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

January 9, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 9, 2017 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 Edsel Miller

Oath of Office was given to the newly elected Council members. These include David Tiegs, Tony Peterson and Bill Chukuske. Daniels administered the oath.

Mayor Ferrazzano acknowledged the outgoing Council Members Schons and Enderson and thanked them for their years of service.

Oath of Office was given to Madonna Peterson as she is being appointed City Administrator.

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

Mayor Ferrazzano asked for approval of the Agenda and if there are any additions. Peterson indicated that she would like to add 9B-The Waste Water Improvement update. Motion made by Chukuske, seconded by Peterson to approve the Agenda with the addition. All voted in favor.

Peterson presented the 2017 wage scale for the Aquatic Center employees. She indicated that the only change from last year involved year 1 and year 2 for the managers. T. Peterson questioned if this was monthly or hourly and M. Peterson indicated it was for the season for the managers and hourly for the other employees. Motion was made by Peterson, seconded by Chukuske to approve the 2017 Aquatic Center wage scale. All voted in favor.

Daniels gave an update for the Wastewater Improvement. He indicated that the bids for Phase 1 will be opened on Friday, January 13, 2017. They have received a lot of interest from perspective contractors and hope that will translate to favorable bid prices. For Phase 11 which is the ponds themselves, plans are approximately 95% complete. They are working on addressing Rural Development comments and are hoping to receive MPCA comments on the plans and specs soon so that all revisions can be encompassed by the next submittal. The discharge permit application for the new ponds were submitted in February of last year. As of November 30th, the MPCA permit writer's projected permit approval within approximately 16 weeks of that time, although she did warn that snags often arise. At this point, they are waiting for the EPA's review of the MPCA's proposed phosphorus limits. The EPA has halted these reviews because they do not agree with MPCA's calculation to determine the limits – this impacts all proposed projects with River Eutrophications limits, not just Tracy. This information is new to us as of today when we contacted MPCA for an update. Once they do decide to review it, EPA's review typically takes 30 days. Upon approval, the draft permit can be issued for the 30-day public notice period. If no comments or challenges result in major changes, any minor revisions can be made and the permit can be issued. Phase III is the televising of everything in town and looking for candidates for lining to help our system out the best we can with the grant monies available. Empire Pipe Services plans to be back in town next week, assuming the forecast does not change, to finish the remaining sanitary televising. Upon receiving those reports, we will be able to complete the PER Amendment that will examine addition infrastructure improvements with the City that are necessary. Ferrazzano questioned if the MPCA say why they did not tell us the EPA was reviewing and things are being held up and why we had to find out when we called the MPCA. Daniels indicated that they usually wait for the paper before they tell us. T. Peterson questioned where Chris was? M. Peterson indicated that he did call her and that she asked him to provide the update. He wasn't sure what the weather conditions were going to be and being there was not a time slot on the agenda it was decided that he would not make the trip from Sioux Falls.

The Masonic Building demolition was discussed. Tara Onken and Dale Johnson III met with the council regarding this. Onken indicated that they have come up with a summary of why the masonic temple needs to be dealt with sooner rather than later. The list that was handed out gives the various reasons why this is necessary. The list is an introduction to the people who will be reviewing our application to give them an overview of what is going on. M. Peterson indicated that when she met with Onken, Johnson and Daniels it was the first that she had seen anything dealing with the masonic building and upon review the packet and looking at the pictures it is very evident that regardless if the City receives the loan or not the City will need to take care of the building one way or another. When she review the application she feels it is detrimental that a decision be made. She has asked Johnson, Onken and Daniels to go ahead and entertain any questions the council may have in regards to the condition of the building. Ferrazzano indicated that he did not feel there is any question as to the condition of the building – it is poor. T. Peterson asked if there are funds available to be used to do an asbestos abatement immediately. Onken indicated that if we do get funded only things after the funding date will be eligible for reimbursement so if we wait until March when they fund the loan, if we get funded, then those funds could be reimbursed or covered underneath the loan. That is really the only positive side of waiting. Johnson indicated that no matter what the City will still be paying for all of it, this is not a grant it is just a loan that we are applying for. Whether we come up with the $13,000 up front to get the asbestos out, which any asbestos contractor would prefer to do it this time of the year than in the summer we may even get a better deal. Johnson indicated that they have no idea when the building may fall, every time the wind blows public works is out there cleaning up glass. By removing the cost that we have that would likely not be covered is if the council decided to do the $4,000 for a bid document for removal or whether Shane just drafted a bid document and then there was a $13,000 asbestos removal. If you get the asbestos out of the building so it is not part of the project, which you would not get the loan for but you may get it cheaper this time of the year. Chukuske and T. Peterson asked if there is money available to do an asbestos abatement as soon as possible? M. Peterson indicated that more than likely there are funds available because there have been multiple projects over time that were not budgeted for but the money we found. Johnson indicated that the second question would be if the council wanted to spend the $4,000 to have an engineer write up the bid document or is that something that Shane is comfortable doing and you are comfortable with Shane doing it. The council questioned Shane if he would be comfortable doing it and he indicated that he would be. Onken indicated to get this bid it is Advanced Health Safety and Security providing this bid. T. Peterson made a motion and Chukuske seconded it. Johnson also indicated that there are some things included in that $13,000 but that the City could do themselves. Chukuske asked if this would be done by requesting sealed bids? Daniels suggested getting a quote from each one of them. Tara indicated that she has already received a bid from one of them so it would just be a matter of getting a bid from the other one. Cooreman wanted clarification that they are only authorizing the asbestos portion right now and it was confirmed that that is correct. Johnson questioned if they would want to advertise for bids for demolishing of the building as soon as Shane can get the specifications done as this is the best time of the year to bid it out as contractors have more time this time of year. Ferrazzano indicated that by the time the asbestos is taken out I am sure Shane will have that description all written up and then send it out for bids. Tiegs asked if doing this ahead of time would affect the grant application. Onken indicated that it will actually make it better because chances are the number will come down and we will be asking for less money. M. Petersons question was it not deemed a hazardous building and the response from Daniels and Johnson was that we do not want to go that way unless we absolutely have to. Ferrazzano questioned why. They indicated because they start setting timelines for the City which would open litigation up. Onken indicated that they did need to include a letter from the Director of Public Works in the application. Ferrazzano indication that there was a motion and a second for the removal of the asbestos and called for a vote. All voted in favor. He also asked for a motion to have the demolision be put out for bids once the asbestos is removed and Daniels has the write up for it. Motion made by Chukuske, seconded by Cooreman. All voted in favor.

AFSME Contract approval was presented. M. Peterson indicated that the AFSME Contract was done, however the LELS one came back with multiple errors so it was sent back. She has not received anything back from them as of yet. T. Peterson inquired the time frame for these. M. Peterson indicated that on the LELS one it will go for three years and the AFSME on will go for

one year. M. Peterson indicated that they did not get into the negotiation process on the AFSME one until after the budget was set so that is why it is only one year.

Fire Department 2016 Fiscal Year Report was presented. For the 2016 fiscal year the Tracy Fire Department had a total of 2922 hours of services provided. The breakdown is as follows:

Meetings: 13	Trainings: 75
Structure Fires: 5	Vegetation Fires: 7
Car Fires: 0	Car Accidents: 11
Search and Rescue: 1	Ambulance Assists: 6
Storm Spotting: 1	Service Calls: 19
False Alarms: 5	

Mutual Aid Calls: 6
- Balaton – 1
- Walnut Grove – 1
- Marshall – 2
- Cottonwood – 1
- Garvin – 1

There had a below average year for fire calls and due to the training grant they were able to increase the amount of training with no additional expense. T. Peterson thanked Johnson and his staff for all that they do.

