

January 11, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 P.M., Monday, January 11, 2016 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 Dale Johnson Jr. Also present was M. Votca, City Administrator and Matthew Gross, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Rev. Homer Dobson.

Motion by Schons, seconded by Cooreman to approve the minutes from December 14, 2015. All voted in favor of the motion.

An addition to the agenda included 11-C Resolution 2015-24 A Resolution Approving Payment to Werner Bros Inc. For Work Completed On Airport Lighting 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

Votca presented the proposed 2016 Wage Chart for the Aquatic Center employees. They are putting this together so they can finalize the hiring for the summer. They have started to advertise for employees for the Aquatic Center. The scale is based on what they paid in the past and August 1, 2016 the minimum wage will go to \$9.50 per hour for large businesses. The goal is to have 15 employees. Motion by Cooreman, seconded by Schons to approve the proposed Wage Chart for the Aquatic Center. All voted in favor of the motion.

Andy Boyle for I&S reported they received two bids for the televising of the sewer system. Boyle stated there was one bid from HydroClean and one from Empire Pipe Services. Empire was about \$50,000 cheaper and they had an alternate that they would reduce their price by \$6,000 if they are given an extra two weeks on the service televising and Boyle felt this is something the Council should consider. Votca stated this is for the Phase 2 and Phase 3 of the project and they will be televising the services for work to be done this summer and televising the mains for future work beyond there. This is to figure out where the biggest need is and what pipes could be fixed with liners. Votca stated all of this is reimbursable by RD but the City will be fronting that cost until reimbursement can be made. Votca does not feel the two extra weeks will cause any problems. Motion by Schons, seconded by Enderson to accept the bid from Empire Pipe Services. All voted in favor of the motion.

At 6:45 a Public Hearing was held regarding Ordinance No. 325 An Ordinance Amending The Tracy City Code Zoning Map and Rezoning Certain Real Property Within Said City. Votca stated this is rezoning the area where Geronimo is planning to do a community solar garden. Right now it is Residential and that has always kind of been an industrial area. Motion by Schons, seconded by Enderson to adopt Ordinance No. 325. All voted in favor of the motion.

Amy Graw and Nichole Woodrich were present to discuss having the assessments waived on some properties for a community garden plot. Graw said they looked at another piece of property that she was told about by Lyon County on Roosevelt Street. They are interested in 224 South Street for the Community Garden. They want to put 16 raised beds in there and grow produce that people are able to come and get at no charge. Graw stated they are interested in the one on 101 State Street and the one on Roosevelt Street they would like to do gardens for their personal use. Schons stated she knows someone that is interested in the property on Roosevelt Street. Votca felt that lot could be a buildable parcel. Mayor Ferrazzano asked if they wanted gardens for all three of the properties. Graw stated they are looking to run the Farmer's Market in Tracy this year and also the one in Walnut Grove. The one on South Street would be for everyone else and the others would be for their use. They are not going to till up the land and instead put in moveable beds which would be two foot by six foot raised beds. Schons asked what the assessments are on these properties. Votca stated the one on South Street is \$28,000 and there was a big building there that got torn down. It was the Ohman Furniture Store at one time. The

lot on the corner of Morgan and 2nd Street is \$2,117. Graw stated she talked with the homeowner that lives next to that lot and told her what their plans were about putting raised beds there and she was okay with it. The reason they want that lot is because they want to do melons as they do not want to do melons and vegetables in the same area. Votca stated on the State Street lot is where another house was torn down so there is \$11,788.36. Graw stated if they had to pick a lot they would rather do the community garden. Enderson stated he would like more information from the landowners about this. Graw stated they are not going to take any sod out and it is going to be removable beds. It will not be permanent. It will kill the grass and they do not have to call to make sure they don't hit any power lines or worry about that kind of thing. If they move the beds, they would replant the grass. Votca stated the question to the City is if they want to waive those assessment amounts for them to purchase it for that price. If they bought it for \$100 right now they would have to pay the special assessments unless the City decides they do not want to re-assess those assessments to that property. Enderson questioned if they purchase it for \$100 is the County going to tax them based on the purchase price. Votca stated it is based on the market value of the property so that purchase price is also based on the market value of the property. Mayor Ferrazzano stated they have waived assessments before. This is a different scenario and if the assessments are not waived, no one will buy them. Votca stated the main thing is this is a good use for that parcel. Mayor Ferrazzano suggested that if the one they want the most is on South Street. Everyone is on notice that three other properties besides the one they want to buy. That gives people an opportunity within the year to purchase those properties. Mayor Ferrazzano feels that for at least one of the properties and allow Graw to have the property for a year and no if no one comes for the other two and the Council can see what they do with the one they have, then they should come back in a year and then no one would have any problems with letting Graw purchase the other two lots. Graw stated their plan is to purchase property outside of town that they could move the community garden to if there was a business that wanted to put a business there. Motion by Cooreman, seconded by Enderson to waive the assessments for the property on 224 South Street. All voted in favor of the motion.

Jordan Burmeister from Geronimo stated the solar garden is on track. They are working to get some projects in in 2106, but some may go into 2017. Burmeister stated there was a water line that goes diagonally through the property and their thought was to re-route that around the property.

Votca stated that when they originally signed this GESP work order the contract would expire the end of January 2016 and they switched companies so GESP was off track as they switched from TRANE to CTS. They want to extend the contract for a few months so they have time to finish up and have done most of their studies on lighting and mechanical systems. They need a little more time to finish up their work so they can present what their findings were in the studies and let the City know if there are things the City can implement to save energy and be more efficient energy wise. Motion by Enderson, seconded by Schons to grant the extension to CTS. All voted in favor of the motion.

Resolution No. 2016-1 is what Daniels talked about at the last meeting about mutual aid agreement for basically water and storm utilities. This would allow the City to enter into that agreement. Motion by Schons, seconded by Cooreman to adopt Resolution No. 2016-1 A Resolution Authorizing Governmental Unit To Be A Party To Minnesota Water Agency Response Network (MnWARN). All voted in favor of the motion.

Votca stated they have Brian Grogan from and they are working with Clarity which is Vast and they have gone back and forth a few times on exactly what they want in there. Once they have the final agreement done with Clarity, they are going to use that agreement as our negotiation with Charter. Negotiations were started with Charter and it was not making progress so Grogan suggested they work with Clarity. They have been making some ground with Clarity so extending this for Charter is the City's own doing that they have not come to an agreement with them. Votca recommends they give them an extension and by June they can have Clarity and Charter locked in on their franchise agreement. Motion by Enderson, seconded Schons to adopt Resolution No. 2016-2 Granting Charter Communications, Inc. A Franchise Extension Through June 30, 2016. All voted in favor of the motion.

Votca stated there was a change order to reduce the airport project by \$3,266.55. There were some items that did not have to be used and those were returned. They have completed all their work except for incidental items that they will have to do, but otherwise the significant portion of the project is complete. The City still has \$6,274 dollars in retainage. That will not be released until after the City is satisfied with all the clean-up that has to happen this spring. Motion by Enderson, seconded by Cooreman to Adopt Resolution No. 2015-24 A Resolution Approving Payment to Werner Bros. Inc. For Work Completed On Airport Lighting Project. All voted in favor of the motion.

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

Mayor Appointments included:

1. City Clerk/Administrator – Michael Votca
2. Deputy Clerk – Shane Daniels
3. Public Works Director – Shane Daniels
4. City Attorney – Matthew Gross from Quarnstrom & Doering
5. Fire Chief – Dale Johnson III
6. Assistant Fire Chief – Mike Erbes
7. Assistant Fire Chief – Tony Rolling
8. Weed Inspector – Barton Meyer
9. City Forester – Barton Meyer
10. Building Inspector – Shane Daniels
11. City Assessor – Lyon County Assessor
12. Civil Defense Director – Jason Lichty

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

Council Appointment included:

1. President Pro-tem (1 member) – Pamela Cooreman
2. Community Ed. Financial Advisory Board (1 member) - Tammara Schons
3. Planning/Zoning Commission Member (1 member) - Pamela Cooreman
4. Economic Development Authority (2 members) –Tammara Schons & Kurt Enderson
5. Attorney Meetings (2 members) – Pamela Cooreman and Stephen Ferrazzano
6. Hospital Advisory Board (1 member) – Stephen Ferrazzano
7. Labor Management Committee (2 members) Stephen Ferrazzano and Pamela Cooreman
8. Wheels Across the Prairie Museum (1 member) Dale Johnson Jr.

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

Motion by Enderson, seconded by Cooreman to establish the time and place for Council meeting to be 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 Schons, seconded by Enderson to establish the Headlight Herald as the official municipal newspaper. All voted in favor of the motion.

Motion by Cooreman, seconded by Schons to establish 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.

Votca introduced the new City Attorney, Matthew Gross from the firm of Quarnstrom&Doering. Gross stated he talked with Votca for a bit about projects in the City. He stated he has been

practicing Municipal Law since 2010 in Marshall, Cottonwood, Lake Benton, and Ivanhoe and so is somewhat fluid with the workings of the City. Other partners in the firm have over 25 years as well. Gross stated he is not sure what the practice has been in the past and know that F. Nielsen attended all meetings and would like to know if the Council would like to keep that practice it is fine with him as well or as an as needed basis to attend meetings. If there are any questions the City can contact his office. He will try to respond to e-mails and phone calls within the day. If it is an emergency, his staff can be contacted as well or call his cell phone. Mayor Ferrazzano felt that if he could come down once a month that would be good. Votca stated that when they do the Agenda packet the information is given to him ahead of time so if we need his opinion or need him present.

Votca said they have received donations from the United Fund for the Multi-Purpose Center and Aquatic Center. The City appreciates them giving donations to help run the City.

Mayor Ferrazzano stated that one of the high school classes had to contact a politician and ask them questions. One of the questions was about plowing on the south end of town on Center St. by Youman. The e-mail stated it seems like they are always the last one to get plowed. Daniels stated the route has always been that way. Mayor Ferrazzano stated that maybe they could change the route every once in a while.

Mayor Ferrazzano stated another one question was and actually had a couple about the VMC. There were a number of kids that e-mailed him about having it open for open rec. for kids to play basketball and things like that, especially in the winter. Mayor Ferrazzano asked if they staff it or not. Votca stated that ideally if they had a volunteer that would donate time it would work really well. He would like to see more community usage of the VMC in general. Mayor Ferrazzano asked if they are charged to use it or just walk in and use it. Votca said they need to establish what the fee schedules this year for the VMC. There are some groups we charge on a regular basis like Home School and the School itself, but really established fee if you want to have a wedding dance, etc. Mayor Ferrazzano suggested starting off like twice a week during certain hours the VMC is open to play basketball. Votca stated that in the winter there is basketball practice in the gym until about 6 pm – 6:30 pm. In the morning around 8 am there are 5-6 gentlemen that come and walk and throughout the day people come and do laps around the gym. Mayor Ferrazzano suggested they should look into having set hours at least once a week in the winter. Maybe they can work something out with the school.

Mayor Ferrazzano said the other e-mail he got was about litter. About how sometimes it is not enforced enough and looks dirty around town. That is a never ending battle and there is not much else that can be done. He wished there was something they could do about vandalism in the parks, etc.

Anderson asked if there was any new information about the hospital. Mayor Ferrazzano said they are very close to closing the sale of the hospital. He said they needed to get an easement for the property they still have and how they needed access to a building. Votca stated there next Council meeting is January 25 and they said they could maybe get it done by that day.

Anderson stated he was also asked about the City Charter Committee. Votca stated that is a task that he needs to work on with Matt Gross.

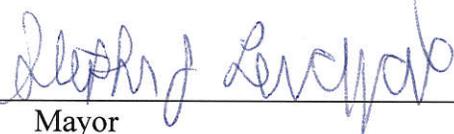
Mayor Ferrazzano stated they need to do Votca's review. Votca stated that could be done next meeting also.

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

ATTEST:



 City Administrator



 Mayor

January 25, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 25, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K Enderson, D Johnson Jr., P. Cooreman and T. Schons. Also present was M. Votca, City Administrator.

Pledge of Allegiance was given to the flag.

Motion by Schons, seconded by Enderson to approve the minutes from January 11, 2016. All voted in favor of the motion.

Additions to the agenda include 9-E Correspondence from Jason Jones, 284 Emory St. 10-C Liability Coverage Waiver. Motion by Cooreman, seconded by Johnson to approve the agenda as amended. All voted in favor of the motion.

No Public Comments.

V. Quist, Head Librarian reported the Adult Winter Reading Program is underway. There are about 55 people signed up so far and it is not too late as the program will continue through the month of March. Last Thursday, January 21 they began the weekly open lab computer classes. They will continue to offer this every Thursday from 2 – 7 pm as long as there is interest. Rob, one of the library staff members, is teaching the class and is being paid through Marshall Adult Basic Education. The Yosemite National Park program with Marlin Meyer that was scheduled for January 16 was rescheduled until the 23rd due to the cold. Quist stated that on February 20 at 1 p.m., local author Colleen Gengler will give a presentation about the book “Under Minnesota Skies: John and Dorothy Hondl Family History and Farm Memories. Which she wrote with her sister. The year-end circulation was 23,492 which is up from 22,736 last year. This is preliminary and does not include inter-library loan or eBooks/audio books (last year was 722). Quist said she should be receiving that data from Plum Creek soon.

D. Johnson, III, Fire Chief stated they hit the time right this year and got some ice water rescue training done. Annual physicals were just completed in the last week. On February 18 they are hosting a nationally known speaker for a three hour seminar on Fire Fighter Safety, Staffing Issues, Communication, and Size up Strategy. This speaker travels in the U.S. and other countries and does speaking on these issues for fire service. Tracy was able to go together with Walnut Grove and Marshall and getting a grant. They will be hosting that here at the fire station. Johnson said that last September an ISO rating was done. ISO is one of the companies that insurance companies use for helping to determine rates for insurance. They had to inventory all the trucks, re-inventoried everything and fill out lots of paperwork was completed. Himself, Votca and Rolling met with them in the morning and did some interviews in September, providing information and documents regarding training, equipment testing and certification of equipment, personnel issues, and different emergency communications. In the afternoon he and S. Daniels met with them. Daniels provided the water supply information for the City and they also did a community risk reduction format for the community. The ISO rating has been at a five for quite a few years. They did improve from a five to a four. Speaking with the City’s insurance company just for the building insurance alone, a year in Tracy should save the City buildings about \$2,000. They also took the time to fill out a Hauled Water Report which benefits everybody within a five mile radius of Tracy. They did a Hauled Water Packet which was a rather thick packet and had to find a number of buildings within a five mile radius of Tracy and fill out the amount of water, training and things like that. They got rated at a seven which is about the highest you can get in a rural community. In the next year if anyone uses an insurance company utilizes ISO will see a large saving on their insurance.

Johnson stated their SOGs which go to together with the City Handbook. The SOGs are Standard Operating Guidelines that are specific for the fire department. The department had a HR before the City had a handbook that the department fit under. In 2012 there was a handbook made that fit the fire department as well, so the SOGs were developed back then.

J. Lichty, Police Chief asked if there were any questions regarding his reports. Last year was the first year he did the Fuel Mileage Report. Activity Reports for November and December 2015 are enclosed. Officer Gehrke continues to do Truth About Drugs at the Elementary School every week on Fridays. Lichty said all the grants for 2016 were re-approved.

S. Daniels, Public Work Director reported that the bolts are failing in the floors of the filters in the water plant are allowing the sand to get through, causing increased iron in the water. There is a bottom that sits on the concrete floor and then there is another false floor so above the false floor is where all the sand media sits and then diffusers that are to prevent the sand from going through. The sand is all underneath that floor now. The bolts are rusting out on the floor that holds the floor in. Daniels contacted a contractor who stated that this is a common problem with this style of filter. His fix is to get rid of that false floor altogether and put in PVC grid to capture the filtered water than have the diffusers in the PVC pipes. The other alternative is that the floor has about 250 bolts that hold it in and they would have to try re-welding every one of them. He has not had a chance to talk with Votca about finances. They are looking at \$49,000 for parts and \$25,000 for labor to fix the filter with the PVC grid work. The contractor is going to come down sometime this week to look at it. Daniels stated he asked him about the bolts and his response was that no one really does that. It depends on how much financing there is. Mayor Ferrazzano asked that Daniels discuss this with Votca and have it on the agenda for the next meeting. The filter company is not licensed engineers and would have to have I&S sign off on their plan. It also has to be submitted to the Department of Health. Votca asked how much life-span they would get from the new system. Daniels stated the media itself 20 years easily. He did not say anything about the floor but Daniels feels it is a lot longer than that because it is plastic incased in concrete. They actually pour about one and one half feet of concrete in the bottom of the filter. The other problem they have with these filters is Public Works coated the whole inside of this but underneath filter it is sealed bottom and there is always moisture under there and you cannot coat it.

S. Lau, Liquor Store Manager was not able to attend the meeting tonight. Votca stated the only issue at the liquor store right now is that one of the furnaces failed and the other furnace is not working that well either. Mayor Ferrazzano asked if they need to be replaced. Votca stated that one got replaced and the other one will need to be replaced if it is used very much longer.

Votca reported the Airport Project has been completed. The Council discussed Open Gym at the last meeting. He talked with Bill Tauer briefly regarding open gym. Tauer stated that the high school has open gym on Sundays. Votca will follow up with him to see if further open gym is needed and if so the VMC could be used.

On the Charter Commission it was asked at the last meeting and he is recommending they open that up as seven members are needed. There are two that are current. There is something they have to do with the district court to get all that finalized. Votca stated they will start advertising for the open positions.

Votca reported the City has a few annexation issues as there are quite a few things going on that require annexation of land. The first is the annexation of the Fultz land that is to be used for the stabilization ponds. After discussions with Lyon County Zoning coordinator, our engineers and other people, they are recommending the City annex in that piece of Fultz's land that will be used for the ponds. It helps with the zoning and it will be put in the City's jurisdiction. Votca said he has discussed this with Monroe Township about that one and they do not have any issues with that. The second thing is there are people at the Murray County Hospice that are discussing purchasing a piece of land owned by Larry and Bonnie Buysee just north of the Nursing Home. They would like this to be annexed into the City so they can get utilities provided to them. They could be starting this project as early as this spring. Votca stated this should be discussed with the Township about and see if they have any issues with it. The third piece of land the Council should discuss is the compost site now that it is contiguous with the City and if they are going to be doing all this annexing of land we might as well get that part of it done. The last thing is when they annexed in the Dollar General piece of property it caused some issues with road maintenance on Highline Road going north. The need to write language to get that so the City owns that road up to the end of whatever the Dollar General property is. The City needs to have and informal agreement with the Township that the City will maintain that road, but would be

beneficial to have an official agreement. Mayor Ferrazzano stated it would also be nice to have it paved as now it is just gravel. Mayor Ferrazzano stated there are reasons that all four properties should be annexed in so it would be a matter of talking with Monroe Township and getting it squared away. Votca stated that he will have the City Attorney start drafting something so the Council can take action.

Shannon Sweeney, David Drown Associates, Inc was present to discuss and Engagement Letter which is regarding Municipal Advisor Regulations. They are financial advisors for municipalities, counties and townships. Enclosed in the agenda packet is material with regard to the re-finance of the 2010 Bonds to finance a housing project in the City. Those bonds have principal payments through 2042. They have been monitoring this issue for about one year now and they had looked at the process of re-financing last spring and interest rates started moving in the wrong direction so they decided to wait a little while. There was a triggering resolution that was adopted that they would proceed if the City could save \$75,000 in interest. Sweeney did not think the market was ever close enough to achieve that until now. Pricing the last month or so they have seen interest rates going down for municipal finance. When they looked at it last week they thought net present savings were about \$94,000. Sweeney feels this is a healthy level of savings that deserves consideration by the City. That net present savings of \$94,000 is what they would call gross savings of \$135,000 over the life of that issue. Between now and 2042 your payments will be \$135,000 less. What that means in today's dollars we discount that because a dollar in savings in 2042 is not worth a dollar in savings today. There has been no additional municipal sales in Minnesota in the last week and have not updated pricing since last Tuesday but confident they are in the same vicinity. If the Council decides to move forward there is a process to do this. Sweeney stated there are a couple Engagement Letters for the Council to consider and an updated resolution providing David Drown Assoc. with the flexibility to try to price something or essentially strike a deal with an underwriter between now and June 1, 2016. Sweeney feels it would happen a lot quicker than that but they are giving themselves a window to act if they intend to move forward. If authorized to do so they would start the preparation and official statement tomorrow which is a document that used to market the sale of bonds. That official statement goes to a credit rating agency that issues a credit rating for the City. In this transaction the only risk they have is associated with the credit rating. They are hiring an entity out of Chicago, Standard and Poor's, to review financial information on the City and provide us a credit rating and that credit rating costs approximately \$9,000. Once they go through the process they will pay 2/3 of that cost whether or not they do a transaction. Sweeney feels they are very likely to transaction other they would not be advising the City to proceed. With the triggering resolution the day they have the credit rating in hand they can begin negotiating the final rate and term with an underwriter. They would do it within a couple days of having that credit rating. The window for something to go wrong would be as narrow as you could possibly make it. They have not had anybody eat a credit rating yet and so do not intend to see Tracy be the first. If they see things moving in the wrong direction, they would halt all progress immediately and report back to the Council. Anyone involved in the transaction is only compensated if there is a transaction. If suddenly thing go in the wrong direction, the City would never see an invoice from David Drown Assoc. for the preparation of that official statement. They only get paid if they close on a satisfactory transaction where the City is saving money. Same is true for the underwriter that is the two Engagement Letters that they have. The underwriter is R.W. Baird and headquartered in Wisconsin but a very active purchaser of municipal bonds in Minnesota. Motion by Enderson, seconded by Johnson to adopt Resolution No. 2016-4 Resolution Approving the Issuance Of Up To \$1,240,000 G.O. Bonds, Series 2016A Subject To The Approval Of The Mayor And City Administrator And Ratification By The City Council. All voted in favor of the motion.

Mayor Ferrazzano said there is a letter in the packet from Tracy Area Public Schools regarding the VMC Revitalization Project. What the school is willing to do is replace the existing floor with a wood floor, replace the west bleachers with new bleachers, repaint the interior of the gym and install acoustical panels in the interior of the gym. In exchange for that they would respectfully request that the school not be charged rent for ten years. This would be from July 1, 2016 through July 2, 2026. Votca stated they pay the City \$17,500 in lease per year so that would be \$175,000 of revenue the City would give up for the next ten years. Votca stated his concern is the maintaining the gym still costs money and maintaining the wood floor is going to cost the City a significant amount, more than what they are spending on maintenance right now.

Council adopt this policy to help us recruit and retain quality Aquatic Center Staff. The City Council is in favor of this policy.

The Council received a letter from Jason Jones about the house on 284 Emory Street. Votca said the Council had decided to tear down the house at 284 Emory Street. The house has not been removed yet. There have been quite a few inquiries and Jones is not the first person who has asked to look at the house in the past couple months. Jones is the first person to be serious enough to send a letter to ask the Council to waive the assessments. Votca states he has been in that house numerous and Daniels has been in there several times also. It should be torn down but if someone put a lot of effort into it they could put it back on the tax rolls and the City would have a house that has tax value. If they tear it down, there will be an empty lot that would probably not be redeveloped and less tax value. Votca stated he is not recommending either way, and just want to give the Council the information. The sale price would have to be \$2,000 if he buys it at the County. The property has \$540 extra assessments that would go on that property from last year's mowing. Jones came here from Colorado and looked at the house. His son goes to Southwest State so he wants to have it as a place to stay close to where his son is. He is a contractor and said he can fix it up and make it a house again. It would be beneficial for the City to fix it up but also the Council has decided to tear it down. Enderson stated that part of the decision to tear it down was because the foundation was not good. Votca stated he feels that if the decide not to waive the assessments and he will not pursue this further and then in a month or so when Kendall Cooreman is ready they will tear it down. P. Cooreman stated the reason it is not torn down yet is because if the fact there was someone that wanted to buy it. The main thing is they can get it for \$2,000 and he does not know how serious some of these people are to fix it up. Enderson asked if they have already approved the demolition contract. Votca stated they agreed they would accept that proposal from Kendall Cooreman. Mayor Ferrazzano felt he does not think they want to be in the practice of a City awarding jobs and saying you are not doing it now. He feels this is a bad precedence. If they it was sold and the person did nothing to it, then he is responsible for the demolition. Votca stated they could agree to waive the assessments but has to fix it and meet the City's building maintenance code and then they could waive the assessments forever. If he does not get it up to code in one year to two years, then the assessments goes back on. Mayor Ferrazzano felt this sounds fair but does not like awarding jobs to people and now you are not going to do it. Johnson asked if there were people looking at this house before it was put up for demolition. Votca stated these people asked about the house after they had already decided to demolition it. Votca also agrees but someone offers something to the City Council he has to bring it to them. Enderson felt they should stay the course on this one. Mayor Ferrazzano stated that Jones is asking to have the assessments right off the bat, but if Votca would go back and tell him the assessments would be waived but he needs to do "X" amounts of things in a year and a half and if not done, nothing will be waived. Since Jones has a limited time to get this done and with him living in Colorado he probably would not accept it. If the City tells him has 30 days to respond and if he wants these fees waived then here is what he would need to do. Votca stated they will send Jones a letter with all the violations he has of the housing code. Daniels stated in situations like this he has done phases such as was done on 72 Morgan. They had to have the exterior done by a certain date and then total completion by a certain. D. Johnson, III agrees with what the Council but feels it is absolutely wrong to take the contract back from Cooreman and the City is still liable to pay Cooreman that money. If Jones is wanting the house that bad he is going to be wanting to live in it sooner than three years. He could be told what the deal is, the City will waive the assessments and he has one year, but he has to give us a check for the demolition. The City will escrow that money and if in one year January 15, 2017 or before that it is completed it before the escrow money will be given back to Jones and if not the money will be used for the demolition. Mayor Ferrazzano said they should meet with Jones and give us his answer by the next Council meeting.

Votca stated the Ordinance Granting a Cable Television Franchise to Clarity Telecom, LLC is the first reading for an ordinance. There would be a public hearing at the next meeting to discuss this. Votca has provided a summary of the ordinance for the newspaper. If this ordinance is accepted by Clarity then they would present the exact same thing to Charter. Mayor Ferrazzano questioned the issue of having an office in the City. Votca stated it is on page 32, 13.6. Schons felt language regarding how often they empty the payment box should be included. Clarity does have an office. Motion by Cooreman, seconded by Schons to waive the first reading and authorize the Summary of the Ordinance for publication. All voted in favor of the motion.

The Agreement for the Sale of the Hospital was reviewed. Mayor Ferrazzano said this is what they had discussed all along and he hopes this is agreeable to everyone so it can be finalized next week. Sanford is getting rid of the City's one debt that we had with them for the expansion of the hospital. They are going to pay back half of it over the next schedule of payments. The City is forgiving their lease payments for the rest of the lease. Mayor Ferrazzano stated the sale would take care of the lease. Votca stated the only thing that is new since the last time this was discussed that Sanford wants to do a mutual access and maintenance which would deal with the property surrounding O'Brien Court. They need to have access to operate the hospital. That easement would have to have EDA approval. Motion by Cooreman, seconded by Enderson to enter into the agreement to sell the hospital to Sanford and hopefully have the closing by next week. All voted in favor of the motion.

Votca stated that every year the City receives the Liability Coverage Waiver from LMC Insurance Trust and they ask if the City wants to waive the monetary limits on municipal liabilities in the Mn Statute or not. Every year that he has been here they have done "does not waive". Motion by Schons, seconded by Johnson to not waive the monetary limits on Municipal Liabilities. All voted in favor of the motion.

The Consent Calendar consists of: Municipal Accounts Payable, Tracy Economic Development Authority Minutes for December 17, 2015 and Tracy Relief Association Minutes for December 5, 2015. Motion by Schons, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

Cooreman stated that someone called her and asked about Bingo at the Multi-Purpose Center. Votca said basically they were playing Bingo there and it was brought to his attention that he should look into exactly how that game is being played. He did look into it and basically they need a Senior Citizen Group or some other group that has a gambling license to run that for us. If they are a Senior Citizen organization that is the easiest way so Claire Hannasch the president of the Multi-Center Board is going to talk with the Golden Age Club and see if there is someone out there that will be the manager and run the gambling for us at the Center. This was discussed at the last Center meeting and have a solution to get back in action. Enderson stated that he had a concerned citizen call him also about this and wondered why it was considered gambling as there was no money changing hands. In Minnesota, Bingo is a legal form of gambling that has to be done under a licensed group. There is some sort of payment to the City for the game and then the Center has some sort of prize for it. Votca said that if you bring a prize and get a prize then you paid and got something in exchange.

Enderson stated he has had a couple people ask about the downtown alleys. Votca stated they have been working on this and feels they need to get a little more serious about it. Votca and the Police Chief have talked to the property owner.

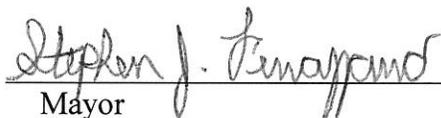
Votca stated the Payment Service Network is up and running, so residents can start paying their utility bills on this system. It is on-line billing, paperless billing and should be easier for the residents.

Motion by Schons, seconded by Cooreman to adjourn the meeting and have a closed session to do Votca's review. All voted in favor of the motion.

ATTEST:



 City Administrator



 Mayor

February 8, 2016

The regular meeting of the Tray City Council was called to order at 6:30 pm, Monday, February 8, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K. Enderson, D. Johnson Jr., P Cooreman and T. Schons. Also present was M. Votca, City Administrator.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Thor Burntvedt.

Motion by Schons, seconded by Johnson to approve the minutes from January 25, 2016. All voted in favor of the motion.

Additions to the agenda included 13-A Tracy Public Schools VMC Proposal. Motion by Enderson, seconded by Cooreman to approve the agenda as amended. All voted in favor of the motion.

There were no Public Comments.

Votca said at the last meeting this discussed the property at 284 Emory Street Special Assessments. The City was going to make this offer to Jason Jones to have him put \$8,000 in escrow and he had to complete the phases of his project to get it up to code before the escrow money is released back to him. Jones responded back to the letter that S. Daniels had sent him and it sounded like the timing would work out and Jones would like to close on a house in Denver in March and have the funds available to put in escrow and start working on the house in April. Enderson asked what was decided on the assessments. What Jones is basically asking is to forgive the assessments. Enderson stated he has had numerous complaints about that house and wonder why it is still there. It does not have a foundation just field stone. Cooreman stated that she also received a call today. Enderson feels the City needs to get rid of the house. Schons stated they made Jones this offer and he accepted it. Enderson stated it is not a solid old house but it is just a rickety old house. Enderson asked if he is going to raise it and put a basement under it and what are his plans. Votca stated that to live in a house it has to be compliant and in the letter Daniels sent a copy of the City's property maintenance code. Jones has been to the house and knows what shape it is in. Votca stated he said he was a general contractor and he does not have any proof other than what he said. Votca said a good house on that lot is better for the tax base than an empty lot. Mayor Ferrazzano questioned Enderson is that he bit off more than he could chew and do not see the feasibility in what he plans on doing because it does not seem practical. Enderson stated that what he can see from the street is does not have a block basement and feels that it should be fenced off so that someone does not fall in there. Votca stated there is no entrance into the house from the porch. He said he has been in the house five or six times and it is not dangerous to go in the house. It is all stripped, no carpet, no nothing. It could go either way. Johnson questioned that if someone went to the County and bought the house today, they would be liable for the assessments. Enderson felt they did not even need to act on it and all he is asking the City to do is waive the assessments. The City does not own the house. Mayor Ferrazzano felt that for this, obviously for the tax base having an improved home is better than a vacant lot. How often does the City get these opportunities from people to come to Tracy and want to renovate a home? We want to work with people to beautify the town. Votca stated there is commitment from Jones and if he does put \$8,000 in escrow and know if he does not get it up to our basic code he is not going to get that money back. The hard thing is that someone owns that again and the City will not have the chance to tear it down. Mayor Ferrazzano felt that if they wait another two months to demolish it, if he does not come up with the money, he does feel that is an exuberant length of time to wait. Putting \$8,000 in is a pretty significant investment and if someone is willing to do that the City should give them the opportunity to do that. He takes it the first phase saying the exterior to mean the foundation. Votca stated according to Daniel's letter Phase 1 is restoring the structural integrity of the structure and the out-buildings as well by the end of the year. Phase 2 the interior has to meet the standards. Mayor Ferrazzano asked what they would do about the assessments then because if the Council says yes if he is willing to do this and put \$8,000 in but need to know before entering into the agreement if the assessments are going to be waived. Votca stated the

assessments are about \$4,000. Mayor Ferrazzano said they have never before had someone put money in escrow. Mayor Ferrazzano felt they should give her a chance to do it and if the money is not in escrow by April 1, 2016, then the City buys it and demolishes it. Votca stated they would want to draft up some type of agreement with Jones once the \$8,000 is received. In the meantime someone can go to the county and buy it. Mayor Ferrazzano felt that if he says he is only going to buy it if it is agreed to waive the assessments, is the City in the position to say that now. Motion by Cooreman, seconded by Schons to waive the assessments to this property on the condition that Jason Jones puts \$8,000 in escrow by April 1, 2016 and agrees to all the stipulations that he said he would agree to in his e-mail back to Daniels. All voted in favor of the motion.

