathers and he stated there is nothing he can do about it. The next step would be go to a City Administration meeting. Mayor Ferrazzano told Tanguy that he can also go to M. Votca, City Administrator and did not know if he had talked to him. Tanguy said that because of the extreme and he is representing other people as well. Mayor Ferrazzano stated that if there are problems with the department heads you can go to the City Administrator. Tanguy stated that again because of the severity of the issue and how long it has been going on he felt it was best being handled this way. Tanguy stated that it seems to him there is a very solid fact of "look the other way policy" but these department heads have an issue of slowly trickling down to their personnel. If you have bad leaders breaking the law and not following the rules and the standard operating procedures, their personnel will also follow suit.

Tanguy stated that he and many others in this community have made valid calls and tried to make valid complaints and hope it would solve or lessen the problem. These complaints have gone unheard and unresolved. He would like to go over the laws and statutes that are being violated by fire personnel. He has provided the material for the statutes but will not go through all of them but some of them are Duty and Drive with due care. Some of them are license revocation of extreme speed of over 100 mph, which he has personally witnessed. Increased speed limit when passing violation, Reckless driving, Careless driving and application of it,

Designation of a stop sign violation, Administrative citations and certification of traffic offenses and Emergency Vehicle violations he provided for the Council to look over. In the back there is a League of Mn. policy involving emergency vehicles. The only vehicles that are exempt from speeding are police department vehicles.

Tanguy stated the reason he included the maps as he wanted the Council to get the scope of the idea. The Marshall Fire Department have city owned Fire Chief vehicles, not privately owned vehicles. They are owned by the City of Marshall and insured by the City of Marshall and they are permitted as emergency vehicles. But they are still not allowed to break any traffic laws when responding to a fire. They are fire personnel, only police vehicles are allowed to break those laws. The second map is a map of the City of Tracy for comparison of the square miles of Marshall compared to the square miles of Tracy. On the third map Tanguy's residence is in there and also the residence of Officer Jason Lichty is in there and you can see a path he goes through when responding to a fire call. As he comes off 4th Street East, by the time he gets a block and a quarter to Tanguy's house, he is well over 50 mph in a residential zone. He has made complaints and calls with nothing being done. This has continued to go on for a very long time. Other past fire fighters that were on the service and have left have also made complaints, even when Tanguy was on, and these complaints were not resolved. Mayor Ferrazzano asked who these complaints were made to. Tanguy does not know if they specifically called but the ones he is dealing with have a called the sheriff and the it was always blown off that he was upset. Ferrazzano asked that when he gauged the speed, if he had a radar gun. Tanguy said obviously they were citizens; we should not have to provide radar guns. Ferrazzano stated that he knows that but Tanguy was saying that he said it was 50 mph. Tanguy stated that you see regular traffic go past your house at 30 to 35 mph, you can definitely tell the difference between 30 and 50 mph. Ferrazzano stated he was just asking as those were the type of questions he would ask in court if a cop was saying your client is doing "X". Tanguy also provided an expanded map to show how far of travel Jason Lichty, in his personnel vehicle speeds through. He goes past two major parks and many numerous homes that have families in them. It is not just an open dirt road or highway with a home every mile or so. There are multiple homes and residents that he goes past at that rate of speed. His vehicle is not inspected every month like the fire department vehicles are. He could blow a tire. Tanguy stated that when he was on the fire department, Lichty did blow a tire on his truck. This was not responding to a call but had happened in the past during regular use. What would have happened if he was responding and went through the front of someone's living room in a residential area? Tanguy stated the next map he has is Dale's. Tanguy does not see why we have to retrofit somebody's personnel owned vehicle with lights and now sirens. He is not sure about the sirens and cannot confirm that. Dale lives two blocks from the fire hall. Why do we have to require such a need to install they lights and radio that he should not have in his vehicle? Why should we go this extra step to do all these things when we are a small community? Tanguy stated you can drive from one side of town to the other and then you can speed from one side of town to the other and there is a difference of three to four seconds. Is three to four seconds asking that much to keep due regard and drive safe? They need to think of the people of the community instead of that they have to get good response time.

Schons asked if it was just these two individuals or are there other firemen that do the same things. Tanguy stated there are others that do the same thing. Obviously because of material time, a lot of them have not been documented in putting it all together. He is giving two examples because these are the two most offenders. Tanguy stated there are others also but like he said in the beginning it is trickling down into the other personnel. Ferrazzano questioned that is issue is that nobody does anything. Ferrazzano states what he is getting at is want people to think if they call about something nothing happens. Tanguy stated that over the past three decades vehicle related crashes have been the second leading cause of fire fighter line of duty deaths. About a quarter of the deaths of on duty fire fighters occur in motor vehicle related incidents and crash many while responding to or returning from the incident. More than two thirds of those deaths involve fire fighters personally owned vehicles and three quarters of those victims are volunteer fire fighters. Ferrazzano asked where this was coming from. Tanguy said it is coming from the NFPA studies that they have put together statistics. You can look it up on their website.

Tanguy stated that that being said, just the statistics for fire fighters, what about the general public going about their day to day life that may be affected by poor safety choices of those fire fighters, not following general laws that are in place.

Tanguy stated that when a person applies for a full time department in the State of Minnesota, the speeding tickets are referenced. If a fire fighter has five speeding tickets within a five year time frame they are denied an application. It is also indication of arrogance, immaturity and lack of respect for society's rules and the safety of others in the community they live, work and protect. As a fire fighter, they are expected to be better than the rest. The way they drive, the way they help their neighbors, the way they help other people in need and the way they interact with other people in their community are added up to statements of who they are and who they are presenting themselves to be in this community. In no certain terms can we just spin or twist or verbalize any excuse as to why a person responding to a fire station cannot follow the traffic laws. Tanguy questioned why is the fire department deviating from such great policies involving safety and why are fire chiefs using personnel vehicles illegally as emergency vehicles and why does this continue when he lives two blocks from the fire station and four blocks from his business. Why is it okay for Jason Lichty to speed past his place of residence at over 50 mph when responding to a fire call? When a complaint is called in, no officer shows to take report or reprimand or any consequences are made whatsoever. Tanguy's other question is what is the need for Dale Johnson the Fire Chief to have lights on her personnel vehicle which is in excess of the red light permit that he might have. A red light permit is provided. Tanguy stated the first page of the red light permit states that the lens of the red lamp cannot exceed three inches in diameter. The red light lamp may only be lighted when the vehicle is being driven by an applicant while proceeding to the location of the response equipment. Always displaying the red lamp for identifications purposes and no special right of way or other traffic regulations privileges exist by reason of the red light. It is voided upon termination as a status of fire fighter, ambulance service. Ferrazzano said they could look into this. Tanguy questioned why Johnson is allowed to break traffic laws if he does or does not have the proper permits and falls under fire department emergency vehicles. In the state of Minnesota, fire department emergency vehicles are not allowed to break any traffic laws. They are supposed to obey all traffic laws and ask for right of way. Tanguy asked why Johnson is being exempted by Lichty, Police Chief and his police officers when he legally is not being listed as fire personnel. The reason the police are allowed to exceed the speed limit because they have taken high speed driving courses and classes. There are a lot of things the police have done to be able to do those things. Red light permits that cover the light issues, but what about the hard wired radios in Johnson's truck that he has purchased using his chief status as a way to attain an illegally radio in his personally owned vehicle. What if an incident did happen, what if he was removed temporarily because there was some type of investigation and isn't that radio system that is not owned by the Tracy Fire Department a compromise of the Armor System or any radio system they have in place. Does the City of Tracy carry insurance on Johnson's personally owned vehicle and if so it still falls under emergency vehicle of a fire truck and has to follow all traffic laws. Part of the requirement for addition lights is a total sign over of that person's truck and would not be his personally owned vehicle any longer. Tanguy has talked with the Public Safety Council about that. If the Tracy Police Chief, Jason Lichty and officers he has in command and he instructs them to not take valid complaints from people in this community, then what type of steps can the Council provide so those complaints can be documented and enforced. Is there is a complaint form that can be used or is there a form than can be made so the people in this town can be assured that something is being done about these issues. Tanguy thanked the Council for their time.

Ferrazzano stated again that when people do have complaints about a department head they do go to the City Administrator. Tanguy stated he did it this way because of the severity of the issue. Ferrazzano stated he understands that but the process is to go through M. Votca. Tanguy stated he understands that but talking with everyone else and looking where they have stated they have called with no results, and may they need to go to the next step. Ferrazzano stated that is why they have a Public Comment section. But for the Council to say what they would do, they would have Votca visit with the Department Heads. Votca stated that if the wanted to be anonymous they can put a note in the water bill box or send him a note.

Todd Haugen from Ehler's and Associates presented saving the City some money. There is a bond issue out there 2007-A General Obligation Bond that they tried to refund a couple years ago. Looking at the graph in the pre-sale report at 2013 they tried it and rates started to go up right away. Haugen stated the rates have started to go down but are starting to edge up just a bit.

With the rates almost as low as they were back in 2013, they would like to try it again to try and save the City some money. Haugen is looking at a reduction over the next 13 years of around \$221,000. The City does have about \$400,000 in cash in the old debt service account of the bond fund too. If those two are added the savings plus the cash, there would be about \$58,000 a year savings. That would be a reduction in the City tax levy. Haugen stated they would like to get this on track for a possible bond sale next month and on March 23, 2015. Haugen explained that what they would be doing on this technically is these bonds are not callable till February 1, 2017. They will be taking the bond proceeds and putting them in escrow for a couple years and locking in the rate and the rates could go up. Usually they invest those in state and local government series securities which are special federal securities for escrows. If Ehlers buy them for the City, they do not fluctuate; there are federal securities for this purpose. The Feds are running that against the debt ceiling and are thinking by March 15, they may want to stop things and not let that be done until Congress increases that debt ceiling. Haugen stated there is another way to do this with open market securities. There would be three bids from investment banks that do this sort of thing. There may even be a higher yield on those securities for the escrow and there are a couple ways to get this done if the Feds shut this down. Haugen stated they have a Plan A and Plan B and at this time will save the City the same amount of dollars. Haugen stated that what he is looking for tonight is approval from the Council that authorizes Ehlers to proceed with packaging this up and coming back with bids on March 23. If things change they can stop them or postpone for a bit.

Haugen stated the City has another bond issue with 2010-A, EDA taxable housing bond for Orchard Lane. That has some federal government ties as well. It was a Build America Bond and taxable because in 2010 the Feds allowed Cities to issue taxable bonds that could have been tax exempt but they would give you 35% Federal Rebate. This was part of the stimulus package and that equated a better interest rate back then. They can be refinanced as tax exempt because they could have been at the beginning. Ehlers took a look at that and it does not work with this advanced refunding concept. This is not callable until 2018. There is a special provision in the documents that allows and almost gets us there. Haugen is not pushing this but wanted to let the Council know that they have looked through all the documents with the bond attorney and there is some extraordinary call provision that if the feds decrease the rebate which they have 7.5% and that would trigger an immediate call and could call at any time. The City bond attorney from Kennedy and Gravin has looked at the bond resolution and the offering document. The bond resolution in 2010 says that the Federal Government has to wipe out the program. The offering document the bond holders see is more important to look at in some respects. That says there has to be an amendment to that code section that was put in place during the stimulus era that would allow for a decrease. They did not amend any law or anything just reduced the rebates. This would save the City about \$173,000 but cannot be done to at least 2018. Some cities are thinking about this and others are thinking about it. Ferrazzano asked if Ehlers thought the City should do something now. Haugen stated the liability would be that the City would owe bond holders some interest that the City took away from them. If they think they have an argument that the City should not have called those bonds and should have waited until 2018. The other side of the coin is that they City could save money. Ferrazzano asked that Votca research this.

Motion by Schons, seconded by Cooreman to adopt Resolution 2015-4, A Resolution Providing for the Sale of \$1,835,000 General Obligation Refunding Bonds, Series 2015A. All voted in favor of the motion.

Chris Larson from I+S introduced Andy Boyle who will be the one in the field during the project. They met with the County this afternoon to go over some of their documentation and requirements for the state aid portion of the street project. He also passed out a draft of the first project newsletter. They are waiting for the updated mailing list from the County so they can update the assessment roll with the current property owners. The plan is to send something like this out periodically throughout construction and may be as often as weekly or every couple weeks depending on when things are changing. Votca stated they can put a website spot where this can be placed so people can get these when want. Larson stated the County would put it on their website also. There is a paragraph in the newsletter about people providing their e-mail address and best to send them out that way.

Larson stated that regarding the wastewater they talked to quite a few wildlife biologists including those at USDA Wildlife Services. They had a conference call with them on Thursday and are thinking the route to go is not to do the full year long assessment with an estimated cost of \$80,000 and \$35,000 for a shorter one. Obviously from a time standpoint, they do not want to push things that far back. Larson stated they can get a pretty good idea of what they need by doing just a site visit and the route they are going to recommend here is working with USDA Wildlife Services. As soon as the Council approves this, Larson can talk with them and they will give an idea of any project options within that set back and what type of mitigation requirements they will be looking at propose to do a two day site visit in May, when migration is going on. It is a formal procedure that FAA has guidelines since it is not the yearlong study, but are hoping that would be enough to appease FAA. If something happens out there, they might require the full year assessment. What they are after to determine these additional requirements that could and likely would be required, even if they do not do the yearlong requirement Larson feels they will be doing what they propose to do as far as mitigation measures such as the cannons. For cost the USDA would be asking for reimbursement of their cost and it would be about \$2,000 to \$4,000. Votca stated that when the FAA wrote the City the letter a month or so ago and doing this research on what it would cost to do these studies. They mentioned that if the only option is to build within that set back or the best option is to build in that set back, that might be something that needs occur to mitigate hazards to the airport in the future. There is no mandate that the City cannot do that. Ferrazzano questioned that if the City had to build there; they could and later on do a one year. Votca stated it makes since we want to protect the pilots that use our airport and by then they could get the funds back on line with Bollig. Larson stated they will be using findings from that to plug into the response in the PER and get that back to Rural Development.

S. Lau, Liquor Store Manager presented a break down for January 2014 and January 2015. On February 13 the Liquor Store had a February birthday party and there was a good turnout. On February 14 the Liquor Store offered complimentary samples in off-sale of a variety of wine for Valentine's Day. Lau is planning another birthday party for March and has decided to try Karaoke on March 28.

J. Lichy, Chief of Police asked the Council for any questions regarding the activity report for January 15, 2015. Lichy said MN West College has in years past conducted training to Law Enforcement in SW MN to keep up their continuing education, qualifications and certifications. The College is stating they are going to continue this in 2015, but are changing the process. Lichy has been exploring costs and talking with other local departments to see how we can work together to make sure officers keep up on certifications without having to travel farther and overnight expenses. This may force some of our own officers to become trainers to keep our certifications current.

D. Johnson III, Fire Chief stated the grant they got last year for personnel protective equipment, the equipment has been received and submitted for the grant and the money should be electronically transferred back to the City next week. He wrote a grant for training and received the grant for ice water rescue and hydro safety and raft intervention which is becoming a new thing in the fire world. All the air packs are set up with a buddy breather. They also received another grant for some hazard material training as well as some free detainment equipment. Johnson stated that he is working on some grants now to replace the Jaws of Life. Johnson stated there was a work drill and did some repairs at the fire hall and been mildly busy for as cold as the winter has been. They will be working the next month to get the Capital Improvements for the Fire Department updated.

S. Daniels, Public Works Director asked if there were any questions regarding his report. Daniels stated the water plant is all sandblasted now and will be doing some clean up now and might get into some epoxy later this week. They worked on the door on one of the hangars and waiting for parts on that. One of the cables snapped and the door came down on the hangar in the southeast corner. Daniels stated that today he spent some time working on the sump pump list and has about 1/5 of them up to date as far as if they have sump pumps and if they have valving to the sanitary sewer so the annual permits can be updated and monitor what is going into the sanitary sewer and verify they are removed in the spring.

Enderson asked Daniels if they thought they would get around to residing the hangars. Daniels did not know if it is worth residing the ones that are out there or if better to work on getting a 50/50 grant to rebuild hangars to accommodate today's larger planes. Schons asked who is paying for the airport and if there is funding out there that is paying for it. The City usually fronts the funding right away. Any spraying, labor, maintenance to the lights, parts for the runway lights and parts for the beacon, any contracted labor and mowing and repairs for airport mowers. It is MnDot Aeronautics that provides the City with that funding. Daniels stated that when they plow snow out there, there is the fee schedule with truck costs. Anytime a plow truck is sent, gravel truck, skid loader, grater out there, the state pays 75% of the hourly use for equipment up to \$18,000.

M. Votca, City Administrator said the Library report is included in the packet. He reported that personnel from Trane visited on 10 February for a walk through of the City buildings. Amy Dorsett is the lead person from Trane and she is working with the Department of Commerce regarding the final contract for the GESP.

Votca stated he has spoken with the real estate office for Sanford Health and gave them information to start developing documents for transfer of ownership of the hospital. He has been told that draft documents should arrive during the week of 23 February. Votca will keep everyone informed.

Votca said a hearing was held on 12 February regarding a complaint from a retired employee. Nielsen and he presented the case that this is not a legitimate claim against the City. The judge had 90 days to make a decision. Votca received a letter from the judge that this was not a legitimate claim against the City.

Votca attached a listing of the City Board vacancies that are either vacant now or will be vacant. These have been published in the Headlight Herald. If anyone knows of anyone suitable for the vacancies ask them to fill out an application for the position. Votca will present them for selection at the next Council meeting.

Votca has advertised the opening in the Headlight Herald, LMC job opening site and DEED MNworks.com site for the EDA Director position. Applications will be accepted until 6 March, 2015. Once the applications have been received, he will evaluate the applications. Votca is currently planning to conduct interviews 16-18 March. Votca has contact organizations that could possibly provide EDA services through a contract. I will continue to discuss options with these groups to determine if the City can benefit from a contract with one of these groups.

Votca said he has been given an update on submittal of the grant request to the FAA and MNDOT for 2015 airport projects from Joe Gimse at Bollig Engineering. In his report Gimse stated that they have submitted the Runway Lighting Project to the FAA. The Pre-Grant Application and the Cat-Ex (Categorical Exclusion) are completed and the Cat-Ex has been approved. The Construction Safety Phasing Plan was submitted this week and Dan Millenacker, FAA Program Manager, seemed optimistic about the approval and potential "go ahead" sometime in March. It was determined that the Apron Reconstruction Project would face a tough FAA approval road and Millenacker suggested pursuing MnDOT funding. Bollig has been in contact with Harris Baker and Baker is aware that they want to move forward with this project and are in contact with him to assure he has everything he needs. Bollig had a discussion with Gina Mitchell – FAA Planner – concerning the ALP review and approval process. This is being evaluated at FAA and they are waiting to receive their comments. Gimse reported that FAA seems to be very slow in determining how they are going to proceed with the "Unclassified" designation and the Entitlement issues. He feel they have done all they can at this time and need to wait and see what they determine.

Ed Engels stated that he has two aircraft at the airport and he stopped there tonight and his hangar is wide open and anybody could walk in there anytime they want. He received a letter that was mailed from the City on February 20 that maintenance had to get in it and they cut both locks. Tonight there is not a lock on it. Engels asked who was liable if his stuff is gone. He is ready to pull his aircraft out of the Tracy Airport if that is what is going to be happening. He has tools, a \$20,000 car and \$50,000 airplane sitting there and not a lock on the door anymore.

Ferrazzano asked if they stated in the letter why it was opening. Votca stated they were working on the cable that broke. The key was mailed to Engel on February 20 and there is still not a lock on it. Daniels stated the lock was to be put on Friday. Daniels stated he will stop there on his way home and put a lock on it tonight. Engels also stated June 5, 6 and 7 he would like to reserve the whole campground again for the ultralight plane fly in.

Ferrazzano asked if Votca tried to contact the other companies about contracting to do the EDA work there is no response. Votca stated that if they wanted to pursue that, they can. He stated that Marshall contracts with Marshall Area Chamber of Commerce to provide their EDA services. If they would like to talk to Cal Brink and he has talked with him initially, they can start on working on a proposal. Votca stated that at the last EDA meeting he showed them what the cost would be for this year with the presumed starting pay of a new worker and it is in the \$5,000 range with all the benefits per month. If there is some way to negotiate some sort of deal that would cost less than that with the same services. The EDA Board at the last meeting still had concerns about not having our owned hired person working in the office. Votca does agree with this. Votca stated contracting out is an option and feels there is another company that called last week and discussed what they would do. Votca stated that he can look into this further. Ferrazzano said just so they have it with the deadline coming up. Another concern of the EDA Board is that is the Marshall Area Chamber of Commerce actually going to put businesses in Tracy versus Marshall. Ferrazzano felt this is the time to check into this because of what they are doing.

Votca stated he received the Balance and Income Sheet and they had a loss for the year. They also included the bill for the year for \$13,749 and been the same for quite a few years. They will need to negotiate a contract for the next year.

Votca stated that a citizen came into his office and reported a sign on the Charter Store indicating it was closing. He wrote a letter to the Charter contact over the years and asked about the part of our franchise agreement that they have to have a local store. He wanted to let everyone know where the Charter position is on their store in Tracy and get guidance on where the Council wants to pursue this. Ferrazzano stated the way Charter reads local office; they think Marshall is local enough. Votca stated he did go to the Marshall office on Friday to do a transaction with Charter to see how well it took place. They are open until 6:00 p.m. and open at 6:00 a.m., Monday – Friday. Votca stated the position they could probably take is that the City is renegotiating the franchise agreement with them right now and this points out one of the issues that will have to be discussed with them. Votca does not know if there are any actions the City can take to get them to change right now. Votca stated the residents can make a payment in the box right here and the only issue residents will have is when they have to return their equipment. Ferrazzano did not feel it was that difficult to ask they have the office open two days a week. Nielsen stated the problem he has with it is why there is talk of negotiating anything with them. The contract says they have to do it. Nielsen asks why they decide on their own without even talking to the City that they are going to change their commitment. They are in default of their contract and the point that Votca makes that they will ship out equipment, but then equipment needs to be returned also. You have to pay to have them come and pick it up or you have to go and drop it someplace else which is not fair to the local customers. Ferrazzano asked if they can legally say they are in violation of the franchise and therefore they do not have a franchise anymore in this town. Nielsen did not know if that would be the recourse but they can be told they are in violation of the franchise agreement. Ferrazzano felt the best approach is to respond and tell them the letter was given to the Council and the Council feels it is fairly clear they want to have an office here in Tracy and they are in violation of the franchise agreement.

Motion by Enderson, seconded by Johnson to approve the Satisfaction of Mortgage between the City and Eric and Gwen Andree. All voted in favor of the motion.

Motion by Cooreman, seconded Schons to adopt Resolution No. 2015-3 A Resolution Recognizing March 5, 2015 as “Spread the Word to End the Word” National Awareness Day. All voted in favor of the motion. This is an ongoing effort by Special Olympics to raise the consciousness of society about the dehumanizing and hurtful effects of the work (retard(ed)) and encouraging people to pledge to stop using the “R-word”

The Consent Calendar consists of the Municipal Accounts Payable. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Motion by Enderson, seconded by Schons to approve the ASCME Letter of Agreements for the modified position for Street Laborer/Weed & Tree Inspector and modified position for Street Laborer/Cemetery Superintendent. All voted in favor of the motion.

Motion by Enderson, seconded by Schons to adjourn the meeting at 8:05 p.m. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

March 9, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 9, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., and K. Enderson. P. Cooreman and T. Schons were present via Skype. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Natwick.

Motion by Schons, seconded by Enderson to approve the minutes of February 23, 2015. All voted in favor of the motion.

An addition to the agenda includes 14-A Wildlife Services and 14-B Passenger train going through Tracy. 14-C Draft Resolution from LMC for getting cities more dollars to pay for street improvements. Motion by Enderson, seconded by Johnson to approve the agenda as amended. All voted in favor of the motion.

Antonio Trejo has shown interest in purchasing 36 South Street from the Lyon County Auditor. This property is tax forfeited and there is \$951.58 of assessments on this property before tax forfeiture. Votca provided a breakdown of the Special Assessments owed. He stated the assessments will be gone from the property and it is a matter if the City was to reinstate any of them or not. When the property goes tax forfeited all those assessments are waived. Nielsen stated the County Ditch assessments are something the City probably cannot do anything about. Mayor Ferrazzano asked how long this property has been tax forfeited. Votca stated it was just this year but has been delinquent since 2008. Motion by Enderson, seconded by Johnson to waive the city assessments on 36 South Street for this buyer only. All voted in favor of the motion.

Tony Peterson provided an update on the wastewater project and would like permission from the Council to go out and meet with landowners to secure their ability to want to sell their land to the City. He does not want to get involved with any price negotiations. If they are willing to sell, he suggests they form a committee with Votca and a Council member to work out a selling price.

Peterson stated he went to the EDA Board at their last meeting and expressed his thoughts on that. He feels they need to consider contracting it out for a short period of time and eventually go to a part time position and combine it with the Chamber like they have done in the past. He feels the city will get the best deal for the dollar this way and this ensures the EDA director is involved in the business community. Now is the time to have someone come in and see what the weaknesses and strengths are and give the board some direction. Mayor Ferrazzano asked what the response from the EDA Board as he felt they wanted to have their own EDA Director. Peterson felt it was a split decision. Votca stated there is research to be done and they want to have the Marshall Area Chamber come talk to the EDA Board. Mayor Ferrazzano stated at the last meeting the Council discussed that if they entered into a contract, it would only be for a year to see how things go. Votca stated the EDA board has not really talked about that yet as they want to hear from Marshall Area Chamber.

Votca briefly summarized the complaint from George Tanguy. Votca contacted the Sheriff's Department and got a report from them that the two firemen or chiefs mentioned at the last meeting had no complaints against them or anything on their record for speeding for the past year. They looked at Dale Johnson III's truck and there is no equipment as claimed by the complainant at the last meeting. Johnson uses his hand-held radio like every other fireman that has them. Johnson's personal truck is designed by the Department of Public Safety as an emergency vehicle so he has extra privileges and extra training with his vehicle. The reason it is designated that way is that it was determined that vehicle can give early response to certain and save more lives. Votca stated that he tried to contact Tanguy and he just sent a message on Saturday that he just got back from fishing in Canada. He will try to contact him and follow up to see if there are any other factual things that need to be looked into.

Motion by Johnson, seconded by Enderson to appoint Glen Surprenant to the HRA Board for a term of five years. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to appoint Gayle Kaup to the Hospital Board representing the Balaton area for a term of three years. All voted in favor of the motion.

Motion by Schons, seconded by Enderson to appoint Sandy Stobb and Sarah Willhite to the three year vacancies for the Library Board. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to appoint Christina Boone to the three year vacancy on the Library Board. All voted in favor of the motion

Motion by Enderson, seconded by Johnson to appoint Sis Beierman to the five year vacancy on the Cemetery Commission. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to appoint Dallas Petit to a three year vacancy on the Multi-Purpose Center Board. All voted in favor of the motion.

Votca stated that three individuals have applied for the two vacancies on the Police Commission. Ferrazzano questioned that when a board member reapplies for their position, the Council normally puts them back in there. Motion by Enderson, seconded by Johnson to appoint Paul Skoglund and Tony Peterson to the Police Commission for a term of five years. Ferrazzano felt that since Rosemary Martin was already on the Commission and she has applied again, they should do interviews. The following vote was recorded with Enderson and Johnson voting aye and Mayor Ferrazzano, Schons and Cooreman voting nay to the previous motion. Mayor Ferrazzano and Johnson will conduct interviews of Paul Skoglund, Rosemary Martin and Tony Peterson on March 18, 2015 at 3:00 p.m. in the Council Chambers.

Motion by Enderson, seconded by Schons to waive the first reading and set a public hearing for April 13, 2015 at 6:45 p.m. regarding Ordinance No. 321, An Ordinance Amending the City Code Relating to Urban and Rural Service Districts and Assigning Additional Parcels to the Rural Service District. All voted in favor of the motion.

Votca stated the Planning Commission is reviewing the zoning ordinance and the intent of Ordinance No. 322 is to allow for a special use permit for home occupations. The Commission came to the conclusion that they would like individuals that do not meet the criteria, they could request a special use permit. If they have a large rural lot, then it is at the Council's discretion to give them the special use permit. Motca stated there is some cleaning up to do of 3.10 that was brought to his attention by Nielsen. There might be some references to sections that need to be fixed. Motion by Enderson, seconded by Johnson to waive the first reading and set a public hearing for April 13, 2015 at 7:00 p.m. regarding Ordinance No 322, An Ordinance Amending the City Code Relating to Home Occupations. All voted in favor of the motion.

Votca stated that previously in this part of the sign code there was allowance for a sign that is two square feet but was only allowed for the sale, rental or lease of a property. The Planning and Zoning Commission felt that there should not be a limit as to what goes on the sign and if businesses want to have a sign in their yard or near their home in a residential area, they could do that. The old code did not say how many signs they could have so the Commission stated they should be allowed one sign not exceeding six square feet which is basically the size of a sign for selling of a house or something like that. It has to be located outside of any right of ways so when the street crew is pushing snow or any other things are going on it is not interfering with that. Motion by Enderson, seconded by Johnson to waive the first reading and set a public hearing for April 13 at 6:50 p.m. regarding Ordinance No. 323 An Ordinance Amending the City Code Relating to Signs. All voted in favor of the motion.

Votca explained that all debt has been paid for the 2002 Improvement Bond Fund and there is a balance in this fund. He stated they could close Fund 509 and transfer the remaining balance into Fund 504 the 2007 Street/Utility/Abatement/Improvement Bond Fund which has the most debt in it. Motion by Enderson, seconded by seconded by Johnson to adopt Resolution No.

2015-4 A Resolution Closing Fund 509 the 202 Improvement Bond Fund and Authorizing the Transfer of the Remaining Funds. All voted in favor of the motion.

The Consent Calendar contains the Municipal Accounts Payable, Municipal Accounts Receivable and Tracy Relief Association Minutes for February 2, 2015. Motion by Schons seconded by Enderson to approve the Consent Calendar. All voted in favor of the motion.

Peggy Peterson stated Lyon County Commissioners are waiting for an explanation of how they are going to spend the \$11,741. Peterson stated a letter has been drafted. They were concerned about an article in the paper asking what is going to happen next year if they do not get any funds. Peterson stated it is state mandated that the county has to show maintenance of effort to Plum Creek Libraries. Every year they have to supply funds to help support the Tracy Library. The plan is to approach them the next budget year and try to get more. The County Commissioners are impressed with our library and feel that Quist is doing a very good job. Schons questioned by increasing Quist's hours by four hour, why did the health insurance double. Votca said the labor contract says that if you are a half time employee, you get half of your health insurance paid and if you are full time, you get 100% paid. Votca stated that anything over 30 hours is considered full time. Motion by Enderson, seconded by Schons to approve the utilization of \$11,741 at the Tracy Library as proposed as part of the Lyon County maintenance of effort. All voted in favor of the motion.

Votca told the EDA Board at their last meeting is that he met with the Marshall Area Chamber of Commerce, to discuss the possibility of them contracting with Tracy. They are interested in it and he gave the EDA some objectives they would try to get out of that such as how many hours the City would want in their office here. Votca gave them the information so they can give a proposal of how they would meet those items. Some of the EDA Board feels that Tracy needs someone in the office full time. He stated he has nine applications that can be scored and interviewed. Ferrazzano stated that based on the EDA split, what was the main reason for the members wanting a full time person and the possibility of having someone outside the City to do this. Votca said there was some opposition that it was Marshall and some raise the concern that will this Marshall organization really take care of Tracy. Votca stated this is an organization that does this for Marshall and have the professionals and staff available. One of the other things if Marshall Area did this, they would have to hire another person as they do not have anyone that can provide that many hours in Tracy. Votca felt it is something they should look into it to see if it meets the City's needs and is cost effective. T. Peterson talked about splitting the EDA and Chamber position. Enderson stated there was a lengthy discussion about the options. He felt this is a good time to do this as there is a lot going on with the departments. Enderson felt right now the priority is to get the sewer project going because no developments can be made at this time anyway. Mayor Ferrazzano stated ideally he would prefer to have someone here. Enderson felt it was good to have someone here but wondered if it needed to be full-time. Mayor Ferrazzano suggested that Marshall Area Chamber give a presentation at a Council meeting and that way the EDA Board can be here and watch the same thing. Votca stated that he would contact them and see if they can be here for the March 23 meeting.

Votca stated they discussed the short Wildlife Study being about \$2,000. The price they came to that would cost the City is about \$2,124.99. This will give an idea as to what type of measures they can do at the airport to mitigate wildlife hazard. T. Peterson stated he has been doing research on the airport, FARs and mitigation plans. He feels the mitigation procedures they are using now are working. The one bird strike the FAA told him they had, he could not find anywhere and looked up Tracy, CA was where it was. The reason they want to build in this area due to cost. Peterson stated that if they need numbers for the PER, then that is the only way to get numbers is to do the wildlife mitigation. C. Larson from I+S stated that is the big objective and RD is also concerned and FAA might have a concern later and want to make sure those numbers are included. Motion by Enderson, seconded by Schons to enter into an agreement for \$2,124.99 for the Wildlife Study. All voted in favor of the motion.

A proposed letter was sent for a passenger train. Mayor Ferrazzano stated it is a letter to MnDOT saying if we would have an interest in having a passenger rail line to go through Tracy. It is not binding the City to anything, just a letter of support saying it would be a good idea. Votca stated transportation if the biggest item in the session at the state right now. If they make

a decision of all these passenger rails, right now they would exclude this piece going on the southern part of the state. They are asking to take a look at it and see if it is worth including in their plan is how it was explained to us. Mayor Ferrazzano stated that if there are no objections, the letter will be sent to show support. Motion by Enderson, seconded by Johnson to have Mayor Ferrazzano send a letter in support of having the passenger line in southern Minnesota. All voted in favor of the motion.

Votca stated that Resolution No. 2015-5 is basically a model resolution that the LMC came up with. As they have talked in the past it is hard to fund street projects. There are not a lot of state dollars for little cities and Tracy did get some this year to do the 4th Street Project from the County but they do not get a whole lot of money in Lyon County to do streets for municipalities. This is basically a resolution trying to get all the small cities to make resolutions like this to indicate that we think they need to spend more money on roads and some of that money should be able to be filtered down to smaller cities. The larger cities such as Marshall get their own state aid for streets, etc. This resolution is not dictating a certain way to do it but it tells them they need to look at ways to better finance roads and streets. Motion by Enderson, seconded by Johnson to adopt Resolution No. 2015-5 A Resolution Supporting Dedicated State Funding for City Streets. All voted in favor.

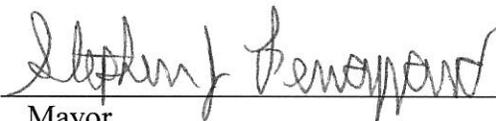
Mayor Ferrazzano mentioned that at the last meeting they were talking about getting tablets instead of printing the agendas. He said that at WalMart they are less than \$50. He is not sure how much is spent on paper to send out the agendas. If they can get tablets for less than \$50, he feels it should be looked. They are the property of the City and when their terms are up, they return them to the City. Votca will check into this.

Motion by Schons, seconded by Enderson to adjourn the meeting All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

March 23, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 23, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P. Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Enderson, seconded by Schons to approve the minutes for March 9, 2015. All voted in favor of the motion.

Additions to the agenda includes: 9-C Liquor License Renewals, 13-A Hospital Sale, 15-A Audio/Video Equipment, 15-B Spring Clean-Up, 16-C City Assessments and Taxes and 15-D Wasps at Parks. Motion by Enderson, seconded by Cooreman to approve the agenda as amended. All voted in favor of the motion.

S. Daniels, Public Works Director asked if there were any questions regarding his monthly report. He said the department has been working on grading the alleys and will wait until the frost is completely out before a lot of time is spent on them. They are also working on Filter #1 project and are pushing to get this done by May. In response to Schons questions regarding wasps at the parks, Daniels stated they are sand wasps and are very difficult to get rid of. They will continue to try to get rid of them.

J. Lichty, Police Chief asked if there were any questions regarding his monthly report. He is working on a training schedule for this year. He also has received the books for the second round at the school.

Chris Larson, Engineer from I+S stated there have been a couple developments with the wastewater project. The first being Rural Development has been pretty much on board with the proposed improvements in town but the funding package has been tied together with the treatment and they are willing to split the funding package so the design of the utility improvements can be made while finalizing the treatment site. The design of the utility improvements should be completed so they can start construction in the spring. Larson stated that former Mayor Peterson has been talking with property owners and there is a potential property owner that could sell land for the secondary site of the split option. There is a pre-construction meeting for the 4th and Morgan Street Project set for the first full week in April and being there is still some frost in the ground and the road restrictions come off, they will want to get going. Larson said about the wastewater project and utility improvements is if the City is going to want to assess any portions of the street improvement costs, there is a parallel process they will have to do with RD to have all the required public hearings and notices and things like that. The Council may want to have to think about having the public hearing the last part of April. The first step would be the improvement hearing which they have all the information and would be having a hearing with all the residents that would be assessed and let them know what is going on with the project. That has to be done before they can formally authorize the preparation of plans and specs. An assessment hearing would be held after construction or can do it before also.

Nielsen stated there was talk about taking the sewer line out that runs north of Sebastian Park and goes under a couple houses. They talked about special assessing that too since the properties would be benefiting from that. Larson stated they will be able to get rid of the lift station on Circle Drive and that would all be served by gravity after that.

Todd Haugen from Ehler's was here to discuss the refinancing the 2007A Bonds for an interest cost savings. They solicited competitive bids for the bonds and presented a Sale Day Report. Three bids were received and the winning bid had eighteen participants along with them. The low bid was Baird out of Milwaukee, Wisconsin. That came in at 2.46% true interest rate which is down from the projections. The second bid was Northland Securities out of Minneapolis at 2.58% and United Bankers Bank out of Bloomington at 2.79% true interest. The interest difference is a little bit over \$44,000 just by competitive bidding. With the interest rate from

Baird translates into about \$223,618 savings over the remaining life of the bond issue. The City will contribute about \$400,000 of cash they have in the old debt service account. That equates to somewhere around \$55,000 a year savings. That starts in paid 2017 as technically these bonds are not callable for a couple years. The City maintained their Standard & Poor's A- rating and stable outlook. Haugen stated the Feds did what they thought they would do. On March 13, they did shut down that State Local Government series security window which is the special securities that are found in escrow. Haugen stated they ordered what they call slugs prior to noon on March 13 and switched the escrow to fund the old bond issue as those rates are known. The bond issue may look a little bit different and the amount is a little higher, but they end up saving \$2,000 more in the long run. This will close on April 15 and there will be two bonds going at the same time for a couple years and this will not impact the City those first two years. Haugen stated that attached to the Sale Day Report are final numbers. Haugen stated there is a resolution in front of the Council that was prepared by the Bond Attorney from Kennedy and Gravin out of Minneapolis and that would be the action needed to accept the bid from Baird out of Milwaukee, Wisconsin as the purchaser of the refunding bonds.

Motion by Enderson, seconded by Schons to adopt Resolution 2015-6 A Resolution Awarding the Sale of General Obligation Refunding Bonds, Series 2015A, in the Original Aggregate Principal Amount of \$1,950,000; Fixing Their Form and Specifications; Directing Their Execution and Delivery; providing for Their Payment; Providing for the Escrowing and Investment of the Proceeds Thereof; and Providing for the Redemption of Bonds Refunded Thereby and accept the low bid from Baird of Milwaukee. All voted in favor of the motion.

Haugen stated there is the EDA GO Housing Bond if the Council wants to refinance that. These are Build America Bonds which are taxable bonds as there was a stimulus program back then for the Federal Government rebate the City. This was a 35% rebate of every bond payment and they have pulled that back. Due to that sequester, typically there is language in the bonds that would trigger extra ordinary call and these bonds are callable in 2018. Haugen it is over

\$175,000 maybe over the life depending how the bids come in. Haugen stated the caution is that the extraordinary language that is in the bond documents does not quite get there and maybe half way there so there is some risk to the City to have this triggered by this provision. The City's bond attorney at Kennedy and Gravin says they are not open to this bond issue. The City could owe some interest on that. Haugen stated this is something the Council can think about it. Mayor Ferrazzano felt that if the bond attorney says no, the City would side with that. Haugen stated the call date on this bond goes to 2042. The City would be at risk until February 1, 2018.