Southwest Regional Development handout regarding nominations to fill a Lyon County Municipalities Rep vacancy. Schons previously held this position and Ferrazzano asked for volunteers. Cooreman volunteered. Motion made by Chukuske, seconded by Peterson to appoint Cooreman to this position.

SWRC- handout for a conference regarding a conference being offered to orientate newly elected officials. Chukuske questioned if this is mandatory or if he would not be required to attend being he has previously held a council position. It was indicated that it is not mandatory. Tiegs to attend the conference in Bloomington on January 27 and 28, 2017.

M. Peterson presented a 2016 Deputy Registrar Motor Vehicle/Drivers License summary. T. Peterson questioned the numbers going down. M. Peterson indicated that it went down by only 15 transactions which is really good. Peterson explained that online purchasing power of license and registration reduces revenue for the City of Tracy and to please remember to promote your local deputy registrar office. The more revenue received by purchasing your tabs at the office verses online, the more taxes are subsidized by the revenue generated. Chukuske questioned if this could impact the position. M. Peterson did not feel that it would as the counter is very busy. Right now we pay one full time position out of that fund benefits and all and are still able to transfer $20,000 to the general fund.

M. Peterson requested approval to advertise for an accounting clerk. T. Peterson indicated that he remembered previously discussing incorporating some Saturday hours of staying late a night. M. Peterson indicated that she would love to and that she would have no problem petitioning the state to see if they could add hours like that and would be happy to research it. T.Peterson questioned if they would have access to the state computer and M.Peterson indicated that they would. She also indicated if the office would be open for Drivers License/Motor Vehicle she would like it to be open for all office duties. T. Peterson indicated that if we are going to keep four in that office he would truly like to see some hours extended if possible. M. Peterson indicated that should would research it and report back to the council. Motion made by Cooreman, seconded by Tiegs to approve advertising for an accounting clerk. All voted in favor.

M. Peterson requested some guidance from the council as to how to handle board appointments. She would like to know how to proceed with the council appointments to the commissions and wondered if the council would like it advertised so everyone has a fair shot. Ferrazzano indicated that whenever the terms come up, regardless if the person in that position wants to continue or not that it should be advertised. M. Peterson indicated that she has received several applications that currently do not have a vacancy but will likely be vacant after the Council appointments. M. Peterson is looking for direction as to if these positions should be advertised to give all citizens an opportunity or if the council will want to appoint based on the applications

received. Chukuske indicated that after tonight they will know what positions will be available and it gets advertised from there. Ferrazzano suggested that ALL opening be advertised in March. T. Peterson indicated that he and Chukuske both serve on the EDA Board as non-council members and questioned if the two former council members would hold those positions until March? It was indicated that they would not. T. Peterson indicated that there are currently more EDA applications on file than there are spots. He would suggest that those particular boards go thru the applications and make their recommendations to the council. M. Peterson indicated that the boards have not previously reviewed the applications, that they go straight to the Council. T. Peterson indicated that it was just a suggestion, that it would still ultimately come to the Council. M. Peterson indicated that is why she is asking for direction because she has heard it done multiple ways and would like it done the way the Council would like it done going forward. T. Peterson indicated that he would like to see all the Boards terms expire in January and fill them all right out of the shoot. M. Peterson indicated that the Charter would have to be changed to do that and that Campbell is working on getting the Charter back up and running as we currently only have 3 members. Chukuske indicated that he would like to have a better handle on when terms expire so that if someone is serving on the board and their terms expire they are notified of this. Campbell indicated that there were letters sent out last November to all current board members that have terms expiring. There was discussion that these vacancies created by the appointments would only be until the original seat would term. Ferrazzano indicated that in terms of the vacancies that will be created due to the appointments he would rather wait until March and do everything all at once. T. Peterson indicated his concern is that there will not be a quorum if these vacancies were not filled until March. Ferrazzano indicated that advertising to fill any board openings in March is a good idea, how vacancies outside of the filing period will be filled will be dealt with as we go. Ferrazzano indicated that the EDA board should review the applications that we have already received and make their recommendations to the Council at the next meeting. M. Peterson indicated that every time they receive an application she will present it to the committee, the committee is going to go thru the applications and make their recommendation to the Council. Ferrazzano indicated that is correct. M. Peterson indicated that she would continue to advertise whenever there is a vacancy. Ferrazzano indicated that if it is past the filing period in March and there are not enough people that file to fill the vacancies then the individual board will make the determination if they will just take the next applicant or how it will be handled.

Resolution 2017-1 Granting Charter Communications, Inc a Franchise Extension through 2/28/2017. M. Peterson indicated that she talked with Brian Grogen this morning and discussed an August 19, 2016 letter that was sent to Mike Hill who is the Senior Government Affairs Manager for the Charter Comminications. Charter is doing everything legally that they can but it puts cities in a bind because we don't have a choice unless we were willing to spend a lot of money which Grogen indicated would be financially crippling to a community our size. He indicated that Charter is following the laws and suggests that we continue to be on hold with the franchise, however if the council wants to get more in depth answers he would be willing to set up a conference call to discuss it. Ferrazzano questioned what he means by keeping it on hold? M. Peterson indicated that he means continuing to pass these resolutions month to month to extend it. He also indicated to M. Peterson that he fully envisions that a larger city that has the funds will go thru with it. What is happening is that they get a representative in and then they leave and they have to continue to start over. T. Peterson questioned if the was a way to start charging a penalty or what the legal basis would be to do this. If we are allowed to do that and start assessing penalties and fees that may get their attention. M. Peterson indicated she would e-mail Brian Grogen and pose the question to him. Motion made by T. Peterson, seconded by Tiegs to approve the resolution for an extension to February 28, 2017. All voted in favor.

Resolution 2017-2-Approving Payment to Duininck Inc. for Work Completed on 2015 Street Project was presented. Chukuske questioned if this project is complete. Daniels indicated that it is with the exception of laying the sod/seed comes back. Chukuske asked if this would be the last payment? M. Peterson said it is not as there was a 5% retainage in the amount of $138,244.26. Motion made by Chukuske, seconded by Tiegs to enter into the resolution to pay Duininck, Inc. All voted in favor. M. Peterson also pointed out that Lyon County will be reimbursing the City for this amount.

The consent calendar of the Municipal Accounts Payable and approval of the Multi-Purpose Center Minutes for November 21, 2016 was presented. T. Peterson questioned a bill for the

Lyon County Attorney's Office – he was wondering if this was on a case by case basis. M. Peterson indicated that whenever Jason has something criminal it will go to the Lyon County Attorney. T. Peterson questioned if that affect the portion of the fine that is paid? M. Peterson indicated that she was not sure. T. Peterson also questioned if all the issues at the MPC have been resolved or if there was still something on going? M. Peterson indicated that everything has been taken care of – Kalas now has the liability insurance as well as the license for the kitchen. Motion made by T. Peterson, seconded by Chukuske to approve the consent calendar. All voted in favor.

Mayor Appointments included:

1. City Clerk/Administrator – Madonna Peterson
2. Deputy Clerk – Shane Daniels
3. Public Works Director – Shane Daniels
4. City Attorney – Matthew Gross from Quarnstrom & Doering Law Office
5. Fire Chief – Dale Johnson III
6. Assistant Fire Chief – Mike Erbes
7. Assistant Fire Chief – Tony Roling
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

T. Peterson asked if they could put off appointing the City Attorney until the next meeting so the new council members would have a chance to look over the contract. Ferrazzano was in agreement of this. Motion made by T. Peterson, seconded by Chukuske to approve the appointments with the exception of the City Attorney. All voted in favor.