A Public Hearing was called regarding Ordinance No. 326, An Ordinance Granting a Franchise to Clarity Telecom, LLC ("Clarity") to Construct, Operate and Maintain a Cable System in the City of Tracy, Minnesota Setting Forth Conditions Accompanying the Grant of the Franchise: Providing for Regulation and Use of the System and the Provisions Herein. Seth Schmidt asked what the franchise fee the City would receive from Clarity. Votca stated he did not have the exact numbers but felt it was in the \$17,000 range each year. Votca stated the City gets 5% of their revenue which the City has been receiving and as long as both franchises have the same thing in each agreement, which they will, Clarity will have to pay the City another set of money to have the peg channel. This money is to be used to upgrade the equipment to provide public access channel. The Public Hearing was closed. Motion by Schons, seconded by Johnson to adopt Resolution No. 326 and use the Summary of Ordinance No. 23 for publication in the local newspaper. All voted in favor of the motion.

Motion by Schons, seconded by Enderson to grant a request for Exempt Gambling Permit for the MWA – Shetek Prairie Chapter. All voted in favor of the motion.

Motion by Schons, seconded by Johnson to grant a request for Exempt Gambling Permit for the raffle at the Church of St. Mary for April 3, 2016, September 9, 2016 and December 18, 2016. All voted in favor of the motion.

The Local City Board of Appeal and Equalization date for 2016 is Monday, April 25 in Tracy. Votca stated there is a Council Meeting that evening so was wondering if they wanted to move it that before or after our Council meeting or how they want to proceed with that. Mayor Ferrazzano felt they should have it a week ahead of time and will have one meeting on April 11 and April 18, 2016. Board of Equalization will be held April 25,, 2016 at 7 p.m.

Motion by Enderson, seconded by Johnson to adopt Resolution No. 2016-5 Authorization to Execute Minnesota Department of Transportation Airport Maintenance and Operation Grant Contract. Votca explained this contract is for maintenance and operations at the airport. Every year they pay us 75% of any maintenance or operation that is done at the airport. They will pay the City 75% up to \$28,286. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to adopt Resolution No. 2016-6 A Resolution in Support of Increasing Local Government Aid in the 2016 Legislative Session. The CGMC has asked us to approve this resolution and send it to our Representatives to let them know that LGA is important to our City and constitutes a large portion of the City's revenues. When we get these increases that it allows the City to maintain our current services as well as work on some of our infrastructure and things like that. When LGA got cut last they took away one of the public works employees and if it got cut again that is probably what would happen and would have to try to make up that difference. Mayor Ferrazzano felt it would be a good idea once they get in session a couple of the Council. Dayton had put Tracy's wastewater project of things to be funded and let them know how important it is. Votca stated they are going to have to look at the sewer rates again and had looked at it a while ago it will not make the City go broke but does raise rates on sewer and water. It is something that impacts our citizens and if they can fund that through the taxes that our citizens already paid to the State of MN., that will take that burden away. Votca stated he tried to lay it out when he talked to MPR last month how long the City has been trying to get this project done. Mayor Ferrazzano hoped the legislature is receptive to water projects in light of what is happening in Michigan. All voted in favor of the motion.

The Consent Calendar consists of Municipal Accounts Payable, Municipal Accounts Receivable, Tracy Relief Association Minutes for January 4, 2016 and Planning/Zoning Commission Minutes for December 7, 2015. Motion by Schons, seconded by Johnson to approve the Consent Calendar. All voted in favor of the motion.

A letter was received from Tracy Area Schools in response from Votca talking with Anderson some of the maintenance things that we would need to do with the wood floor. Votca said he talked with Anderson and Tauer about their proposal and voiced concerns about maintaining the wood floor. He also stated he also discussed with them about setting some type of framework for this agreement because 10 years is a long time so there needs to be something in place to not allow the two parties to change their minds. Also to lay out some of the things such as it is the City's building and does the Council grant them authority to have the overall authority of how the projects are done. Enderson feels the Council does not need to micromanage what they are doing but feels the City needs to be involved. Cooreman asked if the concessions could be part of the maintenance. Votca stated that maintaining the floors would be \$4,000 a time and it could be done every two years. He feels there is still a lot of discussion that needs to be done and put together exactly how the agreement is laid out. Mayor Ferrazzano asked Votca if they discussed concessions because one thing he could conceivably say if they want to come back with 15 years instead of 10 years to say this proposal is okay, provided not only do they provide labor for the wood floor for the 15 years but the City gets a percentage of the concessions. Votca feels there are other ways for the City to capture some revenue to do the maintenance. They could have some agreements with businesses to advertise on walls in the facility to get some additional revenue to the City to pay for the extra maintenance that the City has. Another source of revenue the City will see in the next year or so is the revenue from the solar farms. He estimated it would be about \$18,000 a year addition revenue over what the City is getting for farm rent on that parcel of property over the terms of that lease. He feels another thing is to do some advertising. The City does not really charge many people to use the facility, and Votca feels they should look at their policy and how it is charged. Mayor Ferrazzano feels that the present agreement is fine but needs to have verbiage that the School pays for the labor ad supplies to do the wood floor. It would be for 10 years and not 15 years and the City would like to be consulted when the school does these various projects. Votca feels the City does not need to be involved in the bidding or the contracting or other things. Projects prior to being let out for bids the City receive a courtesy copy or consulted about the description of what the project is.

Johnson asked when the school wanted to get started. There was someone here looking at the facility so they can get the ball rolling and want to get started before fall sports start. Johnson stated the roof needs to be fixed first before the floor is put in.

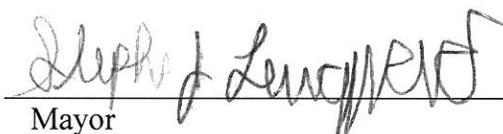
Mayor Ferrazzano said they are going to have some discussions about the liquor store and whether they put money into it or not or figure out an alternative site. He feels there are more issues than just the roof. Votca stated that the roof is not that bad. For some reason when they did the roof, they did three quarters of it and not the last quarter so there is a seam where the asphalt meets the rubber roof and that is where it is leaking. Votca feels they should have a Facilities Committee so they can start framing out what the costs are on facilities and this will bring questions of other buildings the City has and what needs to be done with them. Are there ways to consolidate space into buildings or move buildings to difference locations to solve some of the issues with facilities? Mayor Ferrazzano would like to get feedback from the public to the Council about what they think about moving the liquor store. He said from the reports the on-sale is not really doing that great. It is the off-sale that is doing well and if we move it to another spot. Enderson stated have gotten rid of their municipals. Votca states he has not had time to look into this. The State Auditor releases a report every year of all municipal liquor stores, on and off-sale and if you read that report, in general there are a few that have really good on-sale but the majority of the ones that make big profits are strictly off-sale.

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

ATTEST:



 City Administrator



 Mayor

February 22, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 pm, Monday, February 22, 2016 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 M. Gross, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Thor Burntvedt.

Motion by Schons, seconded by Enderson to approve the minutes for February 8, 2016. All voted in favor of the motion.

A deletion to the agenda was 9-B Murray County Hospice Request and an addition included 11-C A Resolution Calling Hearing on Improvement. Motion by Cooreman, seconded by Johnson to approve the agenda as amended. All voted in favor of the motion.

There were no public comments.

Chris Larson from ISG was present to discuss the 4th Street & Morgan Street Improvements Corner Lot Assessments. Larson said the assessment calculator spreadsheet there is a link broke for corner lots and not all corner lots did not properly recognize some of the corner lots. The lots are listed in the letter. The link was broken such that is was not correctly counting if they had water or sewer service and was under assessing them. Most of them were under assessed by about \$2,000 and there were a couple at \$400 and a couple for \$4,500. Since they are on corner lots there will be a subsequent improvement with the other adjacent street so the Mayor, Votca and himself discussed this proposing to just make that correction at that time. Larson said if they were assessed for a half a unit but they should have been assessed for one will make up the other half on subsequent project. Mayor Ferrazzano had the idea instead of reassessing everyone the way it should be. Larson had indicated that the side lot was only supposed to be assessed as a half, but any subsequent projects on that side lot should no longer be assessed at the half and should be assessed as a full unit, the corner lots were not assessed properly this time around. Larson stated the water and sewer connections were assessed as each and everyone got the same rate. The only difference would be on a corner lot, only if you had water on both sides, there was a 50% discount for the side lots.

Mayor Ferrazzano is interested in people's thoughts if this is fair or goes back and re-assesses the ones they made mistakes on. He said he did not want to vote on it since his property is on there and that is why he wanted to check and see what other people think. Whatever the Council decides is fine by him. Larson stated it was a mistake that ISG should have caught. Enderson questioned that what they wanted to do is wait until there is a project on the other street. Mayor Ferrazzano stated that he was bringing up a proposal, but if the Council does not agree then they should reassess the whole thing. Enderson felt they should refer this to the City Attorney and have this reviewed and table this. Schons stated that where her property is on 5th and Morgan, so if Morgan Street was approved, why does it affect 5th Street? Larson stated that it does not yet. All corner lots whether both sides were included in the project; they looked at the lot so it would be consistent with the next project. The longest side is defined as the side lot. Every side lot got charged 0.50 of a unit. Same may have had improvements on one side and it may have been their side. Votca stated the side lot is determined by the longest side of your parcel of property. If the long side was on Morgan Street it would be at 0.50 units where if it was on the 5th Street side it would still be discounted as it is not the main yard. Larson said the link only affected the corner lots so when the 5th Street project happens that is the opportunity to make up for it. Mayor Ferrazzano stated his short lot is on 4th Street and the long lot is on Harvey. There was no work done on Harvey. What happened is that he was not assessed properly for sewer and water on the short street. So when Harvey or 5th Street get done he would be assessed 1.0 Unit like they are getting hooked up to sewer and water even if that does not happen. Enderson understands what is being said and does not feel a lot of people will be happy with that idea. He feels that it should be corrected properly. Schons asked what process it would take to get it reassessed. Votca stated it is going to the whole process. They will have a public hearing and

come up what the change or if it is an additional assessment to each property. Larson stated only the affected properties would have to go through the process. Schons questioned whose mistake this was in the first place. Larson stated it was their mistake. Schons asked if they paid for the lawyer fees and that kind of thing to get it corrected. Larson stated that if there are additional costs they will work with the City on that.

Larson stated that with the upcoming project for 2016, there were on 2nd Street East, they were initially not going up to Highway 14 when the whole assessment process started last year and through design they learned of some rogue services on a couple properties on Hwy 14 that snake back and need to go further north to get them connected. Since those properties were not included on the initial notice and resolutions and they need to amend to get those included.

S. Lau, Liquor Store Manager reported that the January sales were down quite a bit from last year and the only thing she can think of is there are two new liquor stores in the area, one in Marshall and one in Slayton. She has discussed with Votca that on slow nights at the bar, closing earlier like right after off-sale closes. Votca said they had talked about the off-sale is open till 10:00 pm it is not costing extra labor to operate the store but on certain nights after 10:00 pm on the on-sale side it can be labor sitting there with no customers. Lau questioned if they should have specific hours. Schons felt they should have specific hours so people know when the store is open and when they are not open. Votca there are only a few nights like when they have dart leagues and different leagues. Lau said darts are every other Tuesday night. Cooreman felt they should stay open every Tuesday night to make it less confusing. Lau said Monday nights are very quiet after 8:00 pm. Johnson asked Lau if she could put a list together of what she thinks the hours should be and the Council can take a look at it. Lau stated that initially she thought of closing early on Monday, Thursday and Saturday. Without darts it is usually quiet by 8:00 pm or so. Mayor Ferrazzano feels that every other Tuesday would be too confusing and feels that to start off to save money. Schons stated that some just sent her a message on her phone and felt they should be closing the liquor store. Mayor Ferrazzano stated the immediate question is about limiting the hours. He fees the days they proposed would be fine.

V. Quist, Head Librarian wanted to discuss tonight the construction of the locomotive for the children's area. The plan was drawn up a few months ago and this will give a little seating area for the kids as well as four additional book bins. The plan is to put it in front of the current book bins in the children's section so it will look like those are the train cars. Quist felt this come under the threshold needed to get approval from the Council to use donated funds. She brought this to them anyway and get the authority to move forward and use donated funds. She would like to have it done before summer reading starts and possibly hold a naming process for it. On March 14, 7:00 pm the library will be hosting authors Ern Hart and Paddy O'Brien for a book reading with some Irish music. Tracy Reads will be coming up in April this year.

J. Lichty, Police Chief presented the January Activity Reports which is a slow time for the department. The numbers that are there is actually average as far as Januarys go. Lichty stated the two initial tasers they purchased five years ago are at their five year use of service. He will be replacing and upgrading them soon.

S. Daniels, Public Works Director asked if there were any questions regarding his report. He talked with the League and as far as the filters go, they are going to replace to bring it back to what it was before the floor failing. Any upgrades the City would have to pay the difference if they wanted to put a new floor in they would not pay for that but they would pay the difference between the original and the improvement. Votca stated the engineers are looking at that now to see what the recommended course of action they need to take. Daniels stated they started getting lawnmowers ready for spring.

M. Votca, City Administrator stated the local board of appeals and equalization for the City of Tracy has been set for 25 April, 2016 at 7:00 pm in the Council Chambers and this will be instead of the normal Council meeting in April. Votca said he has one annual review to do. During these reviews, he has iterated his goals for 2016 and we are set to work on our goals for the coming year. The staff has been preparing for the annual audit. The preliminary audit was done on 13 January 2016. He and M. Peterson attended a training session with our auditing firm,

Abdo, Eick and Meyers on 22 January to improve our accounting capabilities and better prepare our annual financial statement. The staff is preparing for the annual audit and our auditing firm, Abdo, Eick and Meyers will be here 29 February starting the final prep and will be able to see a report sometime in March or April. Votca attached a report showing the vacancies they have for all the boards and commissions as of March when the seats come vacant. He will start advertising those and so far since the last meeting he has one application for the Youth Advisory Council and there is a new vacancy on the EDA. They have been holding an application from Tony Peterson for almost a year. All the other seats there are no applicants and all the people going off of the boards were sent a letter and application if they want to reapply.

Votca said the on-line payments have started since the last meeting. There are two new ways to pay utility or any city bill. The first is the ACH transfer from your bank to the City's bank. There is also the new Payment Service Network on-line system. There were some kinks in it the first couple weeks and now things are moving more smoothly.

Mayor Ferrazzano suggested they make the appointments for the EDA and the Youth Advisory Board. The applicant for the Youth Advisory Board is Kaylee Moyars. Motion by Cooreman, seconded by Johnson to appoint her to the Youth Advisory Board. All voted in favor of the motion.

Motion by Johnson, seconded by Enderson to appoint Tony Peterson to the EDA Board. All voted in favor of the motion.

Christopher Sorenson representing Southwest Health and Human Services. Cindy Nelson the division director for Social Services is also present. Sorenson stated that Southwest Health and Human Services is a multi-county health and human services system. Included are Lincoln, Lyon, Murray, Pipestone, Rock and Redwood are formed under the joint powers act. Sorenson stated that they have been discussing some small site options that would be very helpful to our consumers. There are advantages of having the six county main locations. But not always as easy to get to in particular areas. They have been thinking about this part of Lyon County and Redwood County, Walnut Grove specifically to see if there is a location that is doable. They have had interest in a property in Tracy last year and it was sold before they were ready. Consumers in this area will have to borrow or get a lift to get to Lyon or Redwood. Sorenson stated that for some of the services they provide it does make any difference where we are. If there does an eligibility worker that is in Tracy vs. having a consumer have to travel 20 minutes. The other things are the availability of other services such as WICK. Sorenson said they are looking for a property to lease. He has a meeting with the superintendent of Tracy Schools this week just to look at space possibilities and discuss potentials for client base also. Sorenson stated that one of the things they plan on doing is they would want to explore the community more deeply in terms of their specific interest.

Shannon Sweeney stated they were recently working on the refinancing of the 2010 Bonds that were issues to finance housing projects in the City. As they go through and prepare sale documents they review outstanding debt and they found that the 2008A Bonds have just passed their first call date, so they can be prepaid, refinanced or left along. They took a look at if it was refinanced at current rates. There are six years and maturity totaling \$1,105,000 on that issue and based on current market conditions they projected present value savings of about \$45,000 if they refinance those remaining six maturities. It would reduce payments of about \$7,000 a year over the next six years if they chose to refinance now. David Drown Associates, Inc is undergoing the process of purchasing a credit rating for the 2010A Bonds. They are paying a fee to Standard and Poor have in order to update the City's credit rating to refinance this issue. They can add this issue without any additional cost. IF the City would do more borrowing later this year on the wastewater project outside of Rural Development stuff, the City would have a similar opportunity then. If the City wants to proceed they use a triggering resolution similar to what was used before that identifies the present value in savings. The savings the City would have to achieve in order for the Mayor and City Administrator to be authorized to execute a bond purchase agreement. They are expecting the rating report on 24 February and expecting to price on the 2010 Bonds on 25 February and if the Council decided to move forward with this it would happen at the same time on 25 February. The Housing Bond could also be done on 25 February if the Council chose to do so. Motion by Cooreman, seconded by Enderson to adopt Resolution

No. 2016-7 A Resolution Approving the Issuance of Up To \$1,170,000 G.O. Refunding Bonds, Series 2016B Subject to the Approval of the Mayor and City Administrator and Ratification by the City Council. All voted in favor of the motion.

Motion by Cooreman, seconded by Johnson to adopt Resolution Ordering Preparation of Report on Improvement. It is proposed to reconstruct the street, sanitary sewer, water main, and storm sewer in the following areas:

1. Hollett Street from the alley west of 1st Street E to Center Street
2. 2nd Street from approximately 200 feet north of Long Green Lane to Craig Avenue E

And to assess the benefited property for all or a portion of the cost of the reconstructions, pursuant to Minnesota Statutes, Chapter 429.

All voted in favor of the motion.

A Public Hearing will be held on 14 March, 2016 at 6:45 p.m. regarding the Resolution Calling Hearing on Improvement. Motion by Johnson, seconded by Enderson to adopt Resolution 2016-9 Resolution Calling Hearing on Improvement with the date and time included in the Resolution. All voted in favor of the motion.

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

Mayor Ferrazzano felt that a person from the community be added to the composition of the Liquor Committee. He stated that he was in contact with a volunteer prior to the starting of the meeting. Members of the Committee shall include Mayor Ferrazzano, Dale Johnson, Tony Peterson, Sandy Lau and Mike Votca. Mayor Ferrazzano stated they need to set a time to meet. Based on getting text messages in the middle of a meeting saying we need to close the liquor store they should meet relatively soon. When the sales are not very good and when they are looking like that they need to start looking at what can be done to start maximizing the potential and if it means moving to Hwy 14 then that is something the Council should look at. Mayor Ferrazzano suggested they meet before the next Council meeting.

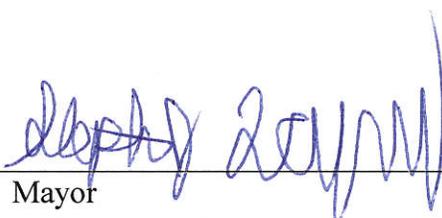
Mayor Ferrazzano had someone contact him about Bingo at the Multi-Purpose Center. Votca stated that Bingo is a legal gambling that requires a license to do it. He determined under his own advice that they were not following the rules. He stopped it for now and they are talking to the Golden Age Club. Clair Hannasch was supposed to meet with them and he would be asking them if they would run it under the rules of the State of MN Senior Group that has members and administer it to their members. Schons stated there were not paying out money when the people won Bingo anyway. Schons was wondering how Twin Circles and O-Brien Count are able to do it. Votca stated there are some exceptions and either they can have a licensed group like the VFW or whatever that has a license administered. Schons would like to be on the Multi-Purpose Center Board. She feels that this issue is important to our seniors and feels that it needs to be taken care of. Schons was appointed to the Multi-Purpose Center Board. The meetings are held on the 3rd Tuesday of the month at 3:30 pm. The next one is 15 March, 2016. Schons asked where the money goes when they serve the coffee and dessert and wondered why that could not fund the whole Bingo. Votca stated he will have the financials for review at the next meeting.

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

ATTEST:



City Administrator



Mayor

March 14, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 pm, Monday, March 14, 2016 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 were present via Skype. Also present was M. Votca, City Administrator.

Pledge of Allegiance was given to the flag.

Invocation was given by Youth Pastor Peter Cha.

Motion by Johnson, seconded by Enderson to approve the minutes for February 22, 2016. All voted in favor of the motion.

Votca informed the audience Cooreman and Schons were present via Skype. Cooreman is in Florida and Schons is in Hancock, WI. Both are available to the public. Enderson asked if the viewers could see the Skype screen. The camera was adjusted so both the television viewers and the audience could see a better view of the Skype screen.

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

During public comments Tony Peterson asked the council to take into consideration the fact there is a delay between the Skype participants and the live meeting; therefore, to give the Skype participants a chance, slow the meeting progression down.

Enderson inquired on better equipment. Votca said he continued to work on this and had quotes in his office if they wanted to see them.

Chris Larson from ISG was present to discuss the Feasibility Report for Hollett and 2nd Street. The scope of phase I of the wastewater project has expanded. Therefore an addendum was ordered to the feasibility study of the project. There have been three (3) more properties identified to be included extending the scope of the project. The project was to end at Long Green Lane but now it will go to Highway 14. This new feasibility study amends the feasibility report done last June to include these three (3) properties. The letter sent to the property owners explains why these properties had to be included and gives an estimate of what their assessment would be. The next step to get these three (3) properties caught up in the process is to have the public hearing which is scheduled for March 28th. The council will then decide to pass a resolution for the improvement for these properties to get the properties caught up with everyone else in the project.

Larson informed the council of receiving reasonable comments back on the Phase 1 plans and he anticipated getting the plans revised and sent back in yet this week. Larson is then hoping to get it out for bid sooner rather than later.

The Tracy Ambulance Service budget was presented for review prior to renewing their contract. Votca said it was very comparable to the previous year. Votca plans to meet with the Tracy Ambulance Service later in the year to discuss next year's fee as it may increase.

The Tracy Area Public School ISD 2097 VMC proposal response to us is asking for relief of twelve (12) years of our charges until 2028 to pay for the five (5) new improvements to our building. Schons asked if concession stand revenue were discussed to which Votca responded was not part of this contract discussion. Votca said he would have specifications for sealed bids for the new roof which would need to be done before any improvements were done by the next meeting. Ferrazzano said this would be a big improvement for the building and there would be a benefit to everyone. Schons made a motion to enter into the contract with TAPS ISD 2097 for relief of twelve (12) years rent charges in exchange for the proposed improvements, seconded by Johnson. All voted in favor of the motion.

Votca identified the four (4) pieces of property the Planning Commission is recommending to be annexed to city limits. They are:

1. Wastewater site including the non-tillable acres
2. Buysee owned property on east side of city limits from Highway 14 south to the north side of State Street
3. Compost site
4. Highline Road by Dollar General squared off

Wastewater site recommendation to annex all property purchased by the city for that project. Annexation will be so that the city can control that site.

The second property, Buysee property was discussed. Votca made the point that a portion of this property is being pursued by Murray County Hospice for development of a hospice house. The planning commission made a recommendation to annex the entire parcel owned by the Buysee family. The recommendation was made because the planning commission felt that this property would be further developed for housing. Votca also stated that he had a conversation with Larry Buysee and he indicated that they might be interested in selling the land south of Elm Street but not the northern portion of land. Tony Peterson addressed the council stating that the city limits are saw-toothed and feasibility studies have been done in this area. Annexation would allow the city to further develop the land. The council had a short discussion of the impact of this decision. The third property, the compost site plus the road to the site would be annexed in order to gain control over the property. The City Council was in favor of moving forward on the annexation of this property. The last property is the portion of highline road that was not included when the Dollar General property was annexed.

The city has been notified there is a change in ownership of the company that will build on the solar site in the Industrial Park. A request has been received for the approval of an estoppel certificate which an agreement is allowing the transfer of the agreement with Anteres Community Solar Garden to BHE Renewables. Motion by Schons, seconded by Cooreman to go into partnership with the new company instead of the old one. All voted in favor of the motion.

A request from Warren Riddell regarding hangar rent was brought before the council to pay the entire year up front for a discount to the cost of the rental. The council agreed to leave the rental cost as it was.

Votca presented the agreements and four (4) maps and outlining the easement and right-a-ways needed for the proposed project 2016 or Phase 1 of the Wastewater Treatment Project. The first map indicates the location of the two (2) 15' easements needed. Easement A is needed for sanitary sewer on the Cole Cooreman lot. Easement B is needed for the Storm Sewer on the Hollingsworth/Lerohl lot. The letters have been sent requesting the easements and there has not been any objection yet. The second map indicates the location of the second easement needed. This is a 10' easement with Geana Hamilton needed for the Tristan Larson service line. Votca has not heard from this property owner yet. The third map indicates the right-of-way increase on Long Green Lane. Currently there is only a 35' right-of-way on Long Green Lane and the city would like to increase this right-of-way to 50' in case of future utility improvements. Votca has talked to all three parties involved in the 9' right of way on the north side of Long Green Lane and the 6' south side right-of-way and they have all agreed. The parties who have these properties are: Vince Lanoue, Dave Kosse and Peter Bader. The fourth map identifies the 10' easement needed to run the storm sewer through a property owned by Kim Erbes. Mr. Erbes has not responded to the letter sent to him yet. Ferrazzano said only three (3) maps were included in the packet and requested the fourth map be included in the next packet sent out.

Motion by Enderson, seconded by Johnson to adopt Resolution Approving Sale by the EDA of the City of Tracy \$1,040,000 Housing Development Refunding Bonds, Series 2016A and allocating small issuer rebate exception authority. All voted in favor of the motion.

Motion by Enderson, seconded by Johnson to adopt Resolution Providing for the Issuance and Sale of \$1,120,000 General Obligation Refunding Bonds, Series 2016B and pledging security thereof net revenues and levying a tax for the payment thereof. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable, Fire Relief Association Minutes for February 1, 2016, Planning and Zoning Commission Minutes from February 1,

2016, Aquatic Center Committee Minutes for January 12, 2016 and the EDA Minutes for January 20, 2016 and February 17, 2016. Motion by Johnson, seconded by Enderson to approve the Consent Calendar. All voted in favor of the motion.

Sarah Willhite has applied for the position on the Planning Commission Board. Motion by Enderson, seconded by Johnson to appoint Sarah Willhite to the Planning Commission Board. All voted in favor of the motion.

Peggi Peterson applied for the position on the Library Board and Charter Commission. Votca said Peterson requested to remove her application to the Charter Commission. Motion by Schons, seconded by Cooreman to appoint Peggi Peterson to the Library Board. All voted in favor of the motion.

Rosemary Martin applied for the Planning Commission, HRA, Charter Commission and the Police Commission Boards. Motion by Enderson, seconded by Cooreman to appoint Rosemary Martin to the Planning Commission, HRA, Charter Commission and Police Commission Boards. All voted in favor of the motion.

Ferrazzano informed the council the sale of the hospital will take place on March 31, 2016. As of April 1, 2016 Sanford will own the hospital.

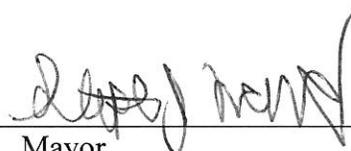
The Local Board of Appeals and Equalization will be held in the Tracy City Council Chambers on April 25, 2016 at 7 p.m.

Motion by Cooreman, seconded by Enderson to adjourn the meeting at 7:19 pm. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

March 28, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 pm, Monday, March 28, 2016 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 were present via Skype. Also present was M. Votca, City Administrator and Matthew Gross, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Thor Burntvedt.

Motion by Enderson, seconded by Johnson to approve the minutes for March 14, 2016. All voted in favor of the motion.

Votca informed the audience Cooreman and Schons were present via Skype. Cooreman is in Miami, Florida and Schons is in Hancock, WI. Both are available to the public.

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

There were no Public Comments.

S. Lau, Liquor Store Manager reported sales were down. Some of the reason sales were down was due to closure at 5:30 pm on February 2nd and all day closure on February 8th due to the weather.

V. Quist, Head Librarian reported another busy month. The Tracy Reads discussion for "*Lord Grizzly*" will be held on April 10, 2016 at 6:30 pm in the Twin Circle Community Room. All fifty (50) books purchased for the Tracy Reads program by the Keul's have been claimed so she is hoping for a good turnout. The first meeting of the new Robotics Club will be at 4 pm on April 18, 2016. This is a new club for kids 8 years of age and older. A grant from Sammie was obtained to purchase the kits used for this program. Advanced Health Safety & Security submitted an estimate for removal of asbestos pipes in the library basement. The price of \$3,680 would include removal of all portions of the pipe, both fiberglass and asbestos, and would take two (2) days to complete should the city want to move forward with this.

S. Daniels, Public Works Director passed a picture of the debris left at the compost site on opening day of the season. The engineers have submitted a report to the Department of Health for approval to be able to move forward with the filter project. Jetting has been done on the east side of town in the project area and televising starts tomorrow. Enderson said he had someone tell him there have been mice in the airport lobby. Daniels reports he believes the mice are coming in around a water line where it had sunk under the foundation. Poison was brought to the lobby last week to take care of the mice. As the foundation area dries up, fill will be brought in to close the area. Enderson asked if the custodian cleans there. Votca reported the custodian is there weekly.

M. Votca, City Administrator stated the local board of appeals and equalization will be held in the council chambers at 7 pm on April 25, 2016. This will be where a citizen can talk to the Local Board of Equalization and city council to discuss the value of their property if they feel it is not valued correctly. The new automated billing system with Payment Service Network has been up for a couple of months now. There are 159 registered users of which 63 have opted into paperless billing. ACH, automated clearing house is also offered and being used as well. Clarity has signed their franchise agreement and it is in full effect. Charter has received a draft version of a mirror image of the contract on March 15, 2016 with an April 1 deadline to respond. The hospital sale is scheduled to take place March 31, 2016 at 11:30 am. There will be a ceremony at the hospital. Votca updated the council on the council chambers automation. He had received a quote from AVI out of Sioux Falls for about \$19,000 and is waiting to receive a quote from Marco to compare the price to be able to move forward. The \$19,000 does not include labor. He stated this was expensive but it would improve the system so people could have online access and replaying of video on our channel at a later date could be done. Enderson asked about a

camera operator. He stated it would be fair to viewers to be able to see who is approaching the podium. Ferrazzano stated there have been problems in the past with people doing it. Votca said he could advertise and see if anyone showed interest.