Cal Brink, Discover SW MN Partnership Executive Director to give some information where they have spent multiple years trying to find ways to combine the efforts of the EDA, CVB, Chamber and Lyon County EDA, which they have accomplished. This was started back in 2009 exploring these partnerships and finally formalized Discover SW MN Partnership in 2012. The organization chart is key to the conversation. He and M. Votca have had conversations with an opportunity with R. Gervais leaving the EDA to think outside the box. Brink is here to give the Council an idea that might work and way to save some money and get better results. Brink has been in his position with the Chamber for over six years. Previously had a 30 year career with Schwan's and was former president of the Schwan's Food Company. The Partnership now houses the Chamber, Convention Visitor's Bureau and the EDA for Marshall and Lyon County. There are bi-monthly meetings. It is important to have the person that is hired from the partnership or if they hire someone privately, to get them involved in the partnership and come to the meetings. When they looked at all the costs of the Chamber Director, CVB Director, the EDA people of the City and County there was a little over \$450,000 of salaries when everything was separate. Now that they have combined those positions all the total salaries are about \$350,000. This includes a brand new two positions they hired for the Amateur Sports and Merit Center that were not in the old structure.

Brink stated the Partnership works with simple contracts of which Votca has copies of all those. Each contract very simply outlines the expectations, goals, strategies and priorities. Each of the entities has their respective boards. With Tracy's EDA Board they would still have the decisions and they would abide by what the Board decides and report to the Board monthly as the EDA person would. Brink stated that when he started listening to the other boards and a lot of them

had the same words in their vision and mission statements. They all talked about job creation, marketing, expansion, committees, etc. Brink questioned why they were doing this separately. The strategy was to invite all Lyon County communities to a quarterly partnership meeting which they have been doing for a couple years. They established branding and name of partnership, which it seemed simple that it should be called Discover SW MN Partnership. On the home page of the website there is a lot of information. Every town has their own link and people can click on the incentives the cities might have. Research Data includes transportation, employment and unemployment. Brink stated the goal of the Partnership is to create operational efficiencies, maximize limited financial resources, and create a more coordinated community effort. The goal of the Partnership is to create operational efficiencies, maximize limited financial resources and create a more coordinated community effort to retain and grow SW MN. Brink stated that communities need to be prepared for growth and if there is the potential to have some lots that are shovel ready or close to shovel ready so a business does not have wait two years for water and electricity. Brink stated if this is something the Council is serious about then he would seek approval from his EDA and Chamber Board. It could mean there would be a joint hire and house that person part of the time and they could still spend the majority of their time in Tracy. The synergies they would get are getting to work with other EDA professionals where programs are worked.

Schons questioned how many area towns are tied in with Discover SW MN. Brink stated there is no one that has a contract with them. You get the tied-in just as being part of SW MN. The extent to do by contract they would take over the payroll of that person. Denny Fultz asked if the City would contract with SW MN and that person would be here for three days, how they would cover the other two days. Brink stated the Assistant Director in Marshall would field calls. They would decide which days would work the best to have someone here in the office. T. Haugen stated he felt it was important for Tracy to have a key person or group in this type of system.

Votca stated the next EDA meeting is April 17 as Votca will be gone on the April 3. Tony Peterson stated that what Brink mentioned about the cost savings and taking the benefit package out, that still leaves a lot of money to work with these people. Brink pointed out the different resources they have available and an office where they bounce ideas off each other is a plus. He suggested the EDA Board decide what they need as far as a three day or two day a week and see if they can come up with contract numbers to fit that bill and see what savings are realized and try to figure out what potential you gain. Schons questioned that SW MN would pay the wages. Votca explained that in Marshall the Assistant EDA Director and Marshall contracts with them so she is an employee that is paid by the Marshall Area Chamber but they do a lot of work and present staffing information at the Marshall EDA Board. The Marshall EDA Board has full control over their finances and all the things they do now and also they still have the City Administrator who is the official EDA Director. He gets staffing from that office through the contract. They still have full autonomy as an EDA and basically paying for that staff person to help them do what they want to do. Votca stated the EDA needs to discuss as a Board figure out what they want and then get options. Schons stated that if other towns like Cottonwood is benefitting from this group and are not contracted with them, then why doesn't Tracy use it more without being contracted. Mayor Ferrazzano stated that Brink stated Tracy has not been utilizing them as much as we should to be involved.

Bill Chukuske stated he would like this to go back to the EDA Board and have the Council ask them to do the research on this and figure out if the EDA feels they need a full-time or part-time Director. They do not know the numbers such as salaries. Chukuske liked some of the things that Brink talked about but he prefer that the Council not make any decisions tonight and let the EDA do what they have always been asked to do and that is investigate this and look through it, evaluate it and come back to the Council with the EDA's recommendation.

Mayor Ferrazzano likes that idea except that they have applicants for the position that are just out there. Votca stated that he contacted them by letter that the City is making decisions and they are on hold at this time. There were eight applicants and he feels that four of them are definite interviews and two are probably interviews and see if they come through on the interview. Some

of the candidates out there are not on a hard timeline to switch jobs. Mayor Ferrazzano agrees and feels that sometimes people get hung up on is this person going to be here every single day sitting at a desk. The way the value of this position is judged is by results. Chukuske feels that part of the confusion in the past has come from and does not know how it happened, it just evolved. Originally an EDA Director was hired and over time that Director started doing more City functions than EDA projects.

Nielsen said that another thing is that they will have a person for Tracy; he feels that what Brink was trying to put in his package is that the City will have nine or ten people in Marshall and all interested in trying to do something. Nielsen felt sometimes Gervais was a high priced landlord on some of the properties. That is not what he needed to do and with the nine or ten people, there could be someone lower on the totem pole that could be doing that and the jobs that need someone with expertise, leave them do that type of work. Chukuske stated that Gervais did exactly what he was asked to do and did a good job at it and it just evolved into that. The important issue to him is that until they get things in place in the City where they can offer companies land and right now the City of Tracy does not have anything like that to offer.

Mayor Ferrazzano likes the idea that they can do a contract for a year or two to try it. He likes the idea of having more than one person and a Director that can share things with other people and come up with ideas. Mayor Ferrazzano suggested that Votca in conjunction with the EDA Board visit with Brink and once they come up with an idea of saying they could get by with having someone here two or three days a week, here are the expectations and send that off to Brink. Tell him what the City's expectations are, what would a contract to deliver that cost?

S. Lau, Liquor Store Manager asked if the Council had any questions for her. She stated they had a chili feed on March 18th to kick off March madness. The chili was brought in by some of the patrons and the feed brought in a good crowd. Karaoke will be on March 28, 2015. The first part of April, Lau would like to have another birthday part. On the Saturday before Easter she would like to do wine samples in off-sale.

V. Quist, Head Librarian stated that regarding the funding from the County, they had a visit today from Commissioner Rick Anderson and County Administrator Loren Stomberg and they delivered the check. Spring Story Time is on Tuesday afternoons at 3:30 p.m. which will be going through the month of April. On Thursday, March 26 the library will be hosting Technology Night. This is a time for people to come in and learn how to check out eBooks and audiobooks on their eReader, tablet computer or smartphone. Author Brian Freeman will be coming to the library for a reading on April 15 at 7 p.m. This is made possible in part by a Legacy Grant through the MN Arts and Cultural Heritage Fund. The library was getting \$1500 through the grant and will now be getting \$2500. Last month's circulation at the library was 1616 check outs and 346 renewals for a total of 1962 and last year at this time the total was 1673.

Enderson said that he has had people ask about tax forms and instruction booklets and was wondering if they were available at the library. Quist stated they can print them out on line. She stated they did not get the e-mail to order them and they have been printing them for free on-line if people give us the name of the form they need. They have the instruction books on their Kindle that people can check out and some flash drives that people can take home.

M. Votca, City Administrator stated with the GESP Trane has collected all of the data they needed to start the study and sent out a contractor to check out all the lighting in the different buildings. They would like to get some solar heating contractors to come and check out the pool and different areas to see if there are some savings through that. April 6 Votca will meet with Trane to update on their progress this far.

Votca met with Chad Anderson and Bill Tauer from Tracy Area Public Schools on March 11 to discuss the VMC and possible upgrades to the facility. They introduced this to the school board last week and they would like to have their facilities committee and members of the City Council

to start discussions if there is a possibility for a partnership with making the improvements and possible ways to fund improvements to the VMC.

Votca had informed Ms. Herrera at Charter Communications and they are still closing their office here. If the City wants to take any legal action against them he is open to any ideas. Votca told them the City's position on this.

Votca stated there are two tax forfeit properties that were sold last week. There are no homes in Tracy that are tax forfeit at this time but there are still various vacant lots that are for sale through the Lyon County Auditor's Office. They have ordered For Sale signs to put on those properties available. These signs will be placed sometime this spring. There is a link on the City of Tracy website to get further information regarding tax forfeit properties.

Mayor Ferrazzano said they will have to figure out what they should do about Charter closing their office. They could fight it but the City could be in the right with this and saying it was the City's intent that Charter has an office here. T. Peterson asked if the franchise agreement has been completed. Votca stated this is still in progress. He has not received an update from Moss & Barnett and if the City wants to get that store back in town, they work hard on the franchise agreement to get that included in there. Once they start negotiations that could be one of the issues and that could be something the City pushes hard on. Mayor Ferrazzano suggested that Votca contact the franchise attorney and see what their thoughts are about that. If they do not renew the agreement, they are penalizing the residents that have Charter. Nielsen stated there are two franchisees of that type that are basically providing the same type of services and have to be treated basically equally. To give one of them a benefit over the other is probably illegal. Nielsen stated that at one time they charged to come and get the equipment. Votca stated that maybe they can negotiate something they have not thought of yet to replace this. Mayor Ferrazzano asked that Votca discuss this with the franchise attorney.

Nielson stated that on the tax forfeit property, the two homes have not been occupied for some period of time and Daniels is aware the property maintenance code would allow him to inspect those properties before they are occupied again. Votca stated they always do an inspection before turning on the water but a prior inspection can be done.

Motion by Schons, seconded by Johnson to approve the appointment of Phyllis Borer for a two year term to the Library Board. All voted in favor of the motion.

Schons felt that if there is a situation where there are three applicants and only two spots, there should be some type of interview process instead of just appointing people. Motion by Enderson and seconded by Johnson to appoint Paul Skoglund and Tony Peterson to the Police Commission for a term of five years. All voted in favor of the motion.

Motion by Schons, seconded by Johnson to approve the request from the Tracy Area Chamber for use of the VMC for the Prairie Women's Expo and to have the rental fee waived. Tracy Area Chamber has also requested the use of the VMC for the Tracy Area Sportsmen Outdoors Show, use of the parking lot across the street from City offices and to have Morgan Street from Third Street to Fourth Street closed on Friday, April 24 from 5 pm until Sunday, April 26 at 6 p.m. All voted in favor of the motion.

Motion by Enderson, seconded by Cooreman to approve a Private Bottle Club license to the Tracy Eagles Club and a Set-Ups license to the Tracy Lanes contingent on submission of paperwork and payment of fees. All voted in favor of the motion.

Votca was approached by a citizen on March 18 with regard to the purchase of the land behind County View Apartments connected to the parking area on the corner of 4th Street and Morgan Street. The individual would like to purchase the entire property. This lot gets used for snow storage, public parking for events at the VMC and Farmer's Market. Votca stated there are public hearings and things that legally have to happen to sell land. The portion of this parcel is located behind the American Legion Post and the apartments and is not used by the City. Nielsen felt it was the City's obligation to tell them what they can or cannot do with their property. It is zoned for Central Business District. Schons stated that when they have someone come here for an event, like the wrestling tournaments and things like that there is no place to

park. It is even worse when the dump snow over there and somebody has to remove it. Mayor Ferrazzano felt that the City also needs to consider what they would have to pay for the 4th Street improvement if the City owns that lot. He stated the prospective buyer knows all this. Enderson stated that he is not opposed to selling it but definitely needs more information. Mayor Ferrazzano said that if the City does not want to sell the whole thing, they could sell the back lot as it has no use to the City. The prospective buyers stated they would be open to buying the small portion if that is all the City is willing to sell, but they would like to get the whole portion. Mayor Ferrazzano asked that Votca go back to the prospective buyer and collect more information of their plans, etc. and let them know the City is willing to sell the smaller portion and will further discuss selling the larger portion.

The Consent Calendar consists of the Municipal Accounts Payable. Motion by Enderson, seconded by Cooreman to approve the Consent Calendar. All voted in favor of the motion.

Votca stated that Sanford has asked to have the sale date of the hospital coincide with their fiscal year end date of July 1. This will give time to prepare all surveys and legal documents as well as fit their financial schedule.

Enderson seems like after every Council meeting there is one or the other cable companies that are having problems. Votca stated the meetings are broadcast on WOW Channel 17 and Charter Channel 180. Votca stated the present system the audio and video are separate and it is hard to play back the way the system is currently set up. Enderson feels the system needs to be updated and there are other cities that replay their council meetings for people who work different shifts. Mayor Ferrazzano agrees about updating the equipment and maybe it can be part of the franchise agreements and negotiations and inform them the City needs new equipment from both franchises. He does not know why they could not have a webcam and broadcast the meetings and when the meeting is over, have it placed on the City web page. Votca said he could research options before they start negotiating with the agreements. Mayor Ferrazzano stated that while they are negotiating the franchise agreements, they City can get a webcam. Mayor Ferrazzano stated they need to look into tablets for the Council members.

Enderson stated there are residents that are asking questions regarding a spring clean-up. Residents see that other towns do it and they want to do it also. Mayor Ferrazzano feels that it should be done every spring and fall, the same way it was done last fall. Votca stated the refuse hauling contract also needs to be renegotiated in the next few months. Maybe talking to them something could be worked out.

Enderson stated that residents are asking about the city assessments and how it will affect their property. Votca stated part of the assessments get paid for by water and sewer. The City is bonded 100% of the project and the City's portion is accounted in that 27% of the special assessment portion. He does not feel it will affect their property taxes that much. The assessment policy was discussed and have not ratified the official policy and working on writing that up. He would like to get that done by May before they finalize what the assessments for this property are going to be. Enderson felt the concern was so many of the buildings are city owned and have large assessments. Nielsen stated that if you do a \$1 million project it is going to cost that. If the private property owners are assessed for 25% of that, who is going to pay for the other 75% of that? There is no other party to pay for it except the City. If the formula of 25% is changed to 20%, the other 80% has to get paid by the City. Votca stated the portion that is specially assessed against the City properties is the same price no matter what. The City is paying for it instead of a private property owner and counts towards the special assessments. It increases the amount the overall population pays for the project, but at the end of the day, every year the City certifies the levy in December of what the City will receive in property taxes from all the citizens in Tracy. This pays for debt service and the services the City provides. It does not necessarily raise their taxes; it is taking up a portion of that levy. Votca stated the next few months they are going to work on the Financial Management Plan solidified so the Council can see what over ten years could look like so they can show everyone how that levy should be flattened out so they can pay for things the City needs. Nielsen stated that it is brought up several times and needs to be explained that the water and sewer cannot be paid with the .25¢ or \$2.00 on the water bill does not generate enough to pay for those things. Votca stated the special assessments for water and sewer go to those funds to help pay back that portion of the debt and

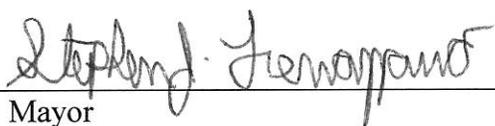
some money is levied for that also. Schons asked if vacant lots are assessed at the same rate that a house is. Votca said under the City's policy it is. It is all by frontage and does not matter what the value of the property is. Votca stated the water and sewer rates have not been adjusted for many years and that is one thing they will be working on this.

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

ATTEST:



City Administrator



Mayor

April 13, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 13, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K Enderson, P Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Dobson.

Motion by Enderson, seconded by Cooreman to approve the minutes for the March 23, 2015 meeting. All voted in favor of the motion.

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

There were no Public Comments.

C. Larson from I+S said they had a preconstruction meeting last Wednesday with Duininck. They are looking to start the project the first week of May. Larson stated that he sent out the project newsletter which laid out in general their sequence of operation. They will start with the 4th Street Reconstruction portion from South Street to Harvey Street. They will mill off the bituminous pavement and old concrete will be broken up so they can begin on the utility work. Morgan Street was separated out as a separate phase but they proposed to remove the bituminous and leave the concrete so it will still be a drivable surface on Morgan Street in the interim and once they are ready they will break up the concrete. With the number of water main breaks in that area, there might not be any concrete under some areas. Larson stated otherwise it will be the same typical sequence and on that for a few weeks. Duininck felt they would be ready to pave that part by the end of June. Larson said they will continue to send out the newsletter as often as necessary.

Larson stated the last time he updated the City on the wastewater project RD was agreeable about splitting the project into phases. Responses were sent to them regarding their comments. Once they get the land situation finalized, they can supplement the PER and it would be a separate construction contract. RD is agreeing to fund it as two separate packages. Utility responses were submitted and should hear back from them within the next couple weeks. There were not many comments on the utility portion.

Paul Jurek from Bollig Engineering stated they met with the Airport Commission last week to go over the Runway Lighting Project. The pre-application was submitted, the Construction Safety Phasing Plan and the CATEX approved. That was part of a previous Task Order they worked under to get the project moving. The action from the Council tonight would be to get the design of the project and let it out to bids. Enderson asked if this project was an LED light project. Jurek answered that it is and it is funded 90% by FAA through the entitlements the City has and the other 10% is the City's responsibility. Votca stated these portions of the task order are reimbursable under the 90/10 split. Enderson questioned if the FAA is going to let the City go with the old Airport Layout Plan. Jurek stated that he has to submit a couple sheets on that to update it. Presently on it there are old obstructions in the plan and those need to be updated and submitted to the FAA to get their approval and they are not asking for a completely new layout plan at this time. At the meeting the Tracy Airport Commission touched on looking at the long term needs of the airport and getting the Master Plan might be one of the next steps for the airport. Enderson asked if the 10% is in the budget for this year. Votca stated that it was budgeted for this year and are looking for the 10% to be about \$35,000 for the project. Votca said the Task Order No. 3 is for the engineer work to be ready to bid and ready for construction and monitoring the construction. It does not include the installation of the lights and doing the actual construction. Schons asked that since Tracy let someone else take our funding and was wondering if they can get it back. Votca felt they do not need that right now because there is enough in the funds to pay for this project, but if the City went above what they have available in funds from the FAA. The reason they do not want to ask back yet is because these funds expire

and if they asked for them back to early, they could expire before Tracy has time to use them on one of their projects. Jurek stated that right now put the project through letting and see where the bids come in and then there will be a formal agreement between the FAA through MNDot. Right now these are estimate numbers. Schons questioned if they do lighting and electrical work out there, are they using local contractors. Jurek said it would go out through a public bid in the Tracy Headlight Herald. Daniels stated they need to find out where the major problems areas are. The wiring for the beacon shorting out underground and when they redid the wind cone in 2012 project, the wiring from the building need to be replaced. Jurek said those things will be included in this project. Enderson stated the reason for updating the lighting is the old lighting requires a lot of maintenance. H. Dobson stated the present lighting was installed back in the 1960s. Schons stated that people wonder why we need to keep the airport, but money has been spent on it and if they close, the City could never repay it. Votca said the City has been given a lot of grant dollars that would have to be repaid. Mayor Ferrazzano stated there is a long list of towns that need to be contacted if Tracy needs more money. Jurek stated the lights and wiring is old at the airport and there are different components that are inside that have been replaced along the way. They are going to go with a whole new system. There could be some savings as the lighting has been on a higher intensity than it needs to be. The new lighting that is being installed has lower intensity and lower kilowatts.

Motion by Enderson, seconded by Cooreman to enter into the agreement with Bollig Engineering for Task Order No. 3. All voted in favor of the motion.

A Public Hearing was held at 6:45 on Ordinance 321 To Reduce The Size Of A Parcel Required To Be Included Into Rural Service District. Votca stated that within the last year and a half, there was one resident that has agriculture land in the City come and talk about rural service districts. It was determined to look at it and thought reducing it to five tillable acres would be a good idea and addition of three parcels of property into the rural service district. The rural service district gets taxed at 30% rate less than it normally would be if it was agricultural land within the City. There were no public comments. The Public Hearing was closed and referred back to the Council.

Nielsen stated this has been discussed before and as far as the three parcels included, they have been working legal descriptions for those parcels. More work is needed to actually get those and the Council knows where the parcels are and even though there is no legal descriptions. If the Council is agreeable to put those in the rural service district, the ordinance can be passed today and then will firm up the legal description when the form is actually signed.

Votca stated one is Brian Lavoie's property towards the concrete plant and trailer court. The Edwards have a piece they incorporated into another piece of land they have just north of the Red Rooster and Hemmingson's. Charles Bjorklund's land which used to have a farm house and on the east side of town by the County road that goes to Walnut Grove. Nielsen stated those parcels don't need to use up as many resources as a residence or business parcel in town does.

Mayor Ferrazzano asked that those in favor of adopting Ordinance 321 signify by saying aye. All voted in favor of the adoption of Ordinance 321.

Public Hearing was held at 6:50 p.m. for Ordinance 323. Votca stated there has been a lot of a discussion regarding home occupations. Specifically there was one resident that requested about dog boarding and grooming type activities. The Planning and Zoning Commission is trying to get the City Code to line up so that type of use could be allowed in a larger parcel of property. The last Planning and Zoning meeting they drafted up an ordinance that they thought would go towards that. There is a draft that Nielsen wrote up which addresses both of home occupations of having animal boarding and grooming and addressing the sign code amendment for being able to advertise for these home occupations. Votca stated some of the changes in this version of Ordinance No. 322 versus the previous version, is instead of having special use permits, the Planning and Zoning Commission agreed that the new 322 should be brought forward instead of the old 322. They are leaving themselves open to evaluate any type of business. They want to focus on this one type of business they are getting a query about. This takes into consideration a large residential lot for this type of activity and outlines what pet boarding is and what type of pets are allowed. There were no public comments and the Public Hearing was closed and

referred it back to the Council. Motion by Enderson, seconded by Cooreman to eliminate Ordinance 323 and combine it with Ordinance 322. All voted in favor of the motion.

Public Hearing was held at 7:00 regarding Ordinance 322. Votca explained that already. There were no public comments and the Public Hearing was closed and referred back to the Council. Votca stated this still requires a special use permit. Nielsen it was about 10 years ago there was the incident with the antique shop and which had some fairly detailed provisions as far as the type of signs that could be used on that type of business. When this latest discussion about signs came up, and compared what the Planning/Zoning Commission was talking about and thinking about as far as signs. Rather than having two different ones with size not the same and so forth, this will allow all of those to be the same signs. They are all fitting under the same provisions of a special use permit is needed to put that type of business into a residential area. Nielsen stated the Planning and Zoning Commission felt to the contrary any significant reason to have those sign provisions different. There is only one size now.

Motion by Enderson, seconded by Johnson to adopt Ordinance 322 AN ORDINANCE AMENDING THE TRACY CITY CODE TO ADD AN ADDITIONA ALLOWED SPECIAL USE IN THE R-1 ZONING DISTRICT AND TO AMEND THE SIGN PROVISIONS IN RESIDENTIAL DISTRICTS. All voted in favor of the motion.

Votca stated that Chad Anderson and Bill Tauer from Tracy Area Public Schools came on 11 March to discuss possible improvements to the VMC. They have discussed this in their school board meetings already and think it is a viable asset to the school and want to consider options of how improvements can be made. Votca said he attached Anderson's VMC Proposal. These are really rough numbers and to get some idea going. The major items they would consider looking at are the bleachers which are old and been concerns of safety. Also the flooring was put in in 1998. Nielsen stated it was a used floor when it was put in. The Mondo Floor representative was here as they wanted to get quotes and stated that it is in really good shape. The custodian spends a lot of time cleaning and making sure it is clean. They are also working on trying to see if they can fix the bubbles. Votca stated that some of the less immediate concerns are locker rooms and acoustical panels. The idea is to get their facilities, committee staff and members from the City Council to meet and feel who should fund what and a timeline as to how long they fund this over. Votca felt it would be a good idea to designate a couple people to meet with them. Mayor Ferrazzano volunteered to meet with them. Schons stated that if they want to meet on Wednesdays, she would volunteer. Mayor Ferrazzano heard that the circuit breakers trip when so many people plugged in for different things in the VMC. He felt they should update this if needed and start with getting an estimate of how much it would cost. Nielsen stated when they put in the present floor, the City fronted the funds and it was to be paid back to the City through donations. The donations did not pay back the City for the cost of that. Mayor Ferrazzano felt it is worth having this discussion as when you see the facility, it does bring people into town. Votca will set up a meeting with the school representatives.

Votca presented an invoice from Dru Larson Construction for the hospital window replacement project. He wanted to show this to the Council that the invoice is exactly the amount that was quoted by Larson.

Votca presented a purchase agreement for one of the industrial park lots. Originally this was set up by the EDA and actually all the lots out there are owned by the City. There should have been City Council approval to sell this land to Jeff Ellingson. He is using it next to his building in the Industrial Park as a lay down site and put materials on there to do his projects for welding. The fee was already collected and Ellingson has already signed the document and R. Gervais also signed it as EDA Director and Votca stated that he signed it as City Administrator. Motion by Enderson, seconded by Cooreman to approve the sale of two industrial park lots to Jeff Ellingson. All voted in favor of the motion.

Votca said that last week he received a letter from Finley Engineering representing K-Communications of Ruthton. They would like to purchase Parcel 31-144006-1, Lots 22, 23 & 24, Block 1, Broadacres Addition. This is on the corner of Spruce and Center Street. It is currently not used for anything and the City maintains it with mowing every year. They are proposing to put an 8x12 or 10x12 building on the lot for broadband fiber optic equipment. They

are to provide fiber optics to the hospital and clinic so they would like to get this done as soon as they can. Votca said the Council needs to decide how they want to sell the property, whether sealed bids and open to public or they can accept the bid that is offered to sell the property. Nielsen stated this was discussed at the Planning and Zoning Commission as well. This company has submitted a bid that has been remained sealed so that others interested in purchasing this property does not know their bid. Mayor Ferrazzano asked if there were any complaints from neighbors. Votca stated they probably don't know about it yet as it has not been made public. Votca stated the Council can sell the property anyway they want to according to the City Charter. Nielsen stated that if the Council wants to sell that property on a sealed bid as this company has submitted a bid and if someone else submits one with a period of time, all the bids will be opened at that time and then the Council can decide if they want to accept the high bid. Nielsen said it can be more problematic if the Council does not want to do that because this offer the City has accepted the bid without that would have to be made public at that time. Mayor Ferrazzano stated that if people are not aware it is for sale and you have to give this company credit knowing it was for sale so they are doing their research. The research they were able to do, anybody can do if the City owns a lot and to make an offer. Mayor Ferrazzano stated his opinion would be is if there is interest in a particular city lot, let it be known there is interest in a City lot and say the City will accept bids for two weeks. The highest bidder at the end of two weeks will get the lot. For this particular piece of property it will be kept open until Monday, April 27 at the end of the business day and then will decide at the April 27 meeting whether or not to accept the bid at that time and can also decide on the special use permit at that time. Nielsen stated the Council would not be able to decide the special use permit at that time as the Planning and Zoning Commission has a formal consideration of that and make the recommendation to the Council. Votca stated their next meeting would be May 4. Mayor Ferrazzano stated they do that for the sale of the property. He feels it is a good precedence to set for any other future sales. The lot they are discussing it not large enough to build a house and needs to fit some other use for the property. T. Peterson felt if someone has an interest in a lot, is the Council making it all sealed bids. There are times that people come in and say they would like to purchase this property if the Council removes the assessments. Peterson also asked that with sealed bids if someone offers a dollar, is the Council willing to sell it for a dollar. Nielsen stated that any and all bids can be rejected. Mayor Ferrazzano felt it would be beneficial to have a list on the city website of all the empty lots the City owns. Votca said they could do like the County did and mark them so people know it is for sale. Mayor Ferrazzano if someone offered a dollar it would depend on the amount of assessments that are on that property because maybe a dollar would be worth it. Mayor Ferrazzano asked that Votca contact Finley Engineering and tell him what they are doing. That there will be sealed bids accepted until the close of business on April 27, 2015. Mayor Ferrazzano stated they want to build this project for fiber optics for the phone system at the hospital as the phones they now have are not sufficient. Nielsen stated if it is the consensus of the Council that would be something that would be available to this potential buyer, it is the most commitment that can be given to them until they buy the property. Tell them the City has considered the potential idea of the special use permit as well as Planning Commission and cannot guarantee the permit would be issued but are agreeable to the general idea of it based on what has transpired so far. Peterson suggested a quick Planning and Zoning meeting before the Council meeting to help things along. Mayor Ferrazzano stated that would be a good idea if that can be done. Nielsen stated there is a public hearing requirement some place, either before the Planning Commission or a joint meeting with the Council. Votca stated the Council has to approve the special use after the Planning Commission and they have to make a recommendation to the Council. Mayor Ferrazzano stated they can make a recommendation at the next Council meeting and set the public hearing then. Nielsen stated the sale can be contingent on the permit; the permit can be contingent on the sale and have to put that together. Mayor Ferrazzano stated that if a special meeting can be worked out that day before the Council meeting and a public hearing can be worked out that night at 6:45 pm.

Votca stated it is basically the same thing discussed at the last meeting concerning the property at the corner of 4th Street and Morgan Street. Mayor Ferrazzano felt that if that is what they are going to do with the one piece of property, they should do the same thing for the other one. Mayor Ferrazzano asked Votca if they went through and determined if the City really needs the lot on the corner of 4th Street and Morgan Street. Peterson asked if this needed to be brought before the Planning Commission especially if they are talking about separating those lots out. Cooreman asked if the City is supposed to be checking to see what the intent of the buyer is.

Votca can ask them that. He does not feel there is any major plan for that part of the property. Nielsen felt if the potential buyers would say that then the Planning Commission and the City Council could weigh that and question if they like the idea of an improvement going on that property and here is what is it versus a parking lot that the City needs and uses. Votca stated the public does use that lot. Mayor Ferrazzano felt that if the Planning Commission wants to deal with it, that would be fine. If the Planning Commission is going to meet on April 27, they can deal with this at the same time and let the potential buyers know what is happening. The Council could ask them to submit a sealed bid for that whole area and not dividing it up. Have the Planning Commission look at it and determine if it should be sold as one piece, whether it would be alright to divide it up. Daniels stated there is a demolition of a building attached to that lot also. Votca did not know if it got assessed but there was a cost to demo that building that the City has paid and it was about \$6,000 to do that. Mayor Ferrazzano stated there would be street assessments to that property also of about \$17,000. He said they could have a sealed bid for the whole lot and another bid for just that strip. Enderson felt they should ask the potential buyers what the plans are for that property. Johnson asked if the potential buyers have offered anything on it yet. Votca said they have not offered any bids and just had the initial discussion and then they were in the office again last week and discussed it more. Mayor Ferrazzano felt they should put this in the paper like the other parcel that was discussed and if anyone else wants to put in a bid and bids will be looked at the end of the business day April 27.

The Consent Calendar consists of the Municipal Accounts Payable, Municipal Accounts Receivable, Planning and Zoning Commission Minutes for March 2, 2015, Cemetery Commission Minutes for September 18, 2014, Liquor Store Profit/Loss Statement for February 2015 and Tracy Relief Association Minutes for March 2, 2015. Motion by Cooreman, seconded by Johnson to approve the Consent Calendar as presented. All voted in favor of the motion.

Enderson stated that he has had people ask when the pool will be open. Votca stated they have flyers out and they can be seen on line and in the City office. They are taking registrations for swimming lessons and it is planned to open May 30 and closes August 22, 2015. Votca stated they are having trouble getting applicants for life guards. Enderson stated that at previous meetings they discussed solar heating and pool covers and other ways to eliminate some of the cost. Votca stated they have the GESP and Trane. They were in the office last week and that is one of the things they are looking at. They discussed solar heating and need to research further but feel they could heat 70% of the water with the current roof. They are going to focus on lighting and the pool. Votca stated the pay back with the solar for the pool is not as fast, but when the projects are combined together, it balances out the pay back some. You can probably get a 15 year pay back on the solar hot water and lighting combined.

Votca stated the County has the hearing tomorrow at 7:00 pm for the solar project outside of Tracy. He will probably attend the hearing. He had the company that is building the solar project come to his office to give him an overview of the project.

Motion by Schons, seconded by Cooreman to adjourn the meeting. All voted in favor of the motion.

ATTEST:



 City Administrator



 Mayor

April 27, 2015

The regular meeting of the Tracy City Council was called to order sat 6:30 p.m., Monday, April 27, 2015 in the Council Chambers of the Municipal Building. The following Council members were present; Mayor Ferrazzano, D. Johnson, Jr. P. Cooreman and T. Schons. Absent was K. Enderson. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Dobson.

Motion by Cooreman, seconded by Johnson to approve the minutes for April 13, 2015 meeting. All voted in favor of the motion.

An addition to the agenda included 11-B Resolution 2015-8 regarding preparation of report for improvement for the wastewater and utility improvements. Votca stated that everyone has a report from Chris Larson when he gives his report tonight. Motion by Johnson, second by Cooreman to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments.

Tom Olinger, a partner of Abdo, Eick & Meyers was present to go through the Management Letters for the 2014 audit. Olinger stated with the Segregation of Duties they are tweaking some of the procedures to improve the segregation of duties and accounting. Last year they worked on investments last year and when he arrived early today they worked on loans receivable. The Council should note there is segregation of duties currently and the Council should review disbursements as they go through the agenda. Olinger stated this is a common finding with cities the size of Tracy. Another common finding in a lot of the cities is Financial Report Preparation. It is more cost effective for AE & M to prepare the report, and then present it to Votca and M. Peterson to review. Material audit adjustments are made that could impact the overall process throughout the year. Some of the larger adjustments made were related to Capital Assets, Interfund Loans and Special Assessments, Note Receivables and Debt. The journal entries did go down this year and they will continue to work with the staff. They will continue to work on that and change some of the procedures to keep knocking off some of these adjustments.

Page 8 of the Management Letter outlines the General Fund Operations. For 2014 the Unassigned Fund Balance was about \$418,000 which was down about \$4,000 compared to the year before. The overall bench mark for the General Fund is to have roughly 30-40% available fund balance of next year's budget. The idea of this is LGA and property taxes are collected at the end of the December and this is the high point of the cash balance in the General Funds. Now the City has to cash flow until the next payment in June. Currently the City is at about 20% of next year's budget. Olinger stated what he is seeing here is the expenditures are going up and keeping the overall fund balance relatively the same. If the budget is going up they should try to add to some of those cash reserves in the General Fund in order to cash flow for those five months the City is dealing with. The trend for Tracy has been downward for the last several years. In 2010 it was at about 36% and now at 20% of that Fund Balance. Olinger felt the fund balance to be healthy needs to get up to that 30-40%. As the City is starting to go out for bonds, bond ratings and other things, they look at the General Fund reserves. Votca said for 2015 it was budgeted for \$25,000 increase to the General Fund balance and if they stick to the budget they should realize that. Olinger stated that as long as they keep pushing that up and feels having a fund balance policy in place on where the minimum the City wants can be looked at. If that is followed it helps with interest rates in a bond rating. He can provide that and can discuss a fund balance policy.

On Page 9 outlines some of the activity budget to actual versus the General Fund. The Revenues did exceed the budget by about \$113,000 which was offset by the expenditures of a negative variance of about \$83,000. Olinger stated that franchise fees did increase this year and this is a timing issue and were one year behind on the franchise fees in the past. In order to get that up to speed they booked an additional receivable on those franchise fees for this year. This year they had two years of franchise fees in there but going forward they will always have that receivable

and have the correct amount. Other State Aid did have a possible favorable variance of \$35,000 which is off-setting some of those expenditures there. Capital outlay for culture and recreation was a large piece of that which was \$74,000. This was the lift project at the library.

Olinger stated Page 10 outlines some of the trends of revenues. Taxes did increase by about \$70,000 and \$30,000 of that is the additional franchise fee. Intergovernmental also increased this last year as the City received about \$50,000 additional in LGA this last year.

Page 11 is a comparison of General Fund expenditures and transfers for the last three years. They had talked about the lift project which was part of the Capital Outlay increase. The Transfers out for 2014 of the \$239,000 mainly consists of \$100,000 for the Aquatic Center operations, about \$27,000 in Cemetery Transfers and the remaining dollars are set aside for Capital Reserves. Olinger stated that he and Votca have discussed the 5-year budgeting out. This is where they need to take a look at what the capital needs are going forward and making sure those transfers to those capital replacement funds are meeting the needs of that and maybe it is a situation where they do not have to transfer as much out to the Capital Replacement Fund and build up the General Fund balance. Olinger stated the per group per capita for the General Fund is last year's dollar amounts per capita for cities that are similar in size to Tracy. Overall the expenditures and transfers were about \$220 more than what other cities the size of Tracy. Some cities do not necessarily transfer out dollars to a capital replacement fund.

Page 12 outlines the Special Revenue Funds and most of these have stayed relatively consistent over the last year. The EDA Fund did increase by about \$32,000 this last year and good portion of that was sale of a couple parcels of land this last year that went into that fund which resulted in that increase.

Page 13 shows a summary of Debt Service Funds assets and outstanding debt for the year. Olinger stated the maturity dates are out there and nothing dropping off too soon and the earliest is 2022. The City is now going through the process of refunding bond which is related to the 2007 Street/Utility Improvement Fund. There is \$700,000 in cash there and \$400,000 of that is going to be contributed to the refunding bond issue to buy down some of the debt there. Next year there will be two bond issues out there running side by side and the dollars were set aside from the proceeds. The investment account is going to generate the amount of interest to cover the interest payments of the old bond and the new bond will come in. There will be a cost savings for the City in the long term future. Looking at the graph of the principal and interest and for the next several years until 2022 is staying relatively consistent. Olinger stated that as new bond issues come up the principal and interest is going to increase which is direct result of assessment or property taxes tied to that. Olinger stated that going forward and planning, in 2023 opportunity for future street improvements and as bonds drop off, new bonds need to come on to keep that street improvement cycle going. The City will have to figure out the levy and debt service going forward as new bond issues are added. The refunding does not apply because that is taken care. Capital Projects Funds there is new the bond issue related to the 2014 street project which is about \$1.2 million. As the City goes through 2015 that will be spent down and this fund will keep track of the overall construction costs of that fund. The other item worth noting is the Fire Department Replacement Fund as that did increase by about \$242,000 this last year mainly from contributions from the truck that was paid in the past.

The Enterprise Funds on page 14 are basically the business type funds that act as a business. The O'Brien Court overall cash flow did increase by about \$47,000. This is the first year there were no debt service payments tied to this fund. This fund right now is having transfers out to cover some of the 5th Street and Orchard Lane shortfalls.

Olinger stated on Page 15 the 5th Street Apartments Cash Flow, looking at the top graph the blue color is generating from operations and rents coming in. The disbursements the gray and green are debt service payments and operations. Olinger stated what needs to be done the blue line needs to be even with the green and the gray. The orange is transfers in that is coming from O'Brien Court. That is break even and there were some transfers out for this so that is why the cash decreased this last year. There are a couple loans out there for that current cash deficit that is out there. There is a Interfund loan to the Economic Development Fund of about \$98,000 and then \$24,000 from the Eastview Apartments that have loaned dollars to this fund that are going

to be paid back over a period of time. The debt was decreased by about \$16,000 this past year. Olinger stated it is not totally cash flowing and feels it is important to know those funding mechanisms for this to make sure it does not continue going to this cash deficit and pay off the bond.

Orchard Lane Townhomes Cash Flow broke even this last year and has about \$1,185 million in debt related to that and is being paid down from operations. Currently there is a zero cash balance but have about \$8,000 that was loaned from the 5th Street Apartment Fund for this.