Council Appointments included:

1. President Pro-tem (1 member) – Pamela Cooreman
2. Community Ed Financial Advisory Board (1 member) – David Tiegs
3. Planning/Zoning Commission Member (1 member) – Pamela Cooreman
4. Economic Development Authority (2 members) – Bill Chukuske and Tony Peterson
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 & Pamela Cooreman
8. Wheels Across the Prairie Museum (1 member) – David Tiegs
9. Motor Vehicle/Drivers License Appointment – Madonna Peterson

Discussion regarding the openings created on the EDA Board and Planning Board due to the appointments. It was decided that any applications that we have already received would be presented at their next meetings and then will be presented to the Council in February for appointment. Chukuske also indicated that he would appreciate it if the City Administrator could attend the EDA meetings. M. Peterson indicated that she would do that. Motion made by T. Peterson, seconded by Chukuske to approve the Council appointments. All voted in favor.

Motion made by Chukuske, seconded by Cooreman to establish the time and place for council meetings to be the second and fourth Monday of each month at 6:30 p.m. in the Council Chambers of the Municipal Building. All voted in favor.

Motion made by T. Peterson, seconded by Chukuske to adopt Robert's Rules of Order and the standard agenda format. All voted in favor. Chukuske purchase a Robert's Rules of Order and the standard agenda format book for all council members and City Administrator.

Motion made by Chukuske, seconded by Cooreman to establish the Headlight Herald as the official municipal newspaper. All voted in favor.

Motion by Cooreman, seconded by Chukuske 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.

Mayor Ferrezzano indicated that he did have inquiries regarding the parking lot where the Living Farms was formerly located to be used for parking for the VMC events why are we piling snow up there? He indicated that he explained to them that there are limited areas where we can put snow. Daniels indicated that if there are events there they could push the snow back and to just let him know a day ahead of time so they can take care of it.

Tom Morin addressed the council. He indicated that appreciates the council members serving. He also addressed that during the election forum there was discussion regarding infrastructure problems. The three gentlemen on the council that were involved in that forum indicated at that time that infrastructure was something that would hold us back from growing as a community. Watching the council meeting tonight there are all kinds of issues that the council needs to deal with all the time. Morin is asking the council not to lose site of the fact that if we are going to grow we do need to have the infrastructure to support it. The sewer and water system has been talked about forever and the lagoons and these issues need to be resolved in the next year to 18 months. There is discussion of taking down the masonic putting a parking lot there which technically cannot be done until the sewer system is resolved. Morin really feels that this needs to continue to be pushed and on the forefront. The current business owners would like to see new business come in and we need that infrastructure so please do not forget about that when you get bogged down with committees and budgets etc. Morin thanked the council for their time and he is looking forward to a successful year. Mayor Ferrazzano thanked Morin for his comments.

Motion made by Chukuske, seconded by Peterson to adjourn the meeting. All voted in favor.

ATTEST:

City Administrator

Mayor

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 23, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Dave Tiegs, Tony Peterson and Bill Chukuske. Also present were Matt Gross, City Attorney, Shane Daniels, Public Works Director, Madonna Peterson, Clerk, Diane Campbell, Administrative Assistant. Absent: Pam Cooreman.

Pledge of Allegiance was given to the flag.

Invocation was given by Edsel Miller.

Mayor Ferrazzano asked for approval of the Minutes for the meeting held on January 9, 2017. Motion made by Chukuske, seconded by T. Peterson to approve the January 9, 2017 minutes. All voted in favor.

Mayor Ferrazzano asked for approval of the Agenda. Motion made by Tiegs, seconded by Peterson. All voted in favor.

Mayor Ferrazzano asked if there is anyone from the public that wanted to comment on something that was not on the agenda? Jeff Salmon addressed the Council regarding the ruling of the assessment appeal. Salmon indicated that he would like to make two comments in response the assessment article in the newspaper last week and the Mayor's comments regarding an appeal. He feels that the Council needs to accept the outcome of the appeal ruling and move forward with the business of the city and figure out how the proposed assessments can be adjusted for the 4th Street E Project so that they will not have to go thru this process again. It is an expense to the city as well as the rest of us and it showed that we likely have a policy that needs to be adjusted. An appeal by the city would set that whole project on E 4th Street back and leave some buildings in downtown empty. I did not see the ruling in the packet for the City Council members so was not sure if any of them were aware of the outcome. The ruling by Judge Bush was pretty clear and covered all the bases, the only issues indicated was that the court had to decide whether the properties had increased in market value after the completion of that downtown project or not. His ruling was based on the testimony of Shane Daniels, Mike Votca and Chris Larson from our engineering firm, and basically the testimony indicated that the project needed to be and didn't have a basis in market values. Seth's article somewhat indicated that there was some negotiations in this appeal process. There weren't any. Those of us appealing the assessments prior to appealing them, offered what we all felt was a fair dollar amount of $3,000. We were laughed at by several of you and the former city council and were shrugged off. Throughout the past year the city did nothing to negotiate, in fact when we were told by the court to mediate it was our understanding when we got there that the City Attorney was not given any leeway to settle to speak of. There were no negotiations with that either. Moving forward with it, wanting our assessments reduced, we also continued to move forward as a group knowing that whatever the outcome may be would affect that 4th Street East Project and all of those people. The current policy of a 30% assessment back to property owners for projects isn't acceptable given the high cost of construction today verses our small town property values. The most recent project, for example, would have cost just as much in Belle Plaine, St. Peter, Marshall or many other cities, and yet their property values are considerably higher than ours in Tracy. 30% of theirs is small and would not affect them as much. The costs need to be spread out more evenly amongst all property in the community, thereby keeping our property values equalized. Why would I buy a house on the North side of 4th Street E that has a $200 extra a month tax on it than the same house on the South side of 4th Street E? He stated that Mayor Ferrazzano indicated in the paper that only he, Tiegs and Cooreman would be able to vote on whether to appeal Judge Bush's ruling. I don't feel that is correct. Actually Tiegs is the only one with no skin in the game. T. Peterson could vote also as outside of offering his testimony for the Tracy Eagles, as a member of the Eagles, he has no monetary skin in the game – no property

owned that has been assessed. Ferrazzano and Cooreman both were assessed on this project and it could easily be inferred that you are swayed by the fact that the rest of us are not going to have to pay that assessment, at least not directly, but you will have to pay that assessment. Mayor Ferrazzano indicated that whether I have to pay something is not going to make a decision as to whether to proceed or not – I will pay what I have to pay. Salmon indicated that he understands and respects that , however from a standpoint of skin in the game and when you ask others to stay out of the vote and who can be swayed, I believe you but the truth is you have skin in the game. Mayor Ferrazzano questioned if he meant in regards to whether they appeal or not because he votes on the best interests of the City previously. Salmon indicated that he did not and that he did not vote on the best interests of the City. Mayor Ferrazzano indicated that that is his opinion and that what they are deciding on at the closed meeting is whether or not they should appeal. That decision will be made in the best interest of the city regardless of whether I have to pay an assessment or not. Salmon indicated that he hoped it would be, however he did not the last time. Mayor Ferrazzano questioned how much time is left for Salmons comments. Salmon did not believe that his 5 minutes were up. Salmon indicated that he would like to ask as long as Ferrazzano interrupted and mentioned it, if they would move the assessment discussion to the forefront of this meeting, in a public forum, and take a vote and afterwards they could discuss the legal sides of the vote in closed session. He feels the decision to not accept our $3,000 offer a year or so ago was made in open forum and sees no reason why the rest of that discussion shouldn't be an open forum. Salmon thanked the council. Mayor Ferrazzano questioned if anyone else would like to make any further comments. Gross asked if he could address some of Mr. Salmon's comments and was told that he could.