A Public Hearing was called to order regarding the Hollett St and 2nd St Improvement added to Phase I Wastewater Project. Chris Larson from ISG handed out packets to those present for the public hearing. Larson explained an overview of the city's wastewater collection system issues. The original hearing called for full reconstruction of utilities (sanitary, water, storm) and streets that did not include the 200' north of Long Green Lane. During the design process, it was discovered a few rogue sanitary services would also need to be included. Three (3) properties have been identified. They are: 740 2nd Street East, 775 2nd Street East and 336 Craig Avenue. 336 Craig Avenue will just be the sanitary service because it needs to be re-routed to a different main. There will be an open house March 30, 2016 from 3-6:30 pm for specific questions on the project in the city council chambers. The city's assessment policy was used to calculate all the preliminary assessments for everybody else and also on the proposed improvements for these three (3) properties and lots of similar size. The estimated assessment for these three (3) properties is: 740 2nd St East \$12,100, 775 2nd St East \$11,800 and 336 Craig Avenue \$1,800. Elaine Fischer, residing at 740 2nd St E would like to appeal her assessment because she believes it to be unfair. Elaine's lot size is 100x135. Her neighbor directly to the north, Geana Hamilton, has an identical lot size and her assessment is only \$5,305.46 whereas Elaine's is \$12,100. Her neighbor, Luke Ostgaard at 713 2nd St E has a larger lot and his assessment is \$6,870.74. Elaine would like an explanation of why the large difference in amounts. Ms. Fischer also would like to point out this storm sewer project is involving the whole City of Tracy so she would like every taxpayer in town to pay a portion of this because we are all benefitting from it. She feels the people being assessed on the east side of town are taking the brunt of these costs and they will never get their money out of their houses or even be able to sell them because of the overpriced assessments. She further feels if the assessments were paid up front by people at the completion of the project, the city council should give a 15% discount to those people paying up front. She stated because these people wouldn't be doing the yearly assessment and the money could go towards the initial loan, the loan amount would be considerably less to give the city a better credit rating. Another question Elaine asked is whether this project will give a real tax credit or if it will be listed down where special assessments are listed on the tax statement so she will not get the tax benefit. Larson said he could respond to some of the questions. He stated he did not have the lot sizes of the properties with him this evening. He reminded everyone the assessment amounts are only preliminary estimates. Elaine stated she wanted the council to know that she would not agree to the assessment. Larson said now wouldn't be the time to appeal the assessment because this is the improvement hearing, not the assessment hearing and this hearing is more about the project itself and what the assessments could be. Enderson asked Larson if he knew why the neighboring lots would be less than Elaine's. Larson stated he would look into it and noted lot size is not the only thing that determines the amount of the assessment. It depends on what improvement is being done affecting that lot. Larson said the city is picking up much more than the majority of the costs. Around 70% is paid by the entire tax base; only about 30% is special assessed. Elaine stated none of this information was presented to her before this evening and that is why she is bringing this information to the council's attention. There being no further comment, the Public Hearing was closed at 6:55 pm. Motion by Enderson, seconded by Johnson to adopt Resolution No. 2016-11, a Resolution Ordering Added Work for the 2016 Infrastructure Improvements Project and Preparation of Plans and Specifications. All voted in favor of the motion.

Chris Larson gave an update on the Wastewater Project. ISG had received comments back from Rural Development for Phase I a week ago. He should be able to turn that back around this week. There is a possibility of the project being pushed back a bit due to the fact that it took five (5) or six (6) months to get the comments back from Rural Development but he said bidding will still be this year. The contractors will be given some options if they want to try and do the entire project yet in 2016 with the biggest concern being getting the roads compete before winter. With it getting into construction season, there is a tighter timeline so costs may be more but if the contractors are given more flexibility on the final completion date, the pricing may be better. If there is more flexibility given, ISG will make sure they have interim timelines that must be met so they cannot rip up a street and then leave it until 2017. Larson stated he would look at contract language to say only a block can be tore up for x number of days so it will be less

painful to the residents. For Phase II, Larson received comments back from MPCA. He hasn't received anything from Rural Development but he doesn't expect that they would add much more. Larson is getting those turned around as well. The permitting process is still underway. Larson said televising of the service lines is starting tomorrow. The televising company is going with a less intrusive option where they go down the sewer main and televise from the street instead of gaining access to everybody's basement. There may be some situations where this will not work and they have to gain access.

Ferrazzano asked if there have been any updates from the legislature and if our wastewater project is in a bonding bill that needs passed or who we could contact to find out about this information. Votca stated he gets a publication from the League of MN Cities on updates and he can make sure they get that. The Coalition of Greater Minnesota Cities is sending people up to the capitol in the next month to update with the legislature.

Todd Hagen, Ehlers Inc. was present to offer available options for interim financing for the wastewater project. On a USDA loan there is a need for interim financing prior to the release of the USDA funds. Todd presented an option for temporary bonding and let the council know he was a municipal advisor and is working for us should we decide to use him. Votca will work with Mr. Hagen to learn what might be the best fit for the City of Tracy.

Lee Bjerck from Geronimo Energy presented the Solar Garden Subscription Agreement. As an Xcel Energy customer, the City of Tracy has an opportunity to benefit from the power that is being produced from the solar garden. The city can save money by subscribing to the power in the gardens. The city can save \$6,000 a year and the program is for 25 years. There is no cost to the city and never will be. The savings is one cent per kilowatt hour on the size of your subscription. The subscription size is determined by the entity's two year electrical usage. An entity can subscribe up to 120% of the subscription size. Bjerck recommends subscribing at 100%. Votca said our current agreements with GASP and Community Energy Green will need to be reviewed for any conflicts with a new agreement. Bjerck said Geronimo representatives are ironing out any terminology or contract language with the League of MN Cities. Gross asked Bjerck to notify Votca of any contract language updates. Gross will review the agreements and be prepared for the council to decide at the next council meeting.

Votca said the TAPS ISD 2097 has notified him they have been submitting RFP's for the VMC upgrades as well as receiving and accepting bids for the various parts of the upgrade.

Votca said he has been preparing specifications for bids on the fire hall, liquor store and city hall roof's. The fire hall needs a whole new roof but the liquor store roof is only a portion of the roof. The city hall roof may be just a repair and reseal.

Many people were present to discuss the improvements needed for the potential construction of a hospice house. This potential construction site is on private township property owned by Larry and Bonnie Buysse and would need to be annexed into the city. Votca's memo stated new infrastructure would be required. Our special assessment policy states that infrastructure improvements must be ordered by the city council or by 35% of affected property owners. His memo further recommended a feasibility study be done on the entire land owned by the Buysse's for any future development of this portion of land. Ferrazzano questioned if Murray County Hospice was waiting for the city on their decision of what to do because it is up to them to negotiate for any property they want. Votca said if they want to have city sewer and water, improvements would need to be done. Ferrazzano invited members of the public present to speak. Larry Buysse said Murray County Hospice is ready to build and Hospice wants to know what kind of street they are going to get. He further told the council if the city is looking at annexing the land and purchasing the property, he would like to know otherwise the land is going to be farmland. Enderson stated before any improvement can be done, our sewer system needs to be done first. Enderson questions whether MPCA will even allow any improvements at this time with the moratorium on the city. Steve Meyer, on behalf of Monroe Township, stated they are opposed to annexing the 48 acres of land. He further stated they would work with the city should smaller areas be annexed at a time but unless the property owner requested all of it to be annexed, they were against this. Bill Chukuske asked if anyone offered hospice to look at other lots in town for sale. Tara Onken stated she talked to hospice prior to knowing they were

working with the Buysse's and hospice determined this is the location they wanted because they wanted to be close to the hospital and the nursing home facilities. They did explore other lots. There was another potential lot near but they determined it was too small. Onken did send them a list of other places but hospice was not interested. Votca said he also talked to them and told them all of these issues could be eliminated if they could look at other lots. Again, they did not have interest in other areas. Ferrazzano said he wants to ask MPCA if it would even be possible to extend the sewer system so at least hospice knows the city is trying to work with them. Tony Peterson said there is a group of members of both the EDA and Planning Commission that have been working with Murray County Hospice and have explained that as much as the city wants them to build here; we cannot do anything until the ponds are dug. Ferrazzano said he wants hospice to know that our hands are tied until we know otherwise. Enderson asked Chris Larson when ponds would be started. The goal is for it to be started by this fall. Steve Meyer asked for a line of communication with the city. He feels reading about things in the newspaper causes more problems than necessary. Votca said the boards will continue working on discussions to see if the city can get something started for Murray County Hospice.

Votca made a formal request seeking permission to attend the Minnesota City/County Management Association conference in Nisswa May 4-6, 2016 at a cost of \$531.81. This amount is budgeted. Permission granted.

The Consent Calendar consists of Multi-purpose Center Minutes for December 15, 2015, EDA Minutes for March 2, 2016, MDS Water Supply Inspection Report, Expenditure tear sheet ending February 29, 2015, Revenue Detail ending February 29, 2015 and 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 approve a Private Bottle License for Tracy Eagles Club. Motion by Enderson, seconded by Johnson to approve a Set-up License for Tracy Lanes. Motion by Enderson, seconded by Johnson to approve a 3.2 Off-sale and 3.2 On-sale License to Tracy Eagles Club. Motion by Enderson, seconded by Johnson to approve a 3.2 Off-sale and 3.2 On-sale License to Casey's General Store. All licenses are contingent on payment of fees and submission of paperwork. All voted in favor of each motion.

Votca said if anyone was interested in attending an affordable training, a for your information flyer from LMCIT Safety and Loss Control Workshop was in council packets and to if anyone was interested in going to notify him.

Motion by Enderson, seconded by Johnson to close the meeting at 8:04 pm for Attorney Client Privileges Regarding Special Assessment Appeals. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

April 11, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 11, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, K. Enderson and T. Schons. Also present was M. Votca, City Administrator. P. Cooreman was present by Skype as she is in Florida.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Edsel Miller.

Motion by Schons, seconded by Johnson to approve the minutes for March 28, 2016. All voted in favor of the motion.

An addition to the agenda included 9-F Mike McDonald requests for street closures. Motion by Schons, seconded by Enderson to approve the agenda as amended. All voted in favor of the motion.

There were no public comments.

The Chamber is preparing for the Women's Expo that will be held on April 16, 2016 in the VMC. The Chamber is requesting the assistance of the City of Tracy for this event by granting permission for the Chamber to use the VMC Gym from 8 a.m. on Friday until Saturday, April 16 at 6:00 p.m. and rental fee to be waived as this event benefits the businesses and Tracy Community. It is great advertising for those visiting our Community. Motion by Schons to approve the requests from the Tracy Area Chamber for the Prairie Women's Expo, seconded by Enderson. All voted in favor of the motion.

The Tracy Area Chamber is also requesting the use of the VMC from 8 p.m. on Friday, April 29 until May 1 at 6 p.m. They are requesting to have the fee waived and would like to close Morgan Street from 3rd St. to 4th St. on Friday starting at 4:30 p.m. until May 1, at 6:00 p.m. for the Sportsmen Show. Motion by Schons, seconded by Johnson to grant the requests from the Tracy Area Chamber for the Sportsmen Show. All voted in favor of the motion.

Mayor Ferrazzano said there is one EDA Board Application from Bill Chukuske. Motion by Cooreman, seconded by Johnson to appoint Bill Chukuske to the EDA Board. All voted in favor of the motion.

Mayor Ferrazzano stated they have an application from Chelsea Self for the Planning Commission. Motion by Enderson, seconded by Johnson to appoint Chelsea Self to the Planning Commission. All voted in favor of the motion.

Votca stated that when a seat comes open, he notifies the person who is currently sitting on that seat to let them know that their seat is open and the position is advertised. For the HRA position the letter did not go out and was not really advertised. He stated he made a mistake on that appointment. HRA is the Housing Redevelopment Authority. Shorty Engel is the person whose seat was opening and he is the President of that board. Schons feels the person who is in the position should have first. Mayor Ferrazzano stated that one of the things is the Council has appointed and agrees that Engel should go back on there. Maybe they should increase the board by one member and that way the person appointed can still be on the board as they showed an interest in it and Engel can stay on also. Votca stated he will check on the statutory rules with the HRA he will check. Motion by Schons, seconded by Cooreman to appoint Short Engel to the HRA Board. All voted in favor of the motion.

Mike McDonald presented a request to close 3rd street on May 21, 2016 from 12:00 p.m. until 6:00 p.m. for Make a Wish for Lily and then August 20 to close 3rd St. for the Wounded Warrior Project from 12:00 p.m. until 2:00 a.m. Motion by Enderson, seconded by Johnson to approve the requests by Mike McDonald for the street closures. All voted in favor of the motion.

Votca stated there are three (3) roofs that need to be repaired. One is the fire hall, VMC and Liquor Store. He has prepared four(4) requests for proposals; one for each of those three roofs and then a combined one for all those together. The bids would go through May 6, 2016 until 4:30 p.m. and then they would have until May 23 to award depending on what proposals they receive. They would then have through the summer to do those projects with a deadline of September 23, 2016. Motion by Schons, seconded by Enderson to agree to follow Votca's recommendation for the Roofing Project Specifications. All voted in favor of the motion.

The Consent Calendar includes: Planning/Zoning Commission Minutes for 7 March 2016, Tracy Fire Relief Association Minutes for 7 March 2016, Tracy EDA Minutes for 16 March and the Municipal Accounts Payable. Motion by Schons, seconded by Enderson to approve the Consent Calendar. All voted in favor of the motion.

Votca stated he has a bid that was received in July 2015 from AVI Systems and wanted to review this to make sure this is what we want before we get it re-proposed by AVI. Basically the first bid for \$19,871 provides some boxes that allow recording of the Council meetings, store them on a server system for playback over the internet and broadcast channel as well. On the guide it shows what the program is, so when residents are going through the channel guide they will see that the Council Meeting is going to be on 5 pm. on Saturday for an hour or so. You can then put the church service from 6 pm – 8 pm. It also has stuff that supports that. Votca stated that it does not integrate with our sound system the City has now and it does not include the camera. He has been trying to get Marco to give an idea on a similar kind of thing that does play back, etc. but have not been able to produce it yet. Votca asked for the Council's opinion of other things that should be part of the system so when he talks with these companies they are the right kind of ideas. Schons asked if there were others that could they could get bids instead of taking one company's bid. Votca stated they could spec it out like we normally do since it is going to be pretty expensive and we could try to specify what the City is looking for and see what we can get them to bid for us. Marco has given us a quote on a rolling TD type stand system that you can plug a computer into. Mayor Ferrazzano stated they had discussed the rolling TV and knows it was not inexpensive. He stated there have been enough issues with the technology they presently have. For the amounts they are talking about, it would be wise to do everything in one shot instead of piece meal. His view is with both of these options, he feels they need both of the options and we need a monitor. Votca stated the reason he likes the rolling is that at different times, different presenters need it in different places. Mayor Ferrazzano also felt that they would need the rolling. The big thing is the cameras, monitors and the recording equipment this would give the ability to view these Council meetings on line and would be helpful for a lot of people. Mayor Ferrazzano authorized Votca to follow up with AVI and report back at the next meeting. Votca stated there are only a couple companies that make the actual stuff that can play over a cable broadcast channel. Schons stated that someone said that Marshall has a wonderful system and was wondering if we could call them and see what they have.

The EDA Board wanted us to bring up the tax abatement and that is not on the agenda. Votca stated he did not hear about it until later in the day on Thursday after I had prepared everything and we are checking into things and T. Onken sent a note today of what is legal and what is not legal. He has the agreement they did with the fitness center and he gave that to Onken so she could look through it and see how we had done it in the past. The concept is over five (5) they do a decreasing amount starting at 20%. They are looking at a tax abatement incentive for a private person to purchase the townhomes that the EDA owns so we can get those into private hands as a taxpayer. The 5th Street apartments are the ones for sale at this time. The tax abatement would be a way to entice a buyer. They would try to keep it as a unit but if there are two parties that want to split it rather than trying to sell eight(8) different units. Votca said there is one (1) open on 3rd Street E. and once vacant on 5th Street. They can do this the next meeting. Votca stated the next scheduled meeting is the Board of Equalization. Mayor Ferrazzano stated they will not have a regular scheduled meeting this month, but will have the Board of Equalization on April 25 at 7:00 pm.

Enderson stated that he had someone contact him about the garage sale signs they have posted on poles around town and never pick them up. Schons said that if they see this happening they can take them down once the signs have been expired.

Schons stated that she has had a couple parties comes about the trash at Homera Fields. The City was notified there was a game being held there and the garbage cans were never taken care of and by the time the team got out there, it was all over the fields and the team evidentially picked it up but the cans were overflowing. This does not represent Tracy very well when it looks like that out there. Daniels stated they were not notified there was a game out there. It was cleaned up last Thursday because they did not have a dumpster until. Daniels stated this is the second time the school has brought a couch out there and this is the second time the public works has had to get rid of it. The school is not real good about helping the Public Works keep our facilities clean.

Schons also had someone talk to her about weed control in the downtown area and if it can be done in the spring and fall instead of waiting for Box Car Days.

Schons also people get fix-up letters and how come the places like the old bakery and the old Enderson building has unsafe stairs and they have not be taken care of. Daniels stated the Bank owns the Enderson building. Mayor Ferrazzano questioned that they notify the owner of the building about the stairs and if they do not respond within the deadline. Daniels stated that if they do not meet the deadline, it then goes to court.

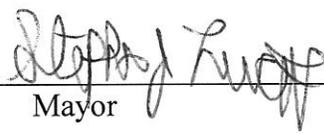
Mayor Ferrazzano stated that he talked with the Fire Chief today and they are taking the trucks out of the Fire Hall for a week as they have to do the floor of the garage and the trucks will be over to Fire Chief Johnson's shop so they are locked up.

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

ATTEST:



City Administrator



Mayor

May 9, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 9, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson, and T. Schons. Also present was M. Votca, City Administrator. P. Cooreman was present by Skype as she is in Florida.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Miller.

Motion by Johnson, seconded by Enderson to approve the minutes for April 11, 2016. All voted in favor of the motion.

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

There were no public comments.

Tom Olinger, from Abdu, Eick and Meyers was present to give the City's audit report. Olinger stated they will go through the Management Letter and if there are any questions regarding the Audit Report, he would be happy to answer those.

On the first page of the Management Letter (ML) they did have an unmodified opinion or clean opinion which this year was a little bit more that they had to do really to Gasby-68 on pension liabilities that are out there. They did implement that which included a pension liability of about \$900,000 from PERA and went through the actuarial of the Fire Relief Association and that actually had a pension asset of about \$31,000. The thing to point out related to the PERA liability it is not really a cash liability that needs to be funded by cash. That is funded over a period of time based on what PERA calculates the contributions over the years.

Olinger pointed out on Page 2 of the ML talks about segregation of duties. It is important to have the Council reviewing disbursements and approving disbursements. There are not enough employees in the office to have segregation of duties going forward.

Page 5 is Material Audit Adjustments. During the year they adjusted Capital Assets, Inter-Fund Loans, Special Assessments, Notes Receivable and Debt. The staff went through some training with AEM and this year the adjustments dropped significantly throughout the year so will continue to work with management to make those adjustments throughout the year to provide better financial information throughout. Olinger said they appreciate management working with them to try to reduce those adjustments.

Page 8 outlines the General Fund Balance. As of 2015 the General Fund Balance was at 31.6% of next year's budget which is right at the percentage the State Auditor recommends which is about 30-50%. There was a nice increase in the fund balance of the General Fund of about \$200,000 and makes the GF healthier than previous years.

Page 9 shows that overall Revenues exceeded budget by about \$35,000 and Expenditures had a favorable budget variance of about \$153,000. A combination of that resulted in the \$200,000 increase in Fund Balance leaving a remainder of about \$670,000 in Fund Balance in the GF. Olinger stated he would have more concerns if they were not transferring dollars out for Capital Reserves so there are some funds out there that they are transferring dollars for future improvements or equipment. As part of the GF, there was a transfer out of \$214,000 and \$105,000 of that was a transfer for Capital Reserve Funds. The other major portion is the \$81,000 that went over to the Aquatic Operations for this year.

Some of the favorable budget variances such as Streets and Highways were about \$42,000, EDA \$18,000 and Airport \$28,000. Olinger stated that one thing new with the GF was there was some additional state aid this year for Highway Aid.

Page 10 is the GF Revenues. The overall revenues increased by about \$80,000 this last year so collecting over \$2 million in Revenues, so it stayed pretty consistent from the previous year. It has some gradual increase in the additional state aids and contributions that came in that increase.

Page 11 is the GF Expenditures for this year decreased by about \$130,000 compared to the previous year. The City is at about \$1.8 million in expenditures from this last year. That helped increase that fund balance for this last year. The overall per capita is \$877.00 for overall expenditures. The per group from last year was about \$738.00.

Page 12 is the Special Revenue Funds and most of those funds stayed pretty consistent from the previous year and EDA decreased by about \$16,000 due to loans made during the year which reduced that fund balance for this last year.

The Debt Service Funds that are being paid back by either taxes or assessments and this is not paid back by Water and Sewer Utilities. Overall the cash was \$981,000 and the City currently has about \$4.5 million remaining in debt. Each of the funds there is nothing it is showing as deficits in those funds. The 2007 Street Utility and Abatement improvement bonds have matured and can be closed into the Refunding Bonds for this last year and those dollars can be used to pay back those bonds.

Olinger stated that looking at the 10 year debt detail of the principal and interest payments there is a little drop in 2017 for debt service principal and stays consistent until 2023. Taking a look at this and scheduling your debt and keeping this flat allows for not having tax levies and spikes over a given period. Olinger feels this is something that this is something worth planning out to see that.

Capital Project Funds as talked about earlier and the overall equipment reserves that are being transferred out from the General Fund, there is a \$100,000 in Police Equipment, General Equipment replacement of \$226,000 and the Fire Department Replacement is at \$52,000. The 2014 Street Project had a slight deficit of \$35,000 and feels that project may be pretty well closed and they could go ahead and close that fund when everything is complete.

Page 14 shows the Enterprise Funds. O'Brien Court overall cash flow stayed about the same as the previous year and there is about \$149,000 in cash compared to \$147,000. Currently no debt and limited activity in that fund.

Page 15 the 5th Street Apartment cash flow this year they really had to balance out the case and not necessarily going backwards in cash for this fund. A balance of \$140,000 in cash is desired. The City is paying off some debt within this fund and then currently it has \$0 cash but has some advances from other funds of \$146,000 and \$20,000 and \$66,000 that needs to be paid back to another fund that is loaning for that cash deficit.

On Page 16 the Orchard Lane Fund did decrease its cash this year and at the end of the year they have an advance from another fund for \$22,000 that will need to be paid back there. In 2013 it went backwards and 2014 it was even for cash flows and dropped back again for overall cash flows for Orchard Lane.

Page 17 consists of the Liquor Fund where there was operating income of about \$667 but overall net income of about \$6,000. There was some cash back into this particular fund so there was an additional \$22,000 increase in cash. This should continue to be built up over the next years and there is probably not the ability to do any operating transfers at this point until the cash flow is built up. 2013 loss will drop off and the past two years there have been positive numbers there for that fund.

Page 19 the Water Utility Cash flow the cash did decrease this past year mainly due to Capital Improvements within that fund. There is some timing with bonding that will be coming on there. Currently there is about a \$24,000 cash deficit. Looking at next year the City will get some of those bond proceeds to reimburse that and get it back to the levels that it needs to be at. Votca

stated that is one of the funds that is carrying a lot of weight on the planning for the future wastewater/street and utility projects for next year.

Page 20 the Utility Surcharge cash flow did have a slight increase of about \$4,000 this last year. Dollars that are coming in related to that surcharge and there is currently about \$136,000 in that fund.

Page 21 the Tracy Medical Center had a little bit of cash inflow this last year of about \$16,000 and currently has \$384,000 cash in that fund.

Page 22 is a similar thing that was talked about with the Water Fund there was a significant Capital items in the Sewer Fund which reduced some of the cash reserves. Last year there was \$300,000 of cash reserves in that fund and now are at the operating minimum is for that particular fund. There will be some additional bond proceeds coming back in to replenish that.

Eastview Apartment cash flow had a slight decrease and if you take a look at the past 4 (four) years it has been a similar decrease in each of those years. There is currently \$101,000 in cash which is above where the operating needs to be at the \$35,000 and are continuing to buy down the bonds payable and are at about \$125,000 in bonds payable at the end of the year.

Refuse Collection is a trend that should be addressed and the last three years have had decreases from operations. Two (2) years ago were at about \$30,000 and now down to \$6,000. Rates related to that Olinger guessed there was some recycling outside of the normal garbage collection is that there are some costs that can be made up there. Votca stated that rates were increased this year and that should help a little bit.

Page 25 the Deputy Registrar cash is about \$29,000 this year which is adequate for that particular fund.

Page 26 the Overall Ratio Analysis and looking at the Debt Service Coverage the City is at about 0.8% and the number they need to shoot for is 1.0% and that means the City has enough operations to cover the debt service payments. This could be directly related to some of the town homes and apartment complexes that are generating enough dollars to pay back the debt from operations and that is where that cash is going backwards at that point. The debt per Capita did decrease this year by \$400 and looking at next year for that to spike back up as the debt comes back on. Taxes per Capita did increase this year to about \$500 which is slightly above what the per group has of last year \$464.

Capital Expenditures were increased this year. That goes in line with the Capital Assets left to depreciate for the governmental business type activities and telling how old the Capital Assets are and infrastructure looks like. Olinger said the City is consistently over the 37% over the last three years. The governmental is the street infrastructure, building, vehicles related to street. The other per group out there is at about 56%. There are a couple projects the City will be doing that will bring that back up. Business Type Activities is the water, sewer, infrastructure and any equipment related to that.

Olinger said the City should continue monitoring the General Fund and should not let it drop much below the 30%. The biggest thing is there will be a lot of debt coming on the water/sewer fund and will have to make sure those rates in line to pay back that debt. This will have to be monitored going forward.

Mike McDonald had requested a street closure of 3rd Street on May 21, 2016 from 12 p.m. until 6:00 p.m. for Make a Wish for Lily. He wants to secure a rain date of 4 July 2016 as a rain date for the event. Council agreed to this request.

Votca stated that Fire Chief Dale Johnson III is request for an increase to the number of firefighters from 26 to 28. This request arose from a discussion started at the Fire Relief Association meeting on 4 April 2016. He does not feel there is much impact financially to add these two people. It does affect the pay the fire department received as they split a budget that is set each year. This would not be an impact on the pension plan or the budget. Votca stated that

is in support of this increase. Motion by Schons, seconded by Johnson to increase the fire department members from 26-28 members. All voted in favor of the motion.

Votca stated the property tax abatement is a multi-step process for the 5t Street Apartments. The EDA has been trying to sell the 5th St. Apartments for the last six (6) months and they are trying to offer an incentive to sell the apartments to abate taxes for five (5) years. To do this a public hearing is required to discuss this and then this is discussed and have the public hearing a resolution can be made that the City is willing to do that once the interested party decides they want to buy the apartment complexes and right now they need to set the public hearing and have that discussion if the Council is interested in this process. Votca stated the audit report showed the apartments are not making much money. Votca stated the proposed resolution is in the agenda packet. Tara Onken from the EDA stated there is a resolution that should be passed now so when they advertise the tax abatement we know there is City Council buy in because otherwise it can be advertised it and then Council members change down the road with election in the fall and if they do not sell for a while that we need the resolution passed now. Then when they have a full amount on the sale of the property then a different resolution would be needed to have closer dollar amount. Onken stated they have a closer dollar amounts and they have an estimate from Lyon County so the EDA has a ballpark of what they would be now. It is \$16,100 so in the resolution they put a tax abatement not to exceed \$17,000 at this time. They would go back and revisit that. If the apartments would not sell till 2017 the tax rates are going to be different and would go back and change it then. Motion by Schons, seconded by Enderson to adopt A Resolution Granting a Property Tax Abatement for Certain Property in the City of Tracy. Votca questioned if they could adopt this without doing a hearing. M. Gross stated they can adopt this resolution as it is and then a subsequent resolution to include an additional amount. It would be beneficial to hold the hearing and the resolution can always be modified at that point. All voted in favor of the motion.

Votca stated that each year the City has been making a donation to the Wheels Museum and they are requesting that the City provide that donation again this year. Motion by Enderson, seconded by Johnson to make the donation of \$2,000 to the Wheels Museum this year. All voted in favor of the motion. There is also a copy of the bill from the Wheels Museum for the electricity for the sign.

Votca stated the Assessor Services Agreement with Lyon County is for one (1) year to do the assessing for the City of Tracy. This agreement is for \$13,428 for the coming year which is \$12 per parcel. This past year the City paid \$11,675. Motion by Enderson, seconded by Johnson to enter into the agreement with Lyon County for Assessor Services for next year. All voted in favor of the motion.

Votca stated the Wheels Museum is requesting a variance to build a new building on their property. This would be the south side of the property. It was reviewed by the Planning/Zoning Commission. There was a public hearing and no one attended the public hearing and the Planning/Zoning Commission recommends that the variance is approved so the project can move forward. Motion by Schons, seconded by Johnson to approve the variance for the Wheels Museum. All voted in favor of the motion.

Votca stated in the packet is one example of the Solar Garden Subscription Agreement. The City has several premise numbers that the City pays Excel Energy on. There are several contracts that need to be signed if the City agrees to enter into this. When Lee from Geronimo was here, he made a proposal that the City would save 1 (one) cent per kilowatt hour usage which ends up to be about \$5,800 a year on the City's energy if they subscribe to 100% of our energy production. Votca stated they could go up to 110% but they recommend not going above 100% as there might be some new project or something that needs to be done that that usage could be used for. This agreement would be for 25 years. This was reviewed by the City Attorney but also the League of MN Cities reviewed the contract as well and they said it was not ideal but it is something they could work with. Gross stated it requires the energy company to maintain the property, pay the insurance and when the solar garden needs to be removed, to repair the property to the condition it was before it was installed. Motion by Enderson, seconded by Johnson to enter into the Solar Garden Subscription Agreement. All voted in favor of the motion.

Votca stated the City has expiring funds because the City does not have a project plan for 2016 at the airport. There is approximately \$125,000 that will expire. Elbow Lake, MN chose the City of Tracy they have the same engineering firm that Tracy does for their airport. They would like to agree them using our funds this year and then they transfer them back for us. The City is looking for a project to do master planning for the airport. This has been discussed with the Airport Commission and engineers. Elbow Lake would transfer the funds back to us in 2017. Votca stated that if this is not done, Tracy loses the funds. Enderson stated that in the past years they have done this with other cities and was wondering if Tracy would be getting those back. Votca stated they are working on that. They have been talking with Faribault and owe Tracy funds back. FAA sent a contract so we can start talking with them to get our funds back next year for that also. The Master Planning Project is really important because it can show us all the future improvements and how we want to use that land and what needs to be done at the airport. Motion by Enderson, seconded by Schons to adopt Resolution No. 2016-12 A Resolution Transferring 2013 Airport Entitlement Funds in the amount of \$125,000. Votca stated that they will draft up an actual agreement between these people so this authorizes himself and Ferrazzano to sign that agreement. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable, Municipal Accounts Receivable, EDA Board Minutes for 16 March, 6 April and 20 April 2016, Planning Commission Minutes for 4 April, 2016, Fire Relief Association Minutes for 4 April, 2016, Aquatic Center Committee Minutes for 8 March 2016, Multi-Purpose Center Minutes for 17 March 2016 and Library Board Minutes for 3 March 2016. Enderson asked how the Aquatic Center was coming along. Votca stated there will be the first day for taking slips for passes and swimming lessons on 18 March 2016. There are about 18 life guards that they have employed right now and they are just hiring the ones for the front desk and three (3) managers are all hired. There are four (4) swimming lessons instructors. They are working through some things with the concessions. They are looking at adding a new type of swimming lessons for the young children who are just basic introduction to the water. Motion by Enderson, seconded by Johnson to approve the Consent Calendar as presented. All voted in favor of the motion.