Page 17 is the Liquor Fund which shows a slight cash deficit in this fund of about \$2,000. Olinger pointed out there was income generated from the liquor store so do not have any issues with having to have a public hearing for two consecutive years. The thing to think about is if there are going to be any future improvements or any items within the liquor store. Currently \$10,000 is being transferred out. Votca stated that in 2015 there is no transfer so adjusting that to make sure they can build that balance up. Olinger stated the minimum target cash balance is based on 25% of the operating costs. Mayor Ferrazzano asked Olinger in other towns they work in that have liquor stores, do they see others that do not cash flow. Olinger stated there are some that cash flow really well and some that struggle every year. Looking at Liquor Statewide Averages, the gross profit compared to 2013 is right where other gross profits are.

The Water Utility Fund cash receipts are currently generating dollars and separated the water and sewer last year. Some there are some bond proceeds coming in to this fund for the construction of the infrastructure of the 2014 Street Project. The amount needed for the Water Utility Fund, 25% plus one year debt service payments is about \$164,000 and should be the bare minimum of the utility fund. At this time it is at \$280,000. That will be spent down as those proceeds are going to be spent down. Votca stated they have made some major improvements to the water fund in the last year and a half with the water tower and the filters.

The Utility Surcharge Cash Flow was broke out last year and making sure they are covering the right amount there. In the Surcharge there is \$2.00 that is basically is line to house type of improvements and \$12 that is tied to the debt service payments. Olinger stated there is currently there is about \$131,000 in that fund. There are not a lot of expenditures and right now there is some cash balance in there of about \$115,000.

The Tracy Medical Center cash did decrease this last year due to some capital items such as the boilers which allowed the cash to decrease by about \$50,000 this past year. There are not a lot of expenditures tied to that so there are some cash reserves for future improvements within this fund. Votca stated this will change with the hospital sale.

Olinger said the Sewer Utility Cash Flow did generate dollars this last year. It did cover the debt service payment and capital items. Operating margins are not sufficient to keep pace with operating expenses. WE recommend a cash flow projection be created to determine if rates are sufficient to cover operating costs, repairs and future replacement and expansion.

Eastview Apartment has stayed consistent over the last few years and at about \$103,000 in cash and minimum operations is about \$34,000.

Olinger stated with the Refuse Collection Cash Flow there was a transfer out this last year that reduced the cash to the \$14,000 and prior to that were running right about where operations are. The same with the Deputy Register and License Cash flow is about the same at a break even flow through.

On page 26 there are comparisons of ratios. The Debt Service coverage this is basically showing if enough dollars are collected in the water/sewer/utility funds to make sure the debt service payments are being made. Tracy is at 1.6 which has stayed consistent but is dropping of the debt service payments coming on in 2015. With the new issuance of debt Tracy was at 4,300 which increased almost \$1,000 in debt per capita within the fund. Taxes per capita did increase to about 455 and the average was 466. Capital assets % left to depreciate is at 36% and 41% for the street infrastructure and the business type infrastructure which means they are older assets.

This is direct result why the city is bonding and making improvements and those numbers will increase once the projects are going.

Olinger stated there is a future accounting standard that is coming down the road for next year is GASB 68 which states a pension liability needs to be added for any unfunded pensions out there for the City. The two that will hit the City are PERA and Fire Relief Association. PERA is going to be a big number and on the front of the statements keeping in mind it is a liability out there but not a liability that needs to be funded by the City or dollars set aside for that liability going forward. PERA is still going to look at this and adjust it through their rates they have. It will hit the City's financial records next year. What the Council has to think about regarding the Fire Relief this next year is that with the Fire Relief they have to have an actuarial done in order to be in compliance with GASB 68 which is separate from the Schedules I and 2 that are currently provided as a lump sum payment. This should be discussed with the Fire Relief and the City and the Fire Relief does not need to do the actuarial in order for them to get funding. The City is the one that needs to bring the actuarial information into the report. The City can get the actuarial or they can decide to ignore this and have a modified opinion on our financial statements. In the opinion the City can state the financial statements are in compliance except for they do not implement GASB 68 for the Relief Association. Olinger that that he just received an e-mail from the actuarial that they are giving a discount and the sooner the information is sent to them, it is about \$100 per month they will discount until the end of the year. Mayor Ferrazzano asked if he could contact them and see what the fee will be. If this will hurt the City's bond rating and do not get grants the City should go ahead with this.

Chris Larson from ISG stated they are in good shape for the utility portion to be funded. He had a long conference call with RD on Thursday of last week and pretty well in agreement on everything. Megan Gernentz from USDA RD will be coming for a special meeting tomorrow evening and should have the funding approved for the utility portion of it. The City's intent is to specially assess a portion of those costs like what is being done on 4th and Morgan Street. So part of that process per Mn Statute 429 is to put together a feasibility report and nearly all of that is done due to the RD process and the only thing that has not been done is the preliminary assessment roll. That would be part of the feasibility report. This would be for the infrastructure that starts on 4th Street East, comes down Hollett, down Emory and a couple of the alleys which is part of the wastewater infrastructure project. Larson stated that former Mayor Peterson has a potential interested party and have sent the Council and Peterson some information on that site to see if it would work and he was going to talk with them. Votca stated there is interest there and need to go to the next step. Funding is all together so when Megan comes tomorrow she will explain the full financial picture for the whole project and not 50/50. Larson said the numbers for the pond are kind of place holders right now until the site is chosen and that is what the funding package will be based on for that portion of it. Larson said this project will improve a lot of things in town and will be a new pipe out to where the existing splitter box is now and the ponds are two parallel cells and flow can diverted either way. Everything will be improved up to that point and from there on, they are trying to finalize. There are two by-pass structures that will be eliminated. Motion by Cooreman, seconded by Johnson to adopt Resolution No. 2015-8 Resolution Ordering Preparation of Report on Improvement. All voted in favor of the motion. Larson stated that hopefully by the next regular meeting they can hopefully have something to report on the ponds.

A newsletter went out this past Friday on the 4th Street/Morgan Street project. The construction will be starting one week earlier than they thought they would. They will start setting up the temporary water system to keep water service to everyone while the old mains are being replaced. And will start with asphalt and concrete removal.

V. Quist, Head Librarian reported that five people attended the Technology Night at the end of March and more importantly raised awareness about the e-books and audio-books they have. April 15 the library hosted Brian Freeman and was a great presentation. Spring Story Time has been successful and started out with four to six kids and the last couple weeks they have had 10-12 kids attend. There will be a short break in May and then start again in conjunction with the Summer Reading Program themed "Read to the Rhythm". Summer Reading Program will start on June 4 and a storyteller/musician, Jack Pearson will be at the library. Quist stated they have finished the Winter Reading Program and had 6 participants who read 988 books during the

January-March promotion. The circulation in March was 1,815 checkouts and 322 renewals for a total of 2,137. In March 2014 they had 1,515 checkouts and 380 renewals for a total of 1,895. The library received some very nice donations in the past month. \$1,000 in memory of Mel Ziemke, \$115 in memory of Duane Peterson and the bank employees from Minnwest Bank also gave a donation of \$230.

J. Lichty, Police Chief asked if the Council had any questions regarding his activity report. The department is working on researching a program called Drug-Free World and will be taught by Officer Gehrke to the 5th Grade students next year at Tracy Elementary. Presently the cost of doing this appears to be very inexpensive and the City's contribution will be the wages of Officer Gehrke for teaching hours and this will be budgeted for 2016. On April 29 they will be doing a mock accident at Tracy High School. The Tracy Fire Dept., State Patrol, Lyon Co. Sheriff Office, Tracy Hospital, Tracy Ambulance and North Aircare will also be participating. Officer Hansen has been working hard to get a National Night Out Presentation ready for August 4.

S. Daniels, Public Works Director asked for any questions regarding his reports. They got the rest of the sand in the water filter, filled and chlorinated and should find out tomorrow if it passes the test or not. Hopefully they will have it in service by this coming Wednesday. They have started mowing today. At Swift Lake they are redoing the floor in the shower areas and should be open by the end of the week.

M. Votca, City Administrator reported that Amy Dorsett from Trane visited on 9 April and presented some project ideas and the pay back periods. They are trying to finalize contracting options that will be presented to the City Council. The EDA Board has been moving forward and had a special meeting last Thursday about doing some analysis for what services they want to provide as an EDA. The next meeting will be by May 1 and discuss if they want to contract with this Janet Sweeney from Drown and Assoc. The EDA Board will decide if they want to contract with them to help them figure out what tasks the EDA should be providing and may ask some of the Council members, EDA members, citizens and business owners from the community to help fill out the survey to determine what the important services they think the EDA should provide. Once they know what services should be provided, do they do that with a contract, a part time employee, full time employee or some of the staff that currently works with the City have to take over some of the services provided and how is the City going to do that.

Votca stated he, Mayor Ferrazzano and Council member Schons met with members of the School District Facilities committee on 16 April to discuss a concept of the School District repaying 50% of any VMC improvements to the City over a 10 year period and maintaining lease payments. It was the consensus that the bleachers and floor are the first improvements that need to be made. The bleachers have become a liability to the City and the floor is toward the end of its lifecycle. A portion of the bleachers would have to be replaced at the same time the flooring is replaced as the bleachers must roll across the floor. It is to be determined how the City will come up with the \$300,000 to pay for the upgrades and it was stated in the audit report, the City does not have a huge fund balance that money can be spent out of other than the hospital funds. The City has to commit a portion of those hospital funds because a tentative agreement was made with Sanford on how the City was going to take care of those funds. There could be some extra money in that fund however, he has been working to put together this 5-10 year budget plan and in the infancy stages and there is some fund balance building that the City needs to do. Mayor Ferrazzano explained that when the City sells the hospital they are getting about \$254,000 that the City can use for what they want. There is still indebtedness of \$508,000 for the improvements that were done on the clinic and they are going to pay half of that off as part of the agreement. It is basically earmarking what we get from the hospital sale designating it for that. Mayor Ferrazzano feels that if they have someone that is willing to pay half of the cost to improve this facility, because at the end, they are done paying half of it and it is the City's building. He also feels it is a benefit to improve an asset the City already has. Votca states that if the Council would allow him time to put together this plan with the budget for 2016, we can see what priorities they want to put the money towards. Votca said he already has pretty good descriptions on what items they think they need to buy and when. Public Works has a decent plan for certain streets that need to be refined a bit and the water and sewer funds we know what the debt is and where we need to build those up. Votca feels that by July there should be

something that can be used as a document to make decisions. There is one estimate for bleachers right now and it was \$107,000. They are expecting the floor to be about \$150,000.

Votca stated they had a meeting on 23 April with Dan Ritter from SW Sanitation and have his initial comments on our contract. He is still working on the numbers of what the effects would be if we go forward with this proposal. Votca will present this at the next meeting of what Ritter proposes and how that affects our rates. This is for all residential disposals. Schons asked if there have been proposals from any other provider. Votca stated in the current contract they have until February to ask us to get a proposal from them. If the Council does not like their proposal they could go forward and take bids. The original contract was 2006 and has been numerous years that the City has had the same contract and SW Sanitation has not raised rates for the entire time of the contract.

Votca stated at the last meeting the ordinance was approved to change it so a special use permit could be received for a pet boarding facility and Sarah Willhite submitted a request for a special use permit for that. The Planning/Zoning Commission approved to send it forward to the City Council to approve this permit. The only question was if the ordinance goes into effect immediately or is the period of time. Nielsen stated that as soon as the ordinance is published in the newspaper, it will go into effect. Motion by Schons, seconded by Johnson to approve the Special Use Permit request by Willhite and goes into effect when the ordinance is published in the newspaper.

Votca received only one bid for the property at the corner of Center Street and Spruce Street. Votca opened the bid which was for \$1,000. The Planning/Zoning Commission reviewed the Special Use Permit and approved it and forwarded to the Council for their approval. Votca said Finley Engineering said they are bringing fiber for Avera that is connecting their clinics and hospitals together. Motion by Johnson, seconded by Cooreman to accept the bid of \$1,000 from Finley Engineering. All voted in favor of the motion. Motion by Cooreman, seconded by Johnson to approve the special use permit. All voted in favor of the motion.

John and Jennifer Steele would like to purchase 472 3rd Street from the Lyon County Auditor. This property is tax forfeited and can be purchased for the purchase price of \$10. It is next to his present house and gives them an extra piece of property. There is currently a large assessment of \$17,775.37 and \$17,451.02 was a judgment on a fire that happened on that piece of property and the owner was to pay back that amount to the city for the demolition. Mayor Ferrazzano stated the Council needs to be consistent with people when they ask to buy something and waive the assessments as he would like to have someone own it instead of sit there forever. His view is that is people want to purchase lots, he would rather have people own them than the City. Motion by Johnson, seconded Cooreman to waive the assessments and not reassess them after the purchase of the property by Steele. All voted in favor of the motion.

Matthew Persons wants to buy the property at the corner of 10th and Morgan Street. There is an alley between these properties. Nielsen stated this is a little different than the one on 3rd Street. This is a separate lot and no way he can combine this with his existing properties. The way the zoning is right now, there are minimal things that can be done with that property. It is unbuildable. The Planning/Zoning is working on uses that such as gardening or small structures. This has not yet been presented to the Council to approve that yet. Nielsen stated there is a ditch assessment on there and the City has no say over that. Votca stated that he thought the Commissioners have agreed that they will waive all assessments for any forfeited properties. Nielsen stated that in fairness, Persons should be told he cannot get a building permit to put up a garage, etc. Motion by Cooreman, seconded by Johnson to waive the assessments and n reassess them after the purchase of the property by Persons. All voted in favor of the motion.

The request to purchase property at 4th and Morgan Street was discussed at the Planning/Zoning Commission meeting and they discussed a lot of issues and the bottom line is there is not a Planning or Zoning purpose for why that piece of property should not be sold. Votca has bids for this property. Rosemary Martin is the one who would like to purchase this property for their apartments. She would like to make this property a parking area for their apartments. They are not planning to build any structures or business there. She stated that she would allow it to be

used for the Farmer's Market. Event parking would not be allowed. Another issue is it is currently the lay down area for Duinink while they are doing construction on the street project. Votca stated they would have to wait until September or make an agreement they can own it but the City will be using it until September. Votca stated he has bids for just a piece of the property and a bid for the whole property. Johnson stated that over the weekend there was the event at the VMC and that lot was filled with cars and questioned what they are going to do if they sell that land for the people that come to town and have a place to park. Votca stated there are some options because the City does own all the property by the Liquor store that could be improved as a parking area or maintained as a parking area. Votca stated an idea brought to him was the church behind City Hall has a bunch of land behind that could be converted into a parking area. Johnson stated that if they purchase the land by the church then the City would have to spend money to put it there. Mayor Ferrazzano stated that one thing to be cognizant of is if the City sells the whole thing, the City will not be responsible for the assessments of it. Martin made a bid of \$100 for the portion of the property behind the American Legion building and Country View Apartment Building. Martin made a bid of \$500 for the entire property of 187 4th Street. Nielsen questioned since this property is in the Central Business District is not zoned for an apartment house. That apartment house probably got grandfathered in because it used to be a hotel. When there is a non-conforming use in an area where it normally would not be allowed, you cannot build a new apartment house in the Central Business District and you cannot expand that use. Nielsen feels that adding a parking lot that is about the same size as the exiting property, you are expanding the use. Someone mentioned that the residents of that property can use that property as it is an open public parking lot already. To sell it to someone privately it eliminates the public use. The assessment would be \$17,000 to maintain this property as a parking lot. Mayor Ferrazzano suggested that since everyone is fine with selling the alley area being sold, agree to sell that and they can revisit the selling of the other part. Nielsen stated they will have to have the area surveyed and pay for it. Motion by Johnson, seconded by Cooreman to sell the strip of land for \$100 and the purchaser pay for any survey and closing costs. All voted in favor of the motion.

Votca stated that right now Clarity has an extension until December and trying to get Charter to be on the same page. The lawyers want to work something out with Clarity first before Charter. The people that have the franchise, the legal name is Clarity and the operating name they are using now is Vast Broadband. Nielsen asked if the attorneys that are working on the cable franchises are on board with this realizing that Charter is in default with the franchise agreement. Votca stated they are and has provided them with all the documentation going back and forth with Charter regarding the violation. They agree to use that as leverage with our negotiations. Mayor Ferrazzano stated that if the City cuts Charter a break, then Clarity can ask why they have to have an office here. Votca stated that once they have this franchise agreement with Clarity, you have to be fair. Nielsen stated he has a problem with extending a franchise a second time for someone who is in default. Mayor Ferrazzano asked if the City does not extend their franchise, what happens. Nielsen said they can condition the extension on them putting the office back in Tracy. Votca stated these attorneys drafted this without a request from Charter, they just wanted to give more negotiating time and want to negotiate with Clarity first. Votca stated that eventually the franchise will expire then they cannot have cable in the City anymore. Mayor Ferrazzano stated that if the attorneys the City hires that do this all the time suggest we do this, short of saying no the City is not going to do it. Votca stated the initial franchise expires June 1. Charter has not really responded back to Moss and Burnett about this draft agreement again, so the response was they were going to work with Clarity and deal with Charter later. Mayor Ferrazzano suggested and the City does not want to put themselves in the position of being sued because we are being capricious with the denial of a franchise. They ask Moss and Burnett why the City has to do this and if they are not talking to Moss and Burnett now, what would granting an extension do. Motion by Cooreman, seconded by Johnson to adopt Resolution No. 2015-7 Granting Charter Communications, Inc. A Franchise Extension Through December 31, 2015. All voted in favor of the motion.

The Consent Calendar includes: the Municipal Accounts Payable and EDA Minutes for March 6, 2015 and March 20, 2015. Motion by Johnson, seconded by Cooreman to adopt the Consent Calendar. All voted in favor of the motion.

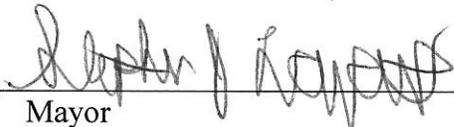
Mayor Ferrazzano reminded everyone about the meeting tomorrow evening at 6:00 p.m. Votca will check with Megan to make sure she is coming and if she is not coming, he will call everyone and let them know. At 7:00 pm the Board of Equalization hearing will be held.

Motion by Schons, seconded by Johnson to adjourn the meeting at 8:30 pm. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

May 11, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 11, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P. Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Schmeling.

Motion by Schons, seconded by Enderson to approve the minutes of the April 27, 2015 meeting as presented. All voted in favor of the motion.

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

Michelle Elton-Weets, 141 Youman Street presented to request a special permit to have more than the allowed number of dogs in the City. She stated she has eight American Bullies. She stated they take the dogs with them when they go places. When they move in they are planning to build a fence around the backyard so they can run. She stated she had talked to her neighbor opposite her backyard and the neighbor stated she is fine with it. Motion made by Schons seconded by Johnson to grant a permit for Michelle Elton-Weets to have 9 dogs, 8 American Bullies and one French Bulldog at 141 Youman Street for a period of 6 months. The permit would be reviewed at the 9 October, 2015 City Council Meeting. All voted in favor of the motion.

Ruth Hubbard, an executive of Minnesota Rural Water Association. Background on what the Association does and was formed about 33 years ago to work with small water systems that had financing from Rural Development. They started the Interim Construction Financing Program for a very selfish reason. They wanted those systems they were putting into small communities to last at least as long as the loan is out there. Once the present loan was paid off and then the community could have another project. The wastewater program was started at least 25 years ago. Most of the services that are provided by Minnesota Rural Water are free of charge. Hubbard stated the reason she is present tonight is the City of Tracy has a Rural Development Project coming up. When you get permanent financing from Rural Development a Letter of Conditions is received and it states the loan will be "x" amount of dollars and any grants will be "x" amount of dollars. It will have some conditions in the back that states what needs to be done. Minnesota Rural Water Financing Authority bonds for about \$25 million every December or January and that is re-loaned that out the communities that have a promise of permanent financing through Rural Development. It is not a pool that is used for any other projects and just works for Rural Development. The sheet that she passed around is for all other things. The Letter of Conditions is the City's collateral so MN. Rural Water does not ask a financial question at all. The application asks the name of the applicant, who is the bond council, who is the City Attorney, RD contact, when the City wants to start and when they want to end and banking information. Sometimes it takes about 30-45 days to get the paperwork. Mn. Rural Water has zero cost of issuance. It is a construction loan so if the City bonded for \$1 Million and you put the funds in the bank and paid interest from day one. Mn Rural Water is a construction loan just like you would go to the bank and get finances for a new home. MRW would put \$2.663 million away dedicated to the City of Tracy and hold that money in their bank under Tracy's name and Tracy would only accrue interest on that money as the draws are made. If the project is started in the fall, then over the winter when no work is being done and no draws are being made, rather than paying the interest on the \$2.663 million, you only pay interest on the money you have borrowed within any given time. It is a cost saver and RD will not say one program is any better than another but if the City talks to the RD Specialist, they will allow have favorable comments to think about the MRW program. In order to get the funds, there are three signatures needed, one is signed by the Mayor, the second is signed by the City Administrator and the RD and Engineer sign off on the other. If the City makes a request for funds on a Thursday, the City will have the money in the bank on Monday unless it is a holiday. Hubbard stated the other advantage of being in the pool is they get a rebate back. They do not guarantee the City a rebate

because they do not know what type of activities will be in that pool but in the past four to five years they have given 20% of the interest accrued back to the cities. RD will tell you that you cannot make money off their money and that is true. When MRW does the rebates the check is sent to the City and a copy of the check to RD. The City will always get a check after the bond is closed, unless the City would happen to close the same day as MRW closes on their bond. The City will get that last check and there will not be any project as the City will have closed the project and the City can use that money for the first interest payment on the loan. The cost of the interim financing is part of the budget and part of the \$2.663 million and the City pays the interim financing at the very last of when they close. Hubbard did bring an application to give to Votca. Once the applications is filled out, MRW then sends it to the City's bond council so the bond council in turn will contact the City and want to have conversation of how the City is going to pay for this project so if there are any special assessments or anything that is a little odd regarding repayment, there is plenty of time to get those little quirks worked out. Once the application is received, they send a Letter of Commitment back to the City stating the amount of money they are going to borrow and RD is going to want to know if the City has their interim financing in place.

Dale Johnson III, Fire Chief stated the cutter tools and first rescue tools are lacking very badly. They had looked at two different sets. The one set the Department likes the most they had here last Monday and were able to see how they operate. The looked at the truck mounted tools and the 100 ft. cord that would restrict them if they were working around 100 feet around the truck and the features of the cordless tools. It was unanimous with the department to go cordless. Every tool has two batteries which are interchangeable. A single battery lasts about 40 minutes during full extraction. There is a battery attachment that goes on the back that plugs into a generator. Two of the three trucks that go on car accidents have an on board generator as well as the purchase of this they would be looking at getting a 2,000 watt portable generator which would actually run the tools as well. There would be three ways to make these tools work, where as a problem they are having now if the pump goes bad on the one truck, the truck is shot. The generator does not work, it does not work the pump and then they are backing up on just the gas powered pump. They would be taking two complete sets of tools and combining them to one complete set and then divide some of the tools out on different trucks. They are looking at the full D700, the large cutter; they would also be looking at an electronic ram and in a matter of seconds can roll a dash two feet in the air. They would also be looking at a combination cutter tool and spreader tool which can be used for forcible entry. The estimate cost of this would be about \$50,000 and that would be completely new. They do have some demo tools and could not receive these tools before the Council meeting this evening. The demo tools are about \$9,000 less. The company told Johnson these demo sets had only been used three or four times but he has not seen them. If that is all they have been used, Johnson felt it was worth the \$9,000 savings. Johnson stated that in the past two years he has been unable to find a grant funding to help pay for the rescue tools. In the past week, he spoke with a couple of the larger businesses in town and they are interested in helping with this project. It will take time to put the funding together. In talking with the other firemen they did a bunch of burning this year and last year, where they raised money doing controlled grass burns and they are willing to put some of that money towards this as well. He is does not have any total dollars as far as how much they could receive from these businesses Votca stated the balance of the Fire Replacement Fund now is at about \$40,000. Johnson stated they also have the rural contract money that will be going into that account. There is the \$30,000 contribution from the City along with fire calls from this year. Johnson stressed how important these tools are very much a necessity to the operations of the fire department. Enderson stated he went to the demonstration and was extremely impressed how well the tools worked. Johnson, Jr. asked if there will be a warranty the demo set or pro-rate. Johnson stated that from what he was told it would be the new warranty from the start date of the tools which would be Feb. 2015. Schons felt they should leave that up to Johnson's discretion as he would know what he is looking at. Johnson said he did ask them for a price to trade everything the City has in, including the reels on the truck they will no longer need and the reels were \$1,200 when the truck was purchased. The salesman said they would be better to put the equipment on EBay or try to sell to a body shop. Mayor Ferrazzano agreed they should let Johnson to decide what they want and if the money is there in the equipment replacement, they might as well use it for something like this as the tools they have are not good. Motion by Schons, seconded by Johnson Jr. to use the funds in the Equipment Replacement to replace the tools that Johnson has talked about. All voted in favor of the motion.

Votca stated one of the major issues needed to be worked out on the wastewater plant is about getting the price locked in to what the costs would be for land in that project and will help get the numbers and get the financing. They have been working trying to get a split system where one of the ponds is on one piece of land and the other portion is on another piece of land. There are some options with the land since T. Peterson has been going around and talking with people to see what is available and workable to get a deal done. Votca is asking that tonight they move forward on what Peterson has done and getting the process of actually of getting options on these pieces of land so they can lock in that price. Votca stated the other issue with the land acquisition is they could run into a situation where they cannot agree on a price and it is the most preferable piece of land; the Council should consider the process of eminent domain. Mayor Ferrazzano questioned Peterson about the new piece of land came up for the secondary ponds and asked if this was the Holstein property or another piece. Peterson stated it was another piece and states that what he would like to see the Council do tonight as a body approve eminent domain in order to help negotiate. It opens more doors on the negotiation side, but it has to be on record that eminent domain can be used if it cannot be gotten any other way. Nobody wants to do it but have to that so we can to keep things moving forward. Mayor Ferrazzano stated the record needs to be clear that the City has explored all the options of City owned land; they could use and not have to do eminent domain on other properties. Votca stated he would like to get this accomplished by June so that the funding goes in August they can say what it is going to cost the City. There are a couple land options and have to check with the engineers to see if it works. Enderson asked if they have done to secure the first option of land. Votca stated nothing except what they did a long time ago with having the land appraised. Motion by Johnson, seconded by Cooreman to use the threat of eminent domain to acquire property for the wastewater treatment plant. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to explore purchasing or getting into a first purchase agreement. All voted in favor of the motion.

Votca stated they are not having as many hires for lifeguards or water safety instructors as they have had in the past. The last he checked they have three water safety instructors and last year they had six. They will still be offering swim lessons but may have to adjust some of the timing with the resources that are available. The people have until May 28 to register for lessons. Votca stated at this time they have enough lifeguards and have more that said they are going to get trained. One of the options was having two lifeguards on the big slide at all times. The slide will not be available on the days that there are not enough lifeguards available for work. Votca stated there will be a schedule for the workers so will know when the slide could be in operation. Enderson asked about solar heating the pool. Votca stated the options with the GESP program and Trane are still available.

Votca state the concession stand is not being opened at all. Just what they buy and the sell is not making money at all. They are making about \$1,000 and it is costing \$3,000 to staff the concession stand. He would like to try having vending machines at the pool instead of concessions. Mayor Ferrazzano felt they could limit the things that are available. Votca stated that he would like to try it and feels they could have a good saving there. He does not feel it is downgrading the service they are providing there. Mayor Ferrazzano said that maybe they can bring their lunch if they have to. Daniels stated that is not allowed according the State.

Votca stated the EDA had a discussion about Build America Bonds because Shannon Sweeney from David Drown and Associates come in and talk about a survey they want to do to talk about the services the EDA does. He also mentioned refunding of this 2010 Build America Bond. They were the company that was involved at that time and they told us they could save as about \$102,000. They printed out the language from the bond document and have language in there about extraordinary redemption. Votca says it states "that upon the occurrence of an extraordinary event the City may elect on February 1, 2011 and any date after to repay the bonds on or after February 1, 2012. Redemption may be in full or in part at a price of par plus accrued interest." Votca stated that kind of goes to what T. Haugen was telling the Council there have not been any real changes in this code and IRS has reduced their payments to us due to sequestration and cut it by 8.7% so the City is not getting the whole amount they promised. There are cities that are calling these bonds. When the EDA heard that they wanted to bring this

back to the City Council and wanted to pursue this. Votca stated there is a little different approach from each side. The way Shannon presented it, he had a system where they basically make a resolution that sets the savings the Council wants to have and as time goes on and when one of these companies can provided the desired savings they would enter into that agreement. Votca feels that it is something they should look at this and once he read the language, it seems after reading the language he can see why it has been called. Mayor Ferrazzano felt it should be pursued if it is going to save the City some money. Mayor Ferrazzano also asked that Votca contact T. Haugen know. He felt that both of them should be allowed to tell the City what they think. Motion by Schons, seconded by Cooreman to have both parties be allowed to give their opinion to the EDA and then pick which option they prefer. All voted in favor of the motion.

Votca stated the compensation part of the Engineer Agreement for Wastewater Phase 1 has been scrutinized by RD to say it is their type of price. Votca stated there is some investigating to be done and obviously they took out the whole first Phase as they did that already so there is some flexibility. Nielsen explained the RPR is someone that is going to be here while the work is being done. The RPR is not an inspector. Schons asked if they were paying this person \$250,000. This person will be compensated; they are talking about someone driving over from Mankato every day, four hours on the road every day and so much for that plus mileage. Someone that would come here and stay five days and you would not have the mileage but still gets compensated. Nielsen stated those things are not outlined here as to how. Nielsen stated it should be documented as to how many miles they are driving, how often they are coming. Based on these various expenses it could be a lot less than that and it may be a lot less than that if the City imposes RPR certain work practices. Nothing is mentioned in the contract how that is done on the part of both parties. Mayor Ferrazzano asked that Votca visit with them. He agrees they need to figure out how that money is for and exactly what the City is getting for what they are paying. Peterson stated that if he remembers right they hired I&S for this Wastewater Project, they stated that when the project starts they would maintain an office in town to do the observation things. They should check with C. Larson. Daniels stated they are doing that now. Votca stated they have one guy upstairs that checks on everything each day. Nielsen stated he would like to see something in writing. Mayor Ferrazzano felt that if they get the issues with I&S cleared up and ask them if they are going to do the same thing as they are doing with the street project. He feels it would be the same with the Wastewater Project. He also wants to know what is included in the \$240,000. Is the City paying for someone to run back and forth from Mankato or paying to have someone stay here. Mayor Ferrazzano asked that they find out before the next meeting then they can enter into this agreement.

Votca stated the current Residential Refuse and Yard Waste Collection Contract expires 30 June 2015. During the meeting with himself, Dan Ritter and Frank Nielsen, Ritter stated he would like to extend this contract for six years. There have not been any increase in rates since 2006 when the original contract was signed. Ritter would like to increase the rates for customers by 4% on the first and fourth years, increase the extra trash collection from \$2.00 to \$2.50. Ritter asked the Council if they had any questions. Mayor Ferrazzano asked if the increase of 4% when the contract is signed and then 4% in after three years. Votca stated that churches and non-profits there is no charge at this time. The office sends Ritter a bill every month with a .10¢ charge for every bill that was sent out. Ritter said there is a \$25,000 performance bond and that costs him \$700 per year. It is not deal killer to him but if the City would forego that he would appreciate it. Ritter stated the first three year contract he responded to a RFP and it stated that with good service, the City would talk about entertaining a renewal. He happened to pick up the paper and there was discussion at the Council meeting and one of the council members felt that it should be rebid it. He then looked at the RFP and it stated it in there so he came to the Council and showed it to them. He felt it was an oversight and just wanted to make sure he was not doing anything wrong. Enderson and Mayor Ferrazzano expressed their appreciation for the service Ritter's provide. Schons asked if a Spring Clean-up would be organized. Votca stated that would be separate from the contract with Ritter and he would see the ordinance and the prices we actually charge for these containers. Votca said they could charge a little more on top of what they charge for fees and get more revenue into that fund for projects like this. Right now they are breaking even in that fund. Ritter stated it is good for the town and not trying to kill it but the door to door stuff is time consuming. Motion by Johnson, seconded by Schons to have Nielsen draft an agreement to reflect what is being offered with Southwest Sanitation. All voted in favor of the motion.

Votca stated the City needs a Disadvantaged Business Program goal for the Airport Project. This is based off the federal regulations. This is drafted by Bollig Engineering for the City so we can keep moving forward with the Airport Project. The City has authority to advertise the project from the FAA plan. Mayor Ferrazzano asked if there were any questions regarding the document. Votca stated there is some advertising they will need to do. Motion by Enderson, seconded by Cooreman to make the Disadvantaged Business Program the policy for the City of Tracy. All voted in favor of the motion.

Votca stated that Sanford Health has sent a draft version of an asset purchase agreement. Votca stated that they will be meeting with Sanford the end of the week to work things out and Nielsen will have his comments ready and Tracy can go back to them with it. Votca stated the numbers he put in are not totally accurate but show what they would be if the agreement were to be signed today.

The Consent Calendar consists of the Municipal Accounts Payable, Municipal Accounts Receivable and Tracy Relief Association Minutes for April 6, 2015. Motion by Schons, second by Enderson to approve the Consent Calendar. All voted in favor of the motion.

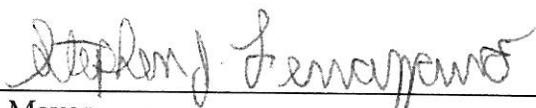
Votca stated that due to the Memorial Day Holiday the next meeting would need to be rescheduled. The Council can decide when they would like to have that meeting scheduled. The next meeting will be Tuesday, May 26, 2015 at 6:30 p.m.

Motion by Enderson, seconded by Schons to adjourn the meeting.

ATTEST:



City Administrator



Mayor

May 26, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, May 26, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K. Enderson, P. Cooreman and T. Schons. Absent was D. Johnson, Jr. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Schmeling.

Motion by Cooreman, seconded by Schons to approve the minutes of the May 11, 2015 meeting as presented. All voted in favor of the motion.

A revision of the agenda included to move 10A Notice of DBE Construction Goal to 7A Public Hearing at 6:45 p.m. Motion by Enderson, seconded by Schons to approve the agenda as amended. All voted in favor of the motion.

There were no public comments.

S. Lau, Liquor Store Manager reported they had a birthday party on April 17th which brought in a good crowd considering a lot of the farmers were in the field. There was food available that was donated from some of the patrons. On May 23rd there were complimentary samples in off sale from 1:00 p.m. to 6:00 p.m. for upcoming holiday. There were samples of a variety of wine and some liquor.

V. Quist, Head Librarian stated the library is excited to start the Kids' Summer Reading Program on June 1. They are taking sign-ups now. This is for kids of all ages. This will be for June, July and August. The kick-off will be Thursday, June 4 at 2 p.m. when they will host musician and storyteller Jack Pearson and this will be held at Tracy Kid's World. Quist is hoping to coordinate with the Fine Arts Council of Tracy and the Tracy Community Band for an event in June. Story Hour will be Tuesday afternoon at 3:30 p.m. from June through August. Our Friends of the Library Group has donated \$300 to be used for story time supplies. Quist reported that the state legislature did not approve a funding increase for libraries this session. As a result, our delivery and automation fees with Plum Creek Library System may go up as much as 25% for next year. She is hoping that when we approach the county with our funding request this year, they will agree to help offset this increase. This is something they need to think about this year when during budget time. Plum Creek has hired a new regional director Jim Trojanowski and will be coming from Ashland, Wisconsin and starting work here in July. The library will be hosting local author Jim Zarzana on Thursday, June 25 at 7 p.m. In April the library had 1,479 checkouts and 284 renewals for a total of 1,783 which compares closely to last year.

J. Lichty, Chief of Police asked for any questions regarding his report. They are working on a program "The Truth About Drugs" for 6th graders for the 2016 school year. This is put out by the Foundation of Drug Free World. Lichty will be asking for Council's approval to go ahead with this program as it will cost the city some money in overtime for Officer Gehrke to teach the courses. He feels the minor expense in wages will be worth putting on the program on. Lichty stated that nuisance warnings were delivered by hand. There were 46 letters issued.

S. Daniels, Public Works Director reported that they will hopefully be mowing the tax forfeited lots. T. Jacob has been working on weed notices. The street project has been going well despite the obstacles and underground surprises. Daniels stated they are currently trying to find a way to mitigate the rats in the leaf piles. They have always been existent, but not to this extent. There have been complaints from neighboring properties and are concerned they will be moving onto their property. Daniels stated in the splash pool they had to do some repairs as the matting under the pool liner has moved causing dead spots underneath. They had to cut the liner away from the wall and install pieces of matting under the liner and re-seam the liner material. There is a 20 year liner warranty so will be contacting the company. He has taken pictures of everything. Someone broke into the pool over the weekend and does not appear they did any damage. Enderson asked how things are going with the lifeguard shortage. Votca stated they have eight

lifeguards and will be running the pool. There are only three swimming lesson instructors and last year had six. They may have to change things around but will get as many lessons as possible done.

At 6:45 p.m. a Public Hearing was held regarding the notice of Disadvantaged Business Enterprise (DBE) Goal. Votca stated Tracy has set a goal of 0.9% for the Upgrade Runway Lighting Project which is funded, at least in part, by Federal grant(s). The policy was set at the last meeting. They are trying to attract disadvantaged business that may be out there. This is a requirement by the Federal government to advertise this and have people make comments on the goal the City set. Paul Jurek from Bollig Engineering stated they did have one comment from the State of MN. He did notify the State of Mn a few other organizations to get the word out that they normally do not go below 1%. He was able to get that before they went to bid. It is out for bid right now and did bring a bid list and there are a couple primes on it encouraging some electricians in the area that there is a lighting project. Enderson asked when bids would be opened. Jurek stated the bids need to be submitted by June 8, 2015. Votca stated there have been twelve people that have picked up plans but no bids have been received yet. Hopefully will be able to get some competitive bidding. The public hearing was closed and referred back to the Council for discussion. Votca stated at the last meeting they took some formal step indicating that this was adopted.

M. Votca, City Administrator stated that he has been notified by Trane that they are not willing to sign the GESP contract. The Council approved they were going to accept Trane back in January. Trane informed Votca they do not want to sign the contract with GESP. The next step is to work with CTS, the other group that bid on the project and see if they want to enter into an agreement with Tracy. Votca said that when they looked at the data, they felt there was not enough money out there for them to make. Trane provided him with some interesting data that the City does have pretty energy efficient use in our buildings. The pool is not because the heating of the water and the liquor store because of all the coolers. The main focus was to get efficient heating at the pool. The City needs to figure out how to get that done.

Votca stated the EDA board agreed with Shannon Sweeney from David Drown and Associates to conduct an analysis of what services the EDA should provide. They will do this through a survey. The first step of this is to have an open meeting on June 10. The EDA Board will be there and the City Council and Tracy Chamber of Commerce members are invited to attend. At the meeting they will discuss what the EDA has done in the past and also what types of services EDAs do and to get the surveys out. There is another meeting will be held after the collection of the surveys. Once they determine what the EDA is supposed to do then they can determine what type of staffing is needed.

Votca stated he, Mayor Ferrazzano and Frank Nielsen met with Randy Anderson and Stacy Barstad regarding the draft document presented at the last city council meeting regarding the sale of the hospital. Nielsen had done a review on the document and went through that review and identified things that need to be included. The majority of the comments were related to some transactional things. A few things were related to the actual transfer of property and the capital improvement list was not in the original document. The money transferring piece was not as detailed as they thought it should be.

At the June 1 meeting the Planning and Zoning Commission meeting park improvements planning will be discussed. They would like as much public input as possible in this process to ensure that we produce a good plan and great parks. The Planning Commission can then make recommendations to the Council and when it comes to the budgeting process Votca wants to have the whole capital plan together. Votca stated some of the projects can move forward as there is money in the budget for parks this year. The City has \$4,000 in donations for parks. The Planning Commission meets at 6:00 p.m. in the Council Chambers.