Mr. Gross indicated that in regards to the negation process, former City Administrator, Mike Votca, provided a procedure and method in which he sent to the former appellate of the property involved in the assessment appeals so there was negation based on a pre-existing formula that he had in place. Gross believes Frank Nielsen and Votca had discussed and was presented to the appellates at the onset once their appeals were received by the city, so there was something set forth prior to Gross's term as City Attorney. In regards to the individual Council members that can vote, Gross directed their attention to City Code 2.30 Subdivision 5 that does indicate conflict of interest on council members. He acknowledged that Salmon indicated that he would like to have T. Peterson be able to vote. Gross's interpretation in regards to that is that although he may not have a personal financial interest he is a trustee of the Tracy Eagles Club so that would constitute the indirect interest that would preclude him as a conflict of interest council member from voting which would also include Mr. Chukuske. Mr. Chukuske indicated that he would understand that as far as voting goes but certainly not being part of the discussion portion. Gross indicated that the other issue is because they are litigates, you are opposing parties so you are treated as a different entity in the litigation process. That would not allow you to be privy to any information related to the appeal. You would have to be screened and you cannot be part of any confidential information, unless the City Council consents to you being privy to that. That would require a majority vote. It was indicated that Ferrazzano and Cooreman both have a financial interest. Gross indicated that due to the fact that they did not appeal the assessments in regards to the ongoing litigation that decision to appeal or not – they do not have financial interest because they have already accepted their assessment amounts so there would not be any direct or indirect financial interest in that decision. Ferrazzano indicated Chukuske brings up a point that might just as well be dealt with now and questioned Chukuske if he understands why he and T. Peterson can't vote on the issue. Chukuske acknowledged that he does, however the citizens voted him into this position and will not <u>not</u> be part of a closed session. He understands that he can't vote on it, otherwise he wants it out in the public on an open forum and decide as a council whether they should go forward with an appeal process or not. T. Peterson indicated that he agrees with that and that it should be just as open as it was with the denial of the offers that the ten parties made. That was made at a public meeting at a public hearing.

Chukuske questioned what was wrong with our TV system and that he is receiving texts indicating that there is no sound on the TV? M. Peterson indicated that it is being looked into and that the public is welcome to come down and be part of the meeting. T. Peterson indicated that maybe the Council should give them a minute to investigate what is going on.

T. Peterson indicated that if the Council does not want he and Chukuske to be part of the discussion that there is not even a quorum to take it to a vote. M. Peterson indicated that Cooreman will be available by phone when it goes to a closed session. Mayor Ferrazzano again asked Chukuske and T. Peterson if they understood why they would not be allowed to vote and they agreed. Ferrazzano confirmed that all they were requesting is that they be allowed to be part of the discussion prior to the vote. Chukuske did question why the discussion needs to take place during a closed session and not in a public session. Gross indicated that if it relates to attorney client privilege that it needs to be addressed during a closed session for obvious reasons because you would want that to remain confidential. Chukuske indicated that it needs to be recorded and M. Peterson indicated that it does not need to be recorded. M. Peterson recited the rules in regards to attorney client privileges - Meetings between the governing body and its attorney to discuss active, threatened, or pending litigation may be closed when the balancing of the purposes served by the attorney-client privilege against those served by the open meeting law dictates the need for absolute confidentiality. The need for absolute confidentiality should relate to litigation strategy, and will usually arise only after a substantive decision on the underlying matter has been made. This privilege may not be abused to suppress public observations of the decision-making process, and does not include situations where the council will be receiving general legal opinions and advice on the strengths and weaknesses of the proposed action that may give rise to future litigation. Mayor Ferrazzano indicated that if they just wanted to be part of the discussion but then ultimately have a closed session in regards to the voting that he would be ok with that. He also indicated that the discussion part of it should just take place now. Ferrazzano asked the council members if they had any thoughts as to whether they should or should not appeal? Chukuske indicated that he cannot see any reason why they would appeal. Ferrazzano asked if they agree that we should wait and see what Redwood County does because that judge could have a different opinion that what Judge Bush did? Chukuske indicated that the appeal there is just one person. Ferrazzano indicated that the legal analysis is the same whether it is one person or twelve. If it is a different legal analysis that certainly could make a determination as to whether or not we should pursue this on an appeal because another judge has a different opinion than Judge Bush did. If that assessment appeal comes back and that judge agrees with Judge Bush than we could look at that as being legally consistent and then there may not be any point in appealing it because we would have another judge's ruling. Chukuske indicated that he does not understand why we would continue to spend taxpayer dollars when we have already spent $60,000 of taxpayer dollars – why would we continue to do that? We have $30,000 in attorney fees, $30,000 that was offered to be paid upfront toward it that is now gone, that is $60,000 of taxpayer money that could have been paid toward this assessment, why would we continue to pay more taxpayer dollars toward this? T. Peterson indicated that this problem is not going to go away – we have too many big projects coming up and there will be more assessments. If we don't get this right and do it in the correct manner we will have litigation after litigation after litigation. We need to just say enough is enough – we learned our lesson, take into account all the errors and come up with a reasonable amount. Ferrazzano stated that Judge Bush indicated that the reasonable amount was zero so basically we would not be able to assess anyone. T. Peterson indicated that that was just for these 10 parcels which have nothing to do with going forward. If property owners want to appeal in the future they have the right to appeal. We need to decide as a group in order to set a number to be workable for all the projects coming up. That is forward thinking as far as I am concerned. Everyone realizes, benefits and pays to have these things done so why should a property owner pay more for an assessment than what it will increase his property. It is a lot easier to justify a smaller increase than it is to justify an increase of 30-40% of your property. Ferrazzano indicated that with the logic that the judge

used he doesn't see how we would be able to assess anybody anything in the future, regardless of what kind of project it is. Chukuske indicated that we could set up hookup fees. Other cities have done that and each year we could look at increasing those hookup fees. There is nothing wrong with having a hookup fee to the water, a hookup fee to the sewer, a hookup fee for the sump pumps – there are several hookup fees that you could assess. It would have nothing to do with increasing the property value, it would have to do with connecting to that new line that was put in. T. Peterson indicated that that would eliminate having to have a mathematical equation – it would just be a flat fee. Salmon indicated that Chukuske was hitting exactly what he was trying to say. He also indicated that the assumption in the State of Minnesota is that you could assess my $100,000 property $100,000, you could approve that on the ropes, you as a council have that privilege and legal right to do that, and if I am dumb enough to pay it you get by with it. However, if I am not that dumb and if the dollar amount is so high that I don't think it is right then we appeal it, which we did. You as a council, getting back to Chukuske and T. Peterson's comment, and I believe I talked to Tiegs last week and he indicated that there has to be a sweet spot. That spot where it is reasonably fair to everybody so that it doesn't go to court. Chukuske's comment about a hook up fee could be that sweet spot. In other words, there were some of the people in that group of property owners that thought zero or $1,000 or $1,500 was the amount that they thought we should pay and there were a few that were comfortable with maybe $5,000. We came to an agreement that $3,000 was a reasonable amount based on most of our property values, and we came to that agreement because that was approximately what we estimated or a little less than what we could go to court with. We thought we would spend it and put it forth to the City of Tracy. The problem occurred when the city could not prove that our property values increased. With that lack of proof, the assessment became zero. Ferrazzano indicated that he had a little different view of what the presumption was. He also indicated that if you are saying making hookup fee's is a way of financing all of the infrastructure problems that we have, because we had Morin at our last meeting reminding us that we have infrastructure problems, how do you pay for it? And if you think that having hookup fees is an ample way of paying for it..... T. Peterson indicated what he is getting at is that it should be divided among all taxes payers rather than just the ones affected. Ferrazzano indicated that that would increase the levy. T. Peterson indicated it would not because that would be figured in and even if it does it would not be that much. It says right on your bond that you should not count on collecting all of your assessments to pay your bond. Ferrazzano gave an example – with the amount of the assessments that the judge said you did not need to pay – what was that total? It was indicated that it was around $145,000. Ferrazzano indicated that we still have that cost – that cost does not go away. So if the individual property owners don't pay that then the city as a whole pays it. Salmon indicated that the individual property owners are owners within the city and will pay it also, the only difference is the total cost is spread out amongst all city property owners. Ferrazzana indicated that he understands that but does that not then increase the levy on the people and the taxes they have to pay, because it is a cost that the city has incurred that needs to be paid somehow. T. Peterson indicated that it depends how it was budgeted for that bond – if you budget that bond it is going to increase. How much it is going to increases because you don't assess 100% that you are able to you are talking $5 or $6 dollars a year when you spread it out over all 900 people, however I'm telling you, because of the 4th and Morgan St project, your assessments are to high because you drove a family out of town. M. Peterson questioned who was driven out of town? T. Peterson indicated that it was Roger Peters. T. Peterson indicated he left town and that will be a house on Morgan Street that we will wind up getting back in our laps. And it is not just them – there are others – the EDA lost a sale on a town home because they were afraid there would be huge assessments coming up down the road. This is an economic development issue not just who is going to pay it and why someone should pay more than someone else. M. Peterson indicated that this is a small percentage and you would have to admit that this is a small percent of people that are sharing this with you. T. Peterson indicated that no one shared it with him, he witnessed it. M. Peterson indicated that there are another