Votca stated on 27 April 2016 a meeting was held with Murray Co. Hospice, members of the EDA Board, engineering firm and City Staff. This discussed ways to move forward with their proposed project without affecting too many people's taxes and will work the best for all the parties involved. They looked at a couple different options. They looked at an option to construct a full length utility mains so can be ready for new expansion. They also looked at an option of creating just a small extension of water and sewer and possibly the street. Just enough so the Murray Co. Hospital House can connect to the utilities and connect their driveways to the street. When this was presented to the Planning/Zoning Commission on 2 May 2016. They made the determination they would recommend going with the second option of the short stub. Votca feels this is feasible and good recommendation they made. Votca stated he provided the Council with a letter from Larry and Bonnie Buysse who are at the meeting so you understand what their views are on the whole thing. He feels it is in line with option two (2) is, having that extension and when we get to the annexation portion just annexing the portion required for that part of the house. Mayor Ferrazzano felt that if everyone is in agreement with Option Two (2), that is the easiest thing to do. Gross stated they have been discussing having the Hospice agree to waive the assessment costs and they would pay those entirely. It would be a seamless process after annexation occurs. C. Larson stated they talked about the mechanism for initiating the project would be a petition by Hospice instead of the Council ordering the improvement like the last projects. If the initiate it and it is 100% then we can cut out some of the steps of the 429 process such as. With the waiver of the appeal will help. Larson stated what they would ask for is the Council ask I+S to put together a cost estimate and that needs to be included in the waiver agreement. The City should wait to receive the petition before ordering the improvement. Motion by Enderson, seconded by Johnson to get a cost estimate and to pursue with Option 2. All voted in favor of the motion.

Votca put together what the Council wants to get out of this TV equipment. This will be a project that requires proposals. There was one bid just for materials was \$20,000 and another \$1,000. Mayor Ferrazzano is okay with the proposal regarding the completion date to e 6 August 2016. Motion by Enderson, seconded by Johnson to adopt the Request for Proposals for the

public broadcast and video recording equipment in the City Council Chambers. All voted in favor of the motion.

Votca stated the Aquatic Center Handbook is one of the things the Aquatic Center Committee has been working on. This is a revamped manual for the employees at the Aquatic Center. This outlines what the rules are for the employees and some of the City Policies. This will be used to train all the employees on June 1-2, 2016 before the pool opens. Motion by Schons, seconded by Johnson to approve the 2016 Aquatic Employee Manual. All voted in favor of the motion.

Votca stated they will be a full Board of Equalization now that there is a trained member and will pass the resolution before February so will try to have it at the next meeting. Votca stated that he knew they had to wait two years as that is what they told him last year. All the recommendations that were made during the meeting will be brought forward to the County meeting and she is sending letters to all the people that attended and letting them know that.

Mayor Ferrazzano was contacted by someone in the Charter the Police Commission is supposed to meet once a year. Votca stated they did have one as they hired a new police officer.

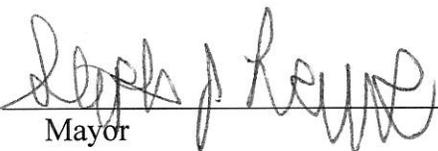
Enderson said that for the Ed Engels fly in and wants to reserve the campground for that one weekend. Schons as why they give him such a hard time. Votca said they are not and are trying to make sure that if there is campground spaces available the City can make revenue. We don't want to give them the entire campground and if you are not using the space, you do not have to pay for it. It is not fair to the other people that they cannot use the space when it is available. Votca stated Engel was told he has to pay for all the spaces or you only get what is paid for. It is not reserved for anyone else. Votca stated that last year signs were put on all the spots and someone could have driven up wanting to rent a space and saw the reserved sign and left so the City lost revenue. Mayor Ferrazzano asked that Engel write a note stating what he needs.

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

ATTEST:



City Administrator



Mayor

May 23, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 23, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, Jr., K. Enderson and T. Schons. Also present were M. Votca, City Administrator. P. Cooreman was present by Skype as she is in Florida.

Pledge of Allegiance was given to the flag.

Invocation given by Pastor Miller.

Motion by Schons, seconded by Enderson to approve the minutes for May 9, 2016 as presented. 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.

V. Quist, Head Librarian reported the new Robotics Club is up and running. There have been two meetings so far. She has been very impressed with what the kids have done and will continue to have meetings on the third Monday of every month. The Library will put their creations on display every month. A \$350 Maker Grant through SAMMIE was used to purchase the materials for this program.

Thursday, May 26 at 7 p.m. the library will have a talk by Bob Purves about Mt. Everest. The children's Summer Reading Program will start June 1. Kids can sign up any time for the reading and activity challenge. This year's there is "Read for the Win" and will be focusing on sports and games. On Tuesday, June 14 at 7 p.m., we will have a showing of an original cartoon created by Denise Fick of Revere. She received a Legacy Grant to do that. Plum Creek librarians voted to discontinue digital magazines through Zinio. This service will end on May 31. At their June meeting they will be looking at potential other ways to provide digital content that would better utilize these funds. This morning the library received their new locomotive book bin that they discussed about a month ago. They have picked out two new love seats for the seating area in the back where they have the magazines and newspapers.

Police Chief J. Lichty stated that when he became Chief in 2011 he wanted to switch the department to navy blue and at that time the City Administrator, Mayor and Sheriff at the time was against him not wearing white shirts. Things have changed and the Sheriff is fine with him wearing blue. He asked the Council if they had any problems with him wearing the blues. The Council did not have a problem with him wearing blue. Lichty stated that recently Officer Adams has become a certified firearms instructor for the department and completed the certification last week. This week there is a bike rodeo at the Elementary School and the department is working with the Lion's Club to promote bike safety. Lichty stated he has nuisance ordinance coming up and will probably start this week. Last week he completed the books for the 1st and 4th graders. This is a program put on by a publishing company where they come in and local businesses donate and the publishing company puts out these books for 1st and 4th grade reading levels. They are books about being good citizens, safety tips for on-line use and bike safety. Lichty thanked the businesses that donated to make these books possible at Tracy Elementary and St. Mary's. Last week the 3rd graders toured the City offices. This past Friday the 6th grade class graduated from the Truth About Drugs Program. This is the first graduating class for this program. The kids told Lichty they enjoyed the program and said they learned a lot from it. Lichty extended special thanks to Officer Gerhke for dedicating every Friday the entire school year to being at the school. The Merit Center in Marshall is having a Grand Opening on May 26. In June the Southwest Chief's Association will be meeting in Tracy. Lichty will be hosting the event and putting on the program. He spoke with Yant from Marshall today and he wanted to know if we would be interested in maybe sending a couple representatives from Tracy to their upcoming Citizens Academy. He asked if Lichty would present an item.

them and it would cost the City of Tracy is \$14,250. Motion by Schons, seconded by Johnson to pay the City's portion of \$14,250 for the winches and safety straps for 10 backboards. All voted in favor of the motion.

Robin Weis from the SWRD in Slayton was present to help the Council understand what Active Living Plans are. There is funding to assist communities such as Tracy. Active Living is a way of life that integrates physical activity into your daily routine. In 2016, the adult obesity rate in Lyon County was 29% while the state average is 26%. Being obese has direct and indirect costs as a community and society. Out costs are obviously those we see at the clinic and other health care facilities. The Proposal from SWRD is to think about walkability and bike ability when considering the decisions that influence the built environment. Weis talked about transportation regarding trails and safety on the trails. They need to think about Economic Development. People are coming more for the lifestyle and the leisure part and what the amenities and then looking for the job. Population growth can be part of the Economic Development strategy and what can be done to get people here and getting them to stay. Weis stated the goal of the Active Living Plan is to enable Tracy to become a more walkable community through strategic pedestrian or biking improvements outlined in the City's Active Living Plan. The objective would be to identify destinations, gaps, areas of concern and prioritize projects for addressing pedestrian infrastructure in the City. This can be done when street projects are being done. Think about sidewalks, biking, parking and safe to be people biking. Regular physical activity is a major component in improving an individual's health. We need to think about Active Living as an Economic Development Strategy. Weis stated the SWRDC has the funding available to help two communities put together an Active Living Plan. This will be some that can be used going forward or something to help get additional funding through foundations or grants. This would need to be done by 31 October 2016 and would give Tracy 48 hours of technical assistance from the SWRD staff. Of that 1/3 of the cost would be the responsibility of the City as a match. In the last Active Living Plan contract they did, that amount come to \$1,332. The State Health Improvement Plan through SHS now which includes Lyon County. There are some dollars available to help communities to help with Safe Routes to School such as striping, children moving signs, etc. The Safe Routes to School can be incorporated into the Active Living Plan. If Tracy is interested a contract would be drawn up to say what the City would be given and your match of \$1,332 and they would start the process and be completed by 31 October 2016. At this time there is not an application process. Motion by Johnson, seconded by Cooreman to move forward with the contract. Weis stated they will have the contract drawn up and sent to Votca for Council review.

Votca stated the City has set aside \$200,000 when they did the hospital sale. He has had people outside asking if they can spend some of that money or how do we get that money. Votca feels they need some guidelines on how we want utilize those funds. Mayor Ferrazzano stated they had an agreement for health related initiatives and to me an ambulance seems pretty health related. Dale Johnson, III and Votca they were thinking this would be kind of a loan for the ambulance service from this fund and possibly some grant money in there also that would help them out. D. Johnson III stated they are looking at replacing one of the older gasoline ambulances to get a third diesel truck. One of the reasons for diesel vs. gas is fuel economy. They are proposing a new ambulance set up to meet all the rules and regulations is \$204,283. There is some value in trade-in in the ambulance they currently have and they are approximating that around \$60,000. Part of the reason they are doing this now, having possible access to these funds, a lot of the commercial chaise trucks, Tracy uses a walk-through cab. There is going to be a gap in years where they are stopping to make that kind of truck. Johnson stated there are no grants out there right now for fire or EMS for vehicles. What they are talking about is the \$200,000 that Votca addressed and are looking to see if the City would be willing to do some type of grant with part of it as they are looking at about \$140,000 that they need. If they could do five or six years of service for \$20,000 a year and the City would give them the money up front. This saves them from borrowing the money and make payments. If they could do 5-6 years \$120,000 would work for them. Mayor Ferrazzano felt this would fit the health related initiative. Votca stated the contract with the ambulance needs to be redone as it is due after this year. The warranty is 100,000 miles or 5 years. Votca stated they do need to consult with Sanford when they spend this money and does not feel this will be a problem. Motion by Johnson, seconded by Cooreman to get a contract drafted for five years which covers the warranty. All voted in favor of the motion.

S. Daniels, Public Works Director asked for any questions regarding his report. He stated the pool contractors came today and they started repairs. They hope to be done with the lap pool on Wednesday by noon and public works will start filling that pool and then they will be open on June 4. Duinick is back in town and they have been marking manholes and boxes and should be putting the final layer of asphalt on in the next couple weeks. They are correcting the alley by the Eagles and will be doing the bituminous all at the same time. They have been moving grass about every few days. They did do some of the bad potholes and now have mix to do the rest. They have been doing a lot of dye testing and tracing sewer lines for this year's project. Mayor Ferrazzano asked when they are going to get the grass on 4th Street. Daniels stated it has been addressed but have not heard anything on time yet. The way it sounds they are going to have to kill it all and replant. Daniels stated there has been a lot of digging on the east side of town and they are doing a gas line relocate for the project area. It is Min. Energy doing that work and not the City. Voica stated they have a bond that is part of their franchise to fix it.

M. Voica, City Administrator report that S. Lau, Liquor Store Manager was still at work and asked if there were any questions regarding her report he would try to answer them.

Voica stated the Aquatic Center will open on 4 June, 2016. The kick off for swimming lessons and had about 130 students sign up at that time and have had plenty of them since then. It is right on track with the about the same numbers that have been in the past. After 1 June there will be a late fee of \$10 and we will try to accommodate late registrants as much as possible. Trying to keep the schedule to avoid what happened last year where we were rearranging the schedule at last minute and it was not good for the customers.

Voica stated all the flooring has been removed in the VMC and the bleachers, dividing wall, painting and acoustical paneling will be completed prior to the installation of the new flooring. He does not have an exact date for that yet. The new flooring is scheduled to start on 5 July 2016 and should be done prior to Labor Day. The bleachers will come after the floor.

Voica said the City did a visit with the 3rd graders. They came into City Hall, Public Works, Library and Police Department. He thanked the City Staff and the 3rd grade class for being so attentive during the visit and inquisitive about how the City works.

Comments were returned by the state engineer at USDA-RD on 11 May. A copy of what they did is enclosed in the council packet. Voica stated they have gone back and forth with them. Mr. Hammer replied again today and just received that about 1/2 hour ago.

Bruce Rykhus will be retiring soon. Voica said he has posted a job listing for a custodian. Applications for the position will be accepted until 25 May. He would like to have someone in that position by the middle of June.

Enderson questioned if the Liquor Store Committee had met. Voica stated they had a couple meetings. Today he was running some numbers and looked at a couple sites the Committee wanted to dig into and now it is running the map on what the City can afford lease wise or debt wise on a building and things. We need to figure out where we want to go next. He is hoping to put all those numbers together this week and get together as a committee again and start getting that figured out a little bit further. There are a couple sites the Committee feels are feasible. They need to figure out if the numbers work out and it can happen. Mayor Ferrazzano suggested the Committee meet again before the next meeting and give recommendations to what they are going to do. Property owners have been contacted and gotten answers from them. Voica put together numbers that he thinks they can afford so can make an offer to them.

Voica stated he received a request from Mr. Chad Anderson and the TAPS Board to put electronic winches and safety straps on 10 backboards in the VMC gym. The straps would work like a seatbelt and will catch the backboard from falling to the ground if for some reason from the winch cable. Currently the backboards are raised and lowered by hand or by using a very large drill. Chains are currently used to prevent the backboards from falling to the floor. For the 10 basketball the bid is \$25,554 plus an additional cost of \$3,946 in electrical for a total project cost of \$28,500. The TAPS Board is asking if the City would be willing to split the cost with

Votca stated that he got five devices. They cost about \$78 each and will pay for themselves within three months. He wanted something that stated that they accept this device and sign for it and you will take care of it and it will be the City's property. The Council will sign these out at the end of the meeting and give a tutorial.

Motion by Enderson, seconded by Johnson to adopt Resolution No. 2016-14 Approving Payment To Duinick Inc. For Work Completed On 2015 Street Project in the amount of \$24,590.46. This is basically for the stuff they finished up at the end of last year when they did the signage. Larson and Boyle both signed off on this. They also will be addressing the grass issue.

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

All the bids came in today. There were bids from Neiman Roofing Co. from New Prague, Mike Hanson Roofing from N. Mankato and Kato Roofing from Mankato. The Kato Roofing was the lowest bid on all bids. They combined the Liquor Store with the Fire Hall. S. Daniels and he looked through all the specifications and details. They would do the Liquor Store and Fire Hall for \$115,000. The VMC roof would be \$17,000. There is a 15 year warranty for the Fire Hall. Motion by Johnson, seconded by Schons to accept the bid from Kato Roofing, Inc. to do the roof of the fire hall, liquor store and VMC. All voted in favor of the motion.

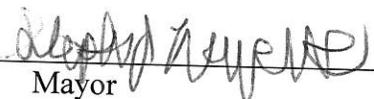
Votca provided an update on the 5th St. East Extension. I+S Group provided the cost estimate for the 5th Street Extension for the Hospice House. The total with surveying, engineering, permitting for water main and sanitary is \$45,613.50. This does not include any legal fees and any administration from the City that needs to be done. Votca feels they should put more into the agreement with the Hospice House but not much. Also included is the actual agreement that the engineer drafted to enter into with the Hospice House. Votca heard today that Hospice House signed a purchase agreement for that property and once they own the property and file it with the county then they can petition the City Council to do this improvement and once the City has that, then they can enter into this agreement for repayment of the cost for that. Votca will get a legal estimate and if there are any City things that he or Daniels are going to have to do add cost to it will make a recommendation on the next meeting so the agreement can be finalized with them to get repayment. Hopefully they have a petition to the City to make that improvement to the property.

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

ATTEST:



City Administrator



Mayor

June 13, 2016

The regular meeting of the Tracy City Council was called to order at 6:30p.m., Monday, June 13, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, D. Johnson, J., Kurt Enderson, and T. Schons. Also present were M. Votca, City Administrator. P Cooreman was present by Skype as she is in Florida. She can be reached by phone or e-mail.

Pledge of Allegiance was given to the flag.

A moment of silence was held for the victims of the Orlando shooting and the tornado that hit Tracy 48 years ago today.

Motion by Johnson, seconded by Enderson to approve the minutes for the meeting on May 23, 2016. All voted in favor of the motion.

An addition to the agenda included 8-D Public Works Update and 14-A VMC Doors. Motion by Enderson, seconded Schons to approve the agenda as amended. All voted in favor of the motion.

The EDA held a Task Force Retreat on 1 June, 2016. This was started because the EDA wanted to do a survey of all the businesses. Tara Onken, EDA Coordinator started in December and through March to survey some businesses and did about 30 businesses. A presentation was given and is enclosed in the Council packet. Most of the first part had to do with demographics and was not a lot of surprising demographics in there. They then went through some topics that came from the survey and there were 19 items and what they meant and how that related to the community and what type of initiatives those meant. Each of those members had a sticker and was allowed to vote on three different topics they thought were important. From the 19 topics, there were five topics emerged as the leaders of the group. The first topic was looking at run-down buildings and review/enforce city code processes that apply to nuisance violations. The second one was to do an annual information summit where citizens can come and learn about things that are going on in the City and provide input. The third priority was to update and improve the city websites and online presence. Fourth priority was to work with interested businesses on succession planning. This would be helping people who are retiring from their business to carry that business over to a new owner/operator. The fifth priority was to partner to create a "welcome" information for tourists or people new to the area. There are people from that group that came are going to form sub-groups and those five groups will work on those projects. Everyone is welcome to participate in those groups. If there is anyone that would like to join any of the five groups, they should contact Votca or Tara Onken and they will get you hooked up with that group so you can help work on that topic. One of the things to remember is the City Council is in charge of the city and the findings in these groups will need to be presented to the City Council before all the things can be implemented. Mayor Ferrazzano stated there will be a meeting on 15 June 2016 in the Council Chambers at 8:00 a.m. There were some good ideas that were thrown out and people are going to work on things. As Votca stated the City Council will decide what things are implemented or not. Votca stated there were some issues and did not know what is going on. The EDA is working on some of the properties that have closed their business so that was good. Schons stated it was nice to see some of the citizens of Tracy and not just business owners helping.

Chris Larson from ISG presented an update on the Wastewater Project and the first thing is private service financing. The project will involve relocating many of the mains in the project area out from underneath homes and will replace them in the public right of way where they belong. However the residents that have their private services going to those service so they will need to re-route their private services. Rural Development considers this private property improvement the funding cannot be eligible for that so the property owners will be responsible for this. There are approximately 34 properties needing re-routing of about 60 feet. The total estimate cost of re-routing these services to be approximately \$90,000. ISG is preparing letters with exhibit for each property that shows them what is being proposed. If they want to work with a local plumber and if they have a better idea, ISG will work with them on that. In the letter they would like to include any information the City has on interim financing that would be

provided by the City. Larson stated that some of these properties' services are out of compliance and would need to be replaced anyway. These lines have been televised and Andy Boyle and S. Daniels are working through the video. Votca stated that they have created a mechanism in the City Code to use a Surcharge Fund to do that. He feels that would apply to their situation. The hope is that these homeowners on a block by block basis, groups of them will work together and work a better deal with a plumber. Areas involved would be Long Green Lane, the alley between Park and Center and then the next alley up to the Northeast. These are a bunch of shared service lines that branch together. Larson stated that he could work with Votca and City Attorney Gross what the language would be and what the exact mechanism is.

Larson stated the next three issues are related Rural Development's review of the Plan and Specs for Phase I. There have been some e-mail exchanges and a couple phone calls. They have not been able to come to agreement on three basic items. One is when like the Morgan Street project they are doing the final lift the following year. This is something that ISG recommends if there is deep utility construction. If there is deep utility construction even there are compaction requirements and there is density testing during construction. With the density test there is no way feasibly to test every square inch so when there is deeper utility construction they anticipate some trench settlement will occur and it is still the contractor's responsibility to correct. If this does occur they prefer it can be corrected before the final driving surface is installed. The RD State Engineers feel that it would drive up costs because the contractor is forced to hold their price for an additional year. Larson feels it would drive up costs to require the contractor to repair. They have had other projects in which it was initially specified that the final lift be constructed the same year and that was a combined project with the County and they are not used to doing deeper utilities. The contractor requested to do it the following year and said they would honor their bid price for that year. Larson feels that going into 2018 with that final lift is the best route.

Larson stated they are proposing a limit on how long each block would be torn up. They are proposing once the contractor closes the road for traffic, once the street is cut down and start utility work, they have 45 days to get all the utilities in and the road back up to the gravel surface so that property owners can get in and out. They are starting on Circle Drive with utilities and running through the whole project and then coming back to do the streets. Mayor Ferrazzano feels the recommendations that Larson has are fine. It is a problem when you have to work with somebody for your money. Larson said they have had good discussions and it has not been adversarial at all but they do not agree on a couple of these matters.

The third one is the amount of liquidated damages. On the 4th Street project Duininck was beyond their completion date and had to pay \$2,000 per day which amounted to \$60,000. It is not penalty; it is liquidated damages which are only to present addition costs incurred by the City. For this project it was state aid funding and MnDOT has a table based on the contract amount. With the table as a basis and this project it would be about \$2,500 per day. RD asked them to provide calculations which are basically for every additional day they will have to spend out there and some of Votca's time and maybe some interim financing, how much does that actually add up to each day if it is beyond the completion date. Larson stated he came up with about \$2,000 per day which is less than the MnDOT table says and RD is saying that is still too much and they have not provided us any kind of basis what they are comparing it to but he indicated \$1,500 would be about the maximum he could agree with. The concern is that every time that is lowered, the contractors might be shrugging their shoulders if there is a bigger penalty in the next town. Larson felt that if they concede with those three things, there should be approval at the next review. Larson stated there are a couple easements that need to be finalized. One of the residents that needed to sign passed away and now they need to determine who needs to sign.

Votca stated it is time to appoint these people because it is time to get trained. There are a couple new ones and there are twelve this year. They will be there for the primary in August and the General Election in November. Motion by Schons, seconded by Enderson to approve the Election Judge List for 2016. All voted in favor of the motion.

S. Daniels, Public Works Director gave an update starting with the Greenwood Park. They are slated for Friday, June 17, 2016 at 8:00 a.m. to put up the equipment. If there are any volunteers

they are welcome to donate their help. The second thing is he is still training Meyer on weed notices and he is running behind so Daniels did them for him what he had left. Everything has now been sent out now unless some new ones pop up. Daniels stated some of the lawns and weeds have been taken care of. There are a lot of houses they have been jetting for the televising that has poor ventilation for their sewer systems in their houses. There has been water coming out of toilets when they are jetting. If anyone is out there that are having problems to contact him so they can let the pressure down. They pulled about two yards grit from the sewers at Greenwood. NPO is done with their gas line locates on the east side of town in the project area.

Votca stated that every year the MN Association of Small Cities send an invoice for the annual membership. We have not joined them but they provided a briefing of what they do and what they are lobbying for us. The Council decided not to join this year and see what next year brings.

Votca stated that back in June 2012, Mrs. Nicole Lee presented and requested to buy a piece of property next to their house. The property became tax forfeit and so the City had control of it and now it is just sitting there. Lee does mow it for us. There was a motion during that meeting to sell the property for \$1.00 plus closing costs and the administrator and attorney at that time were instructed to follow up and make sure the City had full ownership and determine if there were any special assessments on the property at the time. At the next meeting in July, the Council was told the City owned it and there were no special assessments against it so they moved forward. In September 2012, Frank Nielsen sent a letter to the Lees' and gave them a draft version which is included in the agenda packet, a draft version of a quick claim deed and agreement to convey the property. Votca does not know what happened from September 2012 until he started working here in July 2013, eventually Lee came to his office and was wondering what was going on with the sale of this property. She was told that if she purchased the property at that time, there is going to be about \$5,404.22 of special assessments on the property during the project. The Lees' decided not to purchase the property at that time but now are having some disputes with the neighbor on the other side of that property and would like to build a fence on that property and take back that property. The special assessments are still on that property right now under the City's ownership. There are a lot of neighbor issues going on. M. Gross stated that Votca stated there is no signed agreement for the conveyance. Votca stated that technically you have to have a public hearing to sell City property so that procedure was not followed. Votca stated that if the Council wants to move forward with the conveyance, they need to go through the public hearing and also decided if they need to maintain the assessments there or pay them off before it is conveyed. Mayor Ferrazzano stated that she said part of the reason is that over the years the work they have done on the property that saved the City from having to anything. Votca stated the reason the City decided to sell it for \$1.00 because they had been maintaining the property. Mayor Ferrazzano stated they should set it up for a public hearing. Votca stated the public hearing can be held on June 27, 2016 at 6:45. Mayor Ferrazzano said there should be some consideration for the amount of work they did on the lot the City owned and saved the City.

Votca stated the lease agreement is with Community Green Energy. They want to build near the Catholic Cemetery and airport. They have a payment schedule enclosed under Exhibit A ranging from \$467 all the way for 20 years to \$619. Exhibit B shows the property lay out. It is similar to the agreement with Geronimo and the attorney for the City has reviewed it and did make some modifications, where they pay the taxes and things for the property. Enderson stated there were some residents that were worried about the approach on the runways. Votca said they did go through the FAA process to make sure it is safe. The panels do have some reflection on them. There is a system used by the FAA they plug into monitor and makes sure it meets all the requirements for reflection. Daniels stated the panels are not like glass but they are designed to absorb most of the light. Votca does not know if CGE has been approved by Xcel. M. Gross stated there is a termination clause if they don't gain approval and that it can be terminated and responsible for removing and there would be no liquidated damages that would be involved. Votca said they do need to negotiate the lease with the Lanoue's at the end of this year. Votca had talked with Geronimo last week and they are still trying to build this fall and that will reduce that piece of land significantly and this will take out a small piece. Enderson asked that taking that piece of land will affect their access. Votca stated the one piece they have already leased it

will not affect their access and they can still access. Motion by Enderson, seconded by Schons to enter into this Lease Agreement with Community Green Energy. All voted in favor of the motion.

Votca stated at the last meeting they had Robin Weis come down from SWRDC to talk about doing an Active Living Plan. Presented is an agreement that states the City will pay \$1,332 of the cost to do that project for us and then would be completed in October 2016. They will start on this project in July. Motion by Schons, seconded by Johnson to enter into this agreement with SWRDC. All voted in favor of the motion.

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

Votca reported they did not receive any bids for what they put out. When no bids were received he contacted ADI that he had been working with. They came today and will have a quote by the next meeting on what it will cost to do what the Council wants done. The reason they did not bid on it originally was because some of our time table that was in there, they could not meet. They have a lot of projects to do this summer, so will not get a project right away. Schons asked if he could call some of the others and give them the same option. Votca stated that they can if there is anyone else out there. When he initially looked at this over a year ago, these guys responded to me when he asked and came out and looked at it and explained what this whole system was. He will check and make sure to see if there are any other companies that would be willing to come out.

Votca stated the VMC gym is being remodeled and to make it complete inside the gym is to get these emergency doors. If you go in there right now you can see underneath the doors there is light coming in and they are not weatherproof. With putting in the new wood floor they do not have a weather tight building and also safety wise we need to make an improvement to. These new doors are very expensive and S. Daniels and D. Johnson III went through of what can be done because if you go down to the bottom of the casings of these doors they are rotting away. The metal is shot and needs to be replaced. The frame, door, locking mechanisms, and all the other things that Johnson has on his quote are needed. Schons asked if they have to get other quotes. Votca said they don't for that amount of money and if they want to they can. He and Daniels feel the quote they have is pretty fair. It is possible to find someone lower. Votca stated that he would go and talk with Chad Anderson if they want the school to share some costs with that. Votca stated the good thing about the City spending money on this, is that this is our building and no matter what the doors are part of the building. Mayor Ferrazzano feels this is the City's responsibility to replace the doors. Enderson asked where the money was coming from. They do have the Unbudgeted Income for revenue of the hospital sale. The General Fund balance is going to go up this year. But have paid for things over our budget this year. Motion by Enderson, seconded by Schons to accept the quote from Dale Johnson III Construction to replace two double doors in the VMC. All voted in favor of the motion.

Enderson asked what was happening with the garden lots. Votca stated he will try to get in contact with those people again and see what is going on.

Daniels stated that the streets are due for sweeping. The department is cleaning all the sewers so the televising of the lines can be done.

Mayor Ferrazzano did have someone talk to him about a clean-up day. Mayor Ferrazzano feels for next year, it has always been the cost of the thing that it is not done. Mayor Ferrazzano suggested that if everyone paid \$1.00 or \$2.00 more on the water and it goes into a pool to pay for it. Mayor Ferrazzano feels it is worth exploring to have a clean-up day. The one year the fire department did it as a fund raiser but did not make much money.

Mayor Ferrazzano read a letter from Bruce Ryhkus who will be retiring in June. Mayor Ferrazzano thanked Bruce for all his years of service and was very much appreciated. Votca stated that he hired Lydell Sik today to take Bruce's place so they will be doing the transition of the custodial staff in the next week or so.

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

ATTEST:



City Administrator



Mayor

June 27, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 27, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K. Enderson and T. Schons. Absent was Dale Johnson, Jr. P. Cooreman was present by Skype as she is in Florida. She can be reached by phone or e-mail. Also present were M. Votca, City Administrator.

Pledge of Allegiance was given to the flag.

Invocation was given by Rev. Homer Dobson.

Motion by Cooreman, seconded by Schons to approve the minutes for the meeting on June 13, 2016. All voted in favor of the motion.

An addition to the agenda included 9-A #3 – Water's Edge LLC plumbing license. Motion by Enderson, seconded by Schons to approve the agenda as amended. All voted in favor of the motion.

Andy Catania from Geronimo was present to give an update on the solar project. In the packet there is an updated lay out as things currently stand. A couple things to note that the project has a formal investor so Birtra, Hathaway Energy invested in a group of CSGs. Things are moving along and they are still targeting a fall 2016 build. Two of the development items they are working through with the City are that there is a water line that runs through the project. He has been working with Votca and S. Daniels to figure out the best way to re-route that line. GH Plumbing will also be working on the project. They are working on a road agreement to the site. Currently there is not a road that goes out to the project. The current plan is to build a dirt road to the site and they would put it where the City is currently planning a road. In the future if the City decides to pave it out to the industrial park. The City's road would take place of their road and they would ask for an access agreement during construction. Enderson asked who would be paying for the cost of moving the water line. Catania stated they would be taking care of the cost. They are working with Daniels to make sure they have approval as to exactly where the City wants the line. The map shows a picture of the property that the City owns by 4th and Front Street. They would potentially like to put a one megawatt in this location if this is something the City is interested in. Mayor Ferrazzano said it is something the City can look into. Votca stated the FFA rents it from the City at this time.