The EDA has decided to list four units of the 5th Street Apartments complex for sale. The EDA has it listed with Murrayland Agency. Each unit is listed at \$59,900.

Chris Larson from I+S Group stated there were some questions with the RPR services for the 2016 Utility & Infrastructure Improvements. This is basically what Andy Boyle with the 4th

Street and Morgan Street project. Boyle has office space upstairs in the Municipal Building. The amount for those services is an estimate as it can be variable because of weather and the kind of contractor. Larson said they tried to err on the higher side in the agreement and as part of the funding package with RD because they want to make sure it is eligible. If there would be an estimate that was less and it ended up more they have to go back to the funding agency. Larson stated that some of the assumptions included the lodging and travel time. Right now Boyle is staying at a family cabin on Lake Shetek. Hopefully that can be worked again like that next summer. He stated that when they research hotels in the area, Marshall is the type of hotel they send their employees to. Cooreman asked if Boyle had engineering background. Larson stated they have several inspectors and some of them are designated as engineering interns and Boyle has an engineering degree. The way licensing works is you have to work under a professional engineer for four years before you can take your test, so he is working towards that licensure. The letter lays out the assumptions made, but they tried to err on the higher side to make sure it is eligible. Votca stated the other thing raised last meeting was having to use that specific document and not necessarily does that have to be used, but if they choose something else it has to get approved by USDA and RD. This document has already been pre-approved with the changes. Larson the previous project with them he did pose that question as does this agreement have to be followed to the T with the revisions they proposed. What is the City's and engineers flexibility. If the City is uncomfortable, they can propose whatever you want. It then goes to their legal department to review everything and that is why these preapproved ones are used. Mayor Ferrazzano stated that unless Nielsen has something to add to that, he would rather go with preapproved one not knowing how long it would take them to approve it. Votca stated that he reviewed the whole document to make sure it matched up with the changes that were required. Nielsen as if they received a new Exhibit C. One of the subtotal needed to be adjusted. Nielsen also asked about the Certificate of Insurance and was wondering if they have had that come up in projects in the past. The contract calls for Certificate of Insurance to state that insurance would not be cancelled or non-renewed unless they give a 10 day notice to those being protected by that. There was at least one project in the past where he has had to call the insurance companies and ask them to provide a certificate that actually says that and they stated they would not do that. There is no commitment on their part in the forms they have to do that. Larson stated they agreement is with I+S Group and he would have to check with their insurance provider. Nielsen stated he pointed it out because if they are setting up a contract and expect to receive that, they will not get it. Larson stated that he will check into that. Motion by Enderson, seconded by Cooreman to enter into the agreement with I+S for the 2016 Utility and Infrastructure Improvements. All voted in favor of the motion.

Enderson felt they should turn the temporary entrance off South Street should be turned into a permanent access from the parking lot by the liquor store. Since South Street is a county road, they would have to check with the County. Larson stated it is something that could be done and one of the questions would be the cost and it being a County road they would have to check if they had any concerns. Larson stated he will check into this.

The Consent Calendar contains the Municipal Accounts Payable, Cemetery Commission Meeting Minutes for April 16, 2015 and Planning and Zoning Commission Minutes for March 2, 2015 and April 6, 2015. Motion by Enderson, seconded by Schons to approve the Consent Calendar. All voted in favor of the motion.

Enderson stated the Museum had their annual meeting last week. He stated the museum is very interesting and everyone should visit it.

Nielsen stated with the construction of the store across the street from the museum the Planning Commission should at some time formalize the zoning designation there.

Enderson asked how the land acquisition and pond project is going. Votca stated he is having initial discussions on prices with land owners. There is a standard form that USDA uses to purchase on option on the property. Votca and Larson have been having discussions about the size of the ponds and one of the aspects is the amount of I/I that has reduced will bring the size of the ponds down. Votca stated they still need the ponds but may not need as much as they

initially thought which was around 110 acres. The last time he talked with Larson there was a possibility they would only need one piece of land which is a lot different than what they had discussed before. Daniels stated the new ponds will also be deeper.

Schons asked what the time frame is for completion of the 4th Street and Morgan Street projects. Votca stated that according to the contract they are to finish by August 15, 2015 at the latest. Votca stated that it will be finished for this year will mean they have done all the water and sewer in 4th Street and Morgan Street and then will have the asphalt put in up until 2 inches. They will let traffic run on that through the winter. Next year in the spring they will come in and put the final layer on plus the rest of 4th Street all the way to Pine and the rest of the way to Highway 14.

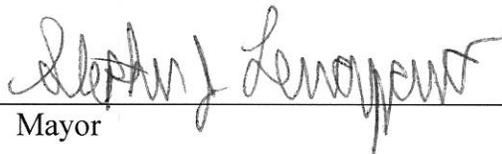
Nielsen expressed condolences to the family of Adeline Johnson who was married to Dale Johnson Sr. who was Mayor of Tracy for many and including many important times in the history of our City. Votca stated she was also a member of the Multi-Purpose Center Board.

Motion by Schons, seconded by Enderson to adjourn the meeting at 7:20 p.m. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

June 8, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 8, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Dave Erickson.

Motion by Enderson, seconded by Cooreman to approve the minutes of the May 26, 2015 meeting as presented. All voted in favor of the motion.

An addition to the agenda was 8C-Chief Lichty. Motion by Schons, seconded by Enderson to approve the agenda as amended. All voted in favor of the motion.

There were no public comments regarding any issues not addressed on the agenda.

Votca reported that the Planning Commission had an initial meeting regarding planning for city park improvements. The Commission was presented with the concept of walkable parks. It was determined there are four parks within walking distance (1/4 mile) from a majority of residents. The Commission had a discussion of what is needed at each of these neighborhood parks. The Commission recommended that each neighborhood part consist of a shelter, slide, swings and climbing gym. At the meeting on June 1 ground work was established to start determining projects and then setting a priority of projects.

Votca stated the 2010 Build America Bonds were discussed with the EDA and the Council to move forward with this. They were going to go with David Drown and Assoc. but right now the interest rates changed so Shannon Sweeney for Drown and Assoc. is monitoring that right now. Once there is a trend going back to make savings, they will make a recommendation.

Police Chief Lichty reported to the Council Officer Dierks will be leaving as he got a position with the DNR and June 15, 2015 will be his last day. They have met with the Police Commission and reviewed the hiring process and they agreed with the process of what has been used in the past. He has applications coming in and it is being advertised.

Three applications have been received for the one vacancy on the Library Board. Mayor Ferrazzano suggested that instead of the Council conducting the interviews, the Library Board do the interviews since they are the ones that will be working with the selected member. Votca can be involved in that to make sure everything is fine. Mayor Ferrazzano referred the three applicants to the Library Board and they can do the interviews and coordinate that with Votca.

Votca stated that on May 5, 2015 a variance request was received for 254 2nd Street in Tracy. The requestor would like to build a garage on their property which is 25 feet wide and 175 feet long. The proposed garage would be 12 feet wide by 24 feet long. This would leave 6 feet and 6 inches on each side of the garage from the property line. The property is too narrow to build a standard one car garage, but the garage could be built with a variance to the 8 foot side yard regulation. The three criteria that must be met in order to issue a variance include the property owner is using the property in a reasonable manner, the plight of the owner is caused by circumstances unique to the property and the variance will not alter the character of the locality. The Planning Commission has recommended that a variance be granted to the property owner. Motion by Enderson, seconded by Schons to grant the variance request for 254 2nd Street to construct a garage. All voted in favor of the motion.

A letter was received from Shirley Anderson regarding the dog permit that was granted a couple meetings ago. Anderson stated she lives in Broadacres and it would be two houses from 141 Youman. In researching a few things regarding this permit for nine dogs in conversation and research on the internet she discovered that Michelle Elton-Weets has plans on breeding this American Bully dogs and selling the puppies. This means there would be more than nine dogs

there. This is a residential area not zoned for a business as breeding dogs and selling puppies. This means Weets would be in violation of City Code, 8.30 because of misrepresentation of facts and her intentions which she failed to disclose to the City Council when she asked for this permit. It is in violation of Subd. 8A -5 which is also a misdemeanor offense. This is also I violation of city code 3.10 which does not permit this type of use in an R-1 which is a residential property area. Operating a business in a residential area would require a variance or special use permit. In the City Ordinances of 3.10, Subd. 5-C not one of the 12 uses by a special permit within an R-1 district for a breeding/kennel facility. Anderson feels that Weets believes she has been given permission to move a large kennel and fencing onto the property without a building permit and that would violate City Code 3.10. There is also a requirement to carry extra insurance on your house and property if you own this type of dog and would be a high risk insurance and the breed and how many would have to be listed on the insurance policy. Anderson did check with two agencies and none of the companies they deal with would issue insurance of this type of dog. If insurance is not obtained and verified this would leave the City liable because of this permit being issued by the City Council. If anything would happen between a dog and human being the City would be liable. Because of this violations and issues, Anderson asked that the City Council resend or vote for a revocation of this permit for nine dogs at 141 Youman.

Mayor Ferrazzano asked if any of the neighbors had anything to say. Anderson was asked what type of dogs she researched. Anderson stated she researched American Bully Pit dogs. Weets stated that she does not have Pit dogs. Nancy Garrels stated that she does not know all the facts and has only seen the facts that Anderson but did not research that. She is frightened of having the dogs out there and neither she nor none of the neighbors could outrun a dog if they came after her. Where she lives is a peaceful and calm neighborhood and there is not any space in that house for nine dogs. Vera Anderson commented that it will not be only 9 dogs if she is breeding them and at times there could be 45 dogs. Weets was asked about how she would be able to clean up with nine dogs. She stated that she cleans it up and puts it in a special pail or bag and SW Sanitation picks it up. Mayor Ferrazzano asked that Weets explain the breeding issue. Weets explained that their puppies are gone in about 8 to 12 weeks. They are not outside. She stated that all her dogs have bark collars but she has not had any problems with her dogs barking. Garrels asked why she is leaving Lynd. Weets stated because of the space issue. Right now she has a one bedroom house and two children. Garrels understood from the city of Lynd there was a problem. Weets stated that Lynd was trying to bane the breed of the dogs which is illegal in MN. Mayor Ferrazzano asked if there was going to be fencing on the property. She plans to put up a privacy fence. She also plans on bringing the kennel she has here. Mayor Ferrazzano stated he did not catch the breeding issue when she presented for the permit. S. Anderson they are still in violation of the city code. Mayor Ferrazzano stated that since they did not fully understand or appreciate the breeding aspect of it and they need to look at that whether or not that can happen. They want to encourage people to move into our town and he feels that maybe the Council acted too quickly when Weets came with her representation. Mayor Ferrazzano feels they need get an opinion from the City Attorney as to whether or not it is possible. Johnson asked if she had insurance on her dogs now in Lynd. Weets stated that she has State Farm Insurance. Mayor Ferrazzano asked that they return in two weeks because he wants to know what is allowable and what is not and that is why the City attorney is involved and wants those involved to have communication with Votca. There are issues that may be important to the neighbors to know when the fence would be put up. Mayor Ferrazzano feels that it is important for everyone to be on the same page and indicate what is going to happen in this place. The letters that they get from Weet's perspective neighbors has to be reviewed and see whether it is okay. The permit was going to be for six months. He could say that even if she did not move in, if the permit was granted three weeks ago, the clock on the permit has already started ticking. If it takes 8 months to move in, the permit would be expired.

The Residential Solid Waste Collection Contract was discussed. Votca stated that Nielsen drafted this based on discussion. It has been reviewed Dan Ritter and he stated that it was fine with him also. Nielsen stated that 95% of this contract compares with what the existing contract is. There are some changes in rates which they already talked about. Part of the intent behind the contract and ordinance was to get out of the yard waste aspect of things completely. Nielsen stated there are some provisions to tighten the idea of not tossing computer boards and items that

cannot go into the landfill and need to be kept separate. Motion by Johnson, seconded by Cooreman to enter into the contract with SW Sanitation for Residential Solid Waste Collection. Nielsen stated that would be contingent on the ordinance being passed at a public hearing at the next meeting. All voted in favor of the motion.

Ordinance No. 323 is An Ordinance Amending the City Code Pertaining to Disposal of Solid Waste and Fees Relating Thereto. Votca stated a public hearing will need to be held. Part of the changes is the adjustments to go along with the increase from the contract and the change in the definition of Municipal Solid Waste as the term for what is collected at a residential property. Nielsen stated that one thing he and Votca had discussed was the idea what the individual customer is being billed is a few cents more than what the City pays to the contract. That .25¢ is kept to defer some of the administrative costs of sending billings, alley maintenance as some collection is in the alley. They also use this for the person at the compost site. Nielsen stated that was left blank in case they wanted to change that. Mayor Ferrazzano asked if that amount has been adequate. Votca stated it has and if they wanted to do a more elaborate spring cleanup they would want more funds they could to change that. Schons as how much Ritter pays the City. Votca stated that Ritter pays the city .10¢ per bill that goes to a residential property that has garbage collection. He stated it is not part of the contract and has been doing that as a verbal agreement. Schons questioned that he is getting an increase in his rate, why is he not paying more to the City. Nielsen stated it is mandatory and requiring residents to pay that charge even if they put only a single bag out. The rationale was if they are making residents do that and it is paid to the City to keep track of that. The reason for the mandatory garbage way back when is there some residents would put their garbage next to their neighbors and they would pay. Votca stated some cities have their employees pick up the garbage whereas Tracy has a contract. There is no extra postage needed for this. Schons asked how long Ritter has been paying the .10¢. They keep raising the consumer's rates maybe Ritter rate should also be increased. Votca stated the fund always has a balance and has been paying for what they need from there. The do take wages for the person at the compost site from there and also any supplies needed for sending out bills. A public hearing will be set for June 22 at 6:45 p.m.

Votca stated last year the Relief Association raised the benefit to \$1,500 and they forgot to update the sick and disability to the same amount and when the State reviewed the By Laws the noticed that. They deleted out section 5 A and B. The State told them they must have this Partial Vesting Schedule and percentage of documents. Nielsen stated that as he understands it the various benefits that are provided to the volunteer fire department gets paid from state fire aid that comes in. Votca stated the City does make contributions if there is an unbalance. He said that each year there is a form with the auditors that states what they think the fund would have to pay out versus what is in there. They invest that money and there is some dividends coming from investment of their own funds. Nielsen stated it is supposed to be set up so that mostly all of it paid by the state fire relief. If there is a shortfall the City has to provide the extra money. When it comes to raising the benefit level, his understanding was the Association was supposed to do some sort of research or actuarial and something that stated that if they raised this benefit, here is where the money is going to come from to pay that. Votca stated that last year they were presented with that Schedule 1 and it says if they raise it to that benefit level, there would be no additional city contribution to that fund based on the estimate they are going to have to pay out. Nielsen stated they have justified and hopefully would not result in increased cost to the City. The state mandates how they can invest the money. Nielsen states there is a list and was surprised that it is not what you would normally pick. They have a wide list of investments they can choose from. Votca stated they have a presentation every year on how they want to do their investments. Every meeting they discuss the investments. Nielsen stated the Association is not a City department and is a non-profit corporation. By law they have to have an elected official and another City official at the meetings. Motion by Cooreman, seconded by Johnson to adopt the by-laws for the Relief Association. All voted in favor of the motion.

Motion by Enderson, seconded by Cooreman to adopt Resolution No. 2015-9 A Resolution Approving Payment to Duininck Inc. For Work Completed on the 2015 Street Project. Duininck has requested payment of \$335,789.03 for work completed of which \$108,034.25 in eligible costs to be reimbursed by Lyon County. The remaining balance to finish and retainage is \$2,345,079.89. The payment to Duininck Inc. is \$318,999.84. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable, Municipal Accounts Receivable, Planning and Zoning Commission minutes for May 4, 2015, Tracy Relief Association Minutes from May 4, 2015 and EDA Minutes from April 23, 2015, May 1, 2015 and May 15, 2015. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Mayor Ferrazzano stated there will be an EDA Services Meeting June 10, 2015 at 6:00 p.m. at City Hall.

Votca stated in the packet there is a notice about the annual meeting for the SW Regional Development Commission on July 9, 2015 at 4:00 p.m.

Enderson stated that he would like to keep it on the burner for the entrance to the liquor store. Votca stated the County has sent an application to fill out to do that and I+S is looking at some costs.

Mayor Ferrazzano stated that someone had contact him about the lifeguards at the pool and that there are other communities that are having the same problem in terms of staffing. Part of the problem is they are not assured their hours due to weather conditions, etc. they are choosing to find other employment. The suggestion was and stated other pools put the staff on salary. He does not know if that is economically feasible for Tracy, but if there are people that come from out of town to use the pool knowing the slide may be closed, not enough lifeguards could have ramifications for local businesses and the community. Mayor Ferrazzano did not know if there is anything they can do about it now and still in the process of saying there are going to be certain days the side may be closed. He did not know if it would be worth thinking about then getting rid of the hourly rate and say it is salary so that way the prospective lifeguard could know if they are going to work in Tracy, they are going to get "X" amount, whereas if you don't have a salary they do not know what they are going to get. Votca stated the other piece is that some of these people like the hourly because they do not work the last part of the year because they are at cheerleading camp or other activities. Votca stated there are other issues also such as they have to pay to get the training for lifeguards and they are out about \$180-\$200 they are out before they even start working.

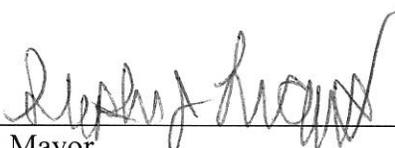
Schons stated the City was looking for possible industrial park land. The trailer park was wondering about the possibility of using that land and not having the trailer park anymore. Nielsen stated that is a long term prospect and you cannot just close a trailer park. When Westbrook just closed their trailer park it raised a lot of issues for the City and County by not going through the proper process. Nielsen stated there is a mandated trailer park closing process.

Motion by Enderson, seconded by Schons to adjourn the meeting at 7:15 to have a closed session to discuss the land acquisition for the Wastewater Treatment Project. All voted I favor of the motion.

ATTEST:



City Administrator



Mayor

June 22, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 22, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P. Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor David Erickson.

Motion by Enderson, seconded by Johnson to approve the minutes for June 8, 2015 as presented. All voted in favor of the motion.

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

There were no public comments.

C. Larson from ISG presented the 2016 Infrastructure Improvements. Larson stated that he and Votca, Ferrazzano, and Johnson Jr. discussed some assessment roll options. Essentially it is the same that was applied to the 4th Street and Morgan Street project. All of the grant money that will be received will be used to reduce the total project cost first. The \$593,000 of grant money will be used for the sanitary sewer portion of the project. Larson presented the high-lights of the assessment calculations.

- The side line on corner lots is defined as the longest side and the front line is defined as the shortest side.
- Street Costs
 - 30% of the street costs are assessable
 - Streets are assessed on a footage basis with half of the side footage, down to a minimum of 50 feet, being assessed.
- Sanitary Sewer Costs
 - Sanitary sewer costs are adjusted to the costs of an 8-inch sewer main such that costs of the necessary oversizing are not paid solely by the adjacent properties.
 - The new outfall line from the collection network to the pond site runs through City property and is no assessable.
 - Sanitary sewer costs are reduced by the grant amount of \$593,000
 - 30% of the adjusted sanitary costs are assessable.
 - Sanitary sewer costs are assessed on a unit basis such that properties with front age along the utility is considered 1.0 unit and the side footage is considered 0.5 units; properties with only side footage along a utility would be considered 1.0 units.
- Water Distribution Costs
 - Water distribution costs are adjusted to the costs of a 6-inch water main such that costs of any oversizing are not paid solely by the adjacent properties.
 - 30% of the adjusted water main costs are assessable
 - Water main costs are assessed on a unit basis such that properties with front footage along the utility are considered 1.0 unit and the side footage is considered 0.5 units; properties with only side footage along a utility would be considered 1.0 unit.
- Storm Drainage Costs
 - Storm sewer costs are adjusted to a capped cost up to a 24-inch storm sewer such that the costs of the necessary oversizing are not paid solely by the adjacent properties.
 - 30% of the adjusted storm sewer costs are assessable.
 - Storm drainage costs are assessed on a square footage basis.

Larson stated the next step as far as the 429 Process there are resolutions in the back one for receiving the Feasibility Study and the other for Calling a Public Hearing on 2016 Infrastructure

Improvements. Larson felt the Public Hearing should possibly be held at another venue since the Council Chambers would probably not be large enough for those attending. On page 8 there is a proposed schedule. Larson felt that each of those on the assessment roll should be invited. Mayor Ferrazzano stated they will hold the hearing in the Council Chambers. Letters will be sent to the residents in the area of the improvement as there are utility markings out there explain in lay-mens term what the procedure is. Motion by Enderson, seconded by Schons to adopt Res. No. 2015-12 a Resolution Receiving Feasibility Study and Calling for a public hearing on 2016 Infrastructure Improvements to be held on July 13, 2015 at 6:45 p.m. All voted in favor of the motion.

A public hearing was held at 6:45 p.m. regarding an Ordinance No 323 An Ordinance Amending the City Code Pertaining to Disposal of Solid Waste and Fees Relating Thereto. Votca stated it is what was discussed last meeting with the contract and .25¢ was added to the fee. Jan Arvizu feels SW Sanitation has done a great job and have not asked for an increase and is fine with the increase. She asked what the increase was used for. Votca explained this goes to the refuse fund and the refuse fund pays for the compost site and any other refuse related things such as spring clean-up days. That fund also pays for administrative things associated with the refuse collection. The public hearing was then closed for Council discussion. Motion by Enderson, seconded by Schons to adopt Ordinance No. 323. All voted in favor of the motion.

V. Quist, Head Librarian reported the Summer Reading Program is going strong and have 70 kids signed up. For those that complete the reading challenge, they will receive a prize (Subway and Dairy Queen have donated prizes) and have his or her name entered into a drawing for other prizes including books, book bags, water bottles, library card holders, and more. They are back to having story time every Tuesday afternoon at 3:30 and will continue throughout the summer. The Friends of the Library group has donated \$300 to be used for supplies for this program. On June 4 the library hosted musician Jack Pearson at Tracy Kid's World and 37 people attended. This program was funded by a Legacy Grant. On Tuesday, July 7, the library will host a local author Jim Zarzana at 7 p.m.; Thursday, July 16 at 7 p.m. Dr. Anita Talsma Gaul will give a presentation on Pioneer Women; on Saturday, July 25 the library will be hosting a Genealogy Online workshop from 1-4 p.m. The library has received Legacy grants for the latter two programs. Quist stated there will be a 25% increase in fees with the Plum Creek Library System. The total for next year will be a little over \$900 which is reasonable considering the services we receive (book delivery twice per week, the automation service that is used to catalog and check out books, and all of the assistance we receive from Plum Creek employees). In May there were 1,674 checkouts and 409 renewals for a total circulation of 2,103. Last year in May there were 1,333 checkouts and 238 renewals for a total circulation of 1,571.

J. Lichty, Chief of Police asked for any questions regarding the Activity Reports for May 2015. He stated 10 applications for the open part time position. The Police Commission and I will be testing and interviewing candidates on Thursday, June 25 at City Hall.

S. Daniels, Public Works Director asked for any questions regarding his monthly report. Daniels stated the mower at the cemetery is worn out and needs to be replaced. Mayor Ferrazzano asked what the balance of the fund is. Votca stated there is over \$100,000 in the account. The cost of a replacement mower would be about \$12,000. Motion by Enderson, seconded by Schons to replace the mower. Daniels stated he could get \$1,500 for trade in. All voted in favor of the motion.

Mayor Ferrazzano asked if there were any questions regarding the Liquor Store report.

M. Votca, City Administrator said the first open meeting with Shannon Sweeney was held on 10 June. There were approximately 15 attendees at the meeting. Surveys were collected until 19 June. The next meeting to discuss the survey results is scheduled for 29 June at 6:00 p.m. in the City Council Chambers. Then will decide from there as to how to fill the position for the EDA. Sanford Health has sent another draft of the purchase agreement for review. Further discussion will be held further in the meeting. Three bids have been received on the Airport Lighting Project on 8 June, 2015. The apparent low bid was Werner Brothers, Inc. of Marshall, MN. Their bid was \$128,757. The engineer estimate was \$214,390. The bid is \$85,633 under the estimate of the engineers. This bid was been sent to the FAA for determination if grant funding

will be allocated or not. Votca reported the Cemetery Board received two quotes for the repair of 12 monuments. The low bid is \$3,410 from Charlie Benson.

Votca stated he received a lead on a company that works on automation equipment for cities from the City Administrator in Slayton. He will try to get the company here to check our system and can determine how to improve our system. Votca said the USDA wildlife services was at the airport on 16 and 17 June for the wildlife survey. He has the report and information to put in the PER.

Votca stated the City of Tracy Water and Sewer Rates have been discussed and there are requirements that the City meet certain standards once they start the sewer project. This is just looking at numbers and getting some ideas and not proposing that the Council adopt anything tonight. Everyone can review this and see where they want to go with this. There is section for the City Code and the City Administrator is to review the rates annually and present something by July 1 to the City Council and meets that standard. The State has a requirement that the City do a tiered system. Current Rates were set by Ordinance #307 on 26 October, 2009. Increases were made for 2010 and 2011 rates. The monthly water rate is @2.10 per 1000 Cu Ft or 2.77 per 1000 gals. There is a service charge depending on what size meter you have and number of users on the system. Votca stated that what he is trying to present is that it costs a certain amount of money to make water. For the sewer there is a flat rate on surcharge for the sewer. Then there is \$1.43 usage per gallon unit. The only charge on the sewer rates is the average of the first three months of the year. The next page shows the current revenue and expenditure have been for water and sewer. The next page is estimate future water costs. The formula is from Rural Water and this is what USDA recommends to estimate what the City rates should be. The City needs to generate \$496,513.27 to break even. Votca stated the Council will need to come up with a strategy to start moving to increasing water rates. Sewer costs basically the same format and rules as the water costs. In the proposed water rates Votca, recommends the 25% which can be done over a couple years. He took the family of four which uses about eight or nine units of water or 308 gallons per day. Based on this and other charges the average bill for a family of four is about \$99.36. On the next page shows the increase with the 25% and increases this family's bill by \$28.09. Part of that is also due to the refuse increase. If the base rate is increased by 25% it decreases the increase in the bill to \$20.91. If there is a 50% increase in the base fee. This is a less impact to a family of four with an increase in charges of \$13.82. The next slide shows the rates of a single person that uses about 77 gallons per day and their bill is about \$67.76. If they do not change the base fee and the water is \$20.00 base fee and \$4.18 usage fee and sewer rate with base fee of \$15.00 and usage fee of \$3.09 shows an increase in the bill of \$6.51. With a 25% increase in base fee there would be an increase of \$11.72 and with a 50% increase in base fees there would be an increase of \$17.15. Votca stated they need to find the balance point somewhere. He has talked with other City Administrators and it seems to be a cycle when cities do projects like this and they need to increase their rates. There are some cities that are lower than Tracy and some that are higher than Tracy. The Surcharge Fund is used to separate service lines where there are more than one user on that line and also the same with the sewer. It is also used for storm sewer and replacement of catch basins. Previous to 2011 all the utilities were basically one fund so having that surcharge made more sense that it does now. The Council should discuss and decide on what they want to do with the surcharge fund. The surcharge of \$2.00 has to do with the curb stop to the main portion of the service line. Mayor Ferrazzano felt the residents who use more water should pay more. If you increase the base rate for everyone, he would like to see some type of formula that if use more then you required to pay more. He feels they should keep the base rate and change the usage as that is something a consumer can adjust. Votca felt he needs to find a way to get the City up to a higher rate. It does not have to be the whole amount right away, but maybe every year increase the rate. Votca stated they also need to do a study each year as required. Mayor Ferrazzano feels these rates are reasonable.

Votca presented Policies for the Assessment of Benefits in Public Improvement and other Projects in the City of Tracy. This is making some changes in which additions are underlined and deleted material shows strike outs. Motion by Schons, seconded by Cooreman to adopt this Policy for the Assessment of Benefits in Public Improvement and other Projects in the City of Tracy.

Mayor Ferrazzano asked F. Nielsen, City Attorney if there was anything put in his memo regarding the animal permit for 141 Youman Street that he would like to highlight. In Nielsen's memorandum he outlined some of the legal points which may be relevant to this issue. He stated the granting of the permit in May had not followed the procedure spelled out in the Tracy City Code §8.30 Subd. 4. The City Administrator is to make the initial determination whether to grant or deny a permit. There is a procedure by which the decision of the City Administrator may be appealed all the way up to the City Council. Nielsen feels the written application allows the property occupant to provide a lot of information that can be considered in a less hurried environment than a City Council meeting provides. The City Administrator has the written forms to grant or deny a permit request and set conditions if a permit is granted. It has been suggested that any permit issued in this case may have been obtained by a failure to disclose that the dogs involved would or might be used for breeding purposes. City Code §8.30 Subd. 4C provides for revocation of a permit for a material misrepresentation contained in the application therefor. Nielsen stated the question here is not whether the dogs may breed; nine dogs, some of each gender, kept at one location may result in dogs being bred. The issue is whether the breeding would result in animals being sold and whether that activity would occur with enough frequency, sophistication or intent to constitute an occupation or commercial enterprise. The provisions in §3.10 of the Code, specifying what uses may be made of properties in the R-1 district a business selling dogs is not listed. To his knowledge, no dogs have been sold from the subject premises. Therefore, no impermissible business activity has occurred to violate any zoning provisions pertaining to land use.

Nielsen stated the City of Tracy has no insurance requirements for ordinary households keeping ordinary dogs. Such a condition could be imposed as a requirement to obtain an animal permit to keep more than three dogs. Such a condition was not imposed in the present case. Tracy City Code §8.30 Subd 7C6 exempts dogs under the age of four months from City licensing provision. Because of this it is possible a premise could have more than three dogs residing thereon and not be in violation of the City Code. Using residential property to intentionally breed dogs for sale, advertising dogs for sale, having a business name for a dog raising operation, being in the prior business of dog selling, breeding purebred dogs as opposed to mongrel dogs just having a litter and perhaps numerous other factors, along or in combination, would have to be taken in to account in determining if selling dogs has progressed beyond just getting rid of extra dogs to a breeding/selling operation that would violate land use provisions.

Nielsen stated the City of Tracy has no insurance requirements for ordinary households keeping ordinary dogs. Such a condition could be imposed as a requirement to obtain an animal permit to keep more than three dogs. This condition was not imposed in the present case.

Tracy City Code §8.30 Subd. 7C6 exempts dogs under the age of four months from City licensing provisions. It is possible a premise could have more than three dogs residing thereon and not be in violation of the City Code. Large numbers of young dogs about a property, may be a factor in determining if a breeding operation is occurring. An animal permit could, as a condition of issuance, require that young dogs be removed from a property in less than four months.

At the last meeting, Elton-Weets expressed to dispose of most waste in the normal weekly garbage pickup and larger quantities in a dumpster once every two weeks is noncompliant, at least as to the every two weeks part. The City Code contains provisions relating to the types of containers garbage may be placed in. Failure to dispose of garbage properly, or allowing it to cause offensive odors is not only prohibited under the solid waste disposal provisions of the City Code, but could constitute a public nuisance. An animal permit could, as a condition of issuance, make certain requirements more stringent than in the normal course of events as far as pet waste disposal.

Nielsen stated the permit grantee at the time of the initial issuance of the animal permit, was advised orally by the undersigned to make contact with appropriate City officials concerning applicable laws pertaining to dog shelters and allowable fencing.

Jan Arvizu representing Tracy Area Animal Rescue which is a charitable organization with the IRS with five board members and she currently is the president. The American Bullies are the

number one bred dog in the U.S. They are also the mostly highly euthanized dog in the U.S. The Animal Rescue finds it very hard to place this type of dog. Unfortunately this breed has its difficulties, whether fair or unfair. Arvizu stated that her concern was what would happen if she cannot sell these puppies. Elton-Weets stated there is a difference between the Pitbull and the American Bully. She stated there is a large market for the American Bully. Arvizu stated that with some breeders, Animal Rescue ends up with the problem. Mayor Ferrazzano stated the permit is for nine dogs and the issue of whether or not she would be able to sell. The main issue of that is, that constitutes a business. The permit is not for a business, it is for nine dogs. Arvizu asked who would be checking this situation to make sure it is honored.

Shirley Anderson feels the City Council knows this is going to be a business. In six months she could have 50 dogs. Once they get in it is going to be too late to turn around and that is what was happening in Lynd and why Elton-Weets is moving here. The Council issues the permit without doing some research and they have the opportunity now to revoke this permit for nine dogs in this residential area. Twelve Broadacres residents are against having this breeding kennel in the neighborhood.

Kim Ostegaard everyone is concerned about the breed. The American Bullies sell for anywhere from \$1,500 to \$4,500. They are not run of the mill such as Bulldogs are. People have to get over the breed.

Arvizu stated that reading the paper from the last meeting, she has bark collars on all the time. The type she has for her dog states they cannot be on longer than 8 hours at a time because of the electrodes on the neck. Elton-Weets stated she does not have them on her dogs during the night time hours.

One of the neighbors was considered about his grandchildren being attacked if the dogs get out.

Shirley Anderson also stated that maybe the resident with the 15 dogs should also be investigated. Tony Peterson stated that a stipulation of the permit was that if one of the dogs died, it could not be replaced. At that time when all that happened, none of the neighbors made any complaints. Anderson stated there 12 residents in Broadacres that are against this.

Concerns by her neighbors were raised about plans to breed the dogs and raise puppies and they felt a dog breeding operation constituted a business, not allowed by city zoning in a residential zone. Elton-Weets stated there are many town residents who have 1-3 dogs raise litters and sell puppies but have not been prosecuted for violations of city ordinance. Elton Weets stated that Minnesota state statute as well as U.S. Dept. of Animals (USDA) laws state that she shall not be considered a breeding business until she owns more than 10+ breeding dogs. At this time she owns nine dogs and is not required to have a license as a business, own a kennel permit or a USDA license. Elton-Weets feels that she has been discriminated by some of the people in her neighborhood. They claimed they feared the dogs and yet have never met them. She was accused of illegally moving her shed and putting up a fence which is untrue. She has not moved her shed or put up a fence and has discussed with Votca about what she needs to do to move her shed and put up a fence.

Mayor Ferrazzano stated the issue came down to whether the dog breeding constituted a business. He felt that Elton Weets kennel was a dog-breeding business because she does background checks on potential buyers, has contracts for advance puppy sales and can see puppies for substantial amounts of money. Mayor Ferrazzano stated he had no knowledge of the dog breeding when he voted to approve the permit and the breed of the dogs was irrelevant. Anderson indicated that he had no idea about the dog breeding and the Council had not done due diligence in considering the animal permit before granting it when Elton-Weets made a verbal request in the public comment section of the May 11 council meeting.

Anderson stated the ordinance allows for 3 dogs and feels the Council should enforce that ordinance. He stated that Elton-Weets received a temporary six month permit. At this time there is only four months left on the permit. Arvizu stated that if this is a temporary permit, for Elton-Weets she would be making a big investment to try and set up the kennels and fencing and if the Council decides in six that this is not working. Mayor Ferrazzano stated the trigger that allowed

the resident to have 15 dogs was there were no complaints after they moved. With this situation it is difficult to have those triggers since they have not moved in yet. There is an outcry already and not allowing them to come in, one could assume that once they did move in the neighbors would complain anyway. That is why the permit would be revoked. Mayor Ferrazzano stated that the issue of having an ordinance and sticking to it, but what if someone wanted to move to the community and buy a house and they have four dogs. If the ordinance says three, they would have to go somewhere else. I don't think the community would collectively want that either.

Shirley Anderson stated that Elton-Weets has already stated she is going to breeding these dogs and selling puppies and that is a business. If someone moves into town with four dogs, chances are they are pets and there is a difference between breeding and selling and pets. Mayor Ferrazzano stated he understands that but if you want a clean line you have to balance things. You can't say because they have four dogs they cannot move here. Schons questioned if she was going to be doing this business, why would she move into the community. Elton-Weets stated because of the land of 2.5 acres. She stated in the last 1.5 years she had one litter of six and one litter of eight. S. Anderson asked how long she has had these nine dogs. Elton-Weets stated that she has had them for five years. Mayor Ferrazzano stated that if someone came into town with nine dogs they would not have to necessarily have to get a special use permit to conduct what they are doing because the just have pets. If they came in and said they had nine dogs and intend to breed these dogs and sell them and in order for that to be allowed then they would need to go through the process. Nielsen stated that funeral homes are specifically allowed with a special use permit. Dog breeding is not. He said they can ask for an animal permit to have the nine dogs. If they come and say they want to establish a breeding business, the answer would be no. Schons asked if she has letters from her neighbors in Lynd. Elton-Weets stated she has those at home. Mayor Ferrazzano did not know all the specifics of the business when they were initially approached. He questioned Elton-Weets about her not sure when she would move in. By the time she moves in the six months would be up.

Motion by Enderson, seconded by Johnson to revoke the permit to have nine dogs at 141 Youman Street. All voted in favor of the motion,.

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

The Asset Purchase Agreement between the City of Tracy and Sanford Health Network was reviewed.

Motion by Enderson, seconded by Schons to adopt Res. No. 2015-10 a Resolution Approving the Issuance of Up to \$1,240,000 G.O. Refunding Bonds, Series 2015B Subject to the Approval of the Mayo and City Administrator and Ratification by the City Council. The Mayor and the City Administrator are authorized to approve the sale of all or a portion of the Bonds and to execute a bond purchase agreement for the purchase of the Bonds provided the total net present value savings (calculated by bond yield) are at least \$75,000. All voted in favor of the motion.

Motion by Cooreman, seconded by Schons to adopt Res. No. 2015-11 a Resolution Approving Summary Publication of Ordinance No. 321. This will provide for the publication of a title and summary of the ordinance will clearly inform the public of the intent and effect of the ordinance and the attached summary accomplishes this goal. All voted in favor of the motion.

Motion by Enderson, seconded by Schons to adopt Res. No. 2015-12 a Resolution Receiving Feasibility Study and Calling Public Hearing on 2016 Infrastructure Improvements. A public hearing will be held at 6:45pm on 13 July, 2015 to consider said proposed improvement. The City Clerk is authorized and directed to cause notice of said hearing to be given two publications in the official newspaper. All voted in favor of the motion.

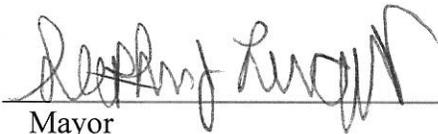
The Consent Calendar consists of the Municipal Accounts Payable. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to adjourn the regular meeting to go into closed session to discuss land acquisition. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

SPECIAL COUNCIL MEETING**July 7, 2015**

A special meeting of the Tracy City Council was called to order at 6 pm, Tuesday, July 7, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, K. Enderson, and P. Cooreman. Also present was M. Votca, City Administrator.

The purpose of the meeting was to discuss negotiations that have been taking place to purchase acreage for the wastewater treatment facility.

Johnson stated they had a meeting with the Fultzs' and negotiation of the land. There was a set price that the City had and was discussed. D. Fultz came back with \$12,000 purchase land. The City presented their offer. They are too far apart. Fultzs' are still willing to work with the City with their purchase price on the land.