percentage of people that believe that it is the duty of the City Council to look at going forward because if they can recapture $145,000 minus the total attorney fees....T. Peterson asked what amount that is? Gross indicated that the legal fees themselves were $17,937 and then the advances which were mainly filing fees were $5,471 and expenses were $105.72, so we take the legal fees, advances and expenses the total is $23,513.72 for 10 assessment appeals. If you take roughly $5,500 out of the total ¼ of that is fees and advances. M. Peterson asked if anybody has talked to EJ Moberg, Lyon County Auditor/Treasurer about the valuations of the properties, because I believe the law says that they have 5 years to adjust property values? Gross indicated that the City Council can assess an amount based on valid methodology which usually is taking the cost of the project, dividing it between the properties some sort of square footage that the city had in place, the city can rely upon the presumption of their assessment rolls, and in this case it is up to the property owners to rebut that, which was the sole issue potentially with the litigation. Chukuske indicated that he is opposed to spending more tax payer dollars to appeal a decision that has already been made and even if you decided to appeal it and it goes back to court and we spend more attorney fees, and the decision goes the other way, the citizens going forward are going to do the same process and you will have more legal fees because they will take it to court. I recommend that we figure out how to do this going forward, quite spending tax payer dollars on legal fees and figure out how to make it work. Ferrazzano indicated that he understands that and that is why it is worthy of having the discussion. The most important thing is that what it would cost to appeal certainly factors into whether or not it would be worth it. The ruling from the judge indicates that the property owners pay zero – to me in my mind that sets a precedence for future projects, as Jeff indicated if someone doesn't appeal it they can look back on past decisions and see that this issue was dealt with 4 years ago and a judge said they would pay zero for a street assessment so I would be silly not to appeal it because it is already a precedent that they pay zero. That is something that we have to think about because that is what everybody will use as a basis to say that you had to pay zero, why should I pay even a dime. Chukuske commented that you are talking assessments verses hookup fees. Ferrazzano again indicated that we all agree that we still have to pay for the infrastructure somehow. Tiegs indicated that he was at a League of MN Cities conference this past weekend and they went thru some of this and the only way that we can get past this in the future is whenever you are going down the street you would have to bring an assessor and assess the value of that house. As soon as the project is done you would have to assess it again, with a formula for streets, sewer etc that adds a certain value to your property. So if the property goes up $100 you can assess $100. Chukuske indicated that was the issue with this whole appeal – assessing homes is completely different than assessing commercial property. Ferrazzano indicated again that in his mind, if the assessment is zero it still sets a precedent. Gross indicated that his legal opinion, when it comes to the closed meeting, and whether the two litigates can be present, my position is that they cannot. In terms of city client privilege the city has to either consent to you being privy to that closed session or the rules of special conduct would not allow that to occur. Ferrazzano indicated that he is glad they are able to have this discussion so it is all out there. Chukuske indicated that they need to decide if they can be involved in the closed session. Salmon indicated that they have a quorum – take a vote right now, better yet take a vote on yes or no for appeal. Ferrazzano indicated that they do not have a quorum. Salmon indicated that maybe they need a bigger council. Gross indicated that there are a couple of things that could occur in regards to whether the city appeals or not, and that is direct involvement as to what the litigate's are privy to. So if the city chooses to appeal, then the court of appeals can affirm the decision, meaning the decision stands, they can reverse and remand it meaning, they decided there was an issue and the District Court is to hold another trial, or they just reverse it totally and reinstate the assessment amounts. What concerns him on behalf of the city is the second option. If the Court of Appeals reverses and remands, then they will be privy to some information that could be discussed at trial. Gross wanted the members to be aware of this. Chukuske thanked Gross for that and indicated that he would hope that our Mayor and two council members would have

enough sense to not vote that way. Salmon questioned if the absent council member has been privy to this discussion tonight? Ferrazzano indicated that she is not. Salmon indicated that there sure as heck is not a reason to vote or talk about it. He indicated that it is a waste of time and an embarrassment!! Salmon exited the premises. Gross indicated that they have 60 days to decide to appeal or not. Ferrazzano would like it on the agenda to talk about it as opposed to not talking about it at all. He acknowledged what Gross was indicating, however we do need to figure out what the costs of an appeal would be or if it would even be worth moving forward with it. It was questioned when Jim Garvin's case in Redwood would be settled. Gross indicated it would be 90 days from the date of trial, which he believes was November 12, 2016. The City of Tracy's would be up to 60 days from January 9, 2017. Tiegs indicated that we would have time to update Cooreman and we could decide from there. It was indicated that there has been a motion and a second to allow T. Peterson and Chukuske to be part of the discussion. Ferrazzano indicated that without a quorum they may not even have the closed meeting tonight. T. Peterson indicated that they would not need to act, just whether or not they would be allowed to participate in the discussion. Gross indicated that in order for him to discuss the case he would need consent from the other Attorney's involved so there are deeper complexities there. There are a couple of layers there. Chukuske indicated that they should move on and that the Mayor should do what you want and we will deal with the consequences later. Ferrazzano indicated that he does not like that characterization… I will do what I want…I am not doing what I want – I want to discuss it and we are discussing it. With any decision there are legal ramifications to what you decide….True? Chukuske indicated that he cannot decide that so you will have to. You and Dave decide what you want to do, lets move on with our meeting. Either you will have us in the closed session to discuss this or you are not going to have a closed session tonight….make a decision. M. Peterson indicated that Cooreman will be available for the closed session, she is just not available for us right this second.

Roger Bunker addressed the Council. He indicated that he had the city come over and vandalize his property. He has had estimates as to what it is going to cost to have it repaired and it is $6,000. He indicated that they have destroyed his sidewalk and his driveway. He has spoken with several people with the city about getting it fixed and nothing gets done. I am supposed to come up with $20,000 in repair fees and legal fees on a $6,000 house? I am in agreement with Salmon.

Ferrazzano indicated that inspite of what Gross is saying in regards to what the ramifications are, my bottom line is that he does not care if Chukuske and T. Peterson are in the closed session… there is nothing to hide. Tiegs indicated that that was fine by him. Ferrazzano indicated that they should have the closed session and talk about what they are going to do. All in favor of having T. Peterson and Chukuske at the closed session to discuss the appeal signify by saying I. All voted in favor.