At 6:45 a public hearing was opened for public comment on the sale of city owned property located adjacent to 174 5th Street and 479 Morgan Street. There were no public comments. Mayor Ferrazzano stated this was discussed this at the last Council meeting about selling this property that the adjacent property owners have been taking care of for about 10 years. The agreement they one time with the City was for \$1.00. Mayor Ferrazzano stated that he feels they need to go along with this agreement since it has not cost the City to maintain this property. The only thing to decide is if they waive the assessments. Votca stated that talking with M. Gross, City Attorney; they don't really waive them, but would pay off. The total assessments are \$5,404.22. Mayor Ferrazzano is in favor of going through with the sale since the City told them they would and they have continued to maintain the property. Motion by Schons, seconded by Enderson to adopt Resolution No. 2016-15 A Resolution Approving Sale of Property Located Adjacent to 174 5th Street for the amount of \$1.00 and closing costs and fees. All voted in favor of the motion.

S. Lau, Liquor Store Manager reported that on July 2 she will be offering samples of wine and beer in off sale. The Liquor Store will be open on July 4 from 9 a.m. to 3 p.m. She said the roof is still leaking. Votca stated the contractor will be coming tomorrow to look at all the project and give a time line as to what the plan will be.

V. Quist, Head Librarian reported they are in the middle of their summer reading program and have about 60 kids signed up right now. There is story time every Tuesday morning and will continue through the middle of August. On July 11, Margot McCreary will be coming to do a puppet show. This will be held at the City Park. August 4 they will be doing a Hoop Dance

program. This will also be done at Central Park due to space. These programs are made possible by grants through MN Arts and Cultural Humanities Fund program. On July 23 at 1 p.m. the library will host a program on How to Organize Your Family History. This is another grant program. Quist met with Marshall-Lyon County Library Director Michele Leininger last week and they discussed ways all the libraries in the County can work together to provide better service for all the patrons. They will be going to Minnesota in a couple weeks and meet with their director also. The hope is that together, they will be able to be on the cutting edge in the library services that we offer. One exciting way that can be working together is that digital content services available previously for only Marshall-Lyon County patrons are not available county-wide. Recently Marshall-Lyon generously offered to include Tracy and Minnesota patrons on two of their digital content contracts – OneClick Digital and Mango Languages. OneClick Digital offers a wide selection of audiobooks. Mango offers language learning courses, including French, English, Spanish, Russian, and German. Both of these services have apps that you can download on your smartphone or tablet. Quist learned last week that Tracy Library is on their contract for Hoopla digital that is one of the digital services that they were looking at with Plum Creek. You can check out movies, TV shows and music.

Police Chief J. Lichty asked if the Council had any questions regarding the activity report. He said the nuisance ordinance will be re-done tomorrow and citations will be issued for the first set of warnings and go from there.

S. Daniels, Public Works Director presented his report. Jetting has been the main thing yet. This week they are going to work a little harder at mowing to get it looking good for the 4th of July weekend. The Greenwood Park has been seeded and they will be getting benches and a garbage can installed in the near future. The contractors have been in town to do clean-up work and re-seeding of grass.

M. Votca, City Administrator the pool opened on 4 June 2016. He shared the early season revenue numbers. In 2015 they sold \$14,100 in season passes and are at \$13,700 in 2016 so far. The flooring and dividing wall have been removed from the VMC. They have been doing painting and the acoustical panels will arrive soon and will be installed. The crew has installed the electric winches to raise and lower the baskets plus the safety straps. The flooring portion of the project is slightly delayed due to the uneven portions of the floor requiring grinding and the addition of the door project. The new bleachers will be the last project and should be installed prior to Labor Day.

The park equipment for Greentown Park was installed on Friday June 17. He extended thanks to Barb Johnson and Tam Schons for volunteering their time to help on the project. Also thanks to the street department for putting in extra hours to get the project done properly.

Votca stated that he has an appointment tomorrow to go through with KRI to do the walk-through and after that it will be determined when the projects will begin and the timeline associated with it. On the street project the contractor still needs to work on the grass, clean up in a few places and striping of the road.

Votca stated the EDA has started discussions with Sanford Health System to continue the lease arrangement at O'Brien Court. Sanford has indicated that it would like to continue leasing and operating O'Brien Court. They need to do some adjustments to the agreement.

Votca stated that there are a lot of board vacancies and he provided a list in the packet. There are three seats up for election 2016. The filing period for these positions is from 2 August to 16 August. The filing fee is \$2.00 and forms to file can be found in his office during the filing period. The State Primary will be held on 9 August. The Federal Election is held on 8 November.

Bruce "Freddy" Rykhus completed his last day of work on 21 June. He will be on vacation until 1 September. Votca has hired Lydell Sik as his replacement and he started work on 20 June.

Mayor Ferrazzano questioned if they needed to explore paying people to be on these boards, like \$20 per meeting. We should not have to but he feels it is not good having these boards with all these vacancies. Cooreman asked if they still have the Hospital Board even though they don't

own the hospital. Mayor Ferrazzano stated that they do need the Hospital Board. Votca stated it is an advisory board to Sanford now. Mayor Ferrazzano is not in favor and does not feel they should have a per diem for people to come to a meeting. It can be discussed with next year's budget.

Motion by Schons, seconded by Cooreman to approve a permit Off Sale 3.2 Malt Beverage for Tracy Eagles and Casey's General Store contingent on payment of fees and submission of paperwork. All voted in favor.

Motion by Enderson, seconded by Cooreman to approve a permit for On Sale Malt Beverage for Tracy Eagles and Tracy Lanes contingent on payment of fees and submission of paperwork. All voted in favor of the motion.

Motion by Schons, seconded by Enderson to approve a plumbing license to Water's Edge Plumbing contingent on payment of fees and submission of paperwork. All voted in favor of the motion.

A request was received from the Tracy Area Chamber of Commerce for a "Barrow of Booze" raffles during Box Car Days to raise money for next year Box Car Days. They are asking if they can get a discount from the Liquor Store on the purchases for the "Barrow of Booze". They will get the permit from the State of MN. Votca will discuss this with S. Lau.

A request was received from the Tracy Area Chamber of Commerce for a car show on July 16th. They would like to host this event at Central Park in Tracy. They are not asking for streets to be closed at this time, however if it rains leading up to the event they may need to close a couple of streets around the park to have cars parked on the street and not on the grass to prevent damage to the grass. This was approved by all Council members.

Next was Resolution No. 2016-16 Granting Charter Communications, Inc. a Franchise Extension Through July 31, 2016. Mayor Ferrazzano stated that looking through this resolution this is about the fifth time they have granted an extension. Votca stated that he talked to the attorney that is dealing with them and he has been working on a lot of franchise agreements with them right now. He does not know what is going on in the world of cable TV, he can say as a consumer that it is changing and does not know if that is having an effect on their agreements they are trying to draft up. Votca stated they have been sending an end date each time. Mayor Ferrazzano stated that when they entered into the agreement with VAST, they know what the franchise agreement is and are not going to do anything different for Charter than VAST. Votca stated Charter has been sent an agreement that they have from VAST. Mayor Ferrazzano feels that they should not be granted another extension. The current extension expires on June 30, 2016. Schons feels that if they extend the contract for such and such a date, not the end of the year, then they are done. Mayor Ferrazzano feels there is ample time to answer the question if the City does not agree into any more extensions with them. He feels they should have an answer by the end of July. This extension can be through July 31, 2016. Motion by Schons seconded by Cooreman to modify the resolution to read in paragraph one. The resolution is hereby amended by extending the terms of the franchise from July 1, 2016 through and including July 31, 2016. All voted in favor of the motion.

Motion by Schons, seconded by Cooreman to adopt Resolution No 2016-17 A Resolution to Establish a Local Board of Appeal and Equalization pursuant to MN State 274.014, Subd. 3 Paragraph C. All voted in favor of the motion.

The Consent Calendar Consists of the Municipal Accounts Payable, Planning/zoning minutes for May 2, 2016, Aquatic Center Committee meeting minutes for April 12 and May 10, 2016, Multi-Purpose Center Board minutes for April 19 and May 17, 2016 and Tracy Economic Development Authority minutes for May 4 and May 18, 2016. Motion by Enderson, seconded by Cooreman to approve the Consent Calendar. All voted in favor of the motion.

Votca stated that he has no quotes yet for the televising equipment. He came here and looked at everything and when Votca talked to him on Thursday before he took off for the weekend, he

said he had it all done except for the personnel part of it. Votca thought when he come back he would have the information in his mailbox. Votca stated that he is out of the office today but will talk to him tomorrow when he is back in the office. Mayor Ferrazzano asked that if Votca receives any information to e-mail it out to the Council members.

A letter was received from the League of MN Cities stating they want to increase the dues by 3% for the 2017 fiscal year that runs from September 1, 2016 through August 31, 2107. Votca stated the letter is a FYI for everyone to know that is what they are doing.

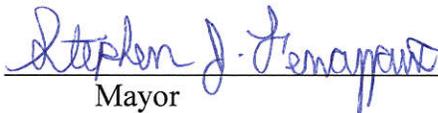
Seth Schmidt, Tracy Headlight asked if there was any announcement about them closing their office. Mayor Ferrazzano stated that he read through the franchise agreement that the City entered into. It does not say they have to have a building. They have to have a place where people can pay their bill locally, which they are going to have a drop off box and to provide an opportunity to return their equipment without incurring any costs. If they have equipment to return there will be a number for patrons to call for pick up or delivery. Even if the VAST office closes, no one is going to have to drive to Marshall to deliver or pick up equipment.

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

ATTEST:



City Administrator



Mayor

July 11, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 27, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K. Enderson, D. Johnson and T. Schons. P. Cooreman was present by Skype as she is in Florida. She can be reached by phone or e-mail. Also present were M. Votca, City Administrator.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Erickson.

Motion by Schons, seconded by Enderson to approve the minutes for the meeting on June 27, 2016. All voted in favor of the motion.

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

Votca stated that he had talked with Brian Grogan, the attorney updating the Charter Communications, Inc. franchise. Grogan will be sending a letter to the city explaining the course of action to take regarding the concerns with the renewal. Once the letter is received, the city will know how to proceed.

Motion by Schons, seconded by Enderson to hold a public hearing on July 25, 2016 at 6:45 p.m. for a variance request at 460 1st St E. All voted in favor of the motion.

Motion by Schons, seconded by Enderson to approve a temporary Dance License to Tracy Area Chamber Box Car Days. All voted in favor.

Motion by Schons, seconded by Enderson to approve a 120 Day On-Sale 3.2 Malt Beverage License to Tracy Area Chamber Box Car Days Beer Tent. All voted in favor.

Motion by Schons, seconded by Enderson to approve a 120 Day On-Sale 3.2 Malt Beverage License to Tracy Area Chamber Box Car Days Softball Fields. All voted in favor.

Votca presented an updated election judge list for approval. Mev Jackson and Elverne Ziemke were removed from the list while Sara Bonderson and Laura duCharme were added to the list due to conflicts. Motion by Enderson, seconded by Johnson to approve the updated election judge list. All voted in favor.

Votca stated he received a letter from Lyon County notifying the city of forfeit properties which the city has the right to take control of. At this time he did not feel the city would benefit from taking control of any of these properties.

Motion by Enderson, seconded by Johnson to adopt Resolution No 2016-18 A Resolution Approving Payment to Werner Bros Inc. for work completed on the Airport Lighting Project. All voted in favor of the motion.

The Consent Calendar Consists of the Municipal Accounts Payable and Tracy Economic Development Authority minutes for June 15, 2016. Motion by Schons, seconded by Enderson to approve the Consent Calendar. All voted in favor of the motion.

Votca presented the only quote received for televising equipment from AVI in the amount of \$47,208.05. Anticipated installation time frame is expected after the school season starts. Votca had reviewed AVI's portfolio and he believes in their credibility. Discussion was held on the cost of the annual support for the equipment. Motion by Enderson, seconded by Johnson to accept the quote from AVI in the amount of \$47,208.05. All voted in favor of the motion.

Votca stated the Planning & Zoning Committee reviewed the Geronimo Energy Solar Garden Proposal for Front Street and were excited to move forward with it. Several questions were raised

not only about the future of the land, but the terms of the proposal. Votca was directed to invite a Geronimo representative to the July 25, 2016 meeting for discussion.

Chris Larson gave several updates. The second to the last pay request for the 4th Street Project should be ready for the next council meeting. The utility project revised plans and specs are still with Rural Development. Televising is underway for the rest of the city. There has been discussion regarding a possible third phase. The televising will help prioritize future discussion of the utility project. The pond project is a long process and is not ready yet. Plans are still being reviewed. The ponds likely will not commence until 2017.

Votca stated the roof projects at the Liquor Store, VMC and Fire Hall will be started mid-July.

Enderson asked for an update on the Liquor Store Committee activity. Ferrazzano stated a meeting will be held for an update to be presented to council on August 8, 2016.

Enderson expressed gratitude to the street department for the clean-up after the storm.

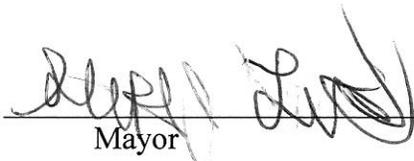
Ferrazzano expressed the city's appreciation, prayers and condolences on the recent passing of long-term employee, Kathie Christians.

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

ATTEST:



City Administrator



Mayor

July 25, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 25, 2016 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 Dale Johnson, Jr. Also present were M. Votca, City Administrator.

Pledge of Allegiance was given to the flag.

Motion by Cooreman, seconded by Enderson to approve the minutes for the meeting on July 11, 2016. All voted in favor of the motion.

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

There were no public comments.

Andy Catania from Geronimo was present to field any questions there may be regarding the Front Street Project Proposal. Catania stated the boundary area is workable to avoid the wetland, FFA rented land and the city stock piles. There would still be room for possible future development along Front Street. Votca will talk with area residents and the school to determine how they feel about the proposal. When Catania asked when the City would be ready to make a decision regarding the proposal, Ferrazzano stated they would be ready at the next council meeting.

At 6:45 a public hearing was opened for public comment on the variance request from 460 1st St East to build a 9' deck to the front of the house. This would be a variance of 3' to what the code allows. There were no public comments. Motion by Schons, seconded by Enderson to grant the variance request. All voted in favor of the motion.

V. Quist, Head Librarian reported they are getting to the end of the summer reading program and have 70 kids signed up. There will be two (2) final events to wrap the program up. A hoola hoop program will be held on August 4 at 10:30 a.m. and the final story time on August 9 at 10:30 am, both at Central Park. Mark Bridge, a historical music re-enactor, will be at the library on August 11 at 7 p.m. for a program. Quist and librarians from Marshall and Minneota have been meeting and will continue to do so regarding purchasing power, programming and funding from Lyon County.

S. Lau, Liquor Store Manager reported that off-sale is up due to the hot weather. Votca stated the roofers will be re-starting on the 27th. Some ceiling tiles will need replacement due to the leaky roof. Bar hours have been going well. Employees close when there are no patrons.

Bill Chukuske stated the EDA recognized they were not being represented to give a department head report to the city council. He said a board member would come each month to give the report monthly. Chukuske informed the council that all rental units are full. The EDA is starting to prepare a capital needs assessment on all units. He stated all loans are up-to-date. The EDA continue to work with the SCDG. All grant dollars are spent for this year within a \$1,000. Chukuske stated the new EDA Coordinator was doing a great job and things were moving right along.

Police Chief J. Lichty asked if the Council had any questions regarding the activity report. He said July 30 there would be a Toys for Tots event in town and asked for every to be aware of the extra motorcycle traffic in town. August 2 is National Night Out at Central Park. August 20 is a Wounded Warrior Event downtown with a band and extra motorcycle traffic to watch out for. Ferrazzano said in light of the activity going on in different cities with police officers, he wanted to make sure the Tracy Police Department knows how much the Mayor and Council appreciate the job being done and they care and respect everything the job entails as well as what the officer do. Thank you. Lichty said to watch for upcoming details on Marshall's officer appreciation event, Blue Light, a 5K run/walk.

M. Votca, City Administrator gave an update on the VMC progress. The painting is complete and the floor is leveled out and ground. He does not know the date the wood floor will be going in yet. The roofing materials have been delivered to all the roofing projects and progress will start soon. Votca had his first meeting with Max from the SRDC regarding the Active Living Plan. Two future dates have been set to reach out to the community for their involvement in putting the Active Living Plan together. Any ideas are welcome to get this project moving forward. Votca notified AVI they were awarded the project for the automation project. Within the next few weeks, one of AVI's project managers would be coming out to put this project together.

Votca said there are three (3) seats open for the local election. The filing period opens on August 2 and closes on August 16. The primary election will be held on August 9. There are only two seats being voted on so the turnout may be very low. Votca said he published the job opening for the Administrative Assistant. Job applications will be accepted for three (3) weeks with interviews being conducted near the end of August. The budget preparation has started. Votca said he sent department heads budget work papers to begin working on. The preliminary levy will need to be set the last meeting in September.

S. Daniels, Public Works Director said jetting is still the main thing being done. Boulevard tree trimming has started too. Mid-August we will be losing the part-time summer employment. Daniels plans to spray for mosquito's this week due to the recent rain. Daniels responded to the question of what was left to complete on the 4th Street Project. He said it was mostly seeding issues that remained. Votca said there was a settlement issue. Enderson said he had a citizen ask about the water at Greenwood Park. Daniels stated they check that the culverts are open and that is all they can do when there is a large rain like that. He said everything appeared to be flowing through the park correctly.

A request from National Night Out was reviewed. Motion by Schons, seconded by Cooreman to approve the street closure requests for the August 2 National Night Out Event at Central Park. All voted in favor of the motion.

Eugene Short, city council member from Currie, was present to ask for support in sending a letter of support to House and Senate members in support of the Governor's proposed infrastructure projects in communities in SW Minnesota in the millions of dollars. Many communities speaking as one voice would be ideal. The City of Tracy signed the letter of support for Mr. Short to take with him.

Votca shared the memorandum from Moss and Barnett suggesting a letter be sent to Charter Communications, Inc. outlining the city's frustration with them on the franchise agreement renewal. Back in April 2016, Charter sent a franchise agreement they drafted. This agreement changes the language of the agreement we have been working under for over 15 years. The City wants to maintain the existing contract language to have it be identical to that of the other franchisee, Clarity. Until Charter signs the agreement, there is nothing that enforces updated equipment. Ferrazzano suggests a month-to-month agreement until Charter explains why they are taking so long to sign the Tracy Franchise. Votca will demand Charter to come before the City council.

Motion by Enderson, seconded by Schons to grant an airport spraying contract with Wilbur-Ellis. Payment and insurance information has been received. All voted in favor of the motion.

Motion by Schons, seconded by Enderson to adopt Resolution No 2016-19 A Resolution Granting Charter Communications, Inc. a Franchise Extension Through August 31, 2016. All voted in favor of the motion.

The Consent Calendar Consists of the Municipal Accounts Payable, Tracy Economic Development Authority minutes for July 6, 2016, Fire Relief Association minutes for May 2 and June 6, 2016 and Multi-Purpose Center minutes for June 20, 2016. Motion by Enderson, seconded by Cooreman to approve the Consent Calendar. All voted in favor of the motion.

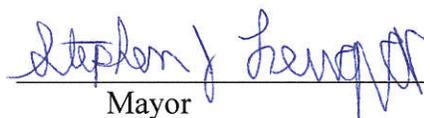
Votca received responses for date selection for Liquor Committee Meeting. The meeting will be held the first week in August so the recommendation can be presented to council on August 8, 2016.

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

ATTEST:



City Administrator



Mayor



Windows Printer Test Page

You have correctly installed your HP LaserJet Professional CM1410 Series PCL 6 on KATHIEC-PC.

PRINTER PROPERTIES

Submitted Time: 10:34:10 AM
Date: 8/12/2016
User Name: KathieC-PC\KathieC
Computer Name: KATHIEC-PC
Printer Name: HP LaserJet Professional CM1410 Series PCL 6
Printer Model: HP LaserJet Professional CM1410 Series PCL 6
Color Support: Yes
Port Name(s): USB001
Data Format: RAW
Printer Share Name:
Print Processor: hpcpp103
OS Environment: Windows x64

PRINT DRIVER PROPERTIES

Driver Name: HP LaserJet Professional CM1410 Series PCL 6
Driver Type: Type 3 - User Mode
Driver Version: 61.103.21.8726

ADDITIONAL PRINT DRIVER FILES

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August 8, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 8, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Dale Johnson, Jr. and T. Schons. Absent were Kurt Enderson and Pam Cooreman. Also present was M. Votca, City Administrator.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Sam Schmeiling.

Motion by Schons, seconded by Johnson to approve the minutes for the meeting on July 25, 2016. All voted in favor of the motion.

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

There were no public comments.

Ferrazzano reported the Liquor Store Committee has met. Discussion is still being held on where to move the liquor store. The committee has plans to meet a couple more times to go over details and plan to have a definitive recommendation to present to the city council on Monday, September 12, 2016.

Motion by Johnson, seconded by Schons to approve the Box Car Day request lists from the Chamber of Commerce during Labor Day weekend. All voted in favor of the motion.

Motion by Johnson, seconded by Schons to approve a temporary dance license for Michael McDonald from Bonnie & Clyde's on August 20, 2016. All voted in favor of the motion.

Motion by Schons, seconded by Johnson to approve waving the picnic table rent and Wounded Warrior Project Fundraiser event requests for street closures and street sweeping on August 20, 2016. All voted in favor of the motion.

Votca said an access request was received from Geronimo Energy to be able to access the land they are renting from the 4th Street East road. The agreement would allow Geronimo right of way access now and in the future should any improvements be made to the road over the life of the rental agreement. Motion made by Johnson, seconded by Schons to grant access. All voted in favor of the motion.

Motion by Schons, seconded by Johnson to adopt Resolution No 2016-20 A Resolution Approving Payment to Duininck Inc. for work completed on 2015 Street Project. All voted in favor of the motion.

C. Larson said five (5) percent payment is still being withheld for current seeding and grass issues and upon completion of the trenchless repair at one of the tie-in points and some county signage, the remainder of the payment will be released.

C. Larson gave an update on the wastewater project permit process. On Phase I, the utility work, ISG has received eight (8) comments back from Rural Development. All were minor things. ISG has sent back the responses. Larson expects the bidding to begin soon. On Phase II, the first round of comments has come back. MPCA and the permitting process have proposed a couple options for the effluent limits the city will need to meet going forward. Currently there are two (2) existing outlets from the system. The proposal on the new base limits only has one outlet which in effect makes the current treatment double of what it is now. Neither party believes this is fair so this is being re-evaluated. Larson said the televising of Phase III continues.

418

The Consent Calendar Consists of the Municipal Accounts Payable, Municipal Accounts Receivable, and Fire Relief Association minutes for July 11, 2016. Motion by Johnson, seconded by Schons to approve the Consent Calendar. All voted in favor of the motion.

Votca said the Front Street land being requested for a solar garden from Geronimo is a permitted use for the zone. Motion by Johnson, seconded by Schons to move forward in the process of entering into a rental contract with Geronimo Energy for a solar garden.

Votca outlined the timeframe for the 2017 Budget preparation process. His goals for this budget year are to prepare a good tax levy, to prepare realistic water and sewer rates to be able maintain the utility systems, to prepare a fee schedule for easier enforcement and revenue predictions and to prepare the capital improvement plan finalized. Completion of these goals will assist the budget preparation, plan for the future, and help the council make decisions.

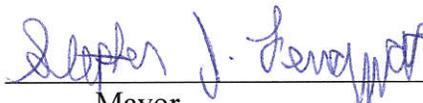
Ferrazzano asked Votca to check that PSN-Payment Service Network, our online payment system, is working properly.

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

ATTEST:



City Administrator



Mayor

August 22, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 22, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K. Enderson, D. Johnson and T. Schons. P. Cooreman was present by Skype as she is in Florida. She can be reached by phone or e-mail. Also present were M. Votca, City Administrator.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Sam Schmeiling.

Motion by Cooreman, seconded by Johnson to approve the minutes for the meeting on August 8, 2016. All voted in favor of the motion.

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

During public comment, Tony Peterson said to make sure good contact is being made with the land owner for the pond project beings no construction has commenced to date. If the land owners wish to do chemical, they can if they know no construction will commence this fall. Peterson said he is formally withdrawing his application for Charter Commission because he is running for city council. Peterson wants the council to be aware of the Tracy Eagles property having a lot more water in the basement than before the 4th Street Project was done. He said he has shared this with the engineers. The sump pump is constantly running where it only ran in the spring before the project. He also said there was open concrete on the south side of the building that was never put back.

Also during public comment, Jeff Salmon said he too has water in the basement of his downtown building since the project. He said he has not researched or done anything yet. Mr. Salmon stated there have been three (3) interested parties in the downtown building however he cannot do anything with these parties until the assessment appeal is complete.

Cassandra Isackson, Director of MNDOT Office of Aeronautic Services was present to give an overview of what MNDOT Aeronautic Services does for Minnesota airports and how they work with our community to support the airport on a regular basis. The State of MN has reached out to make sure communities know of the financial and technical resources and assistance the Aeronautic Services can provide.

Jack Fay, Ehlers Investment Partners, was present to give an investment update on the cash management services Ehlers provides to the city. He stated in the current market environment, certificates of deposit out yield all other investment options. He said from a yield and safety perspective, CD's are FDIC insured as well and that is why they have chosen go with CD's. The average maturity for the portfolio is 574 days. As we move forward, cash needs will be reviewed before investments are re-invested. Currently it is safer to hold short term investments.

Chris Larson, ISG, was present to give an update on the Wastewater Treatment Project. Final approval from the funding agency has been received for Phase I. There are a couple of outstanding legal items for permanent easements that have yet to be obtained. Three (3) of the four (4) property owners are in agreement and Votca is working on getting the easements signed and recorded. The property owner for the fourth easement has passed away. Matthew Gross is assisting Votca in finding out who the representative of the property is. This is a storm sewer lateral that the rest of the project is not dependent on. It is a drain in a low area in one of the alleys. Rural Development is okay with proceeding with bidding the project as long as the other three (3) easements are signed and recorded. When it is time to award the bid, this item can be removed from the project if the final easement still cannot be obtained. If the easement is received during the project, a change order can be done or it can be done in a subsequent project in the future.

Larson said ISG is still working with the funding agency on the effluent limits as reported at the last meeting for Phase II.

Larson said the sanitary sewer rehabilitation, is estimated to be seventy-five percent (75%) complete of the area to be televised. This has been a slow process because flushing of the system can be difficult based on its condition. Also, the city crew has other responsibilities and they are the ones who have been performing the flushing. The city crew does a portion of the flushing and then the televising crew comes in after. This process has a ratio of about three (3) weeks of flushing to one (1) week of televising. ISG has been compiling the data and will put together a report with a recommendation and develop a plan for the rest of the system. The televising is providing information on the condition of the system. In order for the improvements of Phase III to be eligible for the same funding, an amendment to the PER will be necessary with a new contract.

Larson said the 4th Street Project seeding crews will be here this week to mow down weeds and do more seeding in the areas that have not taken. There will be another opportunity in the fall if the seeding does not take this time either. If the fall seeding is not successful, the retainage will be used and a new contractor will be used next spring. The 4th Street Project identified the non-compliant vacant lots were allowing groundwater into the sanitary sewer. Once the sanitary sewer was removed from the vacant lots, nearby locations are now experiencing water in their basements. Larson said the removal of the sanitary sewer of these non-compliant lots is what is causing this issue and tiling should be considered because the water is going to follow the path of least resistance. Votca said the City of Tracy is one of the locations that are in need of finding a way to get rid of the water because of its non-compliance.

Tara Onken said she brought information forward to the EDA Board on a D.E.E.D. demo loan program that the state offers. The EDA Board has identified the Masonic Building as being a candidate for this loan because of its state of disrepair. The EDA Board is recommending the City work collectively with them to apply for this loan and incorporate the Masonic Building demolition plan into the budget. The first two (2) years of the loan are interest free. If a redevelopment plan was created for this location, a non-guaranteed grant could be available for up to fifty percent (50%). A parking lot has been suggested but it is unlikely for D.E.E.D. to award a grant because a parking lot does not create jobs, however, there is a good chance the need for a parking lot could be demonstrated quite well with the new update to the VMC gym. Onken stated this demolition will not be an easy project because of the building location, size, asbestos, lead based paint, mold and environmental issues, therefore the EDA is seeking to obtain technical specifications from ISG. She said even if the project does not get funded in February, the EDA would try again for the loan in August and the technical specifications would still be usable. Chris Larson presented options for the proposal. Votca said there is money available in the Code Enforcement Fund to pay for the specifications. Discussion was held on what to include with the application in order for the funds of specifications and architectural engineering to be incorporated into the loan. Votca said technical specifications are usually not obtained for a demolition project, however, because of safety, the size of this building and the environmental issues with it, obtaining the specifications would be a smarter approach so a contractor cannot add cost for a change order after bidding the project and the contractor could be held liable if the specifications are not met. Motion made by Enderson, seconded by Johnson to allow the EDA to apply for a loan with D.E.E.D. for the demolition of the Masonic Building and should the loan be granted, the city will budget accordingly to make the loan payments. All voted in favor of the motion.

Bill Chukuske, EDA vice Chair reported the EDA has agreed to renew the EDA Coordinator contract with the Marshall Chamber for another year. The contract does not reflect an increase. Motion by Enderson, seconded by Schons to approve the EDA Coordinator contract with the Marshall Chamber for another year. All voted in favor of the motion.

V. Quist, Head Librarian reported the summer reading program has been wrapped up. She is planning a Laura Ingalls Wilder program for October 2016 and will begin researching information for the fall and winter.

S. Lau, Liquor Store Manager reported that July off-sale is down. She believes this due to the timing of the 4th of July sales. Lau reported she is preparing for Labor Day Weekend. She has

asked for permission to have the bar open on Sunday. Motion by Enderson, seconded by Johnson to have the Liquor Store Bar open on Sunday, September 4, 2016. All voted in favor of the motion.

Police Chief J. Lichty does not have anything to report unless there are questions on the activity report. There were no questions.

S. Daniels, Public Works Director said other than mowing this week, it has just been a continuation of the previous month report. He said they have been getting ready for Labor Day.

M. Votca, City Administrator gave an update on the VMC progress. The flooring is being installed now and the exterior doors are being installed. The lighting, electrical, acoustic panels, painting and roof is all complete. Votca said the first public meeting for the Active Living Plan is Tuesday, August 23, 2016. Surveys for the Active Living Plan continue until September 23, 2016. Besides the online link for the surveys, they have been placed at locations in the community. SW Regional Development Corp will seek approval from the city council after providing them with a presentation of the survey results on October 24, 2016. Votca said both the VMC and the liquor store roofs are complete. The fire hall roof is still being worked on.

Votca reported thirteen (13) people have filed for the three (3) council seats that will be open. These thirteen (13) persons will be on the ballot for the November 8, 2016 election. Votca said application period for the Administrative Assistant position closed Friday, August 19, 2016 and 21 applications were received. The review and interview process will be taking place before month end. Schons asked Votca to put an ad in the newspaper for the open board positions.