T. Peterson stated there are a lot of numbers to take into consideration. He felt the City is not going to find a better place and with the current proposal from I&S about the pond size it would all fit on that property. What the City is going to spend with the \$12,000 versus whatever else. He has reviewed the numbers they agreed to last year, they are going to make up \$14,000 if you do not have to have any geotechnical surveys done and they have already been done. With the ponds size it is roughly 70 acres, the City would spend about \$840,000 in land acquisition. There are a lot more factors that would more than recap the cost of the land. Peterson stated the funding cycles come up in August and if they can get the deal done and get the ink on paper before the funding cycle, they let you know when the bonding comes through in December. If they could get this deal done they could feasibly be digging in the ground come spring. Peterson feels there is an urgency that cannot be stressed enough. It goes back to 2012 when the cost of the project was \$15.5 million. In less than a month I&S went up to \$16.7 million. Last year the Council agreed that the stabilization ponds or the split system of \$11.1 was the way to go, based on operating costs and 134 acres of land. For the smaller footprint it leaves some land that Fultz can still farm. It is going to be the closest possible place and fill and top soil from the new construction that they have to bring across the road. There will be savings there. The overall savings will more than compensate the increase cost on that small parcel of land. Enderson asked how much land is needed for the small footprint. Votca stated it is 66 acres for the square footage but will probably be ancillary pieces of land such as the pieces that are not useable. There is a creek running up on the north side. Peterson stated they did not lean on the sentimental like they had in the past. They did mention it but not as a justification for the increased cost. Votca stated this is showing that there is some impact to their business. In the eminent domain proceedings there is consideration for impact to business. It is a factor to think about. If it is 20% more than the last written offer was, they can award attorney fees. If it is 40% more than the last written offer was then they can do all kinds of different fees such as filing fees, etc. Cooreman questioned what happens when funding does not allow that total. Mayor Ferrazzano stated it appears that the USDA determines the amount they are willing to pay and the City has to pay the balance. Peterson stated that if not it will have to be in the bond because there is not going to be 100% reimbursement on everything anyway. Votca stated the USDA pays for what is required not anything above and beyond that.

Peterson stated the problem he sees with trying to get Christenson's land is twofold. They do not have any archeology studies and engineering samples, etc. to make sure it is a viable site. Odds are it is. That is another expense. The other thing about moving it that far, if it is left where they have it drawn on Fultz's property, there is a good argument it is not going to affect the aviation. It is moving the ponds out of the approach and departure runways. If the ponds are moved to Christianson's land, it is going to directly on the approach, department and arrival of the north/south runway.

Enderson questioned that if they used eminent domain which the Council does not want to use, it could cost more than the \$12,000 per acre. Mayor Ferrazzano stated that Peterson and Johnson are the ones negotiating with them and it seems that what they are saying and presented to you, there is no point in going back to get another price. Peterson stated that moving this project forward is key to a number of other things that are important. The moratorium can be lifted by

the first of the year if they get these things done. Peterson stated that they have done enough as a community to eliminate or reduce the fresh water infiltration in the wastewater that the pond size can be smaller and still allows for some growth. By building it there and in the future if the City has a huge growth, they still have the Christianson property. Votca said the USDA was telling the City to make sure there is possibly some pumping or more review to see if pumping needs to be done.

Motion by Enderson, seconded Johnson to get an agreement with Fultzs' drafted and move forward with this project. Votca stated that he would have Nielsen draft this up and get the USDA to check off on it first to make sure it is properly documented even though it is their form that the City is using and get it signed. Votca said they have been discussing the \$5,000 down payment that they have been discussing. Johnson stated they should call Fultz to make sure he is still in agreement with this.

Johnson said Fultzs' are willing to work with the City, Peterson stated the one original one they discussed was like a three year window from the day the signed the agreement Votca sad the last version said December 2016. It can maybe be made longer but have not really asked him. Peterson said he did not think he would either, they just need notification to prep the land for the next season's crops.

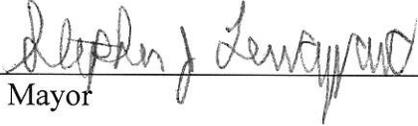
All voted in favor of the previous motion.

Motion by Enderson, seconded by Johnson to adjourn the meeting. All voted in favor of this motion.

ATTEST:



City Administrator



Mayor

July 13, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 pm, Monday, July 13, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K Enderson and P. Cooreman. T. Schons was present via Skype. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Thor.

Motion by Cooreman, seconded by Enderson to approve the minutes for June, 22, 2015 as presented. All voted in favor of the motion.

Additions to the agenda include 8-C Police Department Update and 11-B Resolution 2015-14 A Resolution Approving Payment #2 to Duininck Inc. for Work Completed on 2015 Street Project. Motion by Enderson, seconded by Schons to approve the agenda as amended. All voted in favor of the motion.

There were no public comments.

S Daniels, Public Works Director/Building Inspector stated he will be on vacation for the week of the last council meeting so is presenting his report early. They started installation of the sidewalk on the 200 block of Elm Street. All the notices for the footing drains are out for 4th Street and will probably will be a couple weeks before he gets anything televised on Morgan Street.

Votca reported the Planning/Zoning Commission met on 6 July, 2015 and they outlined the basic projects required for the parks and the prioritization of the projects. If the Council approves of the priority, they will move forward with these projects. Enderson asked what was meant by making Central Park walking friendly. Votca stated that he put that in there and does not know if it got much traction but the concept is that the park has sidewalk only on the ends and would be more functional if it had a route to move around the entire park and make it more accessible from different places. On the list of priorities they are focusing mostly on Greentown Park. The climbing gyms at Central Park and Legion Park are there but do not have landing pad for ADA and would be nice to make those improvements to make it ADA accessible. Votca felt they could get some of these things done as long as the Council is in agreement of the priorities they can figure out what the City can afford with the current budget and when they go into the 2016 budget he will have a Capital Improvement Plan that will include these projects for the park's fund and work out a way to pay for those over time. Planning/Zoning discussed other activities the parks could provide and there was nothing on the list that there is a real shortage of items or a real need other than they discussed if there was another way to get a soccer area at one of the parks. Mayor Ferrazzano felt that resurfacing the tennis courts in Central Park is important.

Police Chief Lichty gave an update on the hiring process. The Police Commission has selected candidate, Matt Becker. He has passed his psych, physical and other testing. Becker should be licensed and hopefully starting on July 22, 2015.

At 6:45 p.m. a public hearing was called on the 2016 infrastructure improvements. C. Larson from ISG presented an overview of the project and the assessment process. This is Phase I of the overall wastewater improvements project. Phase II will consist of new stabilization ponds on the north side of the City. The overall project for Phase I is the NE part of the City out to the splitter box that goes to the existing ponds and as part of the new pond system will pick up from there and extend to the new system. The existing sanitary sewer system has many issues such as the city experiences extremely high flows during rainfall and snow melt events. High flows surcharge the system and can cause basement backups. To avoid these back-ups, the City operates two bypass stations which are manually opened to divert excess sewage flows into nearby creeks which is frowned upon by the Mn. Pollution Control Agency. MPCA has placed a moratorium on sanitary sewer extensions until the City addresses the frequent bypassing and

other issues with the existing treatment system. Anything new being built in town either is not getting a new sewer and using a septic system or there has been trades in that one property gets disconnected permanently then they will allow another. Several segments of the sanitary man run diagonally through private property, and under houses in some instances. Causes of I&I sources are leaky pipes and manholes, offset joints, root intrusions, cracks, collapses, etc. Other causes are cross connections, storm sewer connections, roof drain leaders, sump pumps and footing drains. The existing water main was installed pre-1960s and is serving beyond its intended design life and is plagued by frequent breaks. The existing 4-inch mains in some locations are too small for adequate fire protection. Approximately 27% of the City's water is lost. Larson stated the existing storm sewer is undersized based on current design standards, it is generally poor condition, some segments run under existing home and creates vertical conflicts with sanitary sewer which means the sanitary and storm are at the same elevation. The existing streets are in generally poor to fair condition. Streets in the project area are not the worst in town, but are in need of improvements. Lack of subsurface drainage makes the road base more susceptible to frost action.

Larson stated the proposed improvements include:

- Sanitary Sewer Reconstruction
- Water main Reconstruction
- Storm Sewer Reconstruction
- Street Reconstruction
- Curb & Gutter Reconstruction – as necessary
- Subsurface Drainage Construction

Larson reported that all sanitary sewer will be replaced within the project area. Sewer capacity will be increased to eliminate frequent bypassing. New piping will replace leaky piping. Some segments will be realigned to be within the public right-of-way. Service lines will be replaced up to the right-of-way and it is possible that some property owners will need to replace the remainder of their service if it is out of compliance with the City Ordinance and/or it needs to be rerouted to the new main. Construction of the sanitary sewer will start from the existing manhole on Highway 14, coming upstream from Hwy 14 running new sanitary line to Circle Drive and that will dead end there. There is the existing sanitary down 4th Street East; this is the line that cuts under some homes. That will be rerouted down 4th Street East and over to Hollett, up 2nd Street East and Long Green Lane will get a new main out in the street. Hollett Street will continue to go westerly and then down the alley between Center and 1st Street and then westerly along Emory to Park. Park will come down to where the sanitary first starts going under houses.

Larson said as part of the project sanitary services will be inspected, via closed-circuit television, for compliance with the City's ordinance against clear water entering the sanitary sewer system. Some properties have been inspected as it was necessary to verify the location of the service line during the planning stages. Those properties will not be re-inspected those and will use the previous inspection information. Properties found to be out of compliance will be issued a notice of violation and will be given a deadline to make the repairs. The City is working with the funding agency to have inspections completed this summer so that residents, if they wish, can coordinate any necessary repairs with the Contractor that is awarded the contract for the public improvements.

All existing water main within the project area will be replaced with 6-inch mains for improved fire protection and water quality. Larson stated there are two segments are relatively new and of adequate size in the alley between Center and 1st Street and Long Green Lane. Services will be replaced up to and including the curb stop, approximately at the property line. As needed hydrants will be added as necessary for improved fire protection coverage.

Storm sewer will be replaced with larger pipe to improve drainage capacity. Some of it will also be realigned both vertically to eliminate elevation conflicts with sanitary sewer) and horizontally (to remove lines under homes from service) – with the exception of the line running from 2nd Street East 4th Street East. New storm sewer will have adequate capacity for the 10-year rainfall event. Larson wish they did not use the term 10-year as it means there is a 10% of it happening every 10 years. The storm sewer will cross Highway 14 and discharge will be to a creek that runs northerly, across 14 to Circle Drive and will pick up the existing line that runs diagonally,

small diameter storm will be pick up some low points. This will be a 54 inch main and down to 48 inch just before this tie in. There will be re-routing of the line that goes under Park Street and will re-route up to Emory,

Larson explained that streets will be replaced to current geometric dimensions. The pavement sections will likely include: Subgrade Preparation and this will be the most frustrating time for residents. This is when they dig up the clay base and expose as much surface area as possible to the let the sun and air dry it out so it has the proper moisture condition to be used as the road base and sometimes this has to be done a couple times. Geotextile fabric will be installed over that and then 10 inches MnDot Class 5 Aggregate Base and then 3.5 inches of Bituminous Pavement. Concrete curb and gutter will be reconstructed. The pavement comes in two layers and will likely leave the top layer off until spring. This is in done in case there is any trench settlement and can be corrected to have an even coat on the top.

Subsurface drainage improvements will include a 6-inch perforated drain tile will be installed behind the curb for the entire length of the street. This tile will remove moisture from the street section, making it less susceptible to frost action. Off of the perforated drain tile will be 4-inch service stubs to provide for the connection of sump pump discharge lines.

Larson stated this project will be an inconvenience to adjacent properties and the City, ISG and the contractor will do what is feasible to limit impact to the public. Vehicle access to some neighborhoods will be unavailable at times. Residents should not expect to be able to pull into their driveway every night during construction. This is especially true for the cul-de-sacs such as Circle Drive, Long Green Lane and Summit Avenue. They are looking at provisions for temporary roads and temporary sidewalks to be constructed when feasible, but do not want to guarantee anything. Project updates will be issued as often as weekly once construction starts and if he has your e-mail information the information can be give much more quickly. Property owners should expect that the entire right-of-way will be disturbed and landscaping within the right-of-way will be removed and replaced. Any of the property owners that are particular about landscaping may want to remove and restore landscaping privately.

Larson said that in the coming weeks, an individual site plan of the properties will be sent out showing the existing features of the property as well as the proposed improvements and the residents will be asked to note any discrepancies between the plan and field conditions, note your preference for service stub locations, if applicable and attend a public open house to discuss particular question or concerns residents may have specifically related to their property.

Total estimated project cost is \$3,825,000.

Sanitary Sewer Improvements: \$1,742,000

Water Main Improvements: \$401,000

Street Improvements (including subsurface drainage): \$1,416,000

Drainage Improvements: \$265,000

These estimated costs are based on recent bid results. Actual costs will be based on bid results and actual construction quantities. Costs include contingencies for unforeseen circumstances and soft costs such as surveying, engineering, contract administration, financing, etc. \$593,000 grant secured for sanitary sewer costs. Low interest RD loans and improvements will be specially assessed. Special assessments are to follow requirements of MN Statute 429.

The City has already adopted a Resolution Ordering the Feasibility Study and the City Engineer has completed the Feasibility Study. The City Council has adopted a Resolution Receiving Feasibility Study and Calling for Public Hearing. Tonight the Public Hearing on Improvement is being held. Tonight the City Council will have to adopt Resolution Ordering the Improvement and Preparation of Plans and Specifications. The City Engineer till prepare Plans and Specifications and hope to have those completed sometime between July 2015 and December 2015.

In December the City Council will adopt a Resolution Approving Plans and Specifications and ordering advertisement for bids. Bids will be opened anticipated February 2016. Anticipated in March 2016 the City Council to adopt Resolution Receiving Bids and Awarding Contract.

Anticipated date of construction to begin is May 2016. The construction should be substantially complete in November 2016. Also in November 2016 the City Council will hold an assessment hearing and adopt a resolution adopting the assessments. Construction should be repeated by July 2017.

Larson explained the City's assessment policy used to calculate assessments. These are the same calculations used for current 4th Street and Morgan Street improvements. Oversizing of utilities not assessable. Grant funds are used to lower assessments, not the City's share of costs.

The total cost of the sanitary sewer is \$1,742,000. After taking out the cost for the outfall line and isolated I/I corrections and reducing the cost by the \$593,000 grant amount and reducing to get down to the cost of the 8" pipe. The total assessable cost is \$312,900. The assessment policy assess 30% of the cost and the total amount of the assessment for the sanitary is \$93,900. The assessed is based on "Units" such that a property with front footage along the utility is considered 1.0 unit and the side footage is considered 0.5 units; properties with only side footage along a utility would be considered 1.0 Units.

The total cost of the water main is \$401,400 and there was some minor reductions related to the allocation of mobilization which is the contractor's cost to bring in all their equipment. Total adjusted cost was \$399,200 when 30% of the cost to be assessed is \$119,800. The assessment based on Units is the same as the sanitary sewer.

The storm sewer total cost is \$264,000 with a reduction for pipe oversizing brings the total adjusted cost to \$134,200. The total assessed amount of 30% would be \$40,270. Storm drainage costs are assessed on a square footage basis.

Street and alley improvements total cost is \$1,416,000. With minor reductions the total adjusted cost is \$1,400,000. The total assessed amount of 30% of the \$1,400,000 is \$420,000. Street and alley are assessed on a footage basis with half of the side footage, down to a minimum of 50 feet, being assessed. Larson gave examples of how the assessment would be determined in the different situations.

The assessments will appear on the 2017 Property Tax Statements. It is assumed that the assessments will be over a 15 year term at an interest rate of 5% but actual term and interest rate will be dependent on the actual bond rates and terms obtained by the City. These assessments can be deferred in accordance with MN. Statute 435 if the owner is 65 years of age or older or retired by virtue of a permanent and total disability or the owner of the property is a member of MN National Guard or other military reserves who is ordered into active military service. Preliminary Assessment Roll provides estimate of the amount to be assessed to each property. Those in attendance were given a copy of the preliminary assessment roll.

Larson stated the most expensive part is if the footing drain is tied into the sanitary service and would need to add a sump pump. If the basement is a finished basement the owner would need to look into restoring what was finished or doing something outside. One of the residents was concerned that they would be damaging her walk out basement. Larson stated that if she gets a notice of violation she would have to work with a plumber to determine what the best way to re-route something would be. Mayor Ferrazzano asked about the procedure for deferments. Larson stated that maybe with the next newsletter he can send out some information. Votca stated that this has to be done at a certain time. It was asked about sidewalk repair, etc. Larson stated they are only repairing sidewalks if they have to rip them up, they are not adding new sidewalks. Larson stated there will be a provision in the contract that the contractor will bring it out to a central collection point and bring it back to the resident. If an ambulance or fire department is needed they will have to cut through or go on foot. Lichty stated that Circle Drive was done about 12 years and a 48 inch pipe was put in and that is on the mortgage of the house and now he is being assessed again. Larson stated that the City did not have any record of any of this area being previously assess so will need to check into that. Larson stated it was their understanding that none of this area had been assessed previously and they maybe need to look at some things. Paul Skoglund was concerned that by looking at the preliminary assessment roll he gets the highest assessment other than the City. He encouraged the City Council to proceed cautiously and wisely with this. He would be assessed about \$18,000 and valuation of his property is

\$81,000. Larson stated that disruption of sewer and water services will be minor. A temporary water system will be hooked up and will run hard pipe on the surface and there will be taps off of that and they will hook up on the spiket outside or will dig a little pothole and tap on to the service outside the house and run that to a hydrant that is not being affected by the project. Larson stated they will have provisions for phasing and most likely work from downstream to upstream. It was asked where they will be able to park their vehicles. Larson stated they will be able to park on some side streets and that will be one of the things that has to be stipulated, that the contractors not be allowed to tear into Hollett Street until this is back to being restored. They will also be looking at different options for this. Mayor Ferrazzano stated that when they had the Dutch Elm Disease and if the tree is on your property exclusively and what was done in the past they had one contractor get rid of all of them and then if the resident had to pay all of, you had time to pay it. He stated they are going to do the same thing with this issue, so people have time to pay it. If the Council approves it, the City could front the money, pay for it and then residents pay for it over time on their water bills. Larson encouraged that they wait till the Open House they talked about so they are not having a plumber change something to find out it is not going to work with the new public project. The public hearing was closed and referred back to the Council for discussion.

Motion by Enderson, seconded by Johnson to adopt Resolution No. 2015-13 A Resolution Ordering the 2016 Infrastructure Improvements Project and Preparation of Plans and Specifications. All voted in favor of the motion.

Larson stated for the Open House they will be sending out drawings of their homes based on their survey and other information they have from the City. The Open House will probably be in about two months

Tony Peterson requested that he be placed on the agenda to waive the fee for MaryAnne Ankrum's special vehicle permit. She uses her ATV in city limits to help plant gardens on city property. Peterson stated that about six years ago they eliminated the City Gardener position to save about \$3,000 a year. City gardens are being done by two volunteers. The Eagles provided an ATV permit for her last year. Peterson stated that in recognition of the savings is waive her fees as long as she is doing the City gardening. Peterson stated that if they cannot waive the fee then City pays the fee. Motion by Cooreman, seconded by Enderson to have the City pay Ankrum's ATV as she uses this ATV for city gardening. All voted in favor of the motion.

Val Quist from the Library stated they have a donor who purchases computers for the libraries in the Plum Creek System and also Vikingland System. He donates these with no cost to the libraries and Rob has been working closely with him the past year and he volunteers his time to look over the computers and then send them on to where they are going. The donor has proposed a project in Tracy for a new lab. Rob Knipe stated the lab he proposes will have multiple servers along with different kind of rotors to try to get the people that want to know more about computers in general, networking and server operation. At this time it looks like he will be donating 12 computers. He stated they need to update the electrical in the basement in a small area that they hope to put the servers and other computers. They need to add four outlets on the wall along with the light and light switch. They got a bid from Hebig Electric and is \$685. The donor also stated that he would pay that. Knipe stated that at this time they are asking for approval to get a free project done. Quist stated that have received approval from the library board and they need approval from the Council to alter a city building. Motion by Enderson, seconded by Cooreman to allow them to alter a City building for this project. All voted in favor of the motion.

Votca stated Officer Hansen has been working with the National Night Out Committee for August 4, 2015. They are requesting that a few streets be closed and provide picnic tables for seating as they are going to have bands and food will be provided. Motion by Cooreman, seconded by Johnson to approve the requests made by the National Night Out Committee. All voted in favor of the motion.

Votca received a notice from the County concerning parcels described in the listing having been forfeited to the State of MN for non-payment of property taxes. Votca stated there are three properties and the City has the first right to go after the properties if they want. Otherwise they

let the County auction or sell to adjacent landowners. Votca stated that if the Council is okay with it he will tell them the City if okay with them selling the properties.

Votca stated the state is increasing the total amount the City can get for the airport grant. Motion by Enderson, seconded by Cooreman to approve Amendment #2 To MnDOT GRANT AGREEMENT #03949. All voted in favor of the motion.

Mayor Ferrazzano stated they had a meeting last week about the Option to Purchase Real Property from Dennis and Linda Fultz. Votca stated the price in the packet is not the correct price. There is the general form of what it would look like. This was also sent to the USDA and RD and the only comment received back was the date that this ends should be at least a year or two. Motion by Enderson, seconded by Cooreman to enter into this agreement. All voted in favor of the motion.

Votca stated that a while back the Council approved Work Order #1 just like this for to enter into an agreement with Trane. Trane did not want to sign this contract therefore they went to the second qualified group which was CTS. Votca wanted to get the contract in front of the Council so it can be approved and sent forward to CTS. It is saying that the City is on the line for this \$9,298.40 if the City does not follow through with any of the improvements they recommend to be made. One of the big things will be to make improvements to the pool heating system and lighting system will come up in the analysis. Votca felt there would not be much risk with \$9,298.40 as any of the improvements that are made under this program will be paid back using the current utility dollars. CTS will do an energy audit of the City facilities. Motion by Enderson, seconded by Johnson to approve the Work Order #1 for GESP Program with CTS. All voted in favor of the motion.

Motion by Enderson, seconded by Cooreman to adopt Resolution 2015-14 Approving Payment to Duininck Inc. for Work Completed on 2015 Street Project. This payment is in the amount of \$248,632.10. Larson stated it is all unit prices and Andy Boyle verifies with the foreman every day. The City is retaining the 5% which is \$29,875.37. All voted in favor of the motion.

The Consent Calendar consists of Tracy Library Board Meeting Minutes for June 4, 2015, Tracy Fire Relief Association Meeting Minutes for June 1, 2015, Economic Development Authority Minutes for June 5 and June 19, 2015, Planning/Zoning Commission Minutes for June 1, 2015, Cemetery Commission Meeting Minutes for May 21, 2015, Municipal Accounts Payable and Municipal Accounts Receivable. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Votca stated the Library Board met on July 2 and July 9. They had a unanimous vote recommending Shirley "Trudy" Williams to the appointment on the Library Board. This appointment will fill the one year opening remaining on the board. Motion by Cooreman, seconded by Johnson to appoint Trudy Williams to the one year opening on the Library Board. All voted in favor of the motion.

Votca stated that during the 2015 street project they have been televising the sewer services of all citizens prior to connection to the new sanitary sewer. During this process there were about 10 properties that have white water running into the sanitary sewer system. The Public Works Director has ordered these property owners to correct the action within one year of the notice. Installation of a sump pump can average from \$500 to \$2,500. Votca stated that I&S wants to televise now or as soon as possible so notices can be sent out to the next year's project. Daniels stated they don't always have to dig outside. Larson stated they are doing the same way in Winthrop right now and doing the televising during construction. That works pretty well. Mayor Ferrazzano felt that the City paying it up front and let the residents pay it back is the best thing to do, not only does it have a less of a financial impact on people but it is also the way we can assure themselves it will get done. Nielsen stated the thing he does not like about this, is the City should not be finding a plumber for the property. Then there are issues such as "the job was not done the way I wanted" and "you the city got this guy for me and I am not happy". The property owner should be the one selecting the plumber. Mayor Ferrazzano stated the resident selects the plumber, negotiates the price and if they cannot pay the bill up front, they submit the bill to the City to get paid. It will then be put on the resident's water bill for them to pay it back.

Nielsen stated it need to be more detailed than that. This has been done before on a case by case basis. He can think of two situations where water lines to the house, the City fronted the money. On one the property went tax forfeit so the City paid for the water line and did not get paid back for it. He does not know what the status of the other property is. Nielsen was concerned that if the City was going to advance money to someone that improves their property and they can turn around and sell that and the new buyer coming in can saying that they did not know that the water bill was going to have an additional amount on his water bill. There needs to be something they are going to know this ahead of time and that means it needs to be recorded like a lien. There has to be some notice to new people coming in in the future there is an obligation connected with that property. It is not going to be voided or eaten by the City. The City plans with every project to inspect these things. Votca agrees that it needs to be recorded as best they can and make sure the City gets repayment for it. Votca stated the City benefits by fronting the money because now the compliance rate goes up faster also. Mayor Ferrazzano they can say to participate in this program they will need to sign a lien the City has on the property until it is paid off. Votca questioned if this should be an ordinance since it is a long term process. Mayor Ferrazzano felt they should for this specifically. Votca stated there are going to be some residents that are going to have to reroute their full water and sewer service to the other side of their house to line up with the new main. This could be expensive. Votca stated that the project is making them reroute their line. Mayor Ferrazzano felt the residents should be able to participate in this program. Nielsen stated that if businesses have a line that is underneath a downtown sidewalk and something needs to be done there, it is going to cost more than \$2,000. Mayor Ferrazzano suggested that at this time they just deal with the residents. The process would be that they get a notice they are in violation, you have a year to fix it, you get it fixed and you have the option of having the City pay up front and the resident sign over a lien and pay "x" amount per month for whatever number of years, three to four year to pay it off and then the lien will be released. Mayor Ferrazzano felt they should start working on an ordinance for that so that it is clear for everyone and what the process is for the City if someone wants to take advantage of having the City pay the bill. Johnson asked since the City is paying the bill, are they going to charge interest on that loan. Mayor Ferrazzano stated that is something they would have to decide in the ordinance. They would also have to decide the interest rate and the time limit. Mayor Ferrazzano felt the time limit to be about five years.

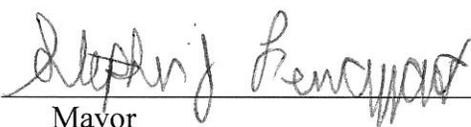
There will be a public hearing for the Small Cities Grant. Western Community Action proposed this for August 10, 2015 at 6:45 p.m. Votca will get this published. Votca stated that people can still sign up and there are applications in the office.

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

ATTEST:



 City Administrator



 Mayor

July 27, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 27, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson and P. Cooreman. T. Schons was present via Skype. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Dobson.

Motion by Enderson, seconded by Cooreman to approve the minutes for the Special Meeting of July 7, 2015 and the regular meeting on July 13, 2015. All voted in favor of the motion.

Enderson asked that discussion about an audio receiver system be added to the agenda. Mayor Ferrazzano stated that Votca will be discussing this in his Department Head Report. Votca stated he had a complaint about the last meeting that they could not hear when all those people were in here and wanted to point out that there is an audio receiver system that they can individually have when they are in the audience. They say they cannot hear when he is talking to the rest of the Council. This system goes through the microphone and into their ear and can adjust the volume. Mayor Ferrazzano stated that he has received complaints that unless everyone comes up to the microphone and talks, they cannot hear what the comments are from the public. Votca stated they have this system and it goes through the microphone. Mayor Ferrazzano felt that the next time they have a large number of people, if there is anyone that has trouble hearing what the Council is saying they should let them know and they have equipment for them to hear better. Votca stated they have six of these devices. Mayor Ferrazzano stated they will try this and if that does not work well they will look into getting something different.

Enderson stated he would also like to add discussion on the Wheels Museum under 8-B. Motion by Cooreman, seconded by Enderson to approve the agenda as amended. All voted in favor of the motion.

There were no public comments.

J. Lichty, Police Chief stated the PD sold a 2004 Ranger pickup that was seized in June of 2014. Officer Boettger will start field training Tuesday night. Lichty stated there are some training requirements the PD will need. He has come to an agreement with the Sheriff's Department in order to share his training officers. Lichty has been working on Public Nuisance Ordinance when time has allowed and will continue to do so through September. Lichty asked if the Council had any questions for him.

M Votca, City Administrator stated the V. Quist, Head Librarian was ill and not able to make it to the meeting. Votca stated they could see in her report they have been busy. They had an author, James Zarzana, program on Pioneer Women of Southwest Minnesota and a genealogy workshop focusing on online research. In June checkouts and renewals were up from a year ago. S. Lau, Liquor Store Manager was not present and Votca stated sales are about average of what they usually are. The complete report is included in the packet.

Enderson stated that he there are residents that are upset about being taken to court for their overdue books. Votca stated that if they want to maintain city property this is the right thing to do. Unfortunately some people require us to send a court notice to reacquire city property. 90% of the people bring them back to the library without any issue and there were the rest that had to have the court send them a letter. They could have received notices of the cost of the materials that are missing. F. Nielsen stated that all the people that got court notices were also contacted several times by the library and they were told that some action was needed. The law requires that they be notified that if they did not do something they would be going to court. Nielsen stated there was a formal letter that told them they had a 60 day period to come in and get it taken care. Votca stated that Quist is easy to work with for rectifying these issues. Some people

simply will not comply or come in and talk to us about trying to comply. Nielsen stated that some of the material was two years overdue.

Mayor Ferrazzano asked when the last time there was a meeting of the Liquor Store Committee. He felt it would be a good idea to have regular meetings set up. He said there are repairs that need to be done and feels it might be good to have a discussion as to whether or not repair the old building or move the operation somewhere else that could be profitable. Votca stated that he and Lau are trying their best to what it would cost to fix what we have. The next phase would be to see what it would cost. There are discussions that need to be held about off-sale and on-sale and which ones they should have. Mayor Ferrazzano stated he is talking more about the off-sale, that they may get more traffic if they had it at a different location on the main highway. Votca stated the coolers, air conditioning and electrical problems are becoming more of an issue. Mayor Ferrazzano told Votca that if he meets with Lau and they come up with issues, they need to talk about it at a Council meeting and feels it is a discussion they need to have. They need to try to maximize the profits that the City can make and if they have an opportunity to move it to Hwy 14 they need to see what they can do. Votca stated there are parts of the roof that need to be repaired. He feels the list may be extensive and if he will be able to find out the cost of those items.

Votca stated that he, S. Daniels and C. Larson held a meeting with Megan Gernentz on July 21 and she informed me that another public hearing must be held. The recommended date was August 10, 2015. There is already one public hearing on that date at 6:45 pm for the Small Cities Development Block Grant. Mayor Ferrazzano stated they will have the Wastewater public hearing at 7:00 p.m. Votca stated the discussion they need to have is that Larson send the estimates for the current project is \$7.8 million. When Gernentz did Phase 1 estimate of what the City's affordability was \$11.5 million. That leaves about \$3.7 million until they would be grant eligible for any projects and anything above that would be grant eligible and the city would not be responsible for any of that cost. The RD money is going to be the lowest interest rate that the City can get for any kind of money the City will get. In the last report it was 2% area. Votca stated that before they thought the pond system was going to cost another \$10 million so the City was already maxing out on the money the City could borrow from RD. Gernentz is asking if the City wants to make additional improvements to the sewer collection system as indicated by the map, there is need to do more.

C. Larson stated that what they were proposing under Phase I was essentially what was absolutely necessary to avoid by-passes and to get the sewer out into the public right of way. They knew there would need to be ongoing projects to get the whole system in good condition. There are only small areas that do not need to be updated. Larson stated the funding was based off of a much more expensive treatment system. Votca stated there is a lot of infrastructure that needs to be fixed based off the map Larson provided. The City is at a point right now where the City can get the best financing possible. Votca stated that right now they are at \$7.8 million out of the \$11.5 million. Mayor Ferrazzano questioned the reason the cost should get to \$11.5 million is because if they get to that point they will get more grant money. Votca stated that if they go past \$11.5 million it will be grant eligible and anything above \$11.5 million would basically be grant money paying for the project up to 45% of the project. The difference between \$7.8 million and \$11.5 million would be additional debt the City would pay. Votca stated the RD would add that to the loan portion. He stated it could be up \$8 or \$9 million on grant. Larson stated the Utility portion would play a bit of a role in that but for the sanitary there is \$2.2 million in sanitary eligible costs and the City got \$600,000 in grant for that. Mayor Ferrazzano felt that if it is beneficial for us to do the projects now when the interest rates are so low. Larson stated that RD said they recognize the need elsewhere in the City. The Utility work that has been approved and they are working on is the absolute necessary with the knowledge that there are some other things that will need to be done later. Larson stated they would probably televise the lines to see which ones need to be replaced immediately, some can be lined. Mayor Ferrazzano suggested that they move forward with this. Votca felt they need to do all these things eventually and might take 10 to 15 years to do it, where this could help get it done a bit sooner. Votca stated that on August 7, RD does their pooling and that is when they start their process of determining which projects they are going to fund. By the public hearing on August 10, Gernentz might know and she could come with a letter of conditions or the City could have a couple more weeks, depending on how their process goes. If the City does not get any funding during that period then the next one would be the first of the year.

C. Larson gave an update on the current project. The curb is a good portion of the way done on 4th Street and looking at paving sometime next week and sidewalk the following week. He said they have finished up utility work west of 4th Street and setting up temporary water. Votca stated the payment box has been moved to the back of the building in the alley. They might have to put the entrance to the building in the back but will see how things go. Mayor Ferrazzano asked if they are still behind because of the weather. Larson said they are a bit behind. If Morgan St. does not get paved, it will be a smooth gravel surface.

Votca reported that E.J. Moberg, the County Auditor had a meeting on July 21 and the County Commissioners decided they would pay \$3,250 towards removal of 284 Emory. Votca went in it last week because it is on the tax forfeiture list and he felt it is a not salvageable building. He said they could move forward and get estimates. There is money budgeted for that kind of stuff. He thinks there is at least \$8,000 or \$10,000 that can be used for this. Votca would like to move forward and find contractors that can take care of this and get estimates of what this would cost to demolish this property.

Votca said they had their second meeting on June 29. They discussed the survey results and this last week; Shannon Sweeney talked to Cal Brink about what a contract would look like. The EDA has a draft contract and very similar to the one they have with Marshall. There are some adjustments that need to be made to it and more teeth into what exactly is being provided in the contract. Nielsen has reviewed it and feels it is generally okay, but agrees there are some areas that need to be modified. The EDA Chairman decided that he wants to have a meeting on August 5. Sweeney and Brink will be there and everyone is invited to come and they can have a discussion as to how they are going to move forward with that. The Marshall Chamber offered \$4,000 a month which Votca feels is a reasonable amount compared to what they have been paying in the past. It is just a matter of getting in the contracts some things that they are going to do and some things they are not going to do.

Votca said that he Mayor Ferrazzano attended a meeting with Randy Anderson, VP and Stacy Barstad, Hospital Administrator and they discussed the hospital sale agreement. The conditions that the City laid out at the last discussion, Sanford for agreed to them. The part about the City doing extensive checks into these things the language was removed from the contract. Votca stated he has not received that contract yet. Sanford is looking into the two land survey people provided and getting estimates from them.

Votca reported that Steve from AVI came from Sioux Falls and explained to Votca about the system the City has for TV and explained how it all works. The first proposal is what it would cost for equipment to basically put our broadcast over the TV, it can be re-shown as many times as they want on the City channel and will have a system that schedules the programming. He will have to check for sure to have it broadcasted on the internet. This would cost about \$19,871. One thing that is not included in this proposal, the fiber optic for Charter comes in to the building in the Council Chambers and the fiber optic cable for VAST comes in on the EDA side of the building. There will have to be some consolidation of the fiber optic lines so they are all in one spot. It does have fans and makes some noise and Steve recommended that it be enclosed or have some way to dampen the sound. Moss and Barnett are working on the franchise agreements and trying to work into those agreements that these companies pay the City a certain amount per bill that will be dedicated to a fund for repairing this kind of things. Votca stated a new camera with joy stick type thing that moves and tells where it is pointed. They would need an LED TV that would project up there. Votca stated he will check into this a bit more. Mayor Ferrazzano is aware they should wait till this equipment is budgeted, but with the number of complaints that everyone gets, this needs to be changed. Votca said they might not be able to do the work towards the next fiscal year. Mayor Ferrazzano felt this needed to get done and if part of the \$19,000 is part of getting a server that can put it on the Internet, it would help a lot of people. Enderson suggested that for the \$19,871 they could throw in a \$99 camera. Votca stated this will be HD quality and needs to talk to the channel providers and see if they will give us an HD channel.

Votca said the pool was scheduled to close on August 20. Seven of the ten lifeguards go to college before that day. When J. Landa did the staffing for August, every day between August

13 and August 20 where there are only two or three lifeguards available to operate the pool. School starts earlier this year so a lot of people are taking their last vacations and kids are going back to college. Nielsen asked when these lifeguards were hired, weren't they asked to make a commitment to be there until at least August 20. He said the City is breaking faith with the people that are purchasing season passes. Nielsen stated it is not too early to start thinking about next year. Votca the thing about how they have been operating the pool the past two years, some improvements need to be made. They are going to have to hire a new manager next month since Landa will not be here next year. It is all students or teachers that operate out at the pool. Teachers have to go back for workshops the week before school starts and college students starts a couple weeks before public school starts. He has had meetings with different people that work at the pool and getting recommendations on how to improve things. The challenges with hiring lifeguards is that they have to pay \$200 to get certified to be a lifeguard. Certification lasts two years. Votca stated he has been trying to get instructors here or closer to allow people to have more options to get certified. Votca feels they did not do a very good job of how the lifeguards were recruited and when these courses are and what the requirements are to get certified so they can work for the pool. Before they set the dates for the pool next year, they need to think about exactly when everyone can commit to. Mayor Ferrazzano stated that Nielsen makes an excellent point that if there are people who buy season passes thinking this is the date it is going to end and then they find out that is not the date and it is the week before. That to him is more problematic than saying we are not going all the way to the end of August. Votca stated it is staffing and planning and evidently he did not predict it properly when they were going to close. Votca said they opened the pool a week earlier than they did last year because school ended earlier. Mayor Ferrazzano felt that if one of the things they are facing this year is the \$200 fee maybe they are going to have to give incentives to have people want to be lifeguards. Nielsen said the City has paid some of those fees in the past but they had to make a commitment. Votca said they are reimbursed after a certain amount of hours that they work. Votca stated that he is already working on this for next season. The people that work at the pool are there for the safety of the citizens and need to be properly trained. Enderson said he was approached by someone and they told him the City is not promoting the pool as much as we need to. There should be more signage, do ads, etc. Votca stated there is going to be some higher expectations of the pool manager that is hired for next season.

Terry Nelson, VP of Woodstock Communications came to Votca's office last week and they would like to put an antenna on top of the water tower so they can broadcast wireless internet like the current contract with MVTV. Right now there is a contract with MVTV to do that and there is nothing in the lease agreement that states there cannot be any other company that provides the same service. They are charged \$10.00/foot of tower which is \$140 per month. Right now the pool does use MVTV to operate so maybe they can get a certain amount of thing provided for the price. Votca requests that the Council allows negotiations with Woodstock Communications to determine what price they would be willing to pay to lease space on our water tower. Mayor Ferrazzano is wondering if the can work out a deal with each of them for free Wi-Fi in city buildings included in the contract.

Votca had two companies regarding the placement of a community solar garden in Tracy. There is a lot of interest in doing these throughout the state. Xcel is putting some new stipulations on solar gardens and there is urgency by some companies to do some work in this area. The concept is that people within the county and adjoining counties that are Xcel customers can purchase discounted energy if they buy into solar garden. One of the ideas that Votca thought of is that the industrial park and it has come to the point where it is built where the majority of things that do not encroach into the airport safety zone. Jordan Burmeister from Geronimo Energy came and Votca had a meeting with him to go out and look at the site. They think the industrial park would be a feasible spot to something like this. They gave Votca a draft document what they use for a lease agreement so it could be reviewed. Right now the City is renting that farmland for agricultural production. The City receives \$190/acre for that. Geronimo says they two times what the going farm rent rate is. The rate there is about \$300/acre so the City could get about \$650/acre. It is about a 38 to 40 acre site. The lease in the contract is for 25 years. Votca stated there is up to a five year research period and then 25 year lease period and then three ten-year renewal periods after that. Votca stated that both Geronimo Energy and Community Green Energy are interested in putting a solar garden in Tracy. The City could buy into the community solar garden and get reduced rates from Xcel. Mayor Ferrazzano

suggested that representatives from both companies come to a Council meeting and explain what the process is. Votca stated the lease with Lanoue's for that farm land is in 2016 crop year. Lanoue's will be invited to the meeting also.