Chief Lichty gave a department head report for the Police Department. He indicated that he would like to address winter parking snow ordinance. Daniels and Lichty have had several discussions regarding this and trying to come up with a better way in regards to saving overtime costs and being more efficient in handling people who don't move their vehicles off the streets during snow emergencies. He does not feel the ordinance itself needs to be changed, just the way in which it is enforced. Lichty would like to purpose that when a snow emergency has been issued prior to 6 PM the day before, and notice has been put out, that any vehicle parked on a city street between the hours of 2 AM and 6 AM will be cited for interfering with snow removal. Lichty is looking for approval and have the Council stand behind it. Chukuske questioned if those vehicles could be towed? Citing them still does not prevent the workers from having to go around the vehicles and creating a dangerous situation. If they are given ample notice could they just be towed? Chief Lichty indicated that they do do that if they have been plowed around twice. In the history of snow ordinances this has been a constant battle and has gone many different directions over the years. You used to not be able to park on the street at all from

November 1st to April 1st and if you were you were cited. Then it went to you could be on the street all the time but if there was a snow emergency and you were on the road it would be towed. Lichty was trying to get to a happy medium where if you are plowed around and blocking removal then you would be cited. Chukuske questioned what the fee was and if the second time was higher. Lichty indicated that it is $50 for both the first and the second time but the second time you were towed. Chukuske questioned if that has been done and Chief Lichty indicated that it had. It was questioned if it had to be law enforcement that issues the citation and Chief Lichty indicated that it is. He indicated there were about 30 or so during the last snow event so it is getting to be a problem. The neighbors get upset because we leave a big pile, then if there is a neighbor parked there the next time we get this snow plus what was on the road and it ends up in their driveway. Chukuske stated he feels it is something we should look at in the future to decide if we want to increase that fine, maybe $50.00 isn't enough. Chief Lichty indicated that they were going to start at 2:00 am and tagging every car in the street on nights that there is a snow emergency.

Valerie Quist, Librarian addressed the Council. She indicated the books for "Tracy Reads" are in and ready to go and the discussion will be held on March 12th, 2017 at Twin Circle. Curt and Cathy Paulsen are providing funding for this year's event. She indicated that later in the meeting the Council will be presented with two resolutions –The first is for some equipment left there by the previous owners of the building so they would like to get that cleared up and discarded library books and donated materials that they would like to sell. There is also a resolution that would call for them to be able to do that as needed.

Sandy Lau, Liquor Store Manager gave an update on the Liquor Store. She indicated that they are painting shelves in the off-sale and are hoping to be done sometime in February. She did wine samples Wednesday thru Saturday for the Thanksgiving holiday and Thursday thru Saturday for the Christmas holiday. Both months she did a radio ad the week of the holiday. In February I will be doing wine and champagne samples, and doing an ad on the radio or an ad in the paper.

Shane Daniels, Public Works Director gave an update. He is working on jetting, they were going to come Wednesday of this week to do his televising, however with the way the forecast looks that may not happen. We have been jetting since Wednesday morning of last week thru today and hopefully tomorrow morning and trying to get the last bit of televising done so we can decipher which areas of town are the worst. Other than that we are moving snow. Ferrazzano stated they had a lot of sympathy during the water main break by Bosackers when it was -20 degrees.

Madonna Peterson gave an Administrative report. She indicated that there was a typo on the wastewater project section. The bid came in at $630,000 not $430,000 which Chris will address shortly.

The EDA Annual Report was presented in the packet. There were no questions. T. Peterson indicated that Tara did a nice job at the Chamber banquet.

Chris Plott addressed the Council regarding his animal permits. Plott indicated that they have the same amount of dogs as when they first moved in 5 years ago, they have not gotten any more or any less. I have three that will likely not be with me for much longer, they are all senior dogs and are current on their shots. I sent you a letter from my wife and my vet regarding this. The last meeting they came to was back in 2014, they were told by Votca that they would not need to come back unless they were summoned by the council. That is why they have not appeared before the council in the last couple years because he was told they did not need to come every year. Ferrazzano asked when the last time they talked with Votca was? Plott indicated it was likely in 2015. T. Peterson inquired if they have any cats and Plott indicated that it was all dogs and that they did not have any cats on the property. It was asked what the council's thoughts

were when it was granted initially. Ferrazzano indicated that part of it was because Plott was told he could. Plott indicated that the previous Administrator, Gorius initially denied the request and that was when they came before the Council. The other part of the reasoning was because they came to town thinking it was possible and we didn't want to lose someone moving to town. Chukuske asked if they own their home? Plott indicated that they were buying it. Chukuske questioned if they were doing it thru a conventional loan thru a bank? Plott indicated it was thru a private seller. T. Peterson indicated that the issue that he has is the neighbors indicating that the dogs are not being left out to go to the bathroom. Plott indicated that unless someone was watching his house 24/7 they would not know that. His big ones go outside, however the little ones don't like to go out in the winter time, but they are all potty pad trained. T. Peterson indicated that the #1 condition was no neighbor complaints, vet checked, controlled and all dogs be licensed. Chukuske questioned if all dogs are licensed. M. Peterson indicated that currently they are, however they were not until Chief Lichty sent a letter. Plott indicated that he was not aware that he had to pay a $10.00 fee every year. M. Peterson indicated that he is required to apply for an animal permit every year which is a $10.00 fee. Chukuske questioned if they were deciding if they wanted to continue this for another year? Ferrazzano indicated that was correct. T. Peterson questioned who took the complaints? M. Peterson indicated that she had 3 people come in which was the first time she had personally taken complaints. T. Peterson questioned what the complaint consisted of? M. Peterson indicated that it was that the dogs never go outside and it is inhumane for the dogs to not receive exercise especially when one of the dogs is a great dane. Plott indicated that he does have a great dane, however she will not be around much longer. She is at the age where she is losing a lot of weight and I will likely have to put her down within the next few months. Chukuske continued with the complaints – The animals do not go outside of the house to urinate or defecate, if you are outside of the property you can hear the dogs bark from inside the house. Also there is a neighborhood dog that occasionally barks and starts a social barking chain, there are more than fifteen dogs and three cats. It was also indicated that on December 27, 2016 Plott spoke with Chief Lichty who indicated former Administrator Votca would not allow him to investigate and issue citations on the following Administrative penalties:

1. Animal, No Dog/Cat License
2. Animal, No Permit
3. Animal, Keep in Unsanitary Condition
4. Animal, Inhumane Treatment

M. Peterson indicated that it took a letter from Chief Lichty to get their licenses up to date. Plott indicated that he did not realize that they were past due and that he now has a better record. Ferrazzano indicated that the complaint was not enough exercise – it's not like it is noise or anything. M. Peterson indicated that there is a neighborhood dog that occasionally barks and then that set the dogs in the house barking. Ferrazzano indicated that that really isn't their fault. T. Peterson asked Plott if he would be willing to allow Chief Lichty to come over and take a head count of the animals and verify everything. Plott was willing to allow that to happen. T. Peterson indicated that he would like to see this tabled until the next meeting and they have more information from the walk thru. Plott indicated that they have had this permit for 5 years and have had no problem and he is trying to find out who is the one complaining now. Ferrazzano indicated that sometimes it is awfully difficult to find out who is complaining. If Chief Lichty goes over there and sees it is the same amount of dogs and the things that people are concerned about are not really concerns then there should not be a problem. If the Chief comes back and indicates that there are the same amount and everything is fine then we will be good to go. T. Peterson affirmed that there will not be any authorization for any replacement critters and Plott indicated that he would not. T. Peterson also re-affirmed that he needs to come before the council every year. The council thanked Plott.

The attorney contract with Matt Gross was presented. Chukuske commented that he didn't agree with the item on page 2 item #3 indicating that Mr. Gross should attend one meeting a month. He does not feel that he should need to come to a meeting that often unless there is a good reason for him being here. He does not have any issues with anything else, however at $150.00 an hour he cannot see that being justified. Gross indicated that could be amended as requested by council. Initially it was requested for him to come one time a month and that is why it was in the contract. Gross also indicated that he is appreciative of being able to represent the city. He would request the city to appoint him and are very appreciative of the opportunity to represent the city last year and it was very enjoyable. It was agreed to remove the section indicating that he should attend one meeting a month. Motion made by Chukuske, made seconded by Tiegs to approve the contract with the deletion. All voted in favor.