Andy Catania from Geronimo was present for the Front Street Solar Farm Lease decision. Votca reported FFA Advisor Paul Skogland said there is no issue with not renting the Front Street acreage to them as they have other locations. He said no one from the public has reached out to him in regards to this also. Matthew Gross will conduct the final review of the contract before the next meeting for execution of the contract providing there are no problems with language of the lease

A request was received from Karen Ziemke and LuAnn Hansen to extend the deadline for a compliance order at 212 9th St. Motion by Enderson, seconded by Johnson to extend the 212 9th Street Compliance Order Date to August 31, 2017. All voted in favor of the motion.

S. Daniels has requested permission to expend funds to purchase three (3) pieces of equipment. \$43,000 to replace the 1989 Gehl skid loader; \$4,000 for the acquisition of a scissor lift and \$5,000 to replace the 1974 pneumatic hoist. Daniels is applying for an OSHA grant for \$2,500 for the pneumatic hoist and there is a good chance the city will qualify which would reduce the city portion to \$2,500. He said he is receiving a \$5,000 trade in for the skid loader from Lyon County Implement which will reduce the city portion to \$38,000. The funds are available in both the 602 Fund and the 801 Fund. Motion by Enderson, seconded by Johnson to Trade the Skid Loader and Purchase the Three (3) Requested Items. All voted in favor of the motion.

J. Lichty was present to discuss the RFP quotes received for the new squad car. After discussing the quotes, Lichty recommends accepting the \$29,405 quote from Kohl's Weelborg Ford for the 2017 Ford SUV Interceptor. He said he is receiving \$14,500 for the trade of the 2011 Dodge Truck which will reduce amount to \$14,905 plus fees. The funds are available in the 800 Fund. Delivery would be done in two (2) to three (3) months. Motion by Johnson, seconded by Schons to Purchase the 2017 Ford SUV Interceptor and Trade the 2011 Dodge Truck with Kohl's Weelborg for the Trade Difference of \$14,905. All voted in favor of the motion.

Lichty asked for a second motion to purchase the equipment necessary to modify the SUV into a squad car. Lichty discussed what equipment could be transferred from the old squad and what would need to be purchased. Motion by Enderson, seconded by Johnson to Authorize the Purchase of Equipment Necessary to Modify the SUV into a Squad Car. All voted in favor of the motion.

A request was received from Headlight Herald to cost share repairs due to the street project. An estimate was present from American Water Works Basement Systems in the amount of

\$6,412.00. Seth Schmidt is requesting the city pay for half of this cost. Votca reported multiple months ago he, Daniels and ISG looked at the problem the Headlight Herald was having with water coming into their basement. He stated there were multiple locations where the old service lines tied into the sanitary sewer system that were corrected by being closed off. Naturally, ground water is finding another place to go which unfortunately is into nearby basements. The enforcement of the illegal draining corrections took place when the street project was done. Seth Schmidt said he is thankful the project is done and he no longer has to worry about things such as flushing the toilet and sewer backup in the basement. Schmidt said the Headlight Herald has agreed to pay the steep assessment of \$17,000 on the property but remembers asking for consideration into solving this new water problem at a hearing a year ago. He thinks it is fair to ask for some assistance in this straight forward request to use the utility surcharge fund to assist with expenses of unexpected underground infrastructure situations that no one knew existed. Chris Larson said as the city continues to improve the rest of the city's collection system, there potentially could be multiple findings of situations such as this. If the illegal drainage into the sanitary services is acting as the perimeter tile for any building, this will continue to be an issue and could be very costly should the city choose to cost share expenses. Enderson asked Larson if it was possible if these service lines could be re-directed into the storm sewer. Larson stated depth was one issue and suggested staying away tying footing drains into storm sewers because storm sewers are collecting surface water and are only sized to handle a ten year rainfall event. Daniels added during a downpour, the check valve from the sump pump is protecting the buildings' basement because if you tie right into the storm sewer, the pressure will go into the tile and fill the basement with water. Larson said the installation of tile and sump pumps is the recourse these properties will have to take. A gravity tile cannot be installed leaving the need for water to be lifted out from these lower depths. Larson said the Headlight Herald has a sump pump but the existing tile in their basement is not tied into the sump pump. Larson believes ground water from a neighboring lot used to be illegally draining into the sanitary sewer and when the Headlight Herald parking lot service line was removed, the water is now taking its gravitational path into the basement of the Headlight Herald. Tony Peterson said the sump at both the Eagles and Salmon properties have not been dry. Larson said sumps would not be needed if they were dry. Tony Peterson asked if the intercept lines could be checked to verify they are not collapsed. Larson said there would be a couple options to be able to eliminate the question of the intercept lines being collapsed. Larson believes people's sump pumps are going to run more because we are removing a huge tile system that is draining the ground water for the entire city to the wastewater pond and that is not where we want it to go. Further research needs to be done to before a decision can be made who will be responsible for paying for these insufficiencies. Votca indicated there is an ordinance in place created to give loans from the surcharge fund to help property owners affected by street projects to correct illegal connections to the sewer system. Request tabled.

Motion by Cooreman, seconded by Johnson to approve a request from The Caboose to Allow a One Time Off-site Liquor License Use on Saturday, September 4, 2016 at the Beer Tent for the Kegs and Eggs Event. All voted in favor.

Motion by Johnson, seconded by Enderson to adopt Resolution No 2016-21 A Resolution Granting Charter Communications, Inc. a Franchise Extension Through September 30, 2016. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable, Cemetery Commission meeting minutes for September 17, 2015 and Tracy Economic Development Authority minutes for July 20, 2016. Motion by Enderson, seconded by Cooreman to approve the Consent Calendar. All voted in favor of the motion.

Enderson requested reviewing the feasibility of having an entry/exit approach in the parking lot next to the liquor store.

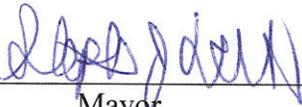
Schons asked about the community garden status. Special assessments were waived on the lot for the purpose of a community garden and there is no community garden there. Ferrazzano said there needs to be a mechanism in place when people don't do what they say they are going to do to properties then special assessments won't be forgiven.

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

ATTEST:



City Administrator



Mayor

September 12, 2016

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 12, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, K. Enderson, and T. Schons. P. Cooreman was present by Skype as she is in Florida. She can be reached by phone or e-mail. Absent was D. Johnson. Also present was M. Votca, City Administrator.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Nick Scutari.

Motion by Enderson, seconded by Schons to approve the minutes for the meeting on August 22, 2016. All voted in favor of the motion.

An addition to the agenda included 14A Fire Department Requests. Motion by Schons, seconded by Enderson to approve the agenda. All voted in favor of the motion.

There were no public comments.

Votca gave a Liquor Store Committee meeting update from September 7, 2016. The intent of the meeting was to discuss the On-Sale Liquor Store Operations recommendation to city council. Votca reported the Liquor Store has been profitable the last three (3) years and there is no requirement for the city council to close the store unless it isn't profitable, however, he said the committee feels the store would be more profitable if the on-sale portion of the store was closed. There are extra costs involved with the on-sale portion being open longer and the sales show the number of patrons is lower than in the past. He said the on-sale portion is creating more expenditures than revenues and if the off-sale portion could operate on its own, the loss of revenue would be reduced. Unanimously the committee is recommending the on-sale portion close on October 1, 2016 with off-sale operations continuing as it does currently. Ferrazzano added a business proposal is being sought from the college in Marshall to determine the feasibility of moving the off-sale to a Highway 14 location. He said because the liquor store is an enterprise fund, the city cannot continue to subsidize it unlike that of other departments which are not designated enterprise funds. Schons asked if the October 1 date was too early. The committee felt continuing to prolong subsidizing the store just to have it open was not reason enough to go past October 1 unlike some communities who only have a bar and nothing else open in the town. Tony Peterson added the purpose of the liquor fund is to raise money for the general fund to help keep taxes lower. Until further research is conducted, the off-sale operations will remain at the current location and continue generating funds. Schons feels she should abstain from voting. Matt Gross said the need for Schons to abstain is not necessary due to indirect interest in the motion. Brent Larson said he doesn't understand why the decision is being made. Larson also said he doesn't spend much money in Tracy but everything he does is going to end. Motion by Enderson, seconded by Cooreman to accept the recommendation of the Liquor Store Committee to Close the On-Sale Liquor Store Operations on October 1, 2016. Schons abstained from the vote and all others voted in favor of the motion.

At 6:45 a public hearing was opened for public comment on the subsequent application for funding wastewater treatment facilities. Votca said the subsequent application needs to be applied for with USDA Rural Development to eliminate the funding gap between the estimates and the actual costs. Chris Larson added the subsequent application will not be submitted until after the bids have been received for the correct amount to be applied for. Tony Peterson asked why there is a half million dollar estimate difference from the original. Larson said the largest amount of the difference is due to the topographic survey not being full for the PER and the detailed design was not complete in the original estimate. He added the web of tangled lines finding of the underground televising had added to the cost. Tony Peterson also asked when the city will be doing the interim financing and if anyone has checked with Pettipiece and Associates on the interim financing. Votca said contact has been made with two (2) different financing agencies, Minnesota Rural Water and Ehlers and Associates. Both agencies have approached the city council in the past. Pettipiece and Associates will be involved in Phase II as they have the Small Cities Grant administration which is expiring but the city is applying for an extension.

Tony Peterson asked how the council was going to determine any property value increases in order to determine the proper assessments is special assessments and tax levy are going to be used to pay for the ineligible expenses. Votca said the special assessment policy will be used for any special assessments. Tony Peterson said because of the statute and the assessment limits brought about by the statute, he doesn't want to see anymore litigation on special assessments so he would ask the council to keep that in mind going forward. He said he is glad to see we are getting to a bidding spot because it has been four and a half years. There were no other comments. Motion by Schons, seconded by Enderson to close the public hearing and move forward with the interim financing at the next council meeting. All voted in favor of the motion.

Chris Larson, ISG, was present to give an update on Phase III of the Wastewater Treatment Project. In good faith, ISG has been reviewing the televising tapes and making notes. There has never been a formal request from the city to do this. Estimated fees for this PER amendment are \$22,500 which should all be eligible expenses through the package. Tony Peterson said he understands the importance of having this done but questioned if this needs to be done now. He feels the city does not need to spend this money until the city gets some money back for this project. Votca said this is long term planning and a decision does not need to be made tonight. The decision to amend the PER at this time has been tabled until the next meeting.

Police Chief Jason Lichty reported his part-time officer, Matt Boettger, has accepted a position with the Lyon County Sheriff's Office. Chief Lichty is requesting to start the process for hiring a part-time officer. Motion by Enderson, seconded by Schons to Authorize Hiring of a Part-Time Police Officer Position. All voted in favor of the motion.

Motion by Schons, seconded by Cooreman to approve a plumbing license to MSDI Plumbing LLC. All voted in favor of the motion.

Votca said a request was received from The Kitchen Table to make an improvement to the front door of the Food Shelf entrance of the fire hall building. All costs would be incurred by them. Motion by Enderson, seconded by Cooreman to Approve the Food Shelf Entrance Door at the Tracy Fire Hall. All voted in favor of the motion.

Mayor Ferrazzano stated they have an application from James Green for the Multi-Purpose Center Board. Motion by Schons, seconded by Enderson to appoint James Green to the Multi-Purpose Board. All voted in favor of the motion.

Votca said the Tracy Ambulance Service Contract is the same as previous years with modified terms of a payment of \$140,000 for a term of five (5) years instead of annually. Motion by Schons, seconded by Enderson to Enter into the Tracy Ambulance Service Contract as presented. All voted in favor of the motion.

The Consent Calendar consists of the Municipal Accounts Payable, Planning Commission meeting minutes for July 6, 2016 and Tracy Economic Development Authority minutes for August 17, 2016. Motion by Cooreman, seconded by Enderson to approve the Consent Calendar. All voted in favor of the motion.

Votca said in order to move forward with the Wastewater Treatment Project, interim financing needs to be obtained. He said two (2) financing agencies have presented their services at earlier meetings, Minnesota Rural Water Association and Ehlers & Associates. Votca said he has spoken with Todd Hagen, Ehlers & Associates, who indicated interest rates on bonds are low right now and the closing of this type of loan has more flexibility with how the repayment can be structured than that of what MN Rural Water can offer. Todd Hagen will be asked to come to the next meeting.

Ferrazzano asked about the flooding on 4th Street after a recent rain. He said it seems to be as bad as before the project fixed it. Chris Larson said the drainage has improved at the Rowland and 4th Street intersection. He explained that storm sewer are not designed for every rainfall, instead they are designed for a rain falling over a 24-hour period. This particular rainfall was 3" of rain in 1 ½ hours. Even with the intensity of this rainfall, the intersection drained in 20 minutes. This intensity is what causes the peak flow that the pipes are designed for, therefore, a 3" rain over a 24-hour period is much different than 3" rain in 1 ½ hours. When rains come so

quickly, the pipes have to handle it so they back up and then have to catch up as the draining goes down. Larson also said in this particular project, a larger 30' pipe was placed to outlet at the downstream end of the project; however there is a choke point in the existing line that goes to a 24' pipe for about two (2) blocks that restricts the flow. Overall, drainage has improved. The rains this year have been unusually intense not only in Minnesota. Larson said anecdotally, it's flooded again but it has improved. Tony Peterson said the run-off flow of water coming from railroad property is causing downstream and erosion issues. He questioned if there was a way to get the railroad to control their run-off which he believe will help control downstream flooding. Larson said this is what the scope of Phase III of the project is studying.

Matt Gross reviewed the Front Street Solar Farm Lease. He advised the city to agree to the terms of the lease. Motion by Schons, seconded by Cooreman to Enter into the Front Street Solar Farm Lease as presented. All voted in favor of the motion.

Discussion was held regarding setting precedence for cost sharing repairs due to the street project. Votca said the City Code 6.13 is already in place assigning the requirement on the property owner. Enderson asked if by sealing the sanitary sewer and leaving the storm sewer to deal with the groundwater was creating a burden on the storm sewer. Daniels explained it was better to overload the storm sewer system than the sanitary sewer system because sewage would likely not be backing up in basements whereas flooding in a road does not seem as damaging. The bottom line is the sealing of the old system has created problems to property owners who were non-intentionally connected illicitly. The request from the Headlight Herald to cost share repairs due to the street project failed to obtain a motion. The request is denied.

Votca said he reviewed the 2017 budget requests. The levy would increase overall by 17.22%. He said there are items that are putting pressure on the budget. One item that puts pressure on the budget is inter-fund transfers from the utility funds. Votca said he has been slowing trying to eliminate this practice and build up the general fund to the MN Office of State Auditors recommendation of 35-50% of expenditures. Currently the general fund balance is 22% of expenditures. Another pressure item is the general fund transfers for operating and capital improvement funds. Votca recommends holding a special workshop meeting to help determine adjustments that can be made. A special meeting has been called for Friday, September 23, 2016 at 1:00 p.m.

Fire Chief Johnson was present to report the retirement pension account is doing very good and the pensions could increase from \$1,500 to \$1,700 per year per fireman without additional contribution from the city according to the SC16 Form from the State Auditor. Motion by Schons to Increase Firefighter Retirement Pensions from \$1,500 to \$1,700 per year per fireman, seconded by Cooreman. All voted in favor of the motion.

Fire Chief Johnson said the fire and utility departments share a 1972 Ford Tanker truck that is in need of mechanical repairs that are going to be expensive. The DNR program the fire department is on the waiting list for notified Chief Johnson last Tuesday they have taken in a supply of 2009 Freightliner truck. This truck could be converted to a shared tanker. The truck is a \$60,000 truck for a purchase price of \$5,000 with the stipulation of painting it within three (3) months of owning it. The needed conversion prices would be approximately \$30-40,000 split between the fire and utility departments and would last twenty (20) years. Motion by Enderson, seconded by Schons to Purchase the 2009 Freightliner from the DNR. All voted in favor or the motion.

Fire Chief Johnson reported he is researching to accelerate the replacement of the 1991 GMC Pumper that did not pass inspection. The pumper is not due to be replaced for four (4) years; however, before he puts more research into replacing it, he wanted council permission. Ferrazzano told him to go ahead and research and come back with the prices.

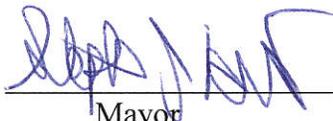
Votca was directed to advertise for the opening City Administrator position. He recommended hiring a company to do the hiring process for the city; however, it was the council choice to direct him to advertise the position on the League of MN Cities website and the newspaper for a period of one month. Ferrazzano has asked the council to start thinking of ideas for an interim position.

Motion by Cooreman, seconded by Enderson to close the meeting for attorney client privilege regarding special assessment appeal cases. All voted in favor of the motion.

ATTEST:



City Administrator



Mayor

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 26, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tam Schons, Kurt Enderson, Pam Cooreman was present by Skype as she is in Florida. Also present was Michael Votca, City Administrator. Absent: Dale Johnson, Sr

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Nick Scutari.

Motion made by Schons, seconded by Cooreman to approve the minutes for the meeting on September 12, 2016. All voted in favor of the motion.

Mayor Ferrazzano asked for any additions or changes to the agenda. Votca requested to make an addition to Agenda item 14A for appointment of City Clerk and Deputy Clerk. Motion by Enderson, seconded by Schons to approve the agenda with addition. All voted in favor of the motion.

During public comment, Sis Beierman spoke in regards to the upcoming Administrator position. She indicated that she would like to see the board consider looking within the office as Madonna Peterson has successfully trained in various Administrator's and feels that if she is capable of doing that she is also capable of holding the position herself. Beierman indicated that she would like to have her considered. Schons indicated that she has had a lot of people ask about combining the City Administrator position and the EDA position and feels that the board should look at that as well. Ferrazzano suggested that the board wait till the applications come in and the October 12, 2016 deadline is reached before deciding how to proceed.

Sandy Lau, Liquor Store manager gave an update. She indicated that they are trying to get rid of the inventory for the on-sale at reduced prices and as the week goes on possibly further reducing the prices. She indicated that she would wait till Friday to reduce the beer prices. It was asked if there was a need to reduce the beer prices or if that could just be brought to the off sale. Lau indicated that is what they have been doing but was afraid they would run out early in the week so she thought it was best to wait till the end of the week. Lau was directed to do as she saw fit.

Val Quist, Head Librarian reported they have started their story time outreach to daycares and Dianne is currently doing four daycares each week. She also wanted to highlight that they will be co-hosting a "Meet Laura Ingalls Wilder" program at the Wilder Museum along with Westbrook and Lambertson Libraries on Sunday, October 9th at 2:00. Those who attend will get in free to the museum and have the opportunity to do hands-on activities in addition to listening to presenter Melanie Stringer. Stringer portrays Laura Ingalls Wilder as an adult, living in Missouri with her husband and daughter.

Jason Lichy, Chief of Police presented Activity Reports for August 2016. Lichy indicated that the new squad vehicle has been ordered and is scheduled for production on October 3rd. The vehicle should be on a transport truck by mid to late October. There was a discussion in regards to ways to retain officers. Lichy indicated that part-time officers are difficult to retain as they are striving to be full time officers, however he did have an idea that may help retain full time officers. Currently our longevity schedule goes for 10 years, his thought was that if Officers topped out in 5 years and took a step up every 6 months instead of every year that it would be a more attractive pay schedule. Mayor Ferrazzano indicated that was a good suggestion and questioned if that was something that could be implemented and how it would impact the budget. Lichy indicated that it would be a good time to implement it with the way the staffing is and that he would have to look at the numbers but thought it would only be a few percentage points. It was pointed out by Votca that contracts were being re-negotiations and that it would have to go thru the Union contract.

Shane Daniels, Public Works Director updated on the filter status. We are continuing to weld in the filter tank and are currently 95% done with the floor panel installation. Once that is complete that project will be done until we have to do the other one. There was also some discussion

regarding the pot holes in front of the Lutheran Church. Daniels indicated that they have a patch to do by 7th and Emory or Harvey so when they do that one they will also patch the holes by the church as well. The goal is to try have it done before winter.

Mike Votca, City Administrator indicated that this would be his last meeting and thanked the Council for allowing him to serve the City and that he enjoyed working with the staff. Votca indicated that the VMC project is basically complete. The flooring has some trim that needs to be completed and a system to limit the humidity under the floor will be emplaced. The Active Living Plan survey period ended on September 23rd and the next meeting will be held on October 4th, 2016 to discuss what came out of the surveys. Max from SW Regional Development will make a presentation on October 24th to the Council to present the plan. All roofing project for the VMC, Liquor Store and Fire Hall are complete and we will need to pay out the final bill. We have hired Diane Campbell as the Administrative Assistant and she will start on September 29th, 2016. The Administrator position will be advertised until October 12th, 2016. The council thanked Votca for his service and wished him well in his new position.

Sarah Willhite with the EDA reported that they are moving forward with the Deed Demo application. The Deed Loan will need to be added into the budget however, the length of the loan is yet to be determined. The application is being assembled and will be submitted in February. The 153rd Street building will be cleaned out. There was a spot on the roof that was leaking but it has been repaired. There has been some interest in it however, the EDA has not yet decided if they will be renting or selling the building. The EDA is putting together some ads for the lawn and snow removal and the property management to get bids. The spec's are being worked out and will be advertised soon. The deadline for the bids will be on November 1st and will be opening up the bids at the November 2nd EDA meeting.

Mike Beard with Bollig Engineering was present to give an update on the Airport Master Planning. A month ago we had an airport needs assessment meeting and we talked about the Tracy Airport and some of the things that we as your consulting engineering firm have uncovered. Beard indicated that he is excited to help Tracy Airport get back into the Federal NPIAS system which will mean about \$150,000 in capital a year to the Tracy Airport that we were missing out on. However, in order to do that we have to scope the master plan of work and get that to the Department of Aeronautics so that they are good with helping to fund that. Joe Gimse was introduced to explain it in more detail. It was asked for Gimse to explain what the NPIAS list is and why it is significant. He indicated that being a NPIAS basic airport entitles you to federal grant dollars, both discretionary and non-discretionary on the federal level. As far as the basic entitlements the federal government gives the State of Minnesota money every year and what we do here in Minnesota is that we divide that up amongst those that are in the NPIAS System. It was asked for Gimse to explain what NPIAS stands for and why it is an important acronym. NPIAS is the National Plan for Integrated Aviation System. What this means is that on the federal level they plan for airports that are within the federal system. They work with MNDOT Aeronautics to move projects that are federally, state and locally funded thru their system for check and balances, making sure that the integrity of the proposals and the plans are up to speed with federal and state guidelines and appropriate the money. Ferrazzano asked for clarification in regards to the monies given to the airports that are on that federal list? Beard gave a further elaboration – of the 136 airports in the State of Minnesota, 85 of them are federally recognized as of national importance hence the designation NPIAS. This means it is not just a grass landing strip or a small landing strip that has one or two airplanes that see it a couple times a month. The federal government has established a standard that these have to be airports of significance in a region or small town with a minimum of 10 based airplanes with a certain level of activity and a certain level of commitment from the local sponsoring government, in this case the City of Tracy. We have helped assure the Federal Government that the Tracy Airport meets all of the criteria to get it back into the NPIAS system. The City of Tracy has fallen off that for a couple of years but it is back on it now. Ferrazzano – so then when the State gets this money from the Federal Government and they divide it up between the ones that are on that list do they divide it up based on what project you have or do they say since there is 80 we are going to divide the pot by 80 and everybody gets a check? Beard – they divide up a portion of it that they call entitlement dollars which every NPIAS Airport gets \$150,000 a year to do airport related projects. You are allowed to accumulate it up to a total of \$600,000 for the more major projects so you don't have to spend it every year. The nice part is MNDOT Aeronautics also steps into the mix with the 85 airports that do have it in this state so if there

were no projects going on in Tracy for a couple of years MNDOT has the ability to take that money and put it at somewhere else but they keep a running tab in St Paul so whenever those projects are done and it is time for Tracy to do something of significance those IOU's are available to Tracy. As we get into the master plan you will see how some of those dollars will be coming back from Hutchinson and Elbow Lake and other places that have received entitlement dollars from you which are Federal dollars that are pooled. Ferrazzano – I am glad someone is keeping track of the money that was sent to other airports because we have been doing that a number of years. Beard – that is part of our job and making sure that is runs efficiently. As Cassandra Issackson mentioned when she was here for the needs meeting they want to see every Federal dollar that comes into the State of Minnesota for airports be used in Minnesota. They don't want to see at the end of the Fiscal year any of those dollars be sent back to the discretionary pool to be used in other states or other regions. In your packet you were given just a quick overview and I would just like to go thru what a master plan is and why it is needed. Like Cassandra said master planning on NPIAS airports or federally funded airports is becoming a requirement and what they want to do is to coordinate those federal dollars with their programming for state dollars and get the best efficiency that they can as they go thru the projects and building their project base. The master plan is a 20 year document and what we are going to do is try to envision 20 years from now what the Tracy Airport will look like. It was asked when the last time we did one and Votca indicated that Tracy has never done a master plan but we have done airport layout plans numerous times and the last one was possible in 2002. Beard indicated he can't say for sure but it has been a long time and as we evolve this and we come back and present to you where we are, especially after the scoping and we start to really dive into the master plan there are components of community involvement, zoning, current inventory which is an in depth look at the airport and it is going to very helpful. It is a living document, that doesn't mean once you create it that it can't be changed but as it currently looks we try to keep up with it and keep everybody informed as to the progress here in Tracy. The next page of the handout is a quick overview of the team that will be working on this master plan. Paul Jurek is the project engineer and he will be the lead on this project. Mike and I will be Client Managers and will be doing work with the public involvement portion of the master plan, along with other staff that you will see on the chart. The next page of the handout is to give you sense of some of the things involved in the master planning process. There is preplanning, public involvement, and inventory of existing conditions out at the airport, in other words taking a complete inventory of what is there including all the radios, lighting etc. One of the chapters is an aviation forecast, facility requirements, what we see coming up in the future for needs and then reports with the federal and state government. There is always an alternative development and evaluation if we have to come up with other options and work through those to find the best option and the best way to develop the airport. Environmental conditions are always a part of this and the financial feasibility analysis will be how Tracy will work with MNDOT and FAA to plan out and to use the Federal and State dollars to the best advantage for the airport. And finally a complete and new airport layout plan which is a document that you have that needs to be updated. The portion that we are going to be talking about tonight is the scope of work that you also have in your packet that we would like you to approve so we can move forward in this process. The scope of work again has 7 chapters that include the introduction, existing inventory and the demand forecast etc but what the scoping does is takes all of the components for this master plan and breaks it all out and then we start to get cost estimates, put together the graphs and the layout for the master plan, start with some surveying and inventorying, airport GIS which is a comprehensive aerial survey getting an in depth look at what the conditions at the airport are. That is all a part of the master plan but needs to be a part of the scope of work so that MNDOT Aeronautics and FAA are comfortable with the direction and what the needs are out here. Those are the goals and objectives of the master plan and the scoping project and what we would like to do to keep things going is to start the scoping project now and work thru that during the winter months. By May 15th we need to have the funding package into MNDOT, they will then move it onto FAA and that will include the previously mentioned entitlement dollars and how the master plan project will be funded. Going thru a few more of the pages of the handout you will see an overview of the Inventory of Existing Conditions and the Aviation Demand Forecast which includes Operation Counts, Historical Aviation Activity Analysis, Critical Aircraft Identification and Forecast Comparisons with other airports. Another portion of this is also using historical and current data and to compile it. Facility requirements portion of it will include that forecasting out 20 years and not just people that are currently using the airport but also the public involvement section where we contact businesses, meet with the Chamber of Commerce, EDA and others to get their feeling as to where the Tracy Airport needs to be in the

431

next 20 years. That is the component of the Economic Development portion of the master plan and we will be putting that together as we go. Also the identification and evaluation of alternatives – the FAA and MNDOT are going to want to see that you have looked at other ways of evaluating and looking at some of the alternatives for the airport. And finally the airport layout plan which is the technical drawings for the airport that you have seen in the past. The Facility Implementation and Financial feasibility, which includes keeping the Capital Improvement program for the airport updated, preparing the non-aviation related item, the Solid Waste Management Plan component, the Obstacle Action Plan and Obstacle Reduction – there has been a lot of conversations about the Tracy Airport and how we could alleviate some of those obstructions that we need to. The next page of the handout is the Funding breakdown and in this program the FAA allows 90% reimbursement or they will pay 90% thru the entitlement program. The State just came out with new guidelines and they will pick up 5% of the program leaving the local match at 5%. Beard indicated he would take any questions – Votca stated that we if are eligible for dollars it is good to be on the list and that it is nice that the City would only have to contribute 5% of the total cost. Beard indicated that he wished it was 0% - especially for these rural airports because there are a lot of communities that have challenges and they do not want to see any of these airports deteriorating to the point where you are investing major dollars to try and bring them back and fortunately in Tracy you are not in that position. Motion by Enderson and seconded by Schons to enter into Engineering Agreement Task Order #4 with Bollig Engineering. All voted in favor. Motion carried.

Mayor Ferrazzano stated an application from Matthew J Knakmuhs for the Hospital Board has been received. Votca indicated that there are 2 seats open on the Board and that Matt is currently involved in Sanford in different ways. This seat would be to replace Claire Hannasch who has stepped down and there would still be one seat available from when Audrey Koopeman stepped down from the board. Motion by Schons, seconded by Enderson to appoint Matt Knakmuhs to the Hospital Board. All voted in favor. Motion carried.

Concerned Citizens for Tracy Public Forum requested to use the Council Chambers on October 16th, 17th and 18th at 6:30 to do a candidate forum. Votca stated that they would have a City employee operating and maintaining the room for them while the forum is in session per their request. Motion made by Enderson, seconded by Schons to grant the request. All voted in favor. Motion carried.

Chris Larson, ISG, was present to give an update on Phase III of the Wastewater Treatment Project. Resolution 2016-23 – Resolution Approving the Plans and Specifications and Ordering Advertisement for Bids was presented. Chris indicated that this is for the final plans and specifications for Phase 1 of the Wastewater Improvement Project. This Resolution is a requirement for the 429 Assessment process. A contingency was included but have not received a formal authorization to bid from the funding agency yet. One easement remains to be acquired which needs to be recorded and then they will give us authorization to bid. The idea is if we pass it tonight with that contingency, once we get that, then we can go ahead and bid instead of waiting for the next council meeting. Votca indicated that Jeff from USDA stated that they will have the letter for us to go forward with that based on getting the easements. All the easements have been signed with the exception of two - the one indicated above and one where the property owner is deceased. Larson indicated that the rest of the project is not dependent on that piece of infrastructure that is going into that particular easement so if it is not received that part of the project could be cut out and be done later. It was clarified there would be two temporary easements. Motion made by Kurt Enderson and seconded by Cooremen to adopt the resolution. All voted in favor. Motion carried.

Discussion was held regarding Resolution 2016-24 Granting Charter Communications Inc a Franchise Extension through October 30, 2016. Votca indicated he has not received an update from them and that the attorneys have indicated that there are a lot of Cities in the same position as us. Schons questioned what would happen if we did not extend it and Votca indicated they could still operate it due to how the State law is set up. Motion made by Schons, seconded by Enderson to adopt the resolution. All voted in favor. Motion carried.

The Consent Calendar consists of the Municipal Accounts Receivable and Payable and Tracy Economic Authority meeting minutes from September 7, 2016. Motion by Cooreman, seconded by Enderson to approve the Consent Calendar. All voted in favor. Motion Carried.