Enderson stated that recently at the Wheels Museum Art Peterson resigned. He spoke to him today and does not know if he formally resigned. The Wheels Committee removed items from his storage units. Enderson thanked Peterson for all the work he has done. The main reason he wanted to bring this up, a lot of the volunteers are deceased. The Museum is in need of some volunteers. Mayor Ferrazzano asked if it is possible for the City to contribute something to the project of putting a roof over the engine. It is something that should be discussed and it should be budgeted for if the City can do it. Enderson felt there was not a need to jump into the money part of it, and need someone to run the fundraiser.

Votca explained the Memorandum of Agreement between the City of Tracy and Wilbur Ellis Air, LLC to conduct an aerial applicator or crop spraying service from the Tracy Municipal Airport. They did this last year and the City has been charging \$500/year. Wilbur Ellis Air has paid their fee and signed the Memorandum. Motion by Enderson, seconded by Johnson to enter into the Memorandum of Agreement with Wilbur Ellis Air, LLC. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to adopt Resolution No. 2015-16 A Resolution Allowing Part Time Police Officers For The City of Tracy To be Accepted As Members Of The Public Employees Police and Fire Plan. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable. Motion by Enderson, seconded by Cooreman to accept the Consent Calendar as presented. All voted in favor of the motion.

Votca received a notice of Annual Membership & Directory Listing Notice of the International League of Cities. It was the consensus of the Council not to join at this time.

Mayor Ferrazzano reminded everyone about the National Night Out that will be held in Central Park on August 4 from 5:00 pm to 9:00 pm.

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

ATTEST:



City Administrator



Mayor

August 10, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 10, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K., Enderson, P. Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Miller.

Motion by Schons, seconded by Cooreman to approve the minutes for the July 27, 2015 meeting. All voted in favor of the motion.

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

During Public Comments, Tony Peterson asked if the sale of the hospital was progressing. Mayor Ferrazzano said that as soon as the surveyors are done, they will be able to finalize the sale. Peterson also questioned the use of Skype during the Council meetings. The information he provided states that Skyping meetings is not prohibited but feels the Council is doing a disservice to the community by not doing it in the proper manner. The public needs to be able to see and hear the person on Skype. He is petitioning the Council to update the equipment or discontinue Skype.

Votca stated that he met with Jordan Burmeister of Geronimo Energy on 27 July at the industrial park to give him an idea of where a possible location might be for a solar garden. Votca received a draft of what a lease agreement might look like. Burmeister stated that the terms of the contract could be One-time Development Period Payment of \$2,000, Annual Acreage Rent which commences upon construction with payment of \$700/acre and an Annual Acreage Rent Escalator of 1.5%. The Development Period would be five years; Extended Term would be 25 years and Renewal Terms of 10 years each. Enderson felt that since Lanoue's are farming this land they should include the Lanoue's'. A security fence will enclose the solar garden and the land can be farmed up to the fence. To be a subscriber they must be an Xcel energy customer located within the same or an adjacent county of the selected solar garden. Each subscriber receives a credit on the Xcel Energy electric bill. Burmeister said that efforts would be made to secure an "anchor" subscriber, which could be the City of Tracy or another large electricity user. The larger the user, the larger the savings. Geronimo Energy is proposing a three megawatt solar garden of approximately 30 acres. They are targeting a 2016 build. The benefits for subscribers are monthly energy savings, no upfront investment, support renewable energy, keep energy dollars local and no maintenance or overhead as each solar facility is professionally maintained by Geronimo Energy. Burmeister stated that they would like to work something out by early September because if an agreement is delayed beyond early fall the Tracy project would be reduced to a maximum of one megawatt. The Council members instructed Votca to continue discussions with representatives from Geronimo Energy regarding the solar garden.

At 6:45 pm a public hearing was held regarding the Small Cities Development Block Grant. Jeff Gladis from Western Community Action explained this is a 2.5 year grant. The grant was written for up to 20 projects. At this time in Tracy six projects have been completed, four were in construction, three are out for bids and there are two in the application process. There is still room for about five more owner occupied housing improvement projects. To qualify for the Small Cities financing, applicants must own or live in the house they are improving and not exceed household income levels. The applications are processed on a first come first serve basis. Nielsen asked when these projects are out for bids, if local contractors are used. Gladis stated that local contractors are used and if there is lead involved in the project, a contractor with a lead license is required. This public hearing is the beginning of the process. Gladis feels the program is going well and on target to complete 20 projects by the December 31, 2016 closeout date. Anyone interested in the program can pick up an application at city hall and return it to Western Community Action.

C. Larson from I+S reported on the Morgan and 4th Street Project. They will start the paving of 4th Street tomorrow. They are wrapping up the utilities on Morgan Street. No work has been done on the 400 block of Morgan St. because after drying the soil in an effort to get it to pack better didn't result in an adequate road subgrade. The decision was made to do a soil correction along this block. The road will be sub-cut an additional two feet, and then filled with two feet of sand and 10 inches class 5 gravel to give the road a stronger base. The cost to do this is estimated to be about \$26,000. Cooreman asked if borings were done. Larson said that the county had thought about doing some borings but then decided they were not needed. If this had been investigated before, the bids would have been higher.

At 7:00 pm a public hearing was held regarding the Wastewater Project. Votca stated that Megan Gernentz called today and stated that Rural Development may be close to approving funding for the wastewater treatment project. Votca stated he has received indications that some of the RD money could be in the form of a grant funding, which would not have to be re-paid by the City. Larson felt that the engineering plans for the wastewater improvements were now under environmental review. He felt that Tracy might get definite word on funding from RD by August 28, 2015. That should allow construction on the wastewater ponds to begin in 2016.

Larson stated that I&S is seeking quotes for televising remaining segments of the City's sewers to determine where clear drainage water is entering the sanitary system. Hopefully the system will only require a lining so that they will not have to dig up streets. If not funded by 2017, 2015 numbers will be used. Larson will have more information at the next meeting.

Mayor Ferrazzano asked if it would be okay to have the next meeting on August 31 instead of the 24th as he will be out of town. The Council agreed to change the meeting to August 31.

Motion by Enderson, seconded by Schons to approve a cigarette license for Family Dollar contingent on payment of fee and completion of paperwork. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to approve a plumber's license for Kropp's Sewer Service contingent on payment of fees and completion of paperwork. All voted in favor of the motion.

Motion by Schons, seconded by Cooreman to approve the admission of Midwest Rides and Concessions and waive the license fee, use of City parking lot for the Beer Garden, liquor licenses for the Beer Garden and Softball Fields, street dance to be held, street closures and permission to use the Central Park for Kids Demo Derby and Kiddie Parade event. All voted in favor of the motion.

Votca reported a special EDA meeting was held on 5 August, 2015 regarding EDA services provided via contract with Marshall Area Chamber of Commerce. At this meeting the EDA board, Council Members, and various members of the community met with Shannon Sweeney of David Drown and Associates and Cal Brink and Marcia Loeslie of Marshall Area Chamber of Commerce. The group at the meeting generally felt that the major pros to this agreement are that services are provided at a set price with certain goals that should be met; the contract can be released with 30 days' notice. The expertise of the MACC is available to the City of Tracy. Some people expressed their concern for having a person located in Tracy. Brink felt that the person hired would spend at least 80% of their time in Tracy working on the goal specified in the contract. A draft of the service agreement is enclosed in the council packet. The EDA Board agreed that if the contract does not work, it can be discussed again. The EDA Board is satisfied with the agreement. Votca stated he had a question regarding the payment to the MACC and will check that out. Motion by Enderson, seconded by Johnson to enter into the Economic Service Agreement with Marshall Area Chamber of Commerce pending checking out the payments from the City of Tracy. All voted in favor of the motion.

The FAA has approved a project for the Tracy Municipal Airport to rehabilitate airfield lighting: install medium intensity runway light (MIRLs) to Runway 11/29 and replace electrical components and lighting fixtures. The FAA will pay 90% of the allowable costs incurred accomplishing the Project. The City of Tracy will be responsible for the remaining costs. The maximum obligation by the United States payable under this Offer is \$178,881. Paul Jurek from

Bollig Engineering stated the bid was awarded to Warner Bros. A pre-construction meeting will probably be held sometime in late September. Motion by Enderson, seconded by Cooreman to enter into the Grant Agreement with the FAA. All voted in favor of the motion.

Motion by Schons, seconded by Enderson to adopt RESOLUTION NO 2015-17 A RESOLUTION APPPROVING PAYMENT TO DUININCK INC. FOR WORK COMPLETED ON 2015 STREET PROJECT. The amount of the requested payment to Duininck Inc is \$543,560.64. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable, Municipal Accounts Receivable, Tracy Economic Development Minutes for July 2, 2015, Tracy Relief Association Minutes for July 6, 2015 and Tracy Library Board Minutes for July 2, 2015 and July 9, 2015. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

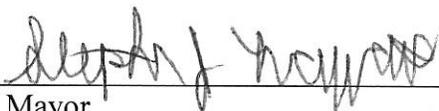
Votca stated that he received what the Department Heads expect for expenditures in the Tracy Expenditure Budget for 2016. The Department Heads gave a short over-view of the expenditures for the coming year. In Legal Services Votca stated that F. Nielsen, City Attorney will not be renewing his contract at the end of the year. RFPs will have to be posted for this position. Mayor Ferrazzano suggested that if it is possible to put in the budget, he would like to be able to provide some funds for the canopy for the train at the Museum. Votca stated that he has started work on the Revenue Budget for 2016 and will present it at the next meeting. Pre-certification of the levy is September 15, 2105.

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

ATTEST:



City Administrator



Mayor

August 31, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 31, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P. Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Miller.

Motion by Cooreman, seconded by Schons to approve the minutes from August 10, 2015. All voted in favor of the motion.

An addition to the agenda was made by Enderson under 13-B Discussion on audio equipment and Skype. Motion by Schons, seconded by Enderson to approve the agenda as amended. All voted in favor of the motion.

Val Quist, Head Librarian reported that the Summer Reading Program is wrapping up this week. On August 20, the Library hosted Buster the Clown for a magic show and 43 kids (plus 11 accompanying adults) attended. The summer story hour ended and karaoke, games and root beer floats at Central Park. Twenty four children attended. The library will be taking a break from story time in September as families adjust to being back to school. They will start again in October and continue in November. Quist stated that in October the library will host Minnesota author Lorna Landvik on Wednesday October 14 at 7:00 p.m. This is a system wide tour being hosted at libraries throughout Plum Creek and will be paid for through the regional Legacy funding that is allotted each year. Magician Robert Halbrook will be doing a show called "Things That Go Bump In the Night" on Friday October 23, 5:30 p.m. In July the library had 1,843 checkouts and 635 renewals for a total circulation of 2,478 which is about the same as 2014.

Sandy Lau, Liquor Store Manager reported that July off-sale was up approximately \$1090 and on-sale was down about \$1177. She stated that she has been getting ready for Labor Day weekend and has lined up extra bartenders and door people. She made a request to be open on Sunday of Labor Day weekend and get a temporary Sunday liquor license. Motion by Cooreman and seconded by Enderson to approve the request for the liquor store to be open on Sunday, September 6, 2015 and approve a temporary Sunday liquor license for on-sale. Lau said she is planning on having a Chili cook off and birthday party for anyone who has a September birthday. There will be door prizes and possibly a Vikings jersey to give away. She has done this for the past two years and has had a very good turnout.

Jason Lichty, Chief of Police asked if there were any questions regarding the Activity Reports for July 2015. He has contacted the Lyon County Sheriff's Department and Highway Patrol for help during the Box Car Days Celebration.

Shane Daniels, Public Works Director asked the Council if there were any questions regarding the August Department Head Report. He reported that he has hired one part-time employee starting next week to alleviate some mowing hours from the full time staff. The staff has been preparing for the Labor Day weekend. He said it will be difficult keeping the downtown area clean with the construction, but will try to keep it as clean as possible. Schons asked if the pool has been drained. Daniels said that was done the day following the closure of the pool. The bathrooms and other areas still need to be winterized.

Mike Votca, City Administrator reported that the concurrence to the Preliminary Engineering Report for Phase 2 – Wastewater Treatment Ponds was received on 5 August 2015. This means that USDA-RS has determined that the plan for construction of the Wastewater Treatment Ponds is good and the project can be funded. The environmental review of the project is ongoing until 9 September. Once the environmental review is complete, the City may get funding and begin to move forward with the project.

Votca said CTS has signed the GESP contract. An initial meeting is set for 1 September to cover the goals and objectives of the project and introduce staff to one another.

Votca and Mayor Ferrazzano met with Bill Tauer and Chad Anderson on 20 August to discuss VMC improvements. The school district would like to have the City construct new bleachers and a wood floor in the VMC. They had previously discussed that the School District would be willing to pay for half of the cost of these improvements as part of their annual lease of the facility. The City would have to pay for the cost of these improvements up front. At the meeting they discussed about completing the eastern bleachers first. Votca recommended that they get this money from proceeds of the hospital sale. The City would then obtain financing for the remainder of the project and the school would still pay the City back over time. A quote from Stadium Steve to replace the bleachers was received in the amount of \$35,333. This price does not include electrical to run the motors or removal of the bleachers. Votca estimated this cost could be around \$5,000 for these items. This is significantly lower than the previous estimate of \$55,600. He is still investigating financing options for the rest of the project. Mayor Ferrazzano felt that since they would not have to pay Stadium Steve until January and by that time the hospital should be wrapped up and so they could move forward with putting in the new bleachers. Votca stated the cost from Stadium Steve does not include removal and have some leads on someone that said they would remove it for scrapping and salvaging the wood. If Stadium Steve did the removal it would cost about \$4,500. Motion by Cooreman, seconded by Schons to accept the bid for the bleachers on the east end of the VMC. Nielsen questioned if the seating capacity would be the same. Votca said it would be a very few seats less because the seating allows for more leg room. All voted in favor of the motion.

At 6:45 p.m. a public hearing was held regarding a variance request for Kerwin Armitage at 317 1st Street East. This is for variance from side yard requirements in the construction of an addition to the garage. Votca stated this was for discussion at the Planning and Zoning meeting, but there were not enough members for a quorum and he decided that they did not make an action on the request, it would be done at this meeting and that is in accordance with the City Code. A notice was sent to the neighbors so they could bring any comments to the meeting. There was no public comment. Hearing was closed for Council discussion at 6:50 p.m. Motion by Enderson, seconded by Cooreman to grant the variance request to Kerwin Armitage for the construction of a new garage. All voted in favor of the motion.

Motion by Enderson, seconded by Cooreman to approve a cigarette license for Dollar General contingent on payment of fees and submission of paperwork. All voted in favor of the motion.

Motion by Enderson, seconded by Cooreman to approve a temporary liquor license for The Caboose for Kegs and Eggs at the beer garden on Saturday, September 5, 2015. All voted in favor of the motion.

In a letter to the Council, Madonna Peterson made a request for a Tracy Aquatic Center Group/Committee. She states there were more complaints than usual this year anywhere from not being treated fairly, to early closings, changing of the swimming lesson program and not having enough lifeguards, etc. City Hall has received several suggestions that Votca and she feel are warranted. Peterson's suggestion is to form an advisory Tracy Aquatic Center Committee or group to review, plan, define, suggest and or propose how operations are carried out. She is hoping this group can bring positive suggestions and/or ideas to see how we can positively promote our aquatic center before next year and any changes that may need to take place. Peterson feels this would be a good time to review operations because the aquatic center will be under new management next year. She feels she has been involved in carrying out many aquatic center duties and would be a good fit to administer this group. She is asking that the Council consider her request. Motion by Enderson, seconded by Cooreman to request that Nielsen draft a resolution developing this Aquatic Center Committee composed of five people. All voted in favor of the motion.

Motion by Schons, seconded by Enderson to accept the Purchase Agreement between the City of Tracy and Michael and Rosemary Martin. The purchase price is \$100. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to adopt a Resolution No 2015-18 Authorization To Execute Minnesota Department of Transportation Grant Agreement For Airport Improvement Excluding Land Acquisition. All voted in favor of the motion.

Motion by Enderson, seconded by Cooreman to grant the Satisfaction of Mortgage between SKD Holdings, LLP and the Economic Development Authority of Tracy. All voted in favor of the motion.

Votca stated that Charter has had a lot of combining going on. They are not changing the groups that actually own the franchise right now. They are changing the name to New Charter and still have an operating name of Charter Communications. The franchise has been extended twice. Mayor Ferrazzano asked if they have responded since the last time a letter was sent. Votca stated that Moss & Barnett are working with the Vast Broadband and then Charter next. Mayor Ferrazzano asked Votca to contact the lawyer and when they are working through things with Charter, the Council requests that Charter have an office in the city. Votca stated that he has discussed this with Moss & Barnett. Nielsen suggested that they not pass the enclosed resolution as he is concerned at the bottom of Page 1 it states the Franchise has no defaults. He also suggested they send a copy of the cover letter to Moss & Barnett to make sure they are on board with the action the Council has taken.

Votca stated the Land Lease and Solar Easement with Geronimo is similar to the copy from the last meeting. Jordan Burmeister is present. This agreement has a few different terms in it. One is the property which refers to the entire area of the airport and land the City leases for farming around the airport. There is also the premises which is where the solar facilities would be on this premises. The terms of this is that there are three key periods of time: Developmental Period of five years, Extended Term of 25 years and two Renewal terms of 10 years each. During the Development Period the City would receive \$2,000. During that period of time the City can use it the way it is being used now. There might be some exploration that needs to be done and there is a stipulation in the agreement that if there is any crop damage, there is a formula for paying that out. Votca has talked with the Lanoue's about this Dan Lanoue does not have any problem with it and fully understands why the City would do that. The land rent would have to be adjusted with them. The area picked has the least impact on how they farm. The Development Period ends once the construction starts. When the construction starts is when Geronimo would start the pro-rating payment and then the full amount of \$700 per acre per year. It automatically extends during these other terms unless Geronimo Energy or they transfer it to some other party at some point during this time. Nielsen stated that he is glad that Votca mentioned the idea of premises vs. property. From the map provided where the actual premises would be the actual leased area. The property is a much larger parcel that surrounds that whole area. He stated that he has a couple issues with that. The map talks about this entire parcel being 293 acres yet the written description talks about 378 acres. There is a discrepancy somewhere and his review of this legal description indicates there are quite a few discrepancies in there. Nielsen states this description excludes the back part of the Koopman property but does not exclude the front part. The City has no say over that property and that needs to be excluded also. This description also includes all of the Industrial Park and quite a few of those lots have been sold to third parties and the City has no say over that property either. There needs to be some clarification on the legal descriptions. It is complicated as can be seen from the shape of the parcel. The reason it is important is that on Paragraph three of the proposed lease it talks about the surrounding property and basically states that the tenant can require removal of any structures that are in that area. That needs to be fine-tuned because the City is not going to tear down airport buildings, or structures at Swift Lake Park. Mayor Ferrazzano asked that Votca work with Geronimo to get the description done and the Council can enter the lease once the lease is approved by Nielsen and Votca that the legal description if not going to be a problem. Motion by Enderson, seconded by Johnson to enter into the Land Lease and Solar Easement with Geronimo pending Votca and Nielsen working with Burmeister to fine-tune the property description. All voted in favor of the motion.

Votca stated there is another company, Community Virtual Solar Garden that is interested. This agreement talks about developing projects based on certain locations in Tracy. Two of the areas they were looking at were near the airport and two pieces one being northwest of the hangar and a piece to the southwest of the hangars they think could be developed. The other would be the

roof of the Municipal Building. Votca stated that he gave them a copy of the farm map. Votca stated there was one thing in the agreement that caused some questions was the exclusivity line that states they have the exclusive agent of the Host for development of a project throughout the term of this agreement. He states they need to talk with Community Solar Gardens and have them define that and find out exactly what that means. The Geronimo company groups buy into their solar project and reduces the rate for their electricity, whereas this company states they would sell out right 20% to the City and the City would be the main buyer and the rest would be sold to other residents. Geronimo is a bigger operation and bigger industries that buy the power whereas Community Garden program is a smaller scale. Enderson questioned that once they start this project on the roof of the Municipal Building and if the roof starts to leak and now the roof would be difficult to repair. Votca stated this is not the final agreement and there are some things that states the roof has to be repaired. There is still a good piece of the roof that needs repair. Nielson said the electricity created is put in a grid and the City will still be getting the electricity from the same place. It is just that that place has gotten more capacity because of the solar facilities in different places contributing to it. Votca stated he will contact them and have a representative come to a meeting.

C. Larson was present for any questions the Council might have. Enderson stated that he had been questioned why the sidewalks being steep. Larson stated that ADA rules handcuffed them as far as the grades on the sidewalks and the cross-slopes. In the old downtown area such as Tracy where the buildings are right on the right-of-way line and do not have a front yard to make up grades and the front doors are different heights and when you try to put in a symmetrical road that is where you get stuck. The biggest difference from one side of the street to the other is between the Eagle's Club and the Country View Apartments and American Legion and the maximum cross slope of sidewalk according to ADA requirements is 2%. On the Eagle's side it is relatively flat and is 2% from that door to the curb. That same elevation of curb to Country View the building sits way higher. They still need to meet the 2% against the building in a five foot walkable swath, running parallel with the road and between that walkable path and the curb it is a concrete boulevard, that part is steep but is not considered the ADA route. Enderson asked about the alley next to the Eagle's and had noticed when they had all the rain it looked like the sidewalk may be higher than the road. Larson stated that is also going to be project is chasing back that alley a little bit and there have been some maintenance with that alley. Larson stated the project has been going well as far as quality of work; it has been slow due to weather. Duinink did send a letter requesting an extension that really did not provide much documentation that is required. They need to document how many days they lost for whatever reason and it is reviewed. The first letter was rejected and asked them to provide documentation. Because of the rain there is some extension warranted but not enough that they will be outside of the penalties. Mayor Ferrazzano asked how long of extension they wanted. Larson stated it was 42 days. Larson stated that besides the rain delays there were things added but also some things were cut out that decided were not necessary and especially for the cost that was in the bid. The gravel base will be in by the weekend and any little dips and trip hazards will be filled in with gravel.

The Consent Calendar consists of the Municipal Accounts Payable. Motion by Enderson, seconded by Cooreman to approve the Consent Calendar.

Votca stated that he has reviewed the expenditures and revenues for 2016. Expenditures in the General Fund are estimated at \$2,038,938. This is \$6,225 less than the 2015 budget. Revenue prior to the Levy dollars being added is estimated to be \$1,285,016. This leaves a gap of \$753,922. Levying \$753,922 would be a 3.4% increase for the general fund levy.

The other portion of the levy is the debt service portion. This is estimated at \$441,298. This levy includes a \$10,000 levy for the permanent improvement fund as well. This is a \$137,604 or 46.85% increase to the levy. The major reason for the increase is the bond for the ongoing street project. The levy for the street project is \$150,928 of new levy but other portions of the debt service levy have decreased. The main reason for the decrease is due to the refunding of the 2007 bonds. The total amount of the levy would be \$1,185,220 and this is a \$162,432 or 15.8% increase from 2015. One of the things that have been creating these increases is the transfer of large amount from the utility funds to provide revenue to the general fund. Votca has been slowly trying to end this trend I order to build these fund balances up. Another cause is that the

general fund balance as compared to expenditures is at 22%. The office of the State Auditor recommends that this be at 35% to 50%. Votca has budgeted \$25,000 of contingency into the 2016 budget to try and gradually increase the fund balance. The Financial Management show how contingency funds gradually increase to raise the fund balance over time. Ideally, the money from the hospital sale can help increase this balance more quickly. Until the fund balance grows and the city can get away from inter-fund transfers, the levy will need to increase. Votca stated that to understand all of the forces on the budget, he has adapted the Financial Management Plan as created by Ehlers and Assoc. to show how all of these things interact with each other over time. This plan accounts for future debt service and rising costs for expenditures.

Another factor that creates large expenditures in the general fund in the transfers for operating and capital funds. Votca has enclosed a newly created Capital Improvement Program to show how the transfers to the capital funds should be able to sustain our purchases over the next 10 years. The Permanent Improvement Fund needs some help, but the legislature is working on funding to help small cities with this problem and the Council will need to prioritize exactly which projects need to be done and at what time it should be done. During the 14 September 2015 meeting the preliminary budget levy for 2016 must be set. This levy number will be used to create estimated tax statements for the citizens of Tracy. In December the final levy will be set. This levy cannot be higher than the levy set in September, but it can be reduced. Mayor Ferrazzano asked what the levy increase was last year. Votca stated it was 13%. Votca stated he can work on it before September 14 meeting but the debt service cannot really be adjusted. The General Fund can be adjusted. Mayor Ferrazzano stated it is going to be higher than it has in the past is because Votca wants to adopt what has been recommended to keep in the general fund. The fund balance helps with bond rating and also is there if something happens and it is needed. Schons questioned the \$20,000 increase for the library from last year. Votca stated that part of it is covered by new revenue from the County. Last year the County paid \$11,000 of that and are it has been requested that they do that again this year. An employee was added and in the middle of this year the amount of hours for the Head Librarian was increased. Votca will have the resolutions prepared for the next meeting for the Council to approve. There are more things than the levy that affect people's taxes.

Anderson stated there has been a lot of talk about not just Skype but the audio/video equipment is outdated. Votca stated that he has a quote and working on how to build an enclosure and moving some fiber optic cable from the back office and get in one consolidated space. He has not found the correct Vast communications person to answer his questions. Votca wondered if this was something they wanted to add to the Moss & Barnett letter. They are requesting that our public access channel be upgraded to high definition. The plan with the system they discussed at a past meeting would be high definition output but then down grade it to standard definition so it is going into their channel properly. That would be another negotiation with the franchises. Anderson wanted to have Skype capability for a Council member that cannot be here. Votca will check to see what the cost of a monitor system would be or something that connects to a computer. Mayor Ferrazzano stated this is something that needs to be corrected and it is not cheap but it is to the point the Council has had this discussion so many times and they need to get it fixed. If they cannot have Council meetings that the public can see and hear, it is wrong. Mayor Ferrazzano stated the first thing is to get the equipment better and the second is to find out if there are going to be people by Skype, can there be better monitors and better computer. He felt this needs to be a priority. Votca stated there are ways to have the franchises pay the City fees that goes towards that equipment and that is included in the current agreements. There is a mechanism in there so they are paying the City part of their fee. Mayor Ferrazzano stated that when they get to the final decision about what the budget is, this needs to be figured in.

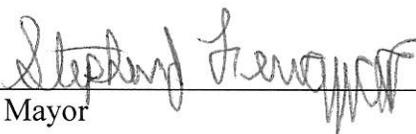
Anderson stated the Museum is looking for volunteers for an hour or two at a time during the Labor Day weekend.

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

ATTEST:



City Administrator



Mayor

September 14, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 14, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P. Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Haberman.

Motion by Enderson, seconded by Schons to approve the minutes from August 31, 2015. All voted in favor of the motion.

Motion by Cooreman, seconded by Enderson to approve the agenda for September 14, 2015. All voted in favor of the motion.

There were no public comments.

Megan Gernentz from Rural Development presented the Sewer Phase 2 – Application Letter of Conditions. The City of Tracy has been approved for a RD Loan of \$7,071,000 and RD Grant of \$838,000 for total funding from all sources \$7,909,000. The loan repayment will be scheduled over 40 years. The payment due the first year will consist of interest only. Payments for the remaining 39 years will be principal plus interest installments. For planning purposes a 2.125% interest rate and an annual amortization factor of \$37.98 which provides for an annual payment of \$268,557 will be used. Gernentz felt it would be a good thing for the City to consider doing Phase 3 and putting it together. This would involve infrastructure elsewhere in town. Gernentz said the City would qualify for an addition \$5.8 million in loans if they would do it now, the City would receive more grant money. Phase 1 is \$3.8 million of infrastructure improvements in the northeast sections of Tracy. Phase 2 is the settlement ponds in the city's plans to improve its wastewater collection and treatment system. The new ponds would be located on a 70 acre location northeast of Tracy. Motion by Enderson, seconded by Johnson to sign the Letter of Conditions with Rural Development that accepts the financing offer. All voted in favor of the motion.

Mike Erickson from Green Energy of Lake Geneva, WI was present to propose A Solar PV System Project and Community Virtual Solar Garden Program Development Agreement. This agreement is to look into developing three sites in Tracy for solar projects. Erickson stated that his company is a community solar developer focusing on smaller more local community focus projects. This is an agreement to agree as to how they would go about developing that. Erickson said the first thing is to analyze the appropriate sites with an actual design plan that would be sent to Xcel Energy with their application program. It outlines what Green Energy would want from the City and assistance to put a design project together for the sites. Votca stated that it is pretty straight forward as it is looking at some sites in the City, one is the roof of the Municipal Building and the other three sites are around the airport. There is verbiage about being one of the subscribers and the City would get 20% of the production without having to pay the subscription fee. Erickson stated it would be a solar site lease. There is no power purchase agreement that the City is purchasing any of the energy. Basically they need a site lease from the City and in lieu of a rental fee; they have proposed that the City would be a subscriber to that solar garden in the amount of about 20% of the solar garden. The City's electric accounts would be signed up to be a member and the City would get free electric credits on the bill. Enderson asked if the solar is put on the roof of the Municipal Building and repairs need to be made, what would happen. Erickson stated that the City would want to do the best they can and making sure the roof has sufficient repairs. If the equipment needs to be moved and because this is not a power purchase agreement so the City may be liable to continue the power. The investors are expecting that continued rate of return. If the equipment needs to be moved, the City will not be getting the credits on the electric bill during that time. Enderson stated he would be concerned about the cost of moving the garden. Erickson said depending to what extent they need to dismantle it. If it is only a section of the roof, it should not be bad. It is fairly easily moveable. Local electrical contractors could be hired to remove the garden if needed. Since the City is

getting the benefit from the garden and the company is not, he is just managing it and operating the system for the City it would be the City's obligation to move it for repairs to the roof. Erickson stated they will work out a program and have a community outreach program for subscribers that would present the concept and what the whole program would be for them. Through this agreement, they have outlined what the proposal is for the City and what the City would get based on completing the final studies on the site. There is no out of pocket expense for the City to do this. Once the program is presented that meets the proposal standards they would expect the City to enter into Site Lease Agreement. Erickson stated that a solar garden can be no bigger than one megawatt in size, but you can have five one megawatt gardens. Nielsen asked what the purpose of the company's inclusion of the exclusivity provision in the proposed agreement. Erickson stated that is because the company is going to start spending money to develop these sites. It is just for the sites described in the agreement. Nielsen stated he wished that one sentence paragraph would say as to these sites it is exclusive. Erickson stated that can be added in there. Motion by Enderson, seconded by Cooreman to enter into this agreement with Community Green Energy, LLC and the City of Tracy. All voted in favor of the motion.

A request was made by Roger Lorenzo to waive assessments on a property on South Street. Lorenzo recently purchased the Tracy Auto Bath. Votca stated that last week he was approached by Lorenzo and he would like to try and purchase this piece of property that the state owns and the county is selling for them by the ADO building on South Street. The County is offering that for \$100 but has \$28,000 of assessments on it because a building was removed from that property. Almost all of it except for \$189 is from the removal of the building. The rest is from the City's \$15 assessment that is put on every parcel each year for water and sewer. There were also a couple snow removals and a couple mowings of grass. Lorenzo's intention for the property and has recently purchased the Auto Bath. He to build a storage place for car wash supplies and also a retail store to sell automotive accessories such as radios, speakers, etc. Storage is not allowed in that area, but retail is. It would have to be presented to Planning and Zoning to make sure. Mayor Ferrazzano stated that the Council routinely waives these assessments that they can. They are not saying they are going to waive them, the City is saying they will not reassess them to that property. Nielsen stated they have waived assessments in the past and it has always been on the condition, that here is the specific project. Sometimes there is already a building on there and the promise to fix up the building. The City waives the right to reassess if they house if fixed so that someone can live. The City has not always been very diligent in making sure those people are doing what they promise to do. This is a vacant lot and the owner needs to come in and explain what they are going to do with the property. Nielsen stated that if they are going to buy it just to have it is not a good thing, because someone else may want to purchase it and do something with it. Votca stated the purpose is to increase the tax base, not just to get it back on the tax roll. Enderson asked that this be tabled to allow for Lorenzo to attend the next Council meeting to answer any question that the Council may have. It was the consensus of the Council to table this until Lorenzo is able to attend a future meeting.

Rosemary Martin made a request to have off-site advertising signs for her apartment building. Votca stated she made this request on 10 September, 2015. He told Martin via E-mail on 13 September that he would like a written request indicating the location of the sign, dimensions of the sign, materials used to construct the sign and the method used to secure the sign to the ground. He did not receive a location for the signs, but assume from previous conversations that the signs would be located at her home on Craig Avenue and at a parcel of property she owns near the grocery store. The signs are to be 77 inches wide by 67 inches tall. The frame and sign are painted steel on a plastic pipe frame. The sign is to be secured to the ground with sand bags.

Section 3.10 Subdivision 11(C) addresses signage in all zoning areas. Votca recommended that the City Council deny the request. If the Council does approve this request, the sign should be made to comply with Section 3.10 Subdivision 11(C) 4. Sign Design, Construction and Maintenance. The current request does not meet the code. A picture of the sign and a copy of Subdivision 11 of Section 3.10 were enclosed in the Council packet.

Votca stated he does not have a book that says what all signs have been requested in the past to be off-site signs. There are some off-site signs in the City primarily indicating where churches or religious buildings or schools are located. He does not know if there are any that designate a

specific business. Sometimes there are signs that are placed around the City that are off-site signs advertising events at locations and those should probably require a permit also and have not practiced that in the past. Usually those are there for a day and then they are gone. Votca’s opinion is that Martin’s signs are more of a permanent nature and are much larger than the signs that are currently being posted.

Martin stated these signs would not be permanent and would be taken down when there are no vacancies. Nielsen asked how far away she was from the billboard on the other side of the funeral home on Craig Avenue. Martin stated that she would have to measure that. Mayor Ferrazzano said that signs are to be in the right of way and how many times have there been advertising with the tire in the middle of the street. Martin stated that none of those have requested a permit. Nielsen asked if the state is going to require her to have a permit for the sign on Craig Avenue. If she just went with the Food Pride lot, the sign would be on both sides of the lot, 300 feet away from any other sign. Nielsen stated that on Craig Avenue, the state is very picky about any kind of signs. Martin stated these signs will not be permanent. Nielsen stated that it is a sign that is near the State’s highway. The Lion’s Club had to go through a process with the state to be able to put of those signs. It is not really business advertising and the Lion’s fell into a different category than this would fall into. Enderson questioned if Planning and Zoning should be used for this type of request. Mayor Ferrazzano stated that the Planning and Zoning would then give a recommendation on that. Martin stated this is the first time that anyone has followed the rules and had to go for permitting. Mayor Ferrazzano suggested that this be put on the Planning and Zoning Agenda and visit about it. Martin stated that since she has to follow the rules that the City enforce them with everyone else. Mayor Ferrazzano stated the rules are there for everyone. Martin feels that if you are following the rules, you should not be denied the ability to have your sign. Nielsen stated the sign that Martin is proposing does not meet the criteria so she would so it she needs to recast her proposal. Martin asked what is wrong with the sign. Nielsen stated it is too close to the ground, does not have the name of the erector on the sign, not secured to the ground sufficiently and other deficiencies. This will be referred to the Planning and Zoning for their recommendation.

A site use agreement was received from the LSS Senior Nutrition Program. The Program agrees to pay a yearly fee of \$1,081, to help offset the costs of operation. Payment will be made on a quarterly basis. The fee is based on the number of meals served. The number of meals has declined over the past couple years. The Council asked that Votca check to make sure the fee for 2016 is correct and how many less meals are being served. Votca will check with LSS to make sure this fee is correct and the Council will revisit this at the next meeting.

Motion by Enderson, seconded by Schons to adopt Resolution No. 2015-19 A Resolution Approving Payment to Duinick Inc. For Work Completed on the 2015 Street Project. A payment of \$544,244.41 to Duinick Inc. was approved by the Council.

Motion by Enderson, seconded by Cooreman to adopt Resolution No. 2015-20 A Resolution Adopting the Proposed Tax Levy. The following sums of money will be levied for the current year, collectible in 2016, upon taxable property in the City of Tracy for the following purposes:

General Fund	\$753,922
Permanent Improvement	\$10,000
Debt Services	<u>\$421,298</u>
TOTAL LEVY	\$1,185,220

All voted in favor of the motion.

Motion by Enderson, seconded by Schons to adopt Resolution No. 2015-21 A Resolution Establishing An Aquatic Center Committee. This will be an advisory board styled as the “Aquatic Center Committee”. The Committee will consist of five members appointed by majority vote of the City Council, who shall serve without compensation. At least one member shall be, during his or her term of office, an elected official, appointed official or employee of the City of Tracy. The term of office shall be for four years, with initial terms commencing October 1, 2015; provided that a member may resign or be removed by majority vote of the City Council

at any time, and further provided that two of the first five appointees shall be designated to serve a first term of only two years. Any appointee may be reappointed and shall be a resident of the City of Tracy during his or her term of office. If there is a vacancy for any reason, the City Council may fill it by appointment of a person to fill the remaining unexpired term of the position. If not appointed as a committee member, the City Administrator shall serve as a non-voting committee member in addition to the other five members. AT the first meeting and thereafter annually, the committee shall elect from its membership a committee chair and shall also elect a secretary if the City Administrator is not to act as such. The committee shall hold meetings as necessary or desirable, giving notice thereof as required by law. Meetings may be called by the committee chair, the City Administrator or any three committee members. The committee shall keep records of its proceedings. All voted in favor of the motion.

The Consent Calendar consists of: Municipal Accounts Payable, Municipal Accounts Receivable, Tracy Relief Association Minutes for August 3, 2015 and Tracy Economic Development Authority Minutes for July 2, 2015 and August 7, 2015. Motion by Cooreman, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

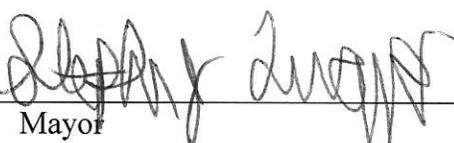
Schons and Cooreman stated they will not be able to attend the September 28 meeting. It was the consensus of the Council to hold the meeting on Tuesday, September 29, 2015 at 6:30 p.m.

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

ATTEST:



City Administrator



Mayor

September 29, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m. Tuesday, September 29, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson Jr., K Enderson and P Cooreman. Absent was T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Haberman.

Motion by Enderson, seconded by Johnson to approve the minutes from September 14, 2015. All voted in favor of the motion.

Motion by Cooreman, seconded by Enderson to approve the agenda for September 2, 2015. All voted in favor of the motion.

Representative Marty Seifert on behalf of the Coalition of Minnesota Cities extended an invitation for the City of Tracy to join the coalition. Board of Directors of the coalition is making a push to get smaller cities to join the coalition. One of the initiatives that that the coalition worked hard on last year was street aid for cities under population of 5000. This was a one-time appropriation. We would like to see this as a long term appropriation and small cities be prorated just like all other cities. Another initiative is reducing mandates on water and wastewater treatment. Did get a report approved for studying these mandates. They also plan to focus on broadband. Working on getting an increase to LGA.

S. Lau, Liquor Store Manager reported that August sales were down. Last year Labor Day weekend run from August 29 to September 1. This year Labor Day weekend was September 4 to September 7. The September birthday Party/Chili cook off did not have as good a turn out as last year but still had a good crowd. Dart League will be at the Liquor Store every other Tuesday starting on October 13th. Pool league will start the end of October.

V. Quist, Head Librarian reported the summer reading program ended at the beginning of September. Thirty-four children completed the reading challenge. There were enough prizes for all those who turned in a reading log in addition to the ones donated by DQ and Subway. The library is grateful to DQ and Subway for their generosity in sponsoring this program. There were thirteen story times this summer with a total attendance of 131. Story time will resume in October and will be held Tuesday afternoons at 4:00 pm. Starting this week there will be three daycares participating in the daycare outreach. On Saturday, October 3 the library will be hosting an "iPad Basics" class from 1-3 p.m. Volunteers from Literacy Volunteers of SW MN will be teaching the class. On Wednesday, October 14 at 7 p.m. the library will be hosting Minnesota author Lorna Landvik. Thursday, October 15 at 5:30 pm there will be a short graduation ceremony for the first two "1,000 Books Before Kindergarten" graduates. Mayor Ferrazzano has agreed to attend and present the graduation certificates. On Thursday, October 22 at 4 p.m. the United Way will have a volunteer come to the library for "Read for the Record." Friday, October 23 at 5:30 pm there will be a Halloween-themed show, "Things That Go Bump I the Night" for the kids. The library has received a Legacy grant for this program. For the month of August there were 1,754 checkouts and 358 renewals for a total circulation of 2,112 compared with a total of 1,858 in 2014.