Motion made by T. Peterson, seconded by Chukuske to appoint Matt Gross as the City Attorney for 2017. All voted in favor.

The LELS Contract was presented. M. Peterson indicated that the reason it was not included on the last one was because we did not receive the contract back from the union rep with the changes on time. It has now been received and verified and is ready to go. This covers law enforcement with the exception of the Chief and secretary. Chukuske made a motion, seconded by Tiegs to accept the LELC Contract. All voted in favor.

A quote from M.A.A.C. for the asbestos removal of the Masonic building was presented. The bid was in the amount of $17,762.00. T. Peterson questioned if we are required to pay sales tax on this contract. M. Peterson indicated that we should not. T. Peterson made a motion, seconded by Chukuske to approve it for the safety of everyone and request that it is done as soon as possible. Chukuske questioned if they should put a time frame on it? The reason it should be done quickly is because of the concern of it starting to come downon its own. M. Peterson indicated that she will contact Onken and make sure that the sales tax gets removed. She also questioned if the council wanted to decide where the money is going to come from. M. Peterson also brought up that there will need to be a resolution drafted because they are spending money that was not budgeted for. Ferrazzano asked M. Peterson where she thought the money should come from. She indicated that the only choice they have is the unallocated fund unless you are going to do what we did before with the Living Farms building and use the code enforcement. We did not have money in the code enforcement but in her opinion that the Masonic Building, even though it was purchased by the EDA, is an code enforcement issue. It was asked if this is money that we cannot recover from the grant. M. Peterson indicated that was correct because it is a loan not a grant. Chukuske indicated that the motion should be amended T. Peterson amended his motion to include the completion date of March 31 2017, funds to come from the code enforcement fund and a resolution stating that we are spending money unbudgeted for and the sales tax will be removed. Chukuske seconded. All voted in favor.

The EDA Board is recommending that Jeff Salmon and Mark Seager be appointed to the EDA Board. T. Peterson's term expires in 2018 and Chukuske's term expires in 2021. It is recommended that Seager fill T. Peterson term to 2018 and Salmon fill Chukuske's term until 2021. M. Peterson also indicated that we did receive another application today. Chukuske indicated that they did have 4 excellent candidates but with what the EDA felt we need for the future these two candidates were the two we chose. All four were equally qualified and could have filled four spots if we had four openings. Motion made by Tiegs, second by Chukuske to appoint Mark Seager to the EDA Board to 2018. All voted in favor. Motion made by Chukuske, seconded by Tiegs to appoint Jeff Salmon to the EDA Board to 2021. All voted in favor.

Applications were received from the Lions Club, Golden Age and Senior Dining to use the MPC as well as have the fees waived. M. Peterson indicated that all these organizations have been using the Multi-Purpose Center for a very long time and have never paid a fee. When we sent

out a facility use application – to not only these but all the other organizations that use the facility – we also asked that if they wanted the fees waived to indicate that in a letter to the council. She also indicated that the Golden Age was very instrumental in helping form the building and making it what it is today. The Senior Dining is the organization that provides the breakfast and pancakes. They also purchase much of the equipment such as the rocking chairs, the TV's, the freezers, the stoves, the refrigerator's etc. We look at that as already contributing to the facility. The third one is the Tracy Lions Club – they meet every third Monday of the month with LSS providing them a meal. They also do many things for the community. T. Peterson indicated being they are all non-profit that he would make a motion to waive any fees that may be required. Motion was made by T. Peterson, seconded by Chukuske to waive any fees from these requests for the use of the Multi-Purpose Center. All voted in favor.

Authorization to advertise for a public hearing in regards to the Annexation and Zoning of the property for the Hospice House was requested. The minutes from the Planning Commission does not contain any motions or approvals. Gross indicated that he did suggest to M. Peterson to look at the comprehensive mapping to validate that there would not be any issues and she indicated that her and Daniels had already done that. Daniels indicated that the discussion was to make that area zoned R2 which is what the hospital and the land around that area is zoned as. Motion made by Chukuske, seconded by T. Peterson to set the Public Hearing date for 6:45 on February 13, 2017. All voted in favor.

T. Peterson inquired as to whether he can continue to serve on the Planning Commission. Per the League of MN Cities he is allowed to continue on that board as a private citizen even though he is a council member. T. Peterson also commented that with him, Cooreman and Chukuske on the board it would not be violating any open laws because it is an open meeting. T. Peterson indicated he would like to remain on the Board. Chukuske indicated that he would not like to remain on the Board and will submit his resignation.

Chris Larson with I & S addressed the council. He indicated that he is looking forward to working with the new council, he has worked with a couple of them already and if any of them would like to set up a time to get up to speed on any of the projects he would be happy to meet with them. He stated that they received 6 bids on January 13, 2017. It would have been 7 however one bidder drove to Tyler by accident. This bid is for Phase I for all of the utility improvements. Duininck was the low bid of $3,256,112.05. At the time of the bid the engineers estimate was approximately 3.1 million which rural development had a lot of influence. Earlier it was mentioned that the estimate that was approved in PER was approximately 2.5 million. The scope of the project grew since then. The biggest factor was instead of doing it during construction as we did with the 4th Street Project we televised and located private services ahead of construction. With this project we discovered what a tangled web the services in town are, much more than a typical project. As a result, it made sense to expand the improvements, primarily on Second Street East all the way up to Highway 14 and then on Hollett Street taking it over to Center Street. That was a large jump from the PER estimate. We feel these are good numbers. We have dealt with Duininck in the past and would recommend moving forward with awarding the contract to them. If you are to do that tonight I would put a contingency upon Rural Development approval or something to that affect so you are not awarding without having a funding agency on board. We did speak with Rural Development about the gap in funding. There are three different options – Rural Development does not care which option is pursued by the city, and from our standpoint it makes no difference either. M. Peterson indicated that the first option is that we can pay for the whole thing ourselves, which the estimate was about $430,000 higher than the PER which means that we are short about $630,000. The second one is that we could apply for subsequent loan/grant which would be 60% loan 40% grant. The third one, which she is in favor of because it gives us the most flexibility, is that the city pays for the water and storm portion of it, which is about $190,000. The Storm portion is $30,000, the water is $160,000 for a total of $190,000. The sewer would be the remainder of about $440,000. We