Chris Larson met with the Council in regards to the Wastewater Treatment Project Phase III. Nothing new to present but am looking for direction to move forward. Votca indicated that this was a decision point if the City wants to move forward with analyzing that information and creating the plan for the future of the Wastewater System. Votca did not feel this was something that should wait till the 2017 budget and that it was something that should continue to move forward so that the City can plan and get something submitted. Larson indicated that Phase III would be an amendment to the PER's that have been approved for both Phase I and II and there is a whole review process of rural development for that. Part of the PER would be prioritizing and most likely would be phased out over several years. However to get going on the construction plans is a whole separate review process and to try be ready to make those improvements sooner rather than later. This is all eligible costs for when we get reimbursement for the projects but we do have to front the money. A year ago Rural Develop acknowledged that the projects we are proposing certainly take care of the major issues but they recognize that the rest of the system is in very poor condition so they restructured the grant amount. The sewer is the main driver of all of this but the prioritization will also take into consider the condition of watermains, street and the storm sewer. To complete this PER Amendment, we estimate the fees to be approximately \$22,500. Motion made by Enderson, seconded by Cooremen to enter into an agreement with ISG for \$22,500. All voted in favor. Motion carried.

Votca discussed the 2017 Budget and the meeting that took place on Friday, September 30th. There were some things adjusted to get the levy down and they talked about priorities and things that needed to be worked on for 2017 and added some things back in. Money was put back in the budget for building inspection and \$8000 or so for the masonic building to try and build up some funds to work on that when we get down the line. Also there was money put in for the Airport Master Planning. Those were the three things that were talked about outside of the budget that was put back in. The Levy is sitting at 7.6% which is \$79,997 more than we levied for last year. The council can work to reduce this levy up until December if necessary. It was validated that half of the levy was just for debt services so even if we did not want to increase any of the budgets at all we would still need to increase the levy to pay off the bonds that we have. Debt service increased by \$36,000 this year which is just about half the additional amount that we are levying for this year. Votca also wanted to note that the truth in taxation meeting will need to be held in December. The Council agreed to set the Truth in Taxation hearing for December 12, 2016 during their regular meeting. Motion made by Schons, seconded by Enderson to adopt Resolution Number 2016-22 – Resolution Adopting the Proposed Budget and Tax Levy for 2017. All voted in favor. Motion carried.

Discussion on the appointment of City Clerk and Deputy Clerk. Votca explained that once he leaves there will only be three people left that can sign checks etc and that 1 of the 3 is the council member in FL which leaves only 2 people locally that can do that. Votca feels it would be in the best interest of the Cities operations to appoint Shane Daniels as the City Clerk and Madonna Peterson as the Deputy Clerk until the Council can get a new City Administrator hired. Motion made by Enderson, seconded by Schons to approve the appointments. All voted in favor. Motion carried.

Discussion what held in regards to the vacant lots that were going to be turned into gardens. The owner had personal issues that she had to take care of. The special assessments on those lots were waived based on the owners plans. The owner had personal issues that she had to take care of so this did not get done. The city attorney would have to be consulted to see if there would be any legal ramifications involved. In the future there should be contingencies included in the agreement for this situations. There was discussion on how this type of agreement has been successful in the past.

Currie Project discussed– Legislature is not going to have a special session. Hopefully they will get the bill passed next year.

Masonic Building removal cost discussed briefly.

Mayor Ferrazzano requested that the Council meeting scheduled for October 10th be moved to October 17th as he will be out of town. Discussion on the approval of the Concerned Citizens

433

for Tracy Public Forum Request being on the 17th. It was decided to leave it as the 10th being there will still be a Quorum. Discussion in regards to the Liquor Store closing and what the motives were. He suggested that if people want their opinions to be heard they can come to the Public Comment portion of the meeting and voice those concerns. Discussion on the various concerns. Schons questioned if there should be a specific date set for that. Date was set for the October 24th meeting during the Public Comments portion to give the public an opportunity to come and talk about this. This will not change the outcome but will give people an opportunity to come and talk about it.

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

ATTEST:



City Administrator

Mayor

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 10, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Pro-Tem Mayor Pam Cooreman, Tam Schons, Kurt Enderson and Dale Johnson, Sr. Also present were Shane Daniels, Acting Clerk, Madonna Peterson, Acting Deputy Clerk and Diane Campbell, Assistant Administrator and Matthew Gross, City Attorney. Members Absent: Stephen Ferrazzano.

Pledge of Allegiance was given to the flag.

Invocation was given by Paster Thor Burntvedt.

Motion was made by Johnson, seconded by Enderson to approve the minutes form the meeting on September 26, 2016. All voted in favor of the motion.

Pro-temp Mayor Cooreman asked for any additions to the Agenda. Daniels requested to add the fire truck painting quote under the Petitions, Request, Communications portion of the agenda. Also under the legal issue portion Daniels would like to add the attorney client privilege for the 4th and Morgan Street assessment issue. Schons moved, seconded by Johnson to approve the agenda to include the additions. All voted in favor of the motion.

Daniels explained that Guaranteed Energy Savings Program were unable to identify any significant energy savings opportunities that would save the city enough money to fulfil a contract. Because of this the contract was allowed to expired on September 30, 2016.

Peterson indicated that she received an e-mail from Charter stating that they are working on the franchise renewal. They indicated that they wanted the council to know that they are picking up their efforts to move forward and that their legal team would be reaching out to our consultant to re-engage in discussion. Council acknowledged receipt of the memo.

Todd Hagen from Ehlers and Associates addressed the council regarding General Obligation Bonds, Series 2016C and Series 2016D. These bonds are to finance Phase 1 which is some water lines, storm sewer lines and wastewater collection and Phase 2 which is our wastewater treatment facility. He stated that the City made an application to USDA to get Obligated Loan funds in the amount of \$9,734,000 in grant funds. That is the free money part of \$1,431,000 for the water and sewer improvement projects. In April and September of 2015 you would have received the obligation letters indicating that those were the loans which were approved by USDA Rural Development. This requires that the City issues temporary financing until the project is complete at which time they will release their loan proceeds. This interim temporary bonding is necessary thru the construction period until the project is complete enough for the Federal Government and USDA Rural Development to take out this temporary bond and replace it with a long term 40 year financing at whatever rate is there at the time. This is a low interest loan that is subsidized, which right now is between 2% and 3% depending where you score, so it is good funding. Hagen indicated that he usually comes before the Council to present the presale report which shows the terms and conditions of the financing. He then comes back with it all packaged up and is then sent out for competitive bids. It is a short obligation bond with a lot of good security behind it. He stated that he would come back on November 14th and show the Council a tabulation of all the interested banks with hopes of having a whole host of bids. It will then close up the beginning of December and that will get the City of Tracy enough money to get some bills paid on Phase 1 and some of Phase 2. Phase 1 is ready to go and could start moving forward at anytime with ordering materials etc. Phase 2 – there are some land acquisition that the City needs to get taken care of. The C Bond is the third bond that the City will be issuing this year of \$8,315,000 and then the D Bond which is a smaller bond of \$530,000 General Obligation Bond for the ineligible cost of Phase 1. Not everything in this project is eligible for the USDA financing so some of this will be put into a 15 year long term bond which constitutes the ineligible costs. Hagen indicated the nice thing about these bonds is that the C Bond is short and it will qualify for State Credit Enhancement from the State of Minnesota. Because it is a water and sewer related project it is eligible to be guaranteed by the State of Minnesota so this will be sold at a AA Plus rating. The AA Plus is higher than the A that you have, so it will be sold with an A

rating and AA Plus rating so it will lower the interest rate on this bond considerably. We are looking at this temporary bond to be at or under 1% when we sell it for three years. You do use Ehlers Investment Partners for a lot of your investments for general fund monies and we are working with Madonna to possibly take this money and send it off to Ehlers Investment Partners and try to earn as much interest as we can to offset the interest rate until the money is needed to be spent. There will be about \$1.5 million dollars remaining to finance for this project in 2017. The reason we are carving this up is because you will be using up all of your "Bank Qualifications" for the year which is limited to \$10,000,000 per calendar year. You did two refinancing's this year – not all of that needs to qualify but you have enough room to issue another \$8,315,000 plus the \$530,000 under that umbrella of the Bank Qualifications which allows Banks and bidders to deduct up to 80% of their interest expense when they purchase these bonds. This will translate into lower interest rates so you want to make sure that you get these Bank Qualified. This will also free up the Bank Qualification limitation for next year in case you have to do Street projects or anything like that. Now is a good time to issue as much as we can unless the council feels differently. In the spring of the year we will come back and issue \$1.5 million to take care of the wastewater treatment facility which will get your bond right at the \$9,724,000 dollar mark. This will go until it gets taken out by USDA at some point. The D Bonds are going out 15 years and the payments will start on August 1st, 2017 and he wants to make sure that the City is comfortable enough to make those payments which will end up being about \$40,000 a year depending on how the bonds sell. The reason this it is a long term bond is because the interest rates are expected to go up and anytime I can recommend locking in on a long term bond I will do that with today's historically low interest rates. Hagen indicated that each Bond issue has a preliminary resolution that allows Ehlers to put it together and come back in November to present the bids. There is also a resolution that authorizes the City to enter into the State guaranteed loan – the Public Facilities Authority with the State of Minnesota will administer that which brings it to a total of four resolutions.

Enderson moved, seconded by Schons to approve Resolution Number 2016-26 – Resolution providing for the sale of \$8,315,000 GO Temporary Bond, Series 2016C. All voted in favor.

Schons moved, seconded by Enderson to approve Resolution Number 2016-27 – Resolution Providing for the sale of \$530,000 GO Bonds, Series 2016D. All voted in favor.

Enderson moved, seconded by Johnson to approve Resolution Number 2016-28 – Resolution Authorizing the City to Enter into a Credit Enhancement Program Agreement with the Minnesota Public Facilities Authority. All voted in favor.

Enderson moved, seconded by Johnson to approve Resolution Number 2016-29 – Resolution Authorizing the City to Enter into a Credit Enhancement Program Agreement with the Minnesota Public Facilities Authority. All voted in favor.

Peterson submitted an e-mail request from Bill Tauer, Athletic Director, to share in the cost of putting rubber tips for the tables and chairs at the VMC to help protect the floor. The total cost is \$533.46 and they are asking for the City of Tracy to split the cost. Enderson moved, seconded by Schons to approve splitting the cost of the rubber tips. All voted in favor.

Peterson indicated that Mike Votca had received an e-mail request from Donovan Hanson asking for a portion of High Street that was plotted but never built to be vacated. Hanson indicated that this was hindering his ability to sell these parcels to a new owner. Matt Gross stated that he has spoken with Matt Knockenmus, the realtor who represents Mr. Hanson regarding this issue. Gross directed attention to the map include in the packet. He pointed out that there are two parcels that Mr. Hanson owns that are separated by an alley way or street that was originally included in the plat. However, there is no street that runs thru that portion of the property. Because it was platted as a street the City owns the easement that runs thru that property which is why the owner would like to have it vacated. Mr. Gross indicated that if the City wishes to approve the variance there is an ordinance that the City would have to pass. However, there is a State Law that allows the City to pass a Resolution instead which would be a much quicker process. With this option, since Mr. Hanson does own both sides of the abutting property it would revert to him in ownership so he could freely sell the property which would

include that parcel that is currently vacant. If that is the direction the City wishes to go Mr. Gross requested that the City authorize him to review the property records to confirm that it is totally included in the platted property. If it is not the prospective property owner would likely have to have the southern portion surveyed to accurately reflect the legal description. This would be the property owners responsibility. Mr. Gross suggested that the motion would be for the city to authorize him to review the property records, prepare a proposed resolution and to have a 14 day notice published in the newspaper for the public hearing. Once the notice is provided the hearing could be held and if the City wishes to approve the resolution it could be done at that time. Once this is accomplished the Resolution would need to be recorded and it would then vacate to the property owner and the issue would be resolved. This process would essentially relieve the City of being responsible for any maintenance or upkeep of that portion of the property. Mr. Gross indicated that this is what he would advise the City if they deem appropriate. Enderson moved, seconded by Johnson to authorize Mr. Gross to prepare the necessary documents. All voted in favor.

Daniels addressed the Council regarding the agreement with Geronimo Energy to relocate the water line. There is a water line that runs diagonally from the MN DOT shop at the end of 4th Street East to Swift Lake Park – Daniels set forth the spec's which includes a minimum of 2 inch diameter 200PSI AWWA Blue Poly line. Geronimo Energy is going to pay for all the cost to relocate this line so it will run right underneath the Solar Farm that they will be building next spring. Mr. Gross put together some legal documents for the repayment of it so this is just an FYI as it has already been acted on. Daniels indicated that Geronimo Energy would like the City to pay for it up front and then they would reimburse the City. Daniels stated that Mr. Gross has drawn up the contract to include that language. Schons questioned if it would be paid back in one lump sum. Mr. Gross stated that it would be a lump sum within five business days of presentation of payment. It was confirmed that Geronimo Energy secured G&H Plumbing and Heating which is why there was not a bidding process. Schons questioned why the City was fronting the money and why they would not just pay for it themselves. Daniels indicated it was partly because the City has not leased the land to them yet. It was decided by the council to table this issue until Daniels is able to get more details.

A letter from Wheels Across the Prairie Museum was presented. They are asking the City Council for some items from the Masonic Building before it is demolished. Cooreman asked the Council members if anyone had any issues with this. Enderson indicated that he had went up to the Masonic Building to look at these items and felt - along with Schon's – that they should be allowed to go thru the building and take what they felt could be useful to the museum. Enderson moved, seconded by Schons for the museum to secure the items listed as well as any other items they felt would benefit the museum. All voted in favor.

Daniels stated that David and Deb Johnson have submitted a Variance Request for the placement of a new garage. This request was brought to the Planning Commission at their October 3rd meeting and the Commission has approved it. It is now being presented to the Council for their advisement. Daniels indicated that this parcel of land is unique in that most of the lots in town have separate parcel numbers if they are on different sides of the alley. This particular parcel does not, so technically it is in the same parcel, which would allow them to build a garage on what appears to be a vacant lot. They are requesting a 14 1/2' Variance. The only line that would be a concern would be the 3rd Street side which is the East side, as the other setbacks could be met. Schons moved, seconded by Johnson to grant the Variance. All voted in favor.

Dale Johnson, Jr met with the council in regards to changes made to the Fire Department Relief Association By-Laws. The changes made were in reference to the increase of retirement benefits that was approved last month. Johnson indicated that anytime the by-laws are changed they need to be re-approved by the council. From the City Council it will go to the State for their approval. Enderson moved, seconded by Schons to approve the By-law to include the Retirement Benefit increase change. All voted in favor.

Dale Johnson, Jr also discussed the quotes to have the fire truck painted. He tried to get quotes from both Kurt's Body Shop as well as Whitey's Body Shop. Whitey was unable to give a quote as the truck

would not fit in his shop. As a result of this Johnson requested a quote from Olson and Johnson out of Marshall. Johnson acknowledged the possible conflict of interest of going with Kurt's Body Shop as Kurt Enderson is a Council member and inquired how to handle that. Mr. Gross, City Attorney, indicated that in order to enter into a contract with a council member's business that member must abstain from voting on the matter and the City must unanimously vote on the matter and approve it. It will also require a resolution to be passed which Mr. Gross can advise the Council on what they must discuss in order for that to be approved. The Resolution could be drafted tomorrow to be signed and before the actual claim is paid Enderson would have to submit an affidavit which Mr. Gross will provide him with. Johnson met with both Olson and Johnson as well and Kurt's Body Shop and indicated that the quote was for the same job. Johnson moved seconded by Schons to approve Kurt's Body Shop for the contract to paint the fire truck and for the Council to sign the Resolution to be drawn up to address the conflict of interest issue. All voted in favor.

Daniels requested authorization to close the October 10, 2016 meeting during the the closed session portion for LELS negotiations. In order to have a closed meeting on labor negotiations we have to have the time and place of the closed session in a public meeting. This is establishing that and the intent is to have a closed session after tonight's meeting at 8:00 p.m. Schons moved, seconded by Johnson to approve the closed meeting. All voted in favor.

Resolution Number 2016-25 – Resolution Declaring Property No Longer Needed for Public Purposes was presented. Daniels indicated that he would like approval to dispose of the 1976 Chevy 2 wheel drive by sealed bids. Enderson moved, seconded by Schons to authorize disposal by sealed bids. All voted in favor.

Johnson moved, seconded by Enderson to approve the Aquatic Center Committee Minutes from July 19, 2016 as written. All voted in favor.

Schons moved, seconded by Johnson to approve the Municipal Accounts Payable. All voted in favor.

Enderson moved, seconded by Johnson to approve the Tracy Relief Association Minutes from September 6, 2016 as written. All voted in favor.

Schons spoke in regards to the possibility of compensating Daniels and Peterson for their additional duties as a result of being named acting City Clerk and acting Deputy Clerk. It was decided to table it until the next Council meeting.

Enderson addressed the issue of getting the cable for the sports channels at the liquor store dropped. Peterson indication that there will be a Liquor Store committee meeting next Tuesday, October 18, 2016 to discuss those issues and hopefully bring those things back to the Council for discussion. Peterson indicated that she has already ordered cable to be cancelled as well as contacting the Liquor Liability Policy Company which will result in a \$2,000 refund due to the reduction in sales.

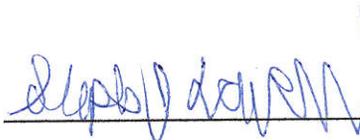
Daniels stated that there was a letter dropped in the water bill drop off in regards to the Liquor Store Closing. The letter was unsigned so it is unclear who dropped it off but Daniels is requesting acknowledgement from the Council that the letter was received and presented. With the Council meetings being televised and the letter being unsigned, Enderson made a public announcement that there has been a time allotted to discuss this at the October 24, 2016 meeting during the Public Comment time slot.

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

ATTEST:



City Administrator



Mayor

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 24, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tam Schons, Kurt Enderson, and Pam Cooreman was present by Skype as she is in Florida. Also present were Shane Daniels, Acting Clerk, Madonna Peterson, Acting Deputy Clerk and Diane Campbell, Administrator Assistant. Absent: Dale Johnson, Jr.

Pledge of Allegiance was given to the flag.

Motion made by Enderson, seconded by Schons to approve the minutes for the meeting on October 10, 2016. All voted in favor of the motion.

Mayor Ferrazzano asked for approval of the Agenda with the addition of 9F-Split/Sunday Liquor License application for the Eagles Club. Motion was made by Cooreman, seconded by Schons to approve the Agenda with the addition. All voted in favor.

David Anderson addressed the council in regards to the Liquor Store closing. He stated that in 2007 the council voted to designate \$85,000 for the patio along with \$32,000 to demo the building for the patio. He inquired why the council was willing to commit that much money towards it when it could have went towards various other things such as sheeting and insulating, roofing, upgrading the coolers and possibly replacing the back door to save on utilities. He also inquired why other things were not tried in an effort to save money such as cutting hours before it was decided to close it. Anderson obtained some unaudited reports from Peterson that indicated the sales over the last 68 months which, according to his calculations, the Liquor Store profited roughly \$12.95 a day. Anderson indicated he felt the council was not doing their job. Mayor Ferrazzano thanked Anderson for his comments and closed the public comments section in regards to the closing of the Liquor Store.

Val Quist, head librarian, addressed the council regarding the new joint powers agreement which will need the council's approval. She indicated the agreement was approved by the Plum Creek Advisory Council Librarians earlier this month and last week our governing board approved it. She stated that the council will be receiving it by the next council meeting for the council to review and sign. This agreement has not been updated since 2001 and is badly needed.

Sandy Lau, Liquor Store manager met with the council to update them on the changes that have been made since the closing of the on-sale. She indicated that they are now using the on-sale portion of the building for storage. The lattice in the off-sale has been removed and they have moved some of the displays for better viewing from the cash register. The clearance section has been increased in an effort to move the products faster. She also indicated that Lights and Beyond would like Lau to serve wine from the Tracy Liquor Store which they would purchase. The event would take place on November 3rd the 10th and the 17th. Schons inquired if Lau would be paid to provide the service. Lau indicated that she would be volunteering her time. The council agreed to allow Lau to move forward.

Jason Lichty gave a police department update. The new squad car is scheduled to be in next week in Redwood. Lichty and Daniels will go and inspect it to make sure it was shipped without any scratches or dents and sign the paper work. It will then be delivered to the installer. The Dodge has been dismantled and will take 2 to 3 weeks to be complete and in service. The hiring process was done last week. Lichty indicated that it is the smallest number he has had for applicants but feels that they have found a good candidate. Once he gets licensed then he will be put on and start the training.

Mayor Farrazzano inquired what the training for the new equipment will entail. Peterson indicated that November 1st they will come and go over the actual equipment which will be 2 hours of training on the equipment itself. There will be two additional trainings, one on November 4th and another on November 17th. One of them will be training on the tightrope system which will require us to build the scrolling system on the TV. The other one is to focus on updating the system and how the camera system will work during the meetings. Peterson indicated that Daniels, Campbell, herself and Adam Hanson will be involved in the training. Peterson stated Hanson maintains the City website and felt he should be involved.

Daniels indicated that they did start harvesting leaves off the road today along with painting the filters so there could be sand going in there next week or so. Also in Daniels report was indicated that he and Paul Skogland attended a two day meeting in Springfield to renew the pool operator licenses.

Daniels requested authorization to close the October 24, 2016 meeting during the closed session portion for labor negotiations. He again explained that in order to have a closed meeting on labor negotiations we have to have the time and place of the closed session in a public meeting. This is to establish that. All agreed.

Discussion on setting an alternate Truth in Taxation date in case of acclimate weather hindering the December 12th meeting from taking place. Mayor Ferrazzono proposed setting it for December 19th at 6:30. All agreed.

Maxwell Kaufman with SW Regional Development Commission met with the council. He presented the council with some handouts regarding the Active Living Plan. He indicated that there have been several community meetings and surveys offered over the last 4 months. The information was compiled and resulted in the goals and strategies we are proposing on the handout. The draft can also be found on the SW Regional Development website. The first goal that was identified was to ensure that all streets in Tracy are complete streets. One thing that came up in the input they received was that there is no real policy to determine which streets need to be complete in regards to their pedestrian infrastructure needs. Implementing a complete street policy would address those issues. Two copies of the draft of this policy were also distributed to the council members. The second goal involves increasing walking and biking to school. The biggest barrier to this is the lack of a sidewalk that leads out to the school. There are 7 action items underneath this goal. If the council has any suggestion or additional action items that you would like to see included under this goal it can be included in the final draft. Ferrazzano asked Kaufman to explain action #7 on the handout and how they would go about getting funding. Another handout was given to the council explaining what the eligibility guidelines are for receiving state Safe Route to School funding as well as a sample resolution from Rushford, MN and what they did to be in compliance with the regulations. These funds are not available every year and likely will not be this year as it is a periodic thing as to when MNDOT has those funds. The application is just put out to all the cities in the region to make them aware of it and what the eligibilities are. The Safe Route to School funds are only for transportation purpose, it cannot be for recreation. The third goal, which actually encompasses all the strategies and goals, is to increase walking and biking around the City of Tracy. The pedestrian sidewalk connections that would need to be completed include the north side of Craig Ave and the northwest end of Morgan Street and along State Street to the health care center. The reason these were chosen was based on usage patterns that were indicated on the survey results as well as future land use plans. As of right now Tracy has in their land use plans that the east side and northwest side of Tracy would be where future residential development would likely take place. Schons inquired who would pay for the sidewalk extentions. Kaufman indicated that he would encourage the city to seek out creative sources of funding – this plan is not designed to be done next year – these things are costly and need to be prioritized. There will be a workshop held in Slayton in December in regards to funding these plans and the council will be invited to that. This is being put on by MNDOT and a few other partners. Action four is to fill in sidewalk gaps along Center Street. Center Street does have sidewalks intermittently on both sides, however it would be best to be complete along at least one side. Strategy two is the walking and biking path. The input received is that people enjoy them and that a lot of people are using it and would like to see it extended and also better connected. It was discussed that Highway 14 could use a crosswalk or sidewalks leading up to it along 4th Street. The fifth action would be to improve safety downtown which would involve traffic calming on 3rd Street and to consider off street parking or reducing parking near the corners. It was indicated in the survey that it is difficult to see at the intersections and also for the pedestrians to get across. Ferrazzano asked for Kaufman to explain what a traffic calming technique involves. Kaufman indicated that one idea would be a painted bump out which would be painting an extension of the block to make pedestrians more visable. What this would involve is removing one parking spot and painting it for pedestrians to use as an entrance into the crosswalk. The sixth action is to increase pedestrian safety thru crosswalk. Craig Ave and Fourth Street as well as Craig Ave and Center are areas where the public indicated they would like to see a crosswalk. Either one of

them would need to get approval from both MNDOT as they are both a US Highway. The fifth strategy is to increase usage of the walking and biking path which would be less of an infrastructure and more programming such as Community Ed. The cleanliness and upkeep was also discussed as well as installing other recreation options around Swift Lake Park and the Campground. The sixth strategy was to improve pedestrian and bicyclist safety thru lighting enhancements. There were no specific neighborhoods listed on the survey so Active Living Committee could do a little more research as to where that might be. The seventh strategy was to increase bicycling and bicycling safety around Tracy. This would include the visibility of bike lanes thru distinct paint such as green as this is the common color used in MN. It was discussed that the last time the lanes were painted was last year, however with the various road work that has been done it has taken the paint off. The roads in question are County roads and would need their approval to paint it. Kaufman indicated that the County is open to allowing the green paint however, they would not pay for the painting. Also discussed was installing bike racks at key locations such as the schools and Legion Park as well as widening the shoulder on High Street to better accommodate the existing pedestrian and bicycle traffic. Along with this to continue to support bicycle education efforts as well as to increase park safety and cleanliness. It is the goal of the Active Living Committee to meet quarterly to discuss moving forward with whichever of these is most pressing. Kaufman asked the board to take each action step and rate it between 1 and 5 – one being the most pressing or the highest priority and 5 being the least. If the council does not like any of these goals they can rate them all a 5. This will guide the Active Living Committee moving forward to know which ones should be addressed first. The process with the Active Living Committee will be initiated by the Statewide Health Improvement Program and the RDC. We are hoping to find some dedicated Tracy residences who can assist in taking this forward and assisting in the implementation phase. Kaufman reminded the Council that the full draft can be found on the Active Living webpage.

Parker Plumbing and Heating License was presented. Enderson moved, seconded by Cooreman to approve the license. All voted in favor.

Certificate of support from the Tracy Ambulance Service was presented. The Tracy Ambulance Service has filed an application for financial assistance with the USDA to provide funds to replace an existing ambulance and three ambulance cots that are beyond repair. They are required to provide evidence of significant community support for the proposed project. Providing the Certificate of Support does not require financial support. Motion made by Schons, seconded by Enderson to sign the Certificate of Support. All voted in favor.

The Eagles Club Split/Sunday Liquor License application was presented. The issue in question is whether or not they meet the “Restaurant” qualifications. This would include serving meals on a regular basis. Mayor Ferrazzano suggested having a Liquor License committee set up for these situations. Ferrazzano suggested tabling the issue and having Enderson contact someone from the Eagles Club to meet with the Council at the next meeting to get clarification. All members were in agreement.

Resolution #2016-31 – Resolution Declaring Property No Longer Needed For Public Purposes was presented. Cooreman moved, seconded by Schons to adopt the resolution. All voted in favor.

Resolution #2016-32 – Resolution Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code was presented. Enderson moved, seconded by Schons to approve the resolution. All voted in favor.

Resolution #2016-33 – Resolution Establishing A New Time For The Multi-Purpose Committee Meeting was presented. This is to change the meeting times from the third Tuesday of every month to the third Monday of every month. Enderson moved, seconded by Schons to approve the resolution. All voted in favor.

Consent Calendar which included: Approval of EDA 10/19/16 Minutes, Municipal Accounts Payable and Receivable, condensed Liquor Store profit/loss and Aquatic Center Profit/Loss for 2016 Season. Cooreman moved, seconded by Enderson to approve the consent calendar. All voted in favor.

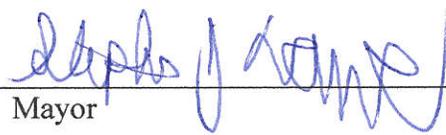
It was discussed at the last council meeting that Geronimo Energy would like the City of Tracy to front the bill for the water line relocation and then reimburse the City for it. The question posed at the last meeting was why didn't Geronimo just pay for it and by-pass the City having to front the payment. Daniels indicated that he has spoken with Andy from Geronimo and the reason is that the City owns the land and they are not allowed to contract work on it. . The total bill will be roughly \$15,000 and would be paid back in one lump sum. Ferrazzano suggested that the City, as the landowner, give them permission to do it. Daniels was directed to go back to Geronimo with the proposal that something would be drawn up giving them permission to contract the work to be done on City owned land.

Additional compensation as a result of additional duties assigned to Daniels and Peterson was re-addressed. Ferrazzano indicated he felt that would be fair but questioned how much. It was suggested that Daniels and Peterson calculate approximately how many additional hours they are putting in so they have a basis to figure the increase. It was decided to table it and re-address it at the next meeting.

Ferrazzano indicated he would like to have a sub-committee, which would include members from the public, to review the applications for the City Administrator position that would make recommendations to the Council as far as who to interview. His thought is to wait until after the election so the new Board members can give their input.

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

ATTEST:  _____
City Administrator

 _____
Mayor

November 14, 2016

442

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 14, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tam Schons, Kurt Enderson and Pam Cooreman was present by Skype as she is in Florida. Also present were Shane Daniels, Acting Clerk, Madonna Peterson, Acting Deputy Clerk, Diane Campbell, Administrative Assistant and Matt Gross, City Attorney. Absent: Dale Johnson, Jr.

Pledge of Allegiance was given to the flag.

Invocation was given by Peter Cha.

Motion made by Cooreman, seconded by Enderson to approve the minutes for the meeting on October 24, 2016. All voted in favor of the motion.

Mayor Ferrazzano asked for approval of the Agenda and if there are any additions. Daniels indicated that he had two additions. The first is the addition of Rebecca Kurtz from Ehlers who will be presenting the Bond Sale reports. The second is the LSS Site Agreement. Motion was made by Enderson, seconded by Cooreman to approve the Agenda with two additions.

Jay Trusty from SWRD Commission presented an update on SRDC's strategic Plan. Trusty explained that their Statutory Purpose was to work with and on behalf of local units of government to develop plans or implement programs to address economic, social, physical, and governmental concerns. What the statute means is that whatever our constituents wants them to work on we have the authority to work on. It was discussed what their membership consists of as far as who is on their board as well as how many. It was indicated that Rick Anderson is the Lyon County member, Council member Schons represented the City, the township member is Lori Grant, Mayor Bob Byrnes from Marshall represents City over 10,000, the two school board members consist of one from Westbrook/Walnut Grove and one from Luverne school district. The interest groups consist of Private Industry Council, Southwest Center for Independent Living, Health in Human Services and Minnesota West in Worthington. Also a Tribal member which has been very hard to find and keep. Statute requires SWRD to do an assessment every 5 years on what they have done. There were 34 members in July, as of right now only 8 were with SWRD the last time they did an assessment. Of those eight members two will be retiring at the end of the year. As of January 2017 they will only have 6 people who have been on the board longer than 5 years. That is a huge turn over for this agency. The next bullet point on the handout is in regards to Transition of the Aging Program which has been housed out of SWRD for almost 40 years. As of January 2017 it will be housed out of the Department of Human Services as they wanted it to be a stand alone agency. They will still be located in Slayton doing the same thing, they are just no longer part of SWRD. The next bullet involves the healthy living programming. Max with SWRD has met with the council several times to discuss the Active Living Plan. When this plan first started nobody really knew where it was going but it has really become a bigger and bigger part of their business as communities are really seeing the benefit behind it. There are 80 cities in their region which would be a huge effort to get this going in all of their communities. The next bullet point is Expanding opportunities in renewable energy. Fifteen or twenty years ago it was all about wind power – that is where solar power is at now. This board supplies staff support to their policy discussions in regards to how to stream line these things and regulatory structure to allow the renewable energy projects to move forward. The process in regards to the working relationships with staff and between commissioners was explained. The SWRD is the only place where the Cities, Counties, townships and school districts meet on a regular basis. This opportunity is used for officials to get to know each other better. The first thing that SWRD did was a regional assessment. The issues that arose were infrastructures, housing and renewable energy and various others. The next bullet point was services and programs. This involves identifying which service could be done better, which services are we doing that should not be done at all and what are we not doing that we maybe should be. These were broken down into three sections-most beneficial to the region, least impactful programs and programs needed in the region-not currently provided by SRDC. One thing they don't do a lot of anymore relates to the Census. This is because the census information is available online. Mayor Ferrazzano interrupted Trusty in order to hold the Public Hearing scheduled for 6:45.