J. Lichy, Chief of Police presented Activity Reports for August 2015. Lichy reported that all officers have updated Taser training this month. National Night Out was a great success this year. Special thanks to Officer Hanse and the committee he put together. There have been some mechanical issues with the 2013 squad and Kruse Motors. He is working with Redwood Ford and Ford Motor Company to correct these issues. Preparation was made for Box Car Days. Lichy has completed Public Nuisance notices with nine new issues and citations were issued on persistent issues.

S. Daniels, Public Works Director reported that Tim Jacob has resigned and taken a position with Auto Value. An ad for this position will be advertised. Applications will be accepted October 19, 2015 until 12:00 pm. An interim weed inspector/city forester will need to be appointed. Trees have been trimmed and have resumed the sidewalk work on Elm Street and hope to get a few other patches fixed around town before the winter hits. I&S will be doing sludge sampling at the ponds. Daniels assisted D. Johnson, Fire Chief with ISO inspections a couple weeks ago

for the hydrant portion of the inspection. There were two hydrants that broke during the inspection. One is now repaired and the other is being repaired. He attended a Cemetery Commission meeting and the Commission is looking for ideas on a map board for the cemetery. The pool will be winterized in the next couple weeks.

M. Votca, City Administrator said the first round of interviews for Marshall Area Chamber of Commerce to hire an additional employee to help with staffing for the Tracy EDA were held on 22 September. Second round will be held on 30 September. The survey of the hospital property has been completed by Sanford. Sanford legal department is working with a title company to finalize the documents. Documents are expected to be ready to close the deal by the end of October, 2015. The pre-construction meeting for the airport lighting project was held on 11 September, 2015. Construction is scheduled to begin in October. Twelve monuments have been repaired at the cemetery at a cost of \$3,410.

S. Daniels was appointed by Mayor Ferrazzano as Weed Inspector/Forester and was confirmed by a unanimous vote of the city council.

S. Daniels stated they have street signs that are going to be replaced. If anyone is interested in purchasing one of the signs, they are available for \$5.00 each.

Motion by Cooreman, seconded by Enderson to appoint Claire Hannasch to the Multi-Purpose Center Board. All voted I favor of the motion.

In the agenda packet, Votca enclosed a copy of the Request for Proposals for Professional Legal Services. Proposals must be received by 4:00 PM on Friday October 23, 2015.

Sealed proposals will be received in the City Administrator's office in the Municipal Building until 4:30 PM, November 2, 2015 for the demolition and removal of the house located at 284 Morgan Street, Tracy, Minnesota. Project award scheduled for November 10, 2015. Demolition and removal to be completed as per proposal. Motion by Enderson, seconded by Cooreman to advertise for the demolition of the house at 284 Emory Street. All voted in favor of the motion.

Sealed proposals will be received in the City Administrator's Office in the Municipal Building until 4:30 PM, October 9, 2015 for the demolition and removal of the eastern set of bleachers in Veteran's Memorial Center Gym. Project award scheduled for October 12, 2015. Demolition and removal to be completed no later than 30 October, 2015. Motion by Enderson, seconded by Cooreman to advertise for the removal of bleachers. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable and the Tracy Economic Development Authority minutes for September 4, 2015. Motion by Enderson, seconded by Cooreman to approve the Consent Calendar. All voted in favor of the motion,

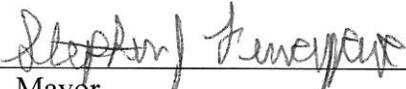
The Truth in Taxation hearing will be held on December 14, 2015 at the regular Council meeting.

Motion by Cooreman, seconded by Enderson to adjourn the meeting. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

October 12, 2015

The regular meeting of the Tracy City Council was called in order at 6:30 p.m., Monday, October 12, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P Cooreman and T Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by

Motion by Cooreman, seconded by Johnson to approve the minutes from September 29, 2015. All voted in favor of the motion.

Additions to the agenda included 11-A Resolution 2015-22 for payment to Duininck and 9-D to discuss the assessment hearing for the street project to get it done in time for the deadline to certify the taxes to the County. Motion by Schons, seconded by Enderson to approve the agenda as amended. All voted in favor of the motion.

There were no public comments.

Votca stated that he and M. Peterson have been looking at ways to deal with the credit card fees and there were citizens asking for automatic payments and payments deducted from the bank. Votca said they have been looking at a few different companies that can do this. They felt the Payment Service Network is the best as far as how it integrates into the City's current software system plus the fees and website where people can make payments from. Votca said it is an ePayments system that can be done online, mobile, automated phone, Live PSN operator, City of Tracy Staff or Customer's banks bill pay systems. This system will take credit and debit cards and eChecks and eSavings. Slides were reviewed of what the customer sees when they use this payment system so they can set up the all the different kind of payments they want. This company will take the City's billing data and create an on-line bill for everyone to look at so they can have paper-less billing and do not have to get a bill from the City, which would save the City time and money. I should benefit the City in that it will save time with fewer customer calls, auto-posting of payments and PSN staff will take all customer payment calls. This will also eliminate hard-to-reconcile bank-issued checks. There are reduced costs to printing and mailing bills and reduces costs of staff time spent on manual tasks: staff can be tasked to do other work that benefits the City. It will be hard to tell how much the City would be saving until they try it. There are 900 customers in the City that are sent bills to every month. PSN has pre-made flyers and different advertisings that could be sent out to the customers. Votca stated there are fees that go along with this system. Every time there is a transaction with a card, there is a standard rate that goes to the business that processed the transaction. Some companies pass it on to the customer and some places like the City do not. The company that processes your credit card stuff has another fee on top of that. There are some transaction fees and a monthly e-billing fee. Votca stated he would not do the website customization and feels the PSN site to pay is fine. Mayor Ferrazzano stated they will have to get everyone on the new meters so they do not have to provide their meter readings. There are some cities that give a small reduction of their bill incentive for going to this system. Peterson stated that when on-line bill pay, the City still gets a check cut to the City. It is put through point of sale and at the end of the day the meter readings need to be entered. With the PSN and things coming through if people pay their bills that way it will just be a matter of a file transfer. When PSN receives the money, just like the credit card companies when they receive the money they give the City a daily ACH credit to the City checking account that basically it is a click of a button and all that needs is for it to be uploaded and it is put in there and all that needs to be done here is to post it. Peterson felt the PSN system would save a lot of time. The marketing things they are willing to help the City with. Minnwest Bank in the last couple months has been offering a \$5.00 off on your checking accounts is you went to E-statements. Mayor Ferrazzano felt they should do it. Votca wanted to make it clear that it could cost a little more for a little while until the system is working and no one is getting their paper bills. In the long run could save the City quite a bit of money. The customers have been asking for this. Peterson stated that with the system, you can use your checking or savings account and it can be recurring. The customers can view up to two years of their billing. The

\$49.95 a month actually they will do all the e-mailing for the City. Mayor Ferrazzano stated that since it is designed for sewer and water bill that comes out, but since the City would be connected to PSN would customers be able to pay anything they owe the City. Votca stated they would. Peterson stated they did go and meet with the bank, that there is another thing that the City can create their own ACH files. She feels that with the \$50.00 a month for them to be doing all that work instead of one of the staff here doing that work, it is a pretty low fee. Nielsen asked if any other cities are using the PSN system. Peterson said PSN is promoted by the City software. Votca stated they do about 300 cities. The Council agreed unanimously to proceed with this.

Votca said in his memo that the Planning/Zoning Commission held a public hearing regarding a variance request for 373 Center Street at their meeting on 5 October, 2015. Votca stated the garage is going to be five feet from the side yard lot which is supposed to be eight feet. Planning/Zoning looked at it and they recommend the variance be approved by the City Council. Motion by Cooreman, seconded by Schons to approve the variance for 373 Center St. All voted in favor of the motion.

Votca said that at the 5 October Planning/Zoning meeting looked at it and made two recommendations. The first recommendation was they would not recommend allowing a permit for the sign on Craig Avenue as it does not meet the requirements of the City Code regarding the distance of 300 feet from other advertising signs. The second recommendation to allow a permit for a sign at 1059 Morgan St. in the lot next to Food Pride. The recommended that the permit clearly states that the sign must be directional in nature, meet the sign construction standards of the City Code and meet the setback from the City Street. Motion by Cooreman, seconded by Schons to approve the recommendations made by the Planning/Zoning Commission. All voted in favor of the motion.

Votca stated at this time he only has one proposal for the bleacher removal from the VMC. Votca asked if they should extend the time to accept proposals. Mayor Ferrazzano advised they accept the one proposal. The Proposal is from Jason Lichty for \$1,250 to remove the bleachers. Motion by Enderson, seconded by Cooreman to accept the proposal from Janson Lichty. All voted in favor of the motion.

Votca stated for the street project for the assessments to go on this year's assessments which we need to pay back our debt, it has to be certified by 30 November, 2015. The recommendation is to have the assessment hearing on 23 November at the Council which would allow us to send out notices in the beginning of November when it is going to be. C. Larson stated the construction is close enough now that they have what they need calculate the final assessments and will make an assumption on the final lift of blacktop next spring. Votca stated letters will be sent out around 6 November 2015. Larson stated that at the meeting on 26 October when a resolution calling for the hearing will need to be passed.

C. Larson for I&S stated in the Agreement Between Owner and Engineer for Professional Services is Phase I utility work and Phase II is for the ponds and there is some fill in the blanks as far as the scope of work is and the associated fee that was included in the PER and approved by Rural Development so this is just the execution of that agreement. There are some housekeeping things that need and review by Rural Development. Larson stated they can approve it contingent on the changes or wait until the next meeting. Nielsen asked what the numbers were on the first page of Exhibit C. This came up last time and he did not add right and this time he feels that he added right. There is a lump sum of \$240,000 and he questioned if the other numbers should add up to the \$240,000. Larson stated that he will double check that total. Mayor Ferrazzano suggested that Larson correct what needs to be done and the Council can approve it at the next meeting.

Mayor Ferrazzano stated they had discussed getting I-Pads. With agreements such as the Agreement they just discussed, with that amount of pages it cost more than purchasing the I-Pads. Larson stated that a couple towns he works with have I-pads and they really like them.

Votca stated that he got the LSS Senior Nutrition Program to agree to the payment of the same amount they paid the City last year. The amount is \$2,579 instead of the \$1,080 they had on the

agreement previously. Motion by Enderson, seconded by Johnson to enter into this agreement with LLS. All voted in favor of the motion.

Resolution No. 2015-2 A Resolution Approving Payment to Duininck Inc. for Work Completed on the 2015 Street Project was presented. The work completed by Duininck is \$2,024,384.75 and the City has paid \$1,655,436.99. There is still a retainage of 5% (\$101,219.24). The County is responsible for \$50,576.15 of the payment that is due of \$267,728.52. The remaining balance to finish and retainage is \$879,558.78. There was \$37,625.32 in change orders. Larson stated that Change Order 1 was previously approved with the soil correction on Morgan and Change Order 2 and 3 are in this packet for approval tonight. They are separate due to some of the portions were county eligible and to keep the paperwork easier they put anything that was County eligible into a separate change order. There were a couple water main breaks that Duininck ended up doing. The \$879,958.78 includes approximately \$100,000 is being withheld for late penalty and have not come to an agreement on the revised completion date should be. Larson stated that Duininck gave him a request without much documentation. I&S told them they are not in a position to comment on this and they needed to be providing documentation supporting their request. Mayor Ferrazzano asked that Larson explain so the residents what they can expect this construction phase to be done by. Larson stated there is some sidewalk to finish up and then back filling to bring the black dirt flush and then next year is the final lift of blacktop. There will be some clean-up items. Motion by Enderson, seconded by Cooreman to adopt Resolution No 2015-22 A Resolution Approving Payment to Duininck Inc. for Work Completed on 2015 Street Project. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable, Municipal Accounts Receivable, Plan/Zoning Minutes for June 1 and July6, 2015, Tracy Economic Development Authority Minutes for September 4, 2015, Tracy Relief Association Minutes for September 8, 2015 and Tracy Public Library Board Minutes for August 6, 2015. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Votca stated there is nothing new with 2016 Budget. He is looking at a few revenue things to see if there is any ways the City could collect more revenue. The expenditure budget he does not see much changing there right now.

Votca stated that on 16 October they are having Senior Dining Day at the Multi-Purpose Center. It is a big anniversary for Lutheran Social Services. Votca can send an e-mail to the Council members regarding the information for that.

Mayor Ferrazzano stated that he was contacted by a senior at the high school wanted to know what he had to do to run a haunted house. Nielsen stated they have had this before and they just need to let the City know that it is going to be for a few hours and on private property. Mayor Ferrazzano will let them know.

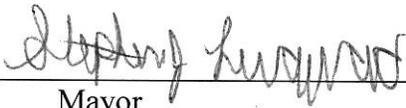
Enderson stated that they need to keep in mind what they are going to have to do with the Masonic Building. Mayor Ferrazzano feels they should just take care of it. Enderson stated it needs to be put on the agenda and decide what needs to be done with it. Votca stated there is no idea how much it is going to cost to tear it down. Mayor Ferrazzano stated that they should get some estimates or quotes. Votca stated there was a guy came and looked at it Saturday again for the third time but he has not talked to him to see what his plans were. It does not mean they cannot start looking into what it would cost to tear it down. Mayor Ferrazzano asked that Votca do some investigating as to what it would cost to remove the building.

Motion by Cooreman, seconded by Schons to adjourn the meeting. All voted in favor of the motion.

ATTEST:



 City Administrator



 Mayor

October 26, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 26, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr, K. Enderson, P Cooreman and T. Schons. Also present were M. Votca. City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Natwick.

Motion by Cooreman, seconded by Schons to approve the minutes from October 12, 2015. All voted in favor of the motion.

An addition to the agenda is 11-B Resolution 2015-24 A Resolution Approving Payment to Werner Bros. Inc. for Work Completed on Airport Lighting Project. Motion by Enderson, seconded by Johnson to approve the agenda as amended. All voted in favor of the motion.

There were no public comments.

V. Quist, Head Librarian reported that thirteen people attended the iPad Basics class on October 3. Candace and Will Thoma with Literacy Volunteers of SW MN taught the class. Minnesota author Lorna Landvik visited the library on October 14. Thirty-five people attend and they have received many positive comments. This event was made possible through system wide Legacy funds. On October 15 two graduates of the "1,000 Books Before Kindergarten" were recognized. Each received a book, teddy bear and certificate of completion. Mayor Ferrazzano presented the certificates. Sarah Warner from the United Way of SW MN also attended. On October 22 a volunteer from the United Way read "Not Norman" for JumpStart's Read for the Record. On Friday, Robert Halbrook gave a Halloween magic show called "Things That Go Bump in the Night." The library received a Legacy Grant for this program. On Sunday, the Tracy Library co-hosted author Jeanne Cooney along with Westbrook, Fulda and Slayton libraries at the Tater Tot Hot Dish Cook-off at the Breezy Barn. Cooney writes murder mysteries with recipes ("Hot Dish Heaven"). A Legacy grant was received for this event also. In September there were 1,298 checkouts and 303 renewals for a total circulation of 1,601 compared to 1,699 last year.

S. Daniels, Public Works Director asked if there were any questions regarding his October Department Head report. Daniels stated they had a water main break on Highway 14. They started repair about 5 p.m. on Friday and they completed the project at 4 a.m. Daniels stated they are still having issues with people dumping garbage, leaving bags, etc. This was not to be used by people out of the city limits. If the problem continues, they will have to go back to set hours of operation and open on certain days. Public Works is installing a few more signs to assist with operations, but only time will tell the effectiveness. Daniels will also send letters to tree contractors as they are hauling large amounts of branches, stumps, etc. to the compost site. This takes time for the department to burn this amount of wood.

Paul Jurek from Bollig Engineering stated the runway lighting project at the airport and that is what the first pay application is for. The conduit has been installed. He stated he attended a FAA Fall Workshop. It is 75% and 25% splits for the City versus MnDot and it used to be 1/3 and 2/3. There is a hangar loan fund and the change to that before was only a 10 year period for a 0% interest loan to fund the hangar construction. They have now extended that to 20 years now. For the smaller communities that is easier for them to manage the loan for hangars. They met with the Director of FAA for the Great Lakes Region and he said the classification of the Tracy Airport is now in good standing and will start getting the entitlement funding back this next fiscal year. They talked about the based aircraft update along with the reclassification and the airport has to retain ten based aircraft and the deadline for that is November 1. There is a capital improvement plan update that is due November 15 and they went through projects they would like to do at the airport and one of those is the apron reconstruction and this has not been funded yet and would like to put that on for next year. Jurek said they talked about inviting MnDot to the airport for a tour of the airport and maybe visit with the Council to share what is going on.

Votca stated he will be meeting with the Airport Commission in the next couple weeks and talk more details and go from there.

Enderson asked if the 0% interest loan was just for new hangar construction or can it be used for residing the existing ones. Jurek felt it would be for new hangar construction. Votca felt that was one thing they needed to do some looking into to see how to pay for that whether it is new construction or repairing or both. Votca feels there is a market out there to get more aircraft in our hangars if we had some that could house bigger airplanes. Enderson asked what was going to happen to the old beacon out there. Jurek stated the old lighting goes back to MnDot. Enderson was wondering if it could make it out to the museum to be put on display. Jurek said he would check into that. Mayor Ferrazzano felt it would be worth looking at the hangar money because if it is mostly new construction, he was wondering if they would pay for part of the new construction if old hangars needed to be removed to build the new ones on that site. Votca stated there are people that are in the market for a less expensive decent hangar like we have now and there are a couple guys that are more in the realm of something that is new and are willing to pay a little more rent on a hangar. Enderson stated in the plan they wanted to leave the old hangars and in the plan there was a site to build new hangars.

M. Votca reported that Tara Onken from rural Balaton area has been hired by Marshall Area Chamber of Commerce as the person to staff the Tracy EDA. He has a meeting with her on 5 November. The survey of the hospital property has been completed by Sanford. Sanford legal department is working with a title company to finalize documents. Documents are expected to be ready to close the deal by the end of October, 2015. Votca stated he has been working with Vast Broadband the last two weeks to get the fiber optic lines that provide the broadcast from the council chambers to the cable network moved, so that we can move forward with the next portion of the broadcast equipment update. This portion of the work should be able to be completed in the next two weeks. Now he has been working with AVI to set up a timeline for installing the new equipment. CTS has had consultants for building envelop and lighting visit City Buildings in the last two weeks for the energy audit they are preparing for the City. Next week they will have more visits and we should get an idea of when they will present their findings.

Votca stated there are currently three solar projects that are ongoing in and around Tracy. The first is being done by Juwi, Inc. This project was approved by Xcel energy and a conditional use permit has been granted by Lyon County. The second solar project that the City is conducting to lease land to Geronimo Energy. Votca is working with Geronimo on determining the best way to get this project approved for zoning. The third project is out signed development agreement with Community Green energy. They have been given the rights to look at three development sites and work with the City for the purchase of the power. Community Green Energy has sent an electrical contractor to look at the sites they are developing. Votca expects to hear from them soon to discuss where they might plan to work on the project. The bleachers have been removed from the east side of the VMC. The new set of bleachers is expected to be installed the week of 30 November.

Mayor Ferrazzano stated with the hospital sale, if something is received this week it will get sent out so everyone so it can be reviewed. He may call a special meeting by next week instead of waiting till 9 November so it can be completed.

M. Votca, City Administrator said Chief Lichty and Liquor Store Manager, S. Lau were not able to attend the meeting and asked if there were any questions regarding their reports. Liquor store sales were good for Box Car Days.

Votca stated he has received a request from Dru Larson of 1311 330th Avenue to allow water service to his property located outside of City Limits. There is a section in the City Code that talks about this so water cannot be provided to someone outside the city limits without approval of the Council and they have to follow section 6.12, Subd. 7. Subd. 7 talks about the charges and fees. In the past the ones that are hooked up to the City system pay 1 ½ times the water rate and pay double for sewer. The reason they pay this is that they are not paying any taxes to the City

and only paying Township and School taxes. Votca stated the next item they are to consider is whether it should be a condition that owners of the benefited property be required to agree to be annexed into the City in a future date. There is a feeling in the Planning and Zoning that all the properties on the fringe of the city that are benefitting from the City that are not annexed in and consider what the Council wants to do there and how that would affect the City zoning. Votca stated they are also to consider whether they will be held to the same City Code as far as the uses and rules and regulations of the water system. The last one is dealing with the special assessments. If the City has a current special assessment for the water system \$15 dollars of all parcels in Tracy and they should discuss if any future special assessments or that current assessment should be applied to this property as well.

Daniels stated with the sewer moratorium and if a section is annexed in, sewer and water need to be provided. In order to do the extension, the City will have to do their project first. Votca felt they could annex them in if there was a plan to eventually provide them for sewer. Votca tried to find if there was any law that requires the City to provide sewer and water and could not easily find anything that stated they the City needs to do that. Mayor Ferrazzano felt it would be a difficult thing to say if it is made a policy now with Dru's when it was not done in the past. He felt what they can say after his request, anybody in the future that wants to be hooked up to water may be required to be annexed eventually. At the last Planning and Zoning meeting Tony Peterson started talking about looking into annexing coming up with a plan to annex in certain pieces around the city. Nielsen suggested the Council look strongly at Sub Paragraph D part. That was done with another person outside the City limits and they cannot be specially assess then for water line that runs down Hollett Street that they have tapped into for water. The agreement with them stated for purposes of special assessments, they would agree to be treated the same as though they were in the City and they would pay a special assessment equal to someone on the same water line would pay. Considering the cost of some of that stuff and they are going to use that water line just like someone right next to them is going to use it. Votca stated the ordinance has a \$140 fee to hook up to the line for any property. For sewer it is \$500 to hook up. Mayor Ferrazzano felt they should just stick with what it says and if it needs to be changed, then it needs to be amended. A curb stop needs to be installed. Motion by Schons, seconded by Cooreman to approve City water connection to 1311 330th Avenue for Dru Larson with the addition if there is any assessments or work on the main that he is tapping into, he would be assessed the same as any other property in town would be and the 1.5 times rate for water. All voted in favor of the motion.

A draft Ordinance Providing for Funding of Certain Utility Connections was discussed. After review, motion by Enderson, seconded Johnson to waive the first reading and set the second reading at a public hearing on 23 November at 6:35 p.m. All voted in favor of the motion.

The PSN Service Agreement was reviewed. The only correction need would be on Page 3. Number 5, it states the initial term of this Agreement shall be for a period of three (3) years. This needs to be changed from three (3) years to one (1) year. Motion by Cooreman, seconded by Schons to enter into the agreement with Payment Service Network, Inc. contingent on the change discussed. All voted in favor of the motion.

Votca stated he received three attorney proposals. Quarnstrom-Doering from Marshall; Flaherty and Hood from St. Paul; and one from Rupp, Anderson and Squires from Minneapolis. They are very similar in what they are providing and qualifications are somewhat varied. All three firms most of their work is municipal. The cheapest firm would be Flaherty and Hood at \$125/hour for standard general municipal matters but with employment and real estate they go up to \$135/hour and litigation up to \$155/hour plus their reimbursement for copies, driving, phone calls and other items listed in their proposal on page 21. Quarnstrom and Doering they charge \$150/hour and they will not charge driving time to attend meetings and will attend at least two council meetings per month and other meetings upon request. They have other mileage reimbursements and faxes and copy expense reimbursements also. Rupp, Anderson and Squires are the most expensive at \$155/hour and they have another rate passing through third parties of \$205/hour plus the paralegals and law clerks are less. They increase their hourly rates by \$5/hour annually and other reimbursement costs. Votca recommended they conduct interviews and see if there is any different there. Based on location and qualifications and fee, Quarnstrom and Doering a little more expensive but located in Marshall. Votca stated that whichever company is picked, the

City will have to change some internal procedures and how do we provide requests and have meetings every month to review legal items with department heads and him. Votca stated they still have to go through the contract negotiation with the company picked. Mayor Ferrazzano felt that since Quarnstrom and Doering represents the other cities in Lyon County for the civil items. He would just as soon the City go with them instead of hiring someone from the Cities. They will review all the leases and resolutions, ordinances and notes on any legal opinions the City wants. Votca stated there is a budget they spend on legal each year so will have to work through that. There is the prosecution side of it and criminal matters and he went and talked with the County Attorney about that and he does it for Minneota and Cottonwood right now at \$100/hour for criminal cases. Votca told him he would like to see what an agreement would look like so the Council can consider entering into an agreement to do that. Mayor Ferrazzano asked that Votca visit with Quarnstrom and Doering and with Rick Mays to do the criminal stuff. Motion by Enderson, seconded by Cooreman to give permission for Votca to negotiate into a contract with Quarnstrom and Doering for the City of Tracy Civil Work. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to allow Votca to meet with Rick Mays about entering into an agreement to do the criminal prosecutions for the City of Tracy at the rate of \$100/hour. All voted in favor of the motion.

Motion by Cooreman, seconded Schons to adopt Resolution No. 2015-23 A Resolution for Hearing on Proposed Special Assessment of 2015. The hearing will be held at 6:45 p.m. on 23 November 2015 in the council chambers. All persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment. All voted in favor of the motion.

Motion by Schons, seconded by Enderson to adopt Resolution No. 2015-24 A Resolution Approving Payment to Werner Bros. Inc For Work Completed on Airport Lighting Project in the amount of \$36,451.83. All voted in favor of the motion.

The Consent Calendar contains the Municipal Accounts Payable. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Votca gave a reminder that the Truth in Taxation Hearing will be held at the 14 December 2015 meeting.

Enderson asked again if there had been any action taken on having the drive-way for the Liquor Store off South Street. Votca stated that he will check on the cost to have this done and there would have to be a permit process with Lyon County.

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

ATTEST:



City Administrator



Mayor

November 9, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 9, 2015 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Erickson.

Motion by Schons, seconded by Cooreman to approve the minutes from October 26, 2015. All voted in favor of the motion.

An addition to the agenda included 9-B Pull tabs TMB Sports Club – Youth Sports by Bob Dolan. Motion by Enderson, seconded by Johnson to approve the agenda as amended. All voted in favor of the motion.

Motion by Schons, seconded by Cooreman to appoint Wilmar Engel to the Multi-Purpose Center Board. All voted in favor of the motion.

Bob Dolan representing the TMB Sports Club Youth Sports is asking for approval to have pull tabs at Bonnie and Clyde's. Motion by Enderson, seconded by Johnson to approve the TMB Sports Club to have pull tabs at Bonnie and Clyde's. All voted in favor of the motion.

Votca said they received two bids for the demolition of the house at 284 Emory St. The first bid was from Kendall Cooreman at \$7,465. The second bid was from Jared Maas at \$8,000. Enderson stated that if they are demolishing the property, the Museum was asking if they could have the garage. Votca stated since it is state property, they would have to contact the County. Mayor Ferrazzano said that maybe the Museum could work with the contractor to have it moved once they get permission from the contractor. Motion by Enderson, seconded by Johnson to award the bid to Kendall Cooreman at \$7,465 for removal of the house at 284 Emory St. Cooreman abstained from the vote. All other voted in favor of the motion.

Votca received a letter from C. Larson, Engineer from I+S Group explaining the change orders 4-6 and a payment application 6 and Contaminated Soils Contract Award. Larson explained Change Order No. 4 consists of the soil correction that was necessary on the 400 block of Morgan Street. The in situ soils were not suitable for supporting the road section. Approximately two feet of material was removed and exported offsite. Sand of equal volume was imported to replace the unsuitable material. This was discussed during the August 10, 2015 City Council meeting and the direction was given to proceed with the work. This change order formally changes the Contract amounts and reflects the actual construction quantities, which almost exactly match those discussed on August 10, 2015.

Larson said the original contract completion dates for the various phases of this season's work were August 15, 2015. The final piece of sidewalk was poured on October 2, 2015. Substantial Completion was 67 calendar days overdue. As a result of some unseasonable weather, unforeseen field conditions, and the Contractor's efforts to facilitate accessibility for Box Car Days, it was the opinion of ISG that a contract extension of 24 working days is warranted. This would revise the contract completion date for this season's work to September 21, 2015. With the revised completion date, the Contractor still finished 30 calendar days past due. The Contract includes a provision for liquidated damages of \$2,000 per calendar day, meaning a total of \$60,000 in liquidated damages is warranted.

Change Order No. 6 will be done in 2016. This is to provide better drainage for the alley behind the Eagles and to add a pedestrian ramp for the Hope Center. Additional work totaling approximately \$9,000 will be required. Ideally the Contractor would have been able to complete the work this season, but we felt it was most important for them to focus on completing the more critical components of the project. Typically, the extra work would be paid using existing bid items, but since the work will be completed next year, Larson recommends approving this

change order which eliminates the Contractor's claim for an increase to the unit prices or a Contract extension next spring for this work.

Larson said that based on all of the work completed to date (including all change orders and quantity overruns, but not including the decrease from liquidated damages) and the amount of remaining work, it is anticipated the final construction costs for the 4th & Morgan Street Improvements (excluding the mill and overlay work south of South Street) to be approximately \$2,422,000, which is within 1.6% of the original bid price. A 5% contingency is included in the project financing. Due to the additional duration of the construction period, there were additional costs incurred for construction observation services. Through October, the City has been invoiced approximately \$414,000, compared to the original estimate of \$381,000. ISG does not anticipate their total fees to exceed \$425,000 through the completion of the project in June 2016. The \$60,000 in liquidated damages will more than cover the additional construction observation that was required.

Approximately 456 cu yards of contaminated soils were encountered during utility installation. Duinick was paid for removing this material and stockpiling it in City property near CHS. Duinick was paid under the Common Excavation bid item for this additional work for a total of \$5,472. Since this work was paid under a bid item that was competitively bid, ISG feels that the costs should be reimbursable through the state's Petrofund. The contract did not include pay items for hauling and disposal cost for the material. Separate bids were solicited. D&G Constructions was the low bidder for a cost of \$9,239 to haul the material to an approved disposal site. Petrofund rules state the disposal costs needed to be separately bid. The Nobles County landfill was the low bidder at a total cost of \$21,500. These costs should be reimbursed through the state's Petrofund. If for some reason they are not, they would represent approximately 1.3% of the project cost.

Motion by Enderson, seconded by Cooreman to adopt Resolution No. 2015-25 A Resolution Approving Payment to Duinick Inc. for Work Completed on 2015 Street Project in the amount of \$359,347.31. All voted in favor of the motion.

The Consent Calendar contains the Municipal Accounts Payable, Municipal Accounts Receivable, Tracy Economic Development Authority Minutes for September 4, 2015, October 2, 2015 and October 16, 2015 and Tracy Relief Association minutes for October 5, 2015. Motion by Cooreman, seconded by Enderson to approve the Consent Calendar. All voted in favor of the motion.

Enderson asked what happened to the old beacon from the airport. Daniels said it is locked in the shop until a decision is made about what will be done with it.

Enderson also asked about the meeting of the Charter Commission and asked if they meet yearly. Votca stated he needs to re-establish some issues and check on the list of members.

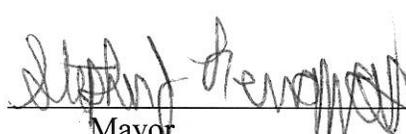
Mayor Ferrazzano stated he had a conference call this afternoon with representatives from Sanford and Sanford Tracy Medical Center. The legal description of the property includes 5th Street East. The agreement will be revised to exclude 5th Street East and the City will retain the Street. Mayor Ferrazzano said that if this accomplished before the next scheduled meeting, he will call a special meeting to finalize this sale of the Sanford Tracy Medical Center.

Motion by Schons, seconded by Cooreman to adjourn the meeting at 6:55 p.m. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

November 23, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 23, 2015 in the Council Chambers of the Municipal Building. The following Council members were present; Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P. Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Erickson.

Motion by Schons, seconded by Enderson to approve the minutes from November 9, 2015. All voted in favor of the motion.

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

Public Hearing regarding An Ordinance Providing for Funding of Certain Utility Connections was opened at 6:35 pm for Public Comments. Votca said that this has been discussed in previous Council meetings there are expenses that come along to the property owners when a project is done where they have to hook up to disconnect from the sanitary service and connect into either the sub-drain or the storm system in some fashion or pump it out of their home. The Council decided that a way be created for the City to finance that for repayment by the property owner. 4% would be the minimum interest rate. There being no public comments, the public hearing was closed. Motion by Enderson, seconded by Schons to approve Ordinance No 324. All voted in favor of the motion.

Public Hearing was held at 6:45 regarding Public Hearing on Final Assessments for 4th Street & Morgan Street Improvements. The total amount proposed to be assessed is \$650,000. C. Larson, ISG, presented a power point on the details of the assessments. The project consisted of the full reconstruction of the street and utilities on Morgan Street from 2nd Street to 6th Street and on 4th Street from South Street to Rowland Street. Utility crossings on 4th Street were also replaced at Hollett Street and Emory Street. On 4th Street south of South Street down to Pine Street the County did a mill and overlay and north of Rowland Street to Craig Avenue with some sidewalk added. The improved 4th Street is along the County State Aid Highway System. Lyon County gets money from the State for maintaining and improving roads within this highway system. This has been on the County's Capital Improvement Plan for quite some time. The City has had well-known issues with public infrastructure, namely sanitary sewer collection and water distribution so it was a joint project on that segment for replacement of utilities. The County helped with the restoration of the road through the state aid funds. Morgan Street had some main issues with water main breaks in the same area. Improvements included replacement of all public storm sewer and the services up to the right of way line, sanitary sewer and water main and services up to the right of way line. The entire pavement section was reconstructed and most segments of curb and gutter and sidewalk were not replaced. There were some areas of curb and gutter were saved and some areas of sidewalk that was saved. Those areas should have been replaced and the City will be replacing them as part of a separate project. Larson said that work that needs to be completed and the completion date for this season's work in the contract was August 15, 2015 and work was substantially completed on October 21, 2015 Larson stated they were plagued with abnormal rainfall which did affect but did not amount to the whole delay. The contractor was assessed \$60,000 in liquidated damages that came off the top of what their final payment would be. Work to be completed yet this year is areas have been seeded and mulched and signs are just about done. There is some general clean-up need. In 2016 they will put on the final lift of bituminous pavement, add pavement markings and some miscellaneous restoration.

Larson said the total project cost (Projected) is (+) \$2,431,366. Cost of surveying, engineering, construction observation was (+) \$431,095. Construction testing was (+) \$30,000. The Project Costs (Subtotal) was (+) \$2,892,461. The cost of construction observation was more than they had projected due to the delay in the project the person doing the observation had to be on site for the extra two months. The \$60,000 in liquidated damages more than makes up for that

additional amount. This makes the total projected Project Cost at \$2,892,461. Sanitary Sewer Improvements were \$325,500, Water-main Improvements were \$407,914, Drainage Improvements were \$183,568, Street Improvements (including subsurface drainage) were \$1,966,942 and Sidewalk Improvements were \$8,537. The City was eligible for \$00,000 for County/State-Aid. A portion of the cost of the improvements will be specially assessed as the City will follow requirements of Minnesota Statute 429. Most of the schedule for the project procedure and schedule has been completed. Tonight the City Council is holding the assessment hearing and it is anticipated that tonight the City Council will pass a resolution adopting assessments. The Final Construction is anticipated to be complete in June 2016.

Larson stated the City's assessment policy used to calculate assessments. There was an assessment roll prepared as part of the improvement hearing and since then the City did revisit the requirements of that policy. Some of the major changes included assessable street, sanitary, water and storm costs lowered from 100% to 30%. Outside funding from County/State-Aid will be used to lower the assessment amount instead of the City's portion. Oversizing of utilities is not assessable. This same calculation will be used for the proposed 2016 Improvement Project and subsequent projects moving forward.

Larson stated that for each category the assessments were calculated as follows:

Sanitary Sewer total cost is \$325,500. Reduction for oversizing (>8") of pipe resulting in a total adjusted cost of \$295,789. The Total Assessed Amount = 30% x \$295,789 = \$88,736. Sanitary sewer and water are assessed on a unit basis, such that it does not matter how large the lot is. Each lot is considered one and the only thing that is treated different is if there is a corner lot. A corner lot could be assessed as 1 ½ units.

Water-Main total cost is \$407,914. Reduction for pipe oversizing (>6") with a total adjusted cost of \$395,135. The total assessed amount = 30% x \$395,135 = \$118,540.

Storm Sewer total cost is \$183,568. There was a reduction for pipe oversizing (>24") for a total adjusted cost of \$134,200. Total assessed cost is 30% x \$130,323 + \$39,097. Storm drainage costs are assessed on a square footage basis.

Street Improvements total cost is \$1,966,942. The County/State-Aid was applied, liquidated damages were applied and there were some minor reductions. Total Assessed Amount is \$1,319,409. The total adjusted cost for street work was \$1,319,409. Total assessed amount is 30% x \$1,323,303 equals \$396,990. Street and alleys are assessed on a footage basis with half of the side footage, down to a minimum of 50 feet, being assessed.

Other Assessable Costs include sidewalks and sidewalks constructed in locations in which it did not previously exist are assessed at 100% of the cost to the adjacent property. Reconstructed sidewalks are not assessed. Total costs of sidewalk improvements are \$8,537. County/State-Aid funding is applied as well as some minor reductions. The total adjusted cost is \$1,845. The total \$1,845 is assessed.

Larson explained how the corner lot assessments are determined. The assessments will appear on 2016 Property Tax Statements. They will be assessed over a 15 year term at an interest rate of 4.8%, based on the bond rate and term obtained by the City. Assessments can be deferred in accordance with MN Statute 435 if the owner is 65 years of age or older or retired by virtue of a permanent and total disability or the owner is a member of the MN National Guard or other military reserves who is ordered into active military service.

Mayor Ferrazzano asked Larson if someone does not like what they have been assessed, what can the Council do about it. Larson said that tonight they would adopt the roll and can make adjustments after that. It needs to be certified to the County by November 30, 2015 to get on next year's taxes. Larson stated there is a statutory requirement for a formal appeal process for the residents.

Bill Chukuske, President of PC&B Properties and have two properties on this assessment. Over a year ago he presented to the Council when they were getting ready to start this project and at

that time he stated that he had no question this work needed to be done, the question is the value of the properties and the amount of the assessment. He paid \$18,000 seven years ago for the property at 379 Morgan. Since then there has been two other assessments to the property, water main break in the front and alley work in the back of over \$6,000 and now there is a \$19,000 assessment that is not worth it. As a property owner, Chukuske does not need that building to conduct his business, does not have walk in retail trade and there is no way it makes any good business sense to pay over \$50,000 in assessments when the building is not worth \$18,000. He said he cannot justify paying those kind of assessments.

Jeff Salmon feels that Chukuske spelled out most of the similar feelings. His assessments on the properties at 269 4th Street total \$26,000 on a building that is hopefully is worth a little bit more than that. Salmon stated that technically you cannot assess more than increase the property values. To the best of his knowledge they have not increased the property downtown at all. They had a sidewalk that worked pretty well, they had a street that worked pretty well, and they had sewer and water that worked pretty well. Because of the improvements, the property is not worth anymore. Salmon stated that looking at the assessment roll, there is property that is being assessed at more than what it is worth. Legally that cannot be done unless you want everything downtown empty. The hook-up charge for the sewer and water would seem reasonable and appropriate. Salmon stated that when they did the street lights downtown the whole community paid for them. That was not assessed a light per property. The streets downtown are used more by the community than some of the business or owners of the building. There are some homeowners here that are being assessed far more than 50% of what their homes are worth. He feels that these assessments are going to reduce the value of these properties by that amount. He hopes the Council will reconsider approving this assessment now so that there are not a bunch of appeals that need to be processed. After those appeals are started, there will be some adjustments to most of these. It is too bad that research was not done prior to this project as to the values of some of the properties and what the assessments were going to be on those properties.