Mayor Ferrazzano called to order the Public Hearing regarding the Vacation of a portion of High Street at 6:45. Daniels indicated that the purpose is to vacate that portion of High Street between two parcels of land owned by Donovan Hanson that has not been improved. This would allow Hanson's property to be

one parcel and will assist him in the sale of this property. It was pointed out that if this street was ever developed it would run right into the railroad tracks so would likely never happen. Gross indicated that if the street is vacated that it would revert back to the owner of the property. Gross also indicated if the City does pass the resolution the City will need to record a Notice of Completion and that would revert that portion of the property to Hanson. Mayor Ferrazzano opened the floor up to the public. Jon Peterson met with the council inquiring if being he owns property in direct relation to the vacation request if the pie shaped piece would then revert to him. Gross indicated the portion being vacated would be that property parallel to Mr Hanson property and anything out of that scope would fall back to whoever owns that. Gross validated that if Peterson owns property that falls under that it would revert back to him as the vacation does extend past Hanson's lot. If the City currently owns the pie shaped parcel in question, once it is vacated it would revert back to the abutting property owners. Peterson acknowledge that the pie shaped parcel would revert back to him if the vacation is approved and thanked the Council for their time. Motion made by Enderson to approve the Vacation of High Street as recommended by the Planning Commission as well as filing the follow up documents that Gross indicated will need to be done. The recording fees and who will pay for that was discussed. It was determined that the City would pay the \$46.00 recording fee and was included in the motion. Motion was made by Enderson, seconded by Cooreman to approve the vacation as well as the City paying the recording fee. All voted in favor.

Trusty continued with his presentation. He started with the Goals bullit point. There are six goals that the board came up with which are still not detailed enough to figure out what it is that they want to do. They went thru a prioritization process at the board retreat and came up with the high priority goals. These are divided between long term, short term and intermediate term sections – this includes both internal and external. SRDC is to small of an agency to handle these all at once so they appointed a strategic planning committee to look at the high priority goals and establish the top three goals. From there they established on short term, one intermediate and on long term goals. Short term, priority #1 is to create an Entrepreneurial Development and Mentoring Program. SRDC has been receiving many requests from local EDA's etc to kick start a mentoring program for entrepreneurs in the region and so this is being worked on. The intermediate, Priority #1 is Expansion of Daycare Services for Children and Adults in the Region. SDRC is currently working with both Redwood and Nobles Counties to come up with some best practices. This is a top priority on the state level as well. Long term, Priority #1 is to Address Water Shortages in the Region. We thought we had Lewis and Clark to Worthington but with no bonding bill it is sitting. It was the hope to get this passed, however this is a budget year and not a bonding year so that may not happen this year either. It has been the number one priority for a number of years and will remain there until the funding is in place to get it finished. The next bullit point is implementation. We did receive permission from out federal partners at EDA to do our Comprehensive Economic Development Strategy all at the same time. All of these plans are due in December of this year, which is a five year plan. No questions regarding this presentation – Mayor Ferrazzano thanked Trusty for coming and giving the update.

The Split Sunday License Application for the Eagles Club was re-addressed. Tony Peterson addressed the council and indicated that the Club is open to the public and there are meals served during the week and at weekend events. Peterson also requested that if the application is approved that the Eagles be allowed to pay the fee on a quarterly basis. Ferrazzano indicated that could be done, however they will be required to pay the full fee regardless if for some reason they would no longer need the license. Peterson was in agreement with that. With only 3 members present until Schons arrives and Enderson abstaining from the vote due to a conflict of interest it was tabled until Schons arrives.

Dennis Fultz addressed the Board regarding the Wastewater Pond land purchase. Daniels indicated that the agreement was slightly modified from the original as originally the City was going to purchase the whole quarter. Gross indicated that he spoke with Chris Larson because the legal description will need to be updated due to the change. In order for the City to pursue a purchase agreement the legal description will need to be adequately prepared that surveys the area proposed. The Council would be allowed to enter into negotiations and sign a purchase agreement at this point if they are in favor of the proposed amount of \$12,000 an acre. Fultz indicated that he was not in the loop of the purchase agreement and that he is aware that Linda Fultz, who is the owner of the property, had signed an option to purchase which was done last February of 2016. There was a delay as the City was unsure of the acreage they would need and wanted to wait for the Engineers to get that established. They have since identified that and we are now looking to move forward. Fultz indicated that he would like to use most of the purchase

agreement previously drafted. Gross indicated that there was a revised version drafted by Frank Nielsen so he is waiting for a new survey of the revised area proposed for the sale. Once he receives that he will place it in the new purchase agreement for Fultz's as well as the city to review. Fultz questioned if the intent is to have the land physically surveyed or just the description. Gross indicated that they are one in the same – they need a survey in order to obtain a legal description. Fultz indicated that there is a 5 acre homestead that is carved out of that quarter was legally surveyed four or five years ago so he guesses that the surveyor, providing the same one is used, would be able to find the surveyor pins. Gross again indicated that they will have to survey to obtain a legal description if it does not run along the sections lines. With this being a goofy line that is created it will have to actually be surveyed. Ferrezzano suggested that once we get the purchase agreement back and it is reviewed that it be ratified at that time. The closing target date is early December. Motion made by Enderson, seconded by Cooreman to purchase the acres we need at \$12,000 an acre. All voted in favor.

SW Marketing Advisory Center proposal for the Tracy Liquor Store was presented. Ferrazzano indicated that he felt it was a fair proposal for all the work that they will be doing and that the agreement should be entered into. Motion by Cooreman, seconded by Enderson to approve the proposal.

There was an Extend Compliance Order requested for 89 Youman Street. The request is to extend the deadline from 12/30/2016 to 8/31/2017. The residence was given until December 30, 2016 to bring their garage up to code. The property owners have decided to tear the building down as it is not worth bringing up to code. Motion was made by Enderson, seconded by Cooreman to grant the extension. All voted in favor.

There was an Extend Compliance Order request for 300 8th Street. The request is to extend the deadline from 12/30/16 to 8/31/2017. The property owner indicated in a letter that the garage will be painted by the August 31, 2017 deadline if approved. Motion made by Enderson, seconded by Cooreman to grant the extension. All voted in favor.

There was an Application for Exempt Permit submitted by the Chamber of Commerce. This is in regards to the Annual Chamber Banquet. Motion made by Cooreman, seconded by Enderson to grant the application. All voted in favor.

A temporary easement between Lawrence and Bonnie Buysse, trustees of the Lawrence Buysse Revocable Living trust and the City of Tracy was presented for temporary road access for the Wastewater project. The owner shall be compensated, by the City, a lump sum of \$4,000 and an additional \$1,000 for each week beyond October 31, 2017, that the easement is not returned to the owner. Motion was made by Enderson, seconded by Cooreman to reimburse Buysse's for the easement. All voted in favor.

A request was submitted by the Chamber to get a police escort from the Caboose down Morgan Street to 4th Street over to Rowland Street, then down 3rd Street to South Street and over to the nursing home and O'Brien Court for the parade of lights on November 26, 2016. Motion made by Enderson, seconded by Cooreman to approve the police escort. All voted in favor.

There was a recommendation from the Planning Commission to change an ordinance to allow same size structures to be built. The recommendation was to change the current ordinance in regards to lot size to allow new structures to be built on existing lots with the stipulation that the new structure would be similar in size to the previous structure while still meeting the setback requirements. This is an effort to fill in the bare narrow lots as well as keeping the neighborhood looking uniform as far as house sizes. Under the current code these small narrow lots are unbuildable but could technically be built on if the new structure reflects the same size as the previous structure. The current ordinance indicates that the lot needs to be 100' X 120' to build on. There are many vacant lots that are smaller than that but has previously had a house on them. It is the recommendation that it would be allowed to build on these smaller lots as long as the new structure is the same size or smaller than the previous structure was. Motion was made by Cooreman, seconded by Enderson to approve the ordinance change. All voted in favor.

Daniels requested authorization to close the November 7, 2016 meeting during the closed session portion for labor negotiations. He again explained that in order to have a closed meeting on labor negotiations we have to have the time and place of the closed session in a public meeting. This is to establish that.

Motion made by Schons, seconded by Cooreman to close the meeting after the council meeting for labor negotiations.

Rebecca Kurtz with Ehlers and Associates met with the Council regarding the sale of bonds. She indicated that they did sell two bonds today on behalf of the City of Tracy. She started by giving a summary of the \$8,315,000 GO Temporary Bond- 2016C Bond-which will be used to assist with the various water and sewer improvements in the City of Tracy. This bond is being issued in receipt of the Federal Loan from the Department of Agriculture and Rural Development which will be reimbursed at a future date. The City did go thru the rating process and she would like to congratulate the City on receiving the AA plus long term rating which was in connection with the States Credit Enhancement Program for Utility Projects. The underlying rating is A with a stable outlook and for this two bonds it is AA plus with a positive outlook. They also praised the very strong budgetary flexibility that the city has with the available fund balance in 2015 at 34% of your operating expenditures and the very strong equity for the city. They end the report by touching on the stable outlook and that reflecting on S&P's view of the strong reserves which has been bolstered by several consecutive years of positive operating results. Given the Cities very strong reserves and S&P's expectations that these will remain strong they don't anticipate a rating change in the next two year outlook horizon. Again, she congratulated the Council on a job well done and a testament to the work done by the staff. Kurtz indicated that they did receive 4 bids on the \$8,315,000 issue which is included in the report. United Bankers Bank, which is based out of Bloomington, was the low bid with a rate of 1.38%. Just as a summary, in the last week we have seen drastic movement in rates. Since the election the Bond Buyers index, which is the standard for how rates are gaged, has increased by almost 50 points since Todd was last here. The bid of 1.37 is .13 points higher than what was estimated on the pre-sale but again with what we have been seeing in the market we are very pleased to have received 4 bids. We would recommend that the City move forward with awarding the bond to the United Bankers Bank. Motion was made by Enderson and seconded by Cooreman to accept the bid from United Bankers Bank in Bloomington for a low bid of 1.3874%. All voted in favor.

Kurtz continued with the Sale of GO Bond Series 2016D in the amount of \$530,000. Again, same project except that it is the City portion. We did receive two bids and again the United Bankers Bank was the low bid with a rate of 2.5%. The difference in the two rates is that this one goes out until 2032 vs the maximum 3 year temporary period that was seen on the bond mentioned above. We are again recommending awarding the bid to United Bankers Bank with the rate of 2.51%. Motion made by Enderson, seconded by Schons to award the bid to United Bankers Bank for 2.5177%. All voted in favor.

LSS Site Agreement was discussed. Peterson indicated that for 2017 LSS is offering us \$1,517.00 to offset the cost of the nutrition program. For 2016 they paid \$2,579 which is a 53% reduction from 2016 to 2017. It calculates out to be .30 cent per meal in 2016 and .14 cents per meal for 2017. Last year the original proposal was only offering us \$1,014. Votca responded to the program director indicating that he would have a hard time convincing the council to accept the 58% reduction from last year. Peterson is requesting the Council to direct her on how they would like her to proceed. Peterson also indicated that LSS indicated that as of April, 2016 they have added Lake Benton. Peterson assumes that means that they are also preparing Lake Benton meals out of the Tracy site but she was not sure. Ferrazzano indicated that he does not feel that the 58% reduction is justified. Ferrazzano suggested that Peterson go back to LSS and indicate that the council has rejected the proposal but would accept what we was received in 2016. All agreed.

The Eagles Club Split/Sunday Liquor License was revisited for a motion. Motion was made by Schons, seconded by Cooreman to approve the License as well as paying the fee quarterly with the understanding that they eventually will have to pay the whole thing even if they don't operate the whole year. Ferrazzano voted in favor. Enderson abstained.

Resolution 2016-34-Granting Charter Communications, Inc a franchise extension thru December 31, 2016 was presented. There was discussion as to why this was taking so long. Gross indicated that on average it does take a couple of years. Enderson moved, seconded by Schons to approve the resolution. All voted in favor.

Resolution 2016-35-Resolution vacating a portion of High Street on Council Initiative. This was discussed earlier in the meeting. Motion made by Enderson, seconded by Cooreman to approve the Resolution.

Resolution 2016-36-Resolution Canvassing the General Election Held on November 8, 2016. The top winners were Bill Chukuske, Tony Peterson and David Tieggs for the council seats. Motion made by Enderson, seconded by Cooreman to approve the Resolution. All voted in favor.

Resolutions 2016-37 and 2016-38 to award the sale of GO Bonds. Motion made by Enderson, seconded by Schons to approve the Resolutions.

The consent calendar which included: Municipal Accounts Payable, Approval of Fire Relief Association Minutes 10/3/2016 and approval of Planning Commission Minutes 10/3/2016. Motion made by Cooreman, seconded by Enderson to approve the consent calendar. All voted in favor.

Daniels explained that he contacted Andy with Geronimo Energy in regards to funding the relocation of the water line. Daniels indicated that Geronimo would like to fund an escrow account which would include the total amount of the relocation prior to the project. The City could draw out of that account to pay the bills as the project proceeds. Motion was made by Enderson, seconded by Schons to allow an escrow to be set up. All voted in favor.

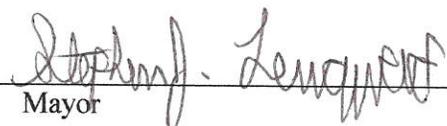
Additional compensation as a result of additional duties for Daniels and Peterson was discussed. They were each requesting an additional \$2,000 per month. Based on the low end of the scale, a full time administrator would be \$5,000 a month with no benefits included. What they are proposing is substantially lower than that. Daniels had indicated he would prefer a lump sum when a new administrator is hired. Peterson was in agreement with this. The start date will be October 1, 2016 and end when the new person is on board. Motion was made by Enderson, seconded by Cooreman to approve additional compensation for Daniels and Peterson in the amount of \$2,000 each per month starting October 1, 2016 and ending when a new administrator starts. All voted in favor.

Ferrazzano indicated that he would like to set up the committee to review the applications for the City Administrator. Now that the elections are complete he would like to see the people that will be on the Council for 2017, which would include the newly election council members unless there is a conflict that would prevent them from being on there. He would also like to see people from the public serve on this committee. There have been several people from the public that have contacted Ferrezzano with an interest to serve. They include Sue Ann Moyars, Shirley Anderson and Rhonda Fredericks. Motion made by Enderson, seconded by Schons to have the three persons mentioned from the public as well as the people elected this past election to go thru the applications. All in favor.

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

ATTEST:


City Administrator


Mayor

engineer agreement. Ferrazzano stated we are doing the paperwork or we won't get the money we asked for. Motion made by Schons, seconded by Enderson to enter into the agreement. All voted in favor.

Larson also presented a Bid Authorization Letter for the wastewater infrastructure project. This consists of a list of requirements that will be needed. There are many forms that will need to be completed by the contractor before it can be awarded. It has been advertised and Larson has already received 5 or 6 e-mails questioning it and feels there will be a lot of interest for Phase 1 on the 13th. Mayor Ferrazzano thanked Larson for the update.

Daniels presented a snow hauling contract. It has been a couple of years since they have seen a change in snow hauling agreement – 2013 was the last one. The only change Daniels made was 5 cents a cubic yard increase plus a cost of living increase which would likely average around \$50 a year difference. Motion made to by Enderson, seconded by Schons to approve the Snow Hauling Contract. All voted in favor.

Resolution 2016-41-Granting Charter Communications, Inc a Franchise Extension through 1/31/2017. There was discussion regarding how long this will continue. Motion made by Enderson, seconded by Cooreman to adopt the resolution for an extension to January 31,2017. All voted in favor.

Resolution 2016-42-Resolution Approving the 2016 Tax Levy Collectible in 2017. Based on the \$10,000 reduction that was decided earlier the General Fund will be at \$737,755 and the total levy would be \$1,095,960 for a Levy increase of 4.32%. Motion made by Enderson, seconded by Schons to approve the Tax Levy. All voted in favor.

Resolution 2016-43-Resolution Approving Year End Transfers. Peterson indicated there was a reduction that was presented on a memo a couple weeks ago regarding the aquatic center. The full transfer is not required – it was an \$11,000 plus reduction. Motion made by Enderson, seconded by Cooreman to approve the year end transfers with the reduction to the Aquatic Center. All voted in favor.

Resolution 2016-44-Resolution Approving the 2017 Budget. Motion made by Schons, seconded by Enderson to approve the 2017 Budget. All voted in favor.

Resolution 2016-45-Resolution of Applicant. Daniels indicated this is for the grant for the demolition of the Masonic Building. This originated from the EDA Board and they need to have a resolution where the City authorized them to apply for this grant. Tony Peterson also indicated that this commits the City's support to the application. Motion made by Cooreman, seconded by Enderson to approve the Resolution of Applicant. All voted in favor.

Motion made by Schons, seconded by Cooreman to approve the Consent agenda which included Accounts Payable and November 7, 2016 Planning Commission Minutes. All voted in favor.

Mayor Ferrazzano extended Holiday Greetings to all.

Peterson indicated that she would like to make an additional correction to the Local Aid amount. She indicated that it is 13% not 18%. Peterson also asked the public to call and let the City know what they thought of the new tv system-the sound and how it looked verses the old system, it would be appreciated.

Motion made by Enderson, seconded by Cooreman to adjourn the meeting.

ATTEST:

City Administrator

Mayor

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, December 12, 2016 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tam Schons, Kurt Enderson and Pam Cooreman was present by Skype as she is in Florida. Also present were Shane Daniels, Acting Clerk, Madonna Peterson, Acting Deputy Clerk, Diane Campbell, Administrative Assistant. Absent: Dale Johnson, Jr.

Pledge of Allegiance was given to the flag.

Invocation was given by Peter Cha.

Motion made by Schons, seconded by Enderson to approve the minutes for the meeting on November 28, 2016. All voted in favor of the motion.

Mayor Ferrazzano asked for approval of the Agenda and if there are any additions. Daniels indicated that he had an addition to add the LSS Site Agreement to the Agenda. Motion made by Cooreman, seconded by Enderson to approve the agenda with the addition. All voted in favor.

No public comment.

Kim Kalas gave an update on the License and Insurance for the MPC kitchen outside of the one for LSS. She indicated that she has now obtained both the license and the insurance and everything is good to go. Schon's thanked Kalas for all her hard work and for achieving this in such a timely manner. Kalas indicated that in January the pancakes, rolls and the breakfast will start at 5:30 a.m. and continue until the last person comes in to eat. She also indicated that the public will be able to order whatever they want on Monday, Tuesday, Thursday and Saturday. On Wednesday they will serve pancakes and on Friday's they will provide rolls. The whole town is welcome to attend.

The updated Lutheran Social Services site agreement for 2017 was presented. Peterson indicated that the original agreement was presented to the council several meetings ago and that at that time she was directed to reach out to them and request the same amount that the City received in 2016. The site agreement was sent back with that amount on it as well as a few additions. These additions included storage as well as the use of the building for LSS to provide meals for the Lions Club on the 2nd Monday of every month. Motion was made by Enderson, seconded by Cooreman to enter into agreement with LSS for 2017 at the same rate as it was for 2016. All voted in favor.

The Truth in Taxation hearing was opened. Peterson gave an overview of the 2017 Tax Levy. She indicated that the 2017 proposed budget showed an increase of 7.61%. The breakdown given for the General Revenue Fund was \$772,355 or a 5.9% increase, the Debt Service totaled \$348,205 or a total of 11.7% increase and Permanent Improvement of \$10,000 which is a zero percent change from the previous year. Peterson did some moving around in both the Expenditure and Revenue sides. The unallocated fund (464) which includes property taxes, postage and copy machines, the audit, participation fees for benefits to name a few, had money transferred into this account to add to it to help reduce the expenditures. One of the things Peterson did in regards to reducing the expenditures was to reduce the amount of the \$25,000 that was used to build the general fund up down to \$10,000.00. She indicated that she would like to redesign the spreadsheet for the transfers to expend the money from the other funds to get a better picture of how the funds are being spent. By changing the differences in the expenditures it brought it down to \$747,755 General Fund proposal amount, which is a 2.6% increase. This increased the overall levy by 5.27%. Right now the year to date is at 82% for expenditures and 73% for revenues. The revenues number does not include the December LGA amounts as they have not yet been received. There are a few things that stand out in the budget – the first is the

Communication budget being very high. This is due to the high definition voice over internet protocol phone system that was entered into. That is taking a very large hit on the expenditures. In the general fund the municipal building is over budget by 6% due to the expenditures that are related to the retirement of Bruce Rykhus. The MPC fund is over budget by 4% due to some unforeseen issues such as moving a gas pipe into the kitchen for a stove as well as needing to replace a sump pump. The wages were also over budget due to an increase in the number of hours that are provided. The Library Trust Fund is over budget by 85% which is due to the fact that they have no budgeted expenditures. The Medical Center Fund is the account that had the account opened for the \$200,000 so this fund did not have any money budgeted that needed to be expended. This account also had the cost of the ambulance taken out of there. The Airport Improvement Fund is over budget due to the lighting project, however the revenues are also over budget due to the grant monies that was received. The Aquatic Center Fund was 2% over budget – the expenditures were due mostly to the pool liner repair and a booster pump replacement. The City also prepaid all the lifeguard and WSI expenses for the year, however the revenue side will show the reimbursement for half of these expenses. The Police Equipment Fund is reflecting a 68% over budget due to the purchase of the new squad car in 2016 vs waiting until 2017 when it was planned. The Fire Equipment Fund is 23% over budget due to the roof replacement. On the Revenue side of things the General Fund – revenue for police fines are down by 67% due to a reduced amount of DWI arrests in 2016. These are very expensive fines and they did not have many of them in 2016. Also in the General Fund – the revenue for gym rental is down by 98% due to the change with the gym rental contract. The Liquor Store fund for revenue is down by 16% overall which reflects the closing of the on-sale in October. The License Fund – the revenue is down by 12% -December is not included in that amount – which is due to the revenues more than likely being over budgeted last year. This fund used to receive title work from a dealership in Marshall in 2015 and did not continue in 2016 which directly impacted the revenues. The Aquatic Center revenues are up by 7% - there were some large parties that came in when the temperatures were really hot this summer. The pool committee did a very large over haul as to how things were being done from 2015 to 2016 and the numbers indicate that they had done a very good job. The Proposed Tax Levy in September of 2016 was set at an increase of 7.61% and have reduced General Fund levy to final Tax Levy increase of 5.27% which is a reduction of 2.34% leaving total funds expenditures of \$1,105,960. Ferrazzano questioned Peterson what percentage of our revenue is from Local Government? Peterson indicated it was roughly 82%. Peterson indicated that she did drill in further and came up with some different figures based on different levels of percentages to bring the levy down further. For example reducing it by \$10,000 and \$20,000 – if the General Fund was reduced from \$747,755 by \$10,000 that would be a 4.32% increase and if it were reduced by \$20,000 it would be a 3.37% increase and if were reduced by \$30,000 it would be a 2.42% increase. Mayor Ferrazzano opened the floor for public comment.

Bill Chukuske addressed the council in regards to the levy as a concerned citizen. One of his concerns was in regards to new housing. One of the objectives that the City has with the EDA is to try and sell lots and encourage people to come to town and build new homes. The two new homes that have been built the past two years indicated the taxes were almost double what they were told by the County that they would be. Chukuske's concern is how Tracy will keep people in town and to build homes when it is cheaper to do it outside of town. The other concern is in talking with the owners of Bonnie and Clyde's they have a business in town as well as one in Westbrook, they indicated they have chosen to make their residence in Westbrook. Chukuske just wanted to bring these concerns to the Council's attention and indicated he would like to figure out a way to lower the taxes to keep and encourage these people to stay in Tracy. The Council thanked Chukuske for his input.

Tony Peterson also addressed the Council in regards to the Levy. He indicated that if he remembered correctly the City had budgeted \$25,000 for the General Fund to increase the fund

balance for cash flow purposes. He stated that with the recent sale of bonds for Phase 1, as well as the land purchase for the Waste Water Treatment Project, why don't we reduce that General Fund by \$25,000. M. Peterson indicated that with her research back to 2011 she found only \$415.20 was spent out the General Fund on the Wastewater Project. Out of the 403 Fund only \$400.00, out of the 413 Fund \$524,209.72 in the hole, out of the 513 Fund \$52,366.20, out of the 602 Fund \$70,875.32, out of the 603 Fund \$1,658.30, out of the 608 Fund \$120,015.47 for a total of \$769,940.21. This is the amount that has been expended on the Wastewater Project, only \$415.20 was out of the General Fund. T. Peterson questioned if the bond money from the last bond will be used to help build those funds back up? M. Peterson indicated that she will be making a journal entry for the 608 Fund-which is the sewer fund-in the amount of \$120,015.47. The 602 Fund is the Water Fund, the 413 Fund is the construction Fund and is currently in the hole. This is the fund where the majority of the money will go. This is the reason why Peterson didn't reduce the full amount of the \$25,000 to the General Fund – because the money was never expended out of the General fund. T. Peterson indicated that he understands it but doesn't agree with it. He also indicated that he was glad M. Peterson was able to lower it. T. Peterson also indicated he feels it is also the citizens responsibility to come and express their displeasure and not just complaining about it. M. Peterson did have one call today regarding the increase – of the 33% she indicated only 6% is linked to the City. The remainder comes from County related increases. The Council thanked T. Peterson for his comments.

Schon's questioned if Peterson could further explain the different levels of increases again. Peterson indicated that the first thing she would do is look at how much of an increase it actually was and possibly go back to the Department Heads and see if any of them had any wiggle room for cutting their budgets. She also indicated that there is an Equipment Replacement fund with a high balance and when you look at the Financial plan she does not feel that there needs to be that much in there. That is one area Peterson feels could possibly be reduced. Ferrazzano felt that the departments need to be looked at individually and select the ones that have room to cut-whether it is one budget, two budgets or five budgets. He also indicated that he feels a \$10,000 overall reduction is fair. This would leave the Levy with 4.23% increase which would leave the total levy at \$1,095,960. Ferrazzano closed the public hearing. Motion was made by Schons, seconded by Enderson to adopt the Levy with a 4.23% increase at \$1,095,960. All voted in favor. Ferrazzano pointed out that the reason for the question regarding State Aid was to point out how reliant the City is on the State. He also indicated that he does not remember it being as high as 80% , more in the 55 or 60% range. Peterson indicated she would try to validate those figures.

Motion made by Schons, seconded by Cooreman to approve a Cigarette License for Tracy Food Pride contingent on payment of fees and submission of paperwork. All voted in favor.

Motion made by Enderson, seconded by Schons to approve a Cigarette License for Tracy Liquor Store contingent on payment of fees and submission of paperwork. All voted in favor.

Motion made by Schons, seconded by Cooreman to approve a Cigarette License for Casey's General Store contingent on payment of fees and submission of paperwork. All voted in favor.

Motion made by Enderson, seconded by Schons to approve a Cigarette License for Dollar General contingent on payment of fees and submission of paperwork. All voted in favor.

Motion made by Cooreman, seconded by Schons to approve a Cigarette License for Family Dollar contingent on payment of fees and submission of paperwork. All voted in favor.

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

Motion made by Schons, seconded by Enderson to approve Plumbers Licenses for MSDI Plumbing, Sahlstroms Heating and Plumbing, GH Plumbing, Wilks Plumbing, Water's Edge Plumbing contingent on payment of fees and submission of paperwork. All voted in favor.

Motion made by Enderson, seconded by Cooreman to approve a Dance License for The Caboose contingent on payment of fees and submission of paperwork. All voted in favor.

Val Quist presented the Plum Creek Library System Agency Agreement. Quist indicated that it is her recommendation that they approve it and move forward. Motion made by Cooreman, seconded by Enderson to approve the Plum Creek Library System Agency Agreement. All voted in favor.

Peterson indicated that she had refigured the Local Government Aid and of the \$916,361 of the \$1,095,960 it is only 18% percent so when she indicated 82% it should have been reversed. That would leave only 18% of the total budget being Local Government Aid.

Peterson addressed the Council regarding Deferred Assessments that were never recorded with the Records Office. Peterson indicated that upon discovering this it was determined that the City would have no recourse to assess it because proper procedure was not followed. This would affect 5 parcels that were certified in 2007 for the 2008 tax rolls in regards to the Eastview Ground Water Interceptor Improvement Project. These parcels were undeveloped at the time and qualified to be deferred. There were two more parcels in regards to the 5th Street Project in 2013 and one involving the 8th Street Project. They also qualified under the undeveloped or senior qualifications. Because none of these deferrals were ever recorded the City will not have the ability to assess them in the future. Ferrazzano questioned why they were not recorded. Campbell indicated that per the Lyon County Auditor/Treasurer that as of 2001 they were required to be recorded. He also indicated that there were several other Cities in the County that also did not record their deferrals and are in the same boat. Rick Stafanick's parcel from the project last year is the only one that has been recorded since 2008 and that is likely because the Auditor/Treasurer sent an e-mail to all the Cities last fall indicating that this needs to be done. Enderson question if recording it was the City's responsibility and it was indicated that it was. Matt Gross, City Attorney, addressed the council and indicated that it has to be recorded at the time the Council approves the deferral and if it is not then that cost would revert back to the city and the city would have to absorb it.

Peterson addressed the Council in regards to a Motor Vehicle, Driver License & DNR appointment for the remainder of 2016. With the MNLARS program, M. Votca was the last appointment that was made to the State and we cannot move forward on it unless we have a new appointment. Peterson completed all the paperwork and suggested herself for appointment. This is an annual appointment so it will appear again in January as this is just for the balance of 2016. Motion made by Enderson, seconded by Schons to appoint Madonna Peterson. All voted in favor.

A Compliance order extension for 173 North Street was presented. John Graf requested by letter that his compliance order be extended to 9/1/2017. Daniels indicated that part of the project is done but that they are looking for additional time on the roof and the siding. Motion made by Enderson, seconded by Cooreman to grant the extension. All voted in favor.

Chris Larson with ISG addressed the Council regarding an Amendment to Owner-Engineer Agreement in reference to additional service and corresponding compensation. Larson indicated that this is for some environmental work that came up during the permit review process by MPCA back in 2012 that is required for the PER thru Rural Development. The MPCA acknowledged the fact that they should have notified the city that this EQA would be required when they were originally solicited for comments and did not. In order for the additional cost to be eligible for Rural Development reimbursement we have to do this amendment to owner-

engineer agreement. Ferrazzano stated we are doing the paperwork or we won't get the money we asked for. Motion made by Schons, seconded by Enderson to enter into the agreement. All voted in favor.

Larson also presented a Bid Authorization Letter for the wastewater infrastructure project. This consists of a list of requirements that will be needed. There are many forms that will need to be completed by the contractor before it can be awarded. It has been advertised and Larson has already received 5 or 6 e-mails questioning it and feels there will be a lot of interest for Phase 1 on the 13th. Mayor Ferrazzano thanked Larson for the update.

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Motion made by Enderson, seconded by Cooreman to adjourn the meeting.

ATTEST:

City Administrator

Mayor