Tony Peterson representing the Tracy Area Eagles at 150 4th Street and 160 4th Street stated they are opposed to this assessment and it does not increase the property values. The construction has impacted their business already as a non-profit. The Eagles are still paying for the assessment on the alley that is going to have to be reworked because of this project. The underground portion of the project was a benefit to the entire community and without it the I&I would not have been reduced and would still have problems with water main and sewer. He feels this needs to be spread out over the entire community and come up with some type of hook up fee that is a reasonable price where it does not have such a financial impact.

Tammy Horner and her husband have a rental property at 561 Morgan Street. She wanted to make a few references to a Special Assessment Tool Kit that is put out by the LMC. It states an assessment cannot exceed the special benefit measured by the increase of market value due to the improvement. Their rental property is valued at \$25,000 and is being assessed \$13,751.69 and does not feel that their property is being increased by that amount. It goes on to say that a special assessment that exceeds the special benefit is taking of property without fair compensation and violates both the 14th Amendment of the Constitution of the US and the MN Constitution property assessed must enjoy a corresponding benefit from the local improvement. She cannot see what the City is proposing to do is legal. On page four it states when the cost of an improvement exceeds the benefit, the difference must be born not by a particular property but by the city as a whole. Horner feels the whole City needs to share the cost of this improvement.

Jim Garvin has property at 243 Morgan Street and has filed an objection. He asked if any attempt was made to assess the market values of the properties assessed before the assessment was done and to determine if the assessment was more than the increase in market value. Garvin feels it is something to consider because it has already been well set off. If the assessment does not increase the market value of the property is cannot be assessed. If it increases it a \$1,000 but you if you have an assessment of \$10,000, you can only assess the \$1,000. He feels there are going to be a number of people who are going to appeal these assessments.

Kevin Maeyert of 559 Morgan Street is echoing everything that everyone has already said. He does not feel that the assessment to his property is not going to increase the value of his property.

His assessment is over \$9,000 and he lost four 40 year old trees off his front street and did not get any value from that. He does not agree with the assessment increasing the value of his property. He urges the City to reconsider these assessments.

Duane Hatch of 363 4th Street stated that everyone that preceded him is about the same thing he is going to talk about. He was informed that a vacant lot between him and Ferrazzano is being assessed at \$9,577.13. When he received his tax statement from the County and it states market value is \$6,900. It does not have a sewer hook-up and cannot see where that is going to be that beneficial and the lot at 363 4th Street is \$9,789.14. He asked the Council to reconsider these assessments.

Rodger Bunker of 449 Morgan Street stated that he purchased the property about 10 years ago and at the time it had been on the market for \$6,000 and made an offer for \$5,000. He had an inspection on the property and came up with 121 faults. He did purchase the property and am attempting to correct those faults. He is now being assessed \$12,084.08 which is about three times the worth of the property. According to the MN Statute if a property is assessed more than the value of the property is brought up, that is an unconstitutional assessment.

Mayor Ferrazzano asked if there were any more comments. There being none, the Public Hearing was closed at 7:05 pm and referred back to the Council. Mayor Ferrazzano stated that not being an attorney that deals with appealing assessments, he asked F. Nielsen if what they are saying is accurate. If the value of the property is not improved at all or the assessment is larger than the value of the property how would the judge look at this? He also asked what the appeal process is. F. Nielsen stated that certainly the general rule that the measure of benefit is the increase in the market value of the land. He has some questions when people say they bought property for "x" number of dollars ten years ago and worked on it since then. Purchase price that fair back probably has very little to do with what the current market value of the property is but that is a question for an appraiser. He stated that he has a little bit of an issue of what Jeff Salmon voiced it for everyone else and he talked about has a sidewalk and now there is a sidewalk, there was a street and now there is a street and the had a toilet that worked and now they have a toilet that works and a faucet that works and now they have a faucet that works. That is true for everyone in any kind of improvement project unless it is a brand new improvement. If nobody ever had water before and put water into their property, that would be different. All of these are upgrades, repairs or replacements. If it was the case then none of those types of improvements would get specially assessed in any kind of a project. Nielsen stated that he cannot see how could possibly be true. The issue for the City was do they continue to maintain these water lines. Some of these lines that were replaced were 100 years.

Jeff Salmon stated that Mayor Ferrazzano asked a simple question regarding how an appeal would be handled and that is not the answer they are hearing. What Nielsen said about the water and sewer, most of the points were it was not just for those assessed. Mayor Ferrazzano said that can be said for any project so any street project that is done on the east end of town, they can say the residents on the west end of town drive on our streets. Votca stated it is not that they are not paying, they are not paying in a special assessment, and they are paying through their other property tax. We still have to pay for the whole bond of this project. T. Peterson said there are resolutions the City can adopt that they do not assess. Nielsen stated that what he was driving at with the idea of the water for example, the question is not whether you had water before the project and now have it afterwards. That is not the scenario that is being looked at. They are looking at a scenario of what you had before you started was a 100 year old waterline that had a track record of breaking and could break again and more than once disrupting your water supply. Nielsen asked if everyone was ready to deal with the inconvenience, digging up the streets, calling guys out in the middle of the night to repair water line breaks and never replace the line, just patching it. Is there some point in time when you say it has reached its useful life and it is done. Something new has to be put in to make a better situation. What if the City just decided to adopt a policy of not repairing the lines anymore. The property owners don't want to pay for a new line and if breaks just shut it off at both ends and they do not get any water. Nielsen asked what that would do to their property value. That is not going to happen because we realize when something gets old and eventually wears out it needs to be replaced which costs money. Larson has outlined what the costs of all those things are. The amount that is being assessed to the property owners is only a fraction of the total cost of the project. The other taxpayers are sharing

to some extent with some of those costs. Just to say the amount of the assessment does not equal the increase in the property value and he does not have any dispute with that but where are the numbers, what can be done. Nobody has sat here tonight and said they are being assessed \$8,000 but the property value has only increased \$3,000 and they would be willing to pay the \$3,000. Everyone has said it did not increase as much as the assessment so they do not want to pay any assessment at all. Maybe it is as Larson has outlined a question of adopting the assessment now and then look at those people who have raised the objections and looking at their particular situation and see if there is some adjustment that needs to be made to their properties.

Tammy Horner stated the Assessment Tool Kit that she was referring to it states that because the special assessments are appealed to the district court it is important that the City considers the benefit and at the hearing the Council may choose to have an appraiser present to present a written or oral report on the increase in market value as a result of the improvement. She stated that if she is reading this correctly it is the Council's responsibility to have the appraisals done and not the individual homeowners. She stated that she takes offense when it was said that they did not come with hard numbers that is the Council's responsibility.

Nielsen stated he will answer the question that Mayor Ferrazzano had asked as far as the appeal process as related to what Mrs. Horner stated. The assessment roll is adopted as is, that is presumed to be valid. If it does go to court, the burden will be on the objector to provide evidence of what the fair market value increase was or wasn't. Nielsen questions what would happen at an appeal of an objector came in and had nothing at all in the way of appraiser information to say that any of the improvements only increased the value of my property by "x" and did not have any hard numbers to back that up. He did not feel it would give the property owners the successful outcome that they are hoping to have at an appeal hearing. The City could have assessed all these properties, hired an appraiser and the cost of the appraisal would have been added into the cost of the project and those residents would have been assessed that also. The City chose to proceed on the basis of only assessing a small fraction of the total project cost to each property owner. There are people here that have objected and there are people that have filed written objections, but the vast majority of the people have not objected. Nielsen feels that was money well not spent at the beginning to assess 80-85% of the properties that the people have not objected to. If there are appeals that are filed in court there will be some work to be done by the objectors to come in with some hard numbers to explain why that property has not been increased in value to a certain dollar and provide the judge with some information at that point.

Salmon is assuming that most of the people at the hearing have filed an objection and a fair number of those that have not due to confusion with the process. If they do appeal it will cost fair more than what they get back, etc. The Council wants to keep in mind something that was not said and that is this; for those that appeal he does not have any question there will be a fair amount of reduction in the assessments. If that happens to some of the residents, it will be published. When that gets published and the rest of those on the roll find out what were reduced, they are not going to be happy tax-payers.

Garvin responded to what Nielsen stated. What he said is true and anyone appeals this assessment is going to have present evidence as to fair market value of their property and how it was affected by the assessment. That will be the burden of the person appealing because it is the assumption that once this assessment roll has been adopted by the Council it is correct. Once the person appeals that assessment and provides that evidence in court and they have appraiser give evidence then it is going to be incumbent on the City to come back. Because if the City does not respond with their own appraisal, the City will probably not get very far with the judge and the City will still have that expense.

Mayor Ferrazzano asked Nielsen if he knew if they do appeal is it basically saying they object paying the amount they are being assessed or do they have to come back with something and saying they object to the amount they were assessed but agreeable to paying a less amount or you object to what the assessment is and the judge figures out what you have to pay. Nielsen felt that most people when they file appeals it is early in the game and unless homework has been done ahead of time you would probably not in position when you file your appeal to say what you are willing to pay. You would appeal and then you would get your appraisal. The City will have the same scenario working through the case as Garvin outline. Nielsen felt that what would happen

in the normal course of events, unless someone has a hard rock appraisal, 100% supporting their position; it would get talked down and settled in some fashion.

Nielsen stated the City owns a lot on Morgan Street that is only 25 feet wide and to cover the City's share is \$12,000. Seth Schmidt asked if there is a percentage of the total project cost that the City has bonded for that the City is required to assess for. Votca stated there is an Ordinance from November 10, 2014 and it was agreed they would do at least 20% of the assessable project paid by special assessments. This is because of what the City has to do to get bonding for the project. Larson stated the requirement of the bonding is 20% of what is borrowed for that specific bond.

Enderson asked if they do not pass the resolution what the next step would be. Larson stated that it needs to be adopted and certified to the County by November 30. If it is not done by then, then the assessments will not go on the tax rolls until the following year. Votca stated they said the assessments would be no later than 2016 when they went for the bonding.

Nielsen stated that two alternatives of which neither are necessarily real presentable but alternatives. The meeting tonight can be adjourned and postpone for a couple weeks to see if more information would come forward to allow the Council to make a more educated adjustment as these assessments. He does not see this as an option as there is not enough time to get that information to be able to do it. The other alternative could be more appealing although at first glance some of the objectives here today are not going to like it, would be to adopt the assessment roll as presented with the understanding to those that have filed objections the City will negotiate with them individually and try to get a better handle on if their properties have or have not increased in value. If not the assessment will amount would be adjusted. Larson asked that for those that have objected to address Mr. Salmon's point about the results being published, if something was changed for a specific property but was determined the policy is not fair in this regards. Nielsen said if there was some "congenital defect" in the entire process such as Mr. Hatch's property or other bare lots how can that type of assessment be imposed on a bare lot that is never going to have an improvement, never will use water and sewer service and we find another property that somebody has not objected to but that general logic would apply, that property should be adjusted as well. Tonight they have talked about individual properties and whether that property as it sits, the kind of business that is being run from that property, or is a residence or other factors. If one property is adjusted that does not mean all of them get adjusted because each property is so individual in the amount of assessments.

Salmon stated that Council can do anything they want. Votca stated there are seven objections. Mayor Ferrazzano questioned if the assessments are certified now and then goes to the County and the City work with the individuals who filed objections to work out a different amount. He asked how that new amount gets on their taxes as the new amount. Would the County use the amount that has been approved to be assessed? Votca stated that he reviews this every year and it can be adjusted.

Tony Peterson stated he is confused as to why as a City; we would get ourselves in a situation on a bonding issue where we would be looking to collect assessments before the project was completely. During his years on the Council they never assessed for anything until the project is completed and punch list items were done. He questioned how the City got so far behind that they need to try and push this through by the end of the month.

Nielsen stated the laws do not require the special assessments be assessed at the completion of the project and in fact a lot of cities, Marshall included, does it in a way where at the very beginning when they get the bids for the project and have a pretty good handle on what the costs are going to be they assess right at the beginning before shovel one has been stuck in the ground for the project. The advantage to that is half the people are going to object and have good reason, just not do it. Here 95% of the project is complete and cannot take it out and get money back and it has to be paid for. Peterson stated history states Tracy always assess after the project is completed. Nielsen stated Tracy has always assessed after the cost of the project has been ascertained, not necessarily after the last nut and bolt has been used.

Garvin stated that he did not know if anyone wanted to submit an appeal that is here, they should be able to submit their objection in writing. Garvin asked if they were going to close this hearing

so they cannot submit an objection now if they are in the room. He did not hear anything that the crowd was addressed if they had an objection they would like to file at this time. Nielsen felt it is not fair for Garvin to put it on the Council. Garvin stated he is just putting it out there because he feels it would be terrible if somebody walked away saying they were too late.

Nielsen stated the objection has to be in writing and that was not a confusion that was engendered by the City Council because the notice that was sent out to everyone specifically states that. Garvin stated he felt there should be some type of sign-up sheet so the people that took the time out of their day to sign up. Mayor Ferrazzano stated there is a sign-up sheet.

Larson stated that any cost that the assessment is reduced by; the cost goes to the City. Other property owners will not be reassessed higher, not directly, they along with other taxpayers in the City will pay a higher tax bill somewhere down the line. Everything has to be paid for. If the assessments do not pay for it, the City has to pay for it and the City gets their money from the taxpayers. Mayor Ferrazzano suggested that they certify the assessments and negotiate with everyone that objected and go at it that way. If hard numbers are needed, we can get the properties appraised and see what the numbers are. Unless that is done, everyone would just be guessing. Nielsen felt there are some people that would without going through that process and are willing to pay something. Schons felt they should get opinions of what would be fair. T. Horner said that a few years there were assessments done on 5th Street. At that time there was no formal appraisal and they paid \$2,500 to \$3,000 and she could live with that. She stated that she is not saying they do not want to pay; they want to pay something that is fair. Mayor Ferrazzano said the appraisal comes in if people cannot agree and instead of arguing about it they have the appraisals opinion.

B. Chukuske stated that as he is looking at his tax statements there is a meeting on December 14, 2015 to come and talk about taxes. He stated there are some pretty high increases coming on the general taxes. He asked what the difference is between the November 30 deadline and December 14 for the County. If they can come in on December 14 and plead their cases on their taxes, those would be changed for 2016. Votca stated the general tax levy and the preliminary were certified in September so they could prepare the proposed tax statements in the mail. Nielsen stated they cannot change the taxes but they can maybe change the values. Votca said that on December 14 there will be hearing sand that is the date when the Council sets the final proposed tax levy. M. Peterson stated that in the past it was to be certified to the County by November 30 but you can still work with the County up until December 31 to make adjustments. Peterson stated that the with the assessment on 5th Street was for just the water main, this new assessment also includes sanitary sewer, storm sewer, street improvements and sidewalk.

Mayor Ferrazzano feels they should certify this, send it to the County and work with the individuals to get something worked out. Votca stated the deadline for appeal is when this meeting closes. Salmon stated they talked about working out the objections, he feels they are talking about doing something openly with the individuals instead of going through the whole legal process of filing an appeal.

Mayor Ferrazzano suggested that the individuals can come down and present it to Votca and if they cannot agree, then they will get an appraisal and go from there. Larson stated it is true it needs to be done within 30 days but you can keep negotiating after that. Mayor Ferrazzano said the hope is to get this resolved in the 30 days and if people do not like the result and appraisal they can still file in court. Mayor Ferrazzano stated to give everyone the maximum time to file an objection; they will recess the hearing to the end of the Council meeting.

S. Lau gave the October report for the Tracy Liquor Store. Off-sale was up approximately \$4,860. The On-sale was down about \$511. This result was sales for the month were up approximately \$4,348. Lau is planning on doing complimentary samples of wine and liquor in off sale the week of Thanksgiving. On Wednesday, November 25th there will be food which will be brought in by the pol players and myself. On Thursday December 10 there will have a pizza night for the Vikings game. One of the pizza vendors will be cooking and providing all pizzas free of charge for the patrons. The Halloween Party was a success had a lot of people and a lot of them were in costume.

V. Quist reported the Library had a very busy month with many activities in October. The Story Time program has been held every Tuesday afternoon, and this week will mark the last Story Time of the year. She has submitted an application for a \$350 “makerspace” grant from SAMMIE (SW Area Multi-county Multi-type interlibrary Exchange). Quist would like to be able to purchase a variety of kits so that the library can offer Robotics Programs aimed at 4th – 8th grade children. As stated in the Headlight Herald, the Computer Learning Center is ready for use. The lab is available by request. On Saturday, Santa will be at the library for pictures from 10:30 to 1:30. In October there were 1,383 checkouts and 290 renewals for a total circulation of 1,673 which is down from last year when they had an exceptional month of total circulation of 2,090. October 2013 circulation was 1,501.

J. Lichty asked if there were any questions regarding the October 2015 Activity Reports. There were no questions at this time. He stated that he and Votca have been looking at finding space for storage and productivity type things.

S. Daniels reported that all parks and the pool are all drained down and winterized for the season. The Department has been getting the equipment ready for winter. The last day for the attendant at the dump will be the end of this week. The compost site will still be open until it has to be closed due to winter weather.

M. Votca said the Vast Broadband has moved the fiber optic lines that provide the broadcast from the council chambers to the cable network moved. They also moved the character generator that produces the scrolling graphics to the council chamber. He is now working with AVI to set up a timeline for installing the new equipment. Votca had a meeting with Juwi, Inc. regarding the large solar plant on 6 November, 2015. Their project will be starting in May and work will continue through September. He has included some of their plans as an attachment. The Geronimo Energy has moved into the development phase. They will be conducting some site survey and soil borings within the next month. Votca will be discussing rezoning of the land required for this project from R-1 to I-1 with the Planning/Zoning Commission at their next meeting on 7 December, 2015. The planning 2015 of this project is progressing well. Community Green Energy has been in touch with our airport engineers to discuss siting their project near the airport. Initial discussions are ongoing. The new set of bleachers for the east side of the VMC gym were installed as of 113 November, 2015. At the airport the installation of lighting is ongoing. The airport is still closed, but should be reopened around Thanksgiving.

Votca presented a listing of all the delinquent items for curb stop repairs, mowing, snow removal, tree removal and utility bills. There is authority in the City Code to specially assess for these types of items. These individuals have been given notice that they must be paid by November 15 or it will be certified to their taxes. Enderson questioned how one utility bill gets to be about \$2,100. Votca stated that the bills are two months past so when someone does not pay, then there is going to be two more months of payments. M. Peterson stated it is a residence and they did not have their water meter removed before they left for the season and when they came back the next year. When the meter reading was turned in, that is how much water had been through the meter. Motion by Enderson, seconded by Cooreman to accept the 2015 Delinquent Bill Special Assessments. All voted in favor of the motion.

Mayor Ferrazzano has two applications for the Youth Advisory Board Nomination. They are Peter Vue and Stephen Ferrazzano. The City will continue to receive applications until the board is full. Motion by Cooreman, seconded by Johnson to accept Peter Vue and Stephen Ferrazzano to the Youth Advisory Board. All voted in favor of the motion.

Aquatic Center Commission applicants are Rhonda Fredericks, Ann Struchen, Shirley Anderson and Greg Carlson. It was questioned if Greg Carlson would be able to be appointed as he does not live in Tracy. Mayor Ferrazzano stated the Resolution would need to be changed but that can easily be done. The Council felt that even if he does not live in town, he is from Tracy and his family does use the Aquatic Center. Motion by Schons, seconded by Johnson to amend Resolution No. 2015-21 A Resolution Establishing an Aquatic Center Committee that appointees do not have to be a resident of the City. All voted in favor of the motion... Motion by Schons, seconded by Johnson to appoint Rhonda Fredericks, Ann Struchen, Greg Carlson and Shirley Anderson to the Aquatic Center Board. Madonna Peterson shall be appointed as a City of Tracy employee. All voted in favor of the motion.

A letter was received from the Mn. Association of Small Cities to be a member. Votca stated this has not been done in the past. It was the consensus of the City Council not to join the MAOSC at this time.

Motion by Cooreman, seconded by Enderson to adopt Resolution No. 2015-26 Authorizing and Providing for the Incurrence of Indebtedness for the Purpose of Providing a Portion of the Cost of Acquiring, Constructing, Enlarging, Improving and/or Extending Its Municipality Functions and Services. The City of Tracy will need to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of \$2,663,000. The City is not to accept a grant in an amount not to exceed \$593,000. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to adopt Resolution No. 2015-27 Authorizing and Providing for the Incurrence of Indebtedness for the Purpose of Providing a Portion of the Cost of Acquiring, Constructing, Enlarging, Improving, and/or Extending its Municipality Functions and Services. These funds are for the construction of the new ponds for the sewer system. It is necessary for the City of Tracy to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of \$700,710,000. The City is not to accept a grant in an amount not to exceed \$838,000. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

The Truth in Taxation Hearing will be held on December 14, 2015 at 6:45 pm. The Tax Levy will also be approved to be certified.

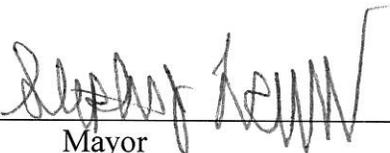
Motion by Enderson, seconded by Cooreman to adopt Resolution No. 2015-28 A Resolution Adopting Special Assessment of 2015 Street Project. All voted in favor of the motion.

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

ATTEST:



City Administrator



Mayor

December 14, 2015

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, December 17, 2015 in the Council Chambers of the Municipal Building. The following Council members were present; Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, P. Cooreman and T. Schons. Also present were M. Votca, City Administrator and F. Nielsen, City Attorney.

Pledge of Allegiance was given to the flag.

Motion by Cooreman, seconded by Schons to approve the minutes from November 23, 2015. All voted in favor of the motion.

Additions to the agenda include: 8-C Chris Larson Update on Wastewater Project, 9-C Advantanon, Inc. Wireless Internet Request and 10-E Special Assessment Objections. Motion by Enderson, seconded by Johnson to approve the agenda as amended. All voted in favor of the motion.

Votca gave an overview for the Truth in Taxation Hearing. In the General Fund right now there are revenues of 54% and the expenditures are at 76%. That number does not include the LGA or tax settlements which will be about \$825,383 and there then there is also a \$109,000 of budgeted transfers and \$235,000 transferred out. The City is right on budget as far as the General Fund for this year. There were some things that kept it low such as the EDA salaries plus a lot of the fuel and repairs were low. Votca stated that most of funds are on track. The Parks Improvement Fund there was a high expenditure there due to purchasing of the equipment for Greentown Park. The Orchard Lane Townhomes are over on expenditures due to paying the insurance twice this year and got a refund for the first amount. The 2007 Utility Improvement Bond has a very high amount of expenditure as the City prepaid \$400,000 when they did the refunding of the bond. The Liquor Store operating is 98% on revenues and 96% on expenditures and that is right on track to be making a good profit this year. The Refuse Collection is on track this year also. He said that Licensing is at 85% and 83% and waiting for a good transfer to the General Fund from there. The Aquatic Center Revenues were 35% but that is minus an \$81,000 transfer from General Fund and the Expenditures were at 94%. For the Tax Levy during September they did a proposed tax levy and for the Expenditures were looking at \$2,038, 938 and he has reduced that to \$2,022,585 and mostly due to reduction for the EDA salary and benefits and that is now to be budgeted to the \$4,000 a month contract with Marshall Area Chamber of Commerce. There were also other things he found that lowered it a bit but the \$15,000 was from the EDA reduction. Votca looked at the revenues for the General Fund and found about \$8,383 of money and revenues were doing better that thought in September so increased those. The General Fund Levy would be \$729,184 which is reduced by \$24,738 from what was proposed in September and that is a 0% increase over last year's General Fund Levy. The Debt Service Levy was at \$441,298 in September but once he got some additional data on two new bonds, one for the refunding and the other for the Sewer Project. Once he adjusted the 2015 Bond for the Sewer and Water Fund is picking up part of the debt. The Debt Service Levy was then \$311,744. This is an increase of over last year of \$28,050 or 9.89%. The total levy amount is \$1,050,928 which is 2.74%.

Tony Peterson said that in an article on the budget for next year shows no transfers out for the Liquor Store which is an enterprise fund and questioned why there were no transfers out to build up the General Fund. He questioned why they considered a budget increase for the Council salaries.

Votca stated the reason behind the Liquor Store Fund has significant capital improvements, A transfer could be made if the Council wants to. Votca was not planning on doing that this year just to build that fund up and there are some decisions ahead on the Liquor Store to decide what improvements need to be done. He stated there has been about \$24,000 profit last year and transferred in \$10,000 last year to the General Fund. Mayor Ferrazzano was in favor of the Liquor Store retaining some of their money so they can make some improvements. Enderson asked if transferring \$10,000 would make a big difference in the budget. Votca stated it would probably make the levy increase be 1.5% instead of 2.7%.

Mayor Ferrazzano stated that regarding the issue of raises, it is the same as last year. Votca stated it has been at 2% the past two year. Votca stated the increase would be \$400. Last year it was \$400 and there were no objections but apparently this year there is. It was consensus of the Mayor and Council to not include the 2% increase in the budget.

At 6:45 there was a Public Hearing for the City of Tracy for Comment on the Small Cities Development Program Grant. Jeff Gladis from Western Community Action here to give an update until this grant is over in about a year. There is a total of \$420,900 that is going into the housing rehab for the City of Tracy. There are 20 projects in town and eight are complete, 8 being worked on and four that are being bid on. Gladis stated they might have enough to do one more project and after the 20 projects they are estimating they will have about \$15,000 left so could squeeze in a small project. They are slated to end this the end of December 2016 and feels they may be able to shut done early and that always looks good with the Dept. of Employment and Economic Development. The matching funds that are going into the project and right now they have allocated about \$351,000 and total of \$475,000 of other funds that are going and that is the City Fund where you borrow it and get it back and from homeowners putting in for WCA. The program is set up to be an 80%/20% split. The deferred loan ends up to be 80% of the project.

Votca stated they are working forward with the Wastewater Project and going to bid on it sometime this winter pending all the paperwork getting put into Rural Development and should be on track getting everything together. Those funds will be able to be spent this year and have plenty of projects done in time to close out the Small Cities Grant.

Jack Fay from Ehlers Investment Partners presented an update on the City's portfolio. In a couple days the Federal Reserve will making a decision on possibly raising rates. According to the market there is a 75% chance that could happen. The part that the City invested at the zero to three to five year area has a raised built into it. When it comes to reinvest the short term funds with the City, the City will reap the benefits from that. The longer term stuff that would be bonded for the Wastewater Treatment Project, those rates will remain relatively low. At the top of the sheet provided are the Cash Accounts and there is very little in those accounts. Of all the funds the City has and under state statute the City can comingle or pool those funds together to be able to invest in short term fixed income securities or investments. In the Maturity/Call Date column, when Ehlers came on the City had a fairly long portfolio meaning the maturity date was three to six years on the average and they tried to shorten it for many reasons and more for liquidity purposes in case the City needed the funds. The first four on the maturity were put in place recently of the course of last year. The rates are still relatively low. Fay stated their job is to be an advocate for the City in the marketplace so they are constantly shopping and looking for regional and national banks that are looking for deposits and paying good rates on that. Ehlers Investment Partners is managing some of the GO Bonds and these are slated to mature in the spring to take care the 2016 portion of that project. The CDs are actually out yielding all the other available options to the City as far as investments at this point. Mayor Ferrazzano asked what raising the interest rate is going to do for the returns. Fay stated that was part of the reason why they wanted to shorten up the duration of the portfolio and when it does happen they can more quickly see those increased returns. The best situation the City can be in is to have a shorter portfolio and that is what the City has. As rates do rise, most economists don't see things rapidly rising and feels this is a crutch and more a trial and error to see how this is going to go. A lot of countries are in an opposite phase right now where they have lower rates again. The City is well positioned to take advantage of that at when it does happen.

The Tracy Fire Department Annual report prepared by Fire Chief Dale Johnson III was reviewed. Votca said the department had a total of 2,760 hours of services provided. A breakdown of those hours is;

Meetings: 13
 Structure Fires: 8
 Car Fires: 6
 Search and Rescue: 1
 Storm Spotting: 0
 False Alarms: 1

Training: 75
 Vegetation Fires: 7
 Car Accidents: 9
 Ambulance Assists: 9
 Service Calls: 9

Mutual Aid Calls: 4
Balaton: 1
Walnut Grove: 3

Johnson stated in his report they had below average years for fire calls and due to the training grant they were able to increase the amount of training with no additional expense.

Chris Larson for I+S Group presented the Agreement Between the Owner and Engineer for Professional Services as talked about before. They have received comments back from Rural Development on 20 November. Larson incorporated their comments and included a summary cover letter similar to what was done for the Phase 1. They are looking for approval on this and get it executed and give to RD. Motion by Schons, seconded by Johnson to enter into the O-E Agreement. All voted in favor of the motion.

Larson stated the second part is the sidewalk within the Phase 1 project area. Based on some discussions with Votca and Daniels I&S that sidewalks exist on E. Hollett Street on the south side from Center Street to First Street E. and on the north side and there is nothing east of First Street E. The recommendation is to remove the sidewalk on the north side of Hollett and remove and replace existing sidewalk on the south side. There is a missing section in front of one or half of a property between the alley and First Street E. and is added in so there is a continuous sidewalk and a pedestrian ramp in the southeast corner of that intersection to receive pedestrian traffic into the park. All of the sidewalk on Emory and Park Street would be completely removed and replaced. Motion by Enderson, seconded by Johnson to make these sidewalk repairs. All voted in favor of the motion.

Larson stated that a while back they talked about a potential Phase 3 to the project which would basically address the rest of the sanitary collection system that could be either complete replacement or lining or some combination thereof. To know what will work they need to televise those lines. Initially in September they got a budgetary number from a televising contractor asking what it would cost to televise everything that they know not to be PVC. Since then they have pared it down a bit and reviewed some televising that had been done and the oldest they looked at was from 2010. That showed that some of the pipe was so bad that it needed to be reconstructed at that time and would not have improved in the last five years so there is no sense in televising it again. Larson stated that Daniels had found some other maps that indicated the pipe was PVC and newer and would not need to televise those. Some of them were televised in the stuff from five years and was not definitive enough and with another five years the condition could have gotten worse and are recommended that that be televised. All of this is reimbursable through Rural Development so long as some Phase 3 project happens. Larson stated the recommendation at the very least is authorizing I+S Group to solicit bids for televising companies and the next meeting they can come back with some hard numbers. Larson stated that tonight the Council could authorize Votca to authorize the work to proceed with a capped amount where they could review at the first meeting in January. Mayor Ferrazzano instructed them to get bids for the project and go from there.

Motion by Enderson, seconded by Johnson to approve a Cigarette License for Tracy Food Pride, Tracy Liquor Store, Casey's General Store, Dollar General and Family Dollar contingent on payment of fees and submission of paperwork. All voted in favor of the motion.

Motion by Schons, seconded by Cooreman to approve a Plumber's License for GH Plbg. & Htg., Sahlstrom Htg, Cooling & Refrig., Wilk's Plbg., LLC and Steve Zens Plbg. & Htg contingent on payment of fees and submission of paperwork. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to approve a Split Liquor License for the Caboose and Bonnie and Clyde's contingent on paperwork and payment of fees. All voted in favor of the motion.

Motion by Cooreman, seconded by Schons to approve a Sunday Liquor License for the Caboose and Bonnie and Clyde's contingent on payment of fees and submission of paperwork. All voted in favor of the motion.

Motion by Cooreman, seconded by Schons to approve a Dance License for the Caboose contingent on payment of fees and submission of paperwork. Schons asked if Bonnie and Clyde's needs a dance license. Votca stated they have only applied for temporary licenses. Votca will look into that. All voted in favor of the motion.

Votca indicated he had received a letter on 18 November from a group of citizens requesting the special assessments against three tax forfeit plots not be reassessed so they may purchase the plots from Lyon County and use them as community garden plots. Votca has provided maps of the plots and amounts of the special assessments associated with these lots. The plots in Tracy city limits they are questioning are: Corner of Morgan and 2nd Street, 224 South Street and 101 State Street. Since the individuals requesting this are not at the meeting, it will be tabled until those individuals attend a Council Meeting.

Votca stated that Advantenon does wireless internet service and are requesting to put some antennas on the water tower to provide internet service to the rural area. It will be a competition to the current company, MVTV that has an antenna on the water tower. Votca told them what the rate was with that company which is \$140 a month. Daniels has looked at the equipment and says it should work on the tower. Votca recommended they enter in to this agreement with Advantenon at the rate of \$140 per month. Motion by Enderson, seconded by Cooreman to enter into this agreement with Advantenon. All voted in favor of the motion.

Votca stated there is an agreement with Geronimo Energy to lease a portion of the industrial park for a Community Solar Garden. They area they want to use is zoned R-1 so at the last Planning/Zoning meeting it was discussed and they made a recommendation that area be zoned as I-2. Votca has a draft ordinance that allows making that from an R-1 to I-2. Making it an I-2 would make solar gardens a use and would not have to go through any special use permits. They would need to have a public hearing in January so they can continue to move forward. Motion by Enderson, seconded by Schons to waive the first reading and set the second reading at a public hearing January 11, 2016 at 6:45 pm. All voted in favor of the motion.

A Water Service Agreement with Dru and Nicole Larson was discussed. Votca stated that he has crossed off Exhibit A in the back as he is working with Larson to get the actual description of the property. This agreement has a fee of \$500 for hook-up to the City system and specifies that Larson will pay one and half times the current water unit charge and also talks about if there is a special assessment levy for that water system, that Larson would pay an amount equivalent to what it would be in the city limits. Motion by Schons, seconded by Cooreman to enter into the Water Service agreement with Dru and Nicole Larson pending getting the description of the property. All voted in favor of the motion.

Votca stated that he was approached by Mary Baskerville and Rick Stefanik to have their special assessments from the current project deferred due to hardship of payment for disability. They gave Votca their statement from Social Security they are under disability payments. Votca contacted the County and asked them what they need to do to defer special assessments. That is one of the things that are allowed under the Special Assessment policy. They need a resolution at the County to do that. They would be deferred until there is a change of ownership or 20 years when it would become payable again. The interest has to be determined if it is deferred. Votca put in the deferment that the interest would begin accruing once the change of ownership or 20 years has passed. Votca stated there have been very few deferrals in the past and most of them have to do with the 65 year of age or older limit. Motion by Cooreman, seconded by Enderson to adopt Resolution 2015-32 A Resolution Deferring Special Assessment for Parcel 31-100148-0. All voted in favor of the motion.

S. Daniels explained that MnWARN is a mutual aid agreement between the City of Tracy and other cities if they have a water/sewer emergency. If we help them, they help us if man power, equipment and similar to the fire department. The City can be reimbursed for everything that is provided to that other City. The City would also have to reimburse whoever came and helped the City. This agreement does not require the City to respond to other communities if we do not have the man power to give up. Daniels is seeking the opinion of the Council if they feel this is a good deal. There is no cost and it is not something the City has to provide, but the help is there.

Daniels stated that if this is something the Council is interested in he will start the paperwork on it. The Council felt they should go ahead with this.

Mayor Ferrazzano stated there is a letter that Votca drafted with the help of Nielsen they are going to send to Paul Stoneberg, Esq. regarding the special assessments for the 2015 Project. Mayor Ferrazzano stated it contains pretty much everything they talked about in their closed session. Motion by Cooreman, seconded by Enderson to have Votca sign this letter and forward it to Mr. Stoneberg. All voted in favor of the motion.

Votca indicated he has reviewed the expenditures and revenues for the General Fund since we have certified the proposed tax levy. He said he has been able to reduce expenditures to \$2,022,585. This is a reduction of \$16,355. This reduction can be attributed to reduction in wages for the EDA staff since we are now contracting the Marshall Area Chamber of Commerce for this service. Votca reviewed the revenues for the General Fund as well. He had more 2015 revenue data to utilize; he was able to make some adjustments to the revenues. In the proposed levy budget, revenue prior to levy dollars was estimated to be \$1,285,016. The new budget was \$1,293,401 of revenue without levy dollars or an additional \$8,383 of revenue. In order to balance the budget, \$729,184 will need to be levied. This is a reduction of \$24,738. This is the same levy amount at 2015 or a 0% increase. The proposed debt service levy was estimated at \$441,298 in September. Votca has received payment ad levy schedules for the new bonds since the last budget proposal and there is a reduction to the debt service levy due to the water and sewer funds picking up a portion of the debt. The new debt service levy is \$311,744 with an increase of \$28,050 or 9.89%

Motion by Enderson, seconded by Schons to adopt Resolution No. 2015-29 A Resolution Approving the 2015 Tax Levy Collectible in 2016

General Fund	\$729,184
Permanent Improvement	\$10,000
Debt Service	\$311,744
TOTAL LEVY	\$1,050,928

All voted in favor of the motion.

Votca provided a spreadsheet which gives an overview of revenues, expenditures and fund balance for each of the city funds. He reported that al funds seem to be doing well at this time. These numbers have not yet been audited and have a few weeks until year end and closing of the books. Motion by Enderson, seconded by Johnson to adopt Resolution No. 2015-30 A Resolution Approving the 2016 Budget for the City of Tracy.

GENERAL FUND	\$2,022,585
General Government	\$538,170
Public Safety	\$566,571
Public Works	\$575,175
Recreation	\$85,990
Library	\$108,388
Other	\$148,291
PUBLIC ENTERPRISE	\$4,526,564
Multi-Purpose Center	\$32,581
Cemetery	\$33,372
O'Brien Court	\$53,142
Eastview Apartments	\$61,000
5 th Street Apartments	\$62,242
Parks Improvement	\$20,000
Airport Maintenance	\$2,000
Orchard Lane Apartments	\$127,200

Liquor	\$845,956
Utility – Water	\$467,300
Utility – Surcharge	\$154,000
Refuse Collection	\$141,831
Licensing	\$1,108,400
Tracy Med. Center Improvement Fund	\$1,000,000
Aquatic Center Operations	\$129,040
Utility – Sewer	\$288,500
DEBT SERVICE AND BOND FUNDS	\$586,439
OTHER	\$505,500
TOTAL ALL FUNDS	\$7,641,088

All voted in favor of the motion.

Motion by Cooreman, seconded by Enderson to adopt Resolution No. 2015-31 A Resolution Approving Year End Transfers.

AMOUNT	FROM	TO
\$81,680	General-AQ Center	Aquatic Center Operations
\$89,444	Utility-Sewer	General
\$10,071	Refuse Collection	General
\$20,000	Licensing	General
\$10,544	O'Brien Court	5 th Street Apartments
\$25,139	O'Brien Court	Orchard Lane Apartments
\$17,051	O'Brien Court	EDA Reserve
\$19,200	General – Cemetery	Cemetery Operating
\$800	Cemetery Reserve	Cemetery Operating
\$10,000	General – Police	Equipment Reserve – Police
\$40,000	General – Street	Equipment Reserve
\$25,000	General – Airport	Airport Improvement Fund
\$30,000	General – Fire	Fire Equipment Replacement
\$8,450	General – Bldg. Inspection	Code Enforcement
\$387,379	TOTAL TRANSFER	

All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable and the Municipal Accounts Receivable. Motion by Enderson, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Mayor Ferrazzano stated this is F. Nielsen's last meeting. He was thanked for the years of service he has given to the City and appreciates his efforts.

Mayor Ferrazzano stated that he talked at the high school today to three Social Studies classes and he had a couple questions. The first question he had he stated he would bring up in front of the Council. One student wanted to know if there is anything the Council can do about changing the speed limit on Highline Drive. She suggested that doing something like Marshall that between certain hours it is a certain speed limit and outside those hours it is another speed limit. Mayor Ferrazzano told her the City cannot regulate the speed limits. Nielsen stated that is a County Road. She will have to talk to the County Commissioners.

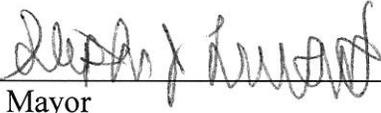
Votca stated he had a request regarding the sign at the airport. They feel the speed limits sign is posted to early and should go to the edge of City limits. That is also a County road.

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

ATTEST:



City Administrator



Mayor