could borrow that $440,000 from the unallocated fund for Phase II and that would give us a little bit of time so we can figure out where we will get the money. Chris indicated that there are a couple of variables. With the paying of the storm and water – that was going to be a loan only so we are not losing out on grant money for those two pieces of infrastructure as it would have been a loan anyway. For the sewer we are basically moving money from Phase II up and then when we get to the point where we are getting bids back from Phase II at that point we may need to do the subsequent funding mechanism. However at that point we may also have a handle on what Phase III will be so none of that is allocated yet – that is a whole separate PER amendment. T. Peterson questioned if we are just looking at a $600,000 shortfall? M. Peterson indicated that that is correct. The sewer portion of the $630,000 is $440,000, the other portion is $160,000 and the storm is $30,000 which will be paid out of our funds. We do know that we did get $769,940 back from our temp funds – of that amount $70,875 is what we put back into the utility fund so that would be $70,000 of the $160,000. The other thing is that I did get Jeff's phone number and he would be available if you would like me to call him to talk about this. Keep in mind that the council has known for a number of years that we have this sewer project coming and since 2011 we have not adjusted our rates. T. Peterson indicated that that will need to be addressed at a later time. M. Peterson indicated that what the problem has been is our ordinance and our code both have dollar amounts attached to them so we are going to have to hold a public hearing to amend all the ordinance's to indicate that it will be adopted annually via a fee schedule. T. Peterson indicated that if he remembers correctly we have already asked to do an annual increase but by the time Gorious got here it was never brought up again – hearing what you have said I understand why it has never been brought up again. M. Peterson does know that it was brought up again about 2 years ago and Votca discussed the possibility, however no motions were made. Chukuske indicated that they can't change what should have been done we just need to get it corrected. Chris indicated that he felt that there is a minimum rate set by rural development and I recall there was a public open hearing regarding raising the rate so we will need to check with them to make sure we don't need to do that again. T. Peterson indicated that he felt the third option would be best. Chris indicated that they were very intentional in keeping all of the grant money that he is working with us on with Phase II because there are a lot of strings, specifically prevailing wage. M. Peterson indicated that she also wanted to update you to keep in mind that last fall when we awarded the temporary bond for the 8.3 million and the $560,000 – that was only the first round of temporary bonds for this project, our second round will be in the amount of 1.4 million and the pre-sale of those two will happen on February 6th. Motion made by T. Peterson, seconded by Chukuske to accept Duininck as low bidder contingent on financing. All voted in favor. Motion made by Chukuske, seconded by Tiegs to approve option #3. All voted in favor.

Chris indicated that he would also like to give an update on Phase III. He sent a memo about two weeks ago and the discussions that I have had since then with MPC are that they are estimating it could be two or three months before they have something evolve with EPA. We are obviously frustrated because they did not notify us until we asked for them to verify the last timeline they have provided and that was when they brought it up. Also they have had 18 different permits approved using EPA using the same methodology and now EPA is challenging that methodology so it has been frustrating. The gal in the permitting department is looking into some creative permitting that they could potentially do that would create a means to have the project move forward. In the meantime, since we have Phase I bid now, we have also contacted the enforcement agency to see if there is any opportunity for relaxing that so if something does come up these other delays won't hold anything up.

T. Peterson questioned Larson regarding the two colors of the water tower and if they were picked so it would not show all the mold and algea? He indicated that he expected to get four or five years out of it and it has been only two or three. Is there anything out there that we could use without spending a fortune? Larson indicated that if there were more frequent cleaning that

it would not be as expensive. T. Peterson asked if that would be a utilities project and was indicated that it was. Chukuske asked Larson if he could look into if we did it more frequently if it would be less expensive and bring some suggestions to the next meeting. It was also indicated that power washing it would be cheaper as well. Larson indicated that he would.

M. Peterson addressed the council in regards to special assessments at 484 Emory Street. It was brought to her attention by Jason Jones that the assessments that were waived on their property still remain as they received a delinquent notice from the county. This delinquent notice consisted of special assessments that were assessed to their property however at the council meeting in February of 2016 these assessments were to be waived if they fixed the house up. This would have been certified in the fall of 2015 and was never removed. M. Peterson asked them to attend this meeting to request that it gets removed. M. Peterson indicated that some of these assessments are ones that cannot be removed as they are a water tower assessment as well as a recycling assessment which is put on by the County. These would amount to a combined total of $45.00. The unpaid tax is $1,341.00, of that $1,296.00 of it is the assessment that will need to be removed. Of the $1,296.00 - $540 is for mowing and $756.00 was for a tree removal. Even though the minutes say that there is an extra $540.00 for mowing there are actually $1,296.00 in assessments that should be waived. Ferrazzano indicated that they have done a great job on that house. Motion made by Tiegs, seconded by T. Peterson to waive $1,296.00 in assessments and they are to pay $45.00. M. Peterson also indicated that there will need to be a resolution drawn up for this and approved at the next meeting. All voted in favor.

Resolution 2017-3 - Resolution Declaring Property No Longer Needed For Public Purpose. This list is as follows:

15 metal display stands
2 metal coat racks (5x5)
1 metal two-drawer filing cabinet
1 card table
1 metal shelving unit (5x5)
1 wood desk (2.5x3)
1 black wood cart on wheels
1 red wood table – L-shaped with five legs
1 black wood stand (1.5x3)
1 wood rack (3x3)
1 particle board display (4x3.5)
1 particle board display (6x4.5)
1 wood stand (1.5x3)
1 wood shelving unit with 12 slots (2x3)
1 blue coat tree with holes for pegs
8 wood shelves (1.5x2.5)
1 wood desk with removable top unit

Books to be sold

400 weeded/discarded library books
200 weeded/discarded audiobook cassettes
50 weeded/discarded VHS movies

2,000 donated materials

Motion made by T. Peterson, seconded by Tiegs to approve the list. All voted in favor.

Resolution 2017-4-Blanket Resolution Declaring Property No Longer Needed for the Library. This is for the Library to dispose of obsolete books as needed at their discretion. T. Peterson made a motion, second by Tiegs to approve the resolution. All voted in favor.

Resolution 2017-5-Resolution Approving Application For A Gambling Permit For The Church of St. Mary. This is for March 26, 2017, September 8, 2017 and December 17, 2017. Motion made by Chukuske, seconded by T. Peterson to approve the resolution. All voted in favor.

The consent calendar consisted of Municipal accounts payable and receivable, Approval of Multi-purpose Minutes from 12/12/2016, Tracy Fire Relief Assn minutes from 12/3/2016 and Tracy Aquatic Center from 9/3/16. Motion made by T. Peterson, seconded by Chukuske to approve the consent calendar. T. Peterson questioned what the $4,500 out of the EDA Fund was for. M. Peterson indicated that was fee money at $300.00 for each housing loan to Western Community Action. All voted in favor.

M. Peterson handed out a letter in regards to Kim Kalas with the Multi-Purpose Center. The letter addressed some concerns that Kalas is conducting a personal business out of the MPC to serve breakfasts outside of her contract with Senior Dining. This was verified and addressed today at the MPC meeting and indicated that is not the case. Chukuske indicated that he received a phone call on this as well and has intentions of getting more involved with the MPC. M. Peterson asked Kalas to start providing receipts and she indicated that she would. There are issues over there every day that needs to be addressed. Chukuske indicated that he is surprised that there is not a council member appointed to that board and thought it would be a good idea to do that. Ferrazzano indicated that the City Administrator does attend them. M. Peterson stated that she did receive an inquiry from the Wheels Across the Museum as to why there is a council member assigned to their board. Ferrazzano thought it was because some questions could be addressed at their meeting and not have to go as far as the Council meeting. Chukuske also stated that if a council member is appointed to a Board that there is no excuse if they are not active on that board. If they are not going to be active then they need to appoint someone else. Ferrazzano indicated that he feels they are wondering if there has not previously been someone appointed why are we appointing someone now. T. Peterson indicated that he feels there is someone appointed because we donate money to them.

Motion made by Chukuske, seconded by Peterson to hold a closed session to discuss the assessment appeal and adjourn the meeting. All voted in favor.

ATTEST:

City Administrator

Mayor

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 13, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Dave Tiegs, Tony Peterson and Bill Chukuske and Pam Cooreman. Also present were Matt Gross, City Attorney, Shane Daniels, Public Works Director, Madonna Peterson, Clerk, Diane Campbell, Administrative Assistant.

Pledge of Allegiance was given to the flag.

Invocation was given by Nick Scutari.

Mayor Ferrazzano asked for approval of the minutes for the meeting held on January 23, 2017. T. Peterson indicated that he would like to have "No motion or second was given" removed. He indicated that he made the motion and Chukuske seconded it. M. Peterson indicated that her and Campbell listened to it several times and did not hear a motion made or seconded. There was a lot going on and it could have been missed. It was indicated that the statement would be removed. Motion made by T. Peterson, seconded by Chukuske to approve the minutes with the correction. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. M. Peterson indicated that she would like to move 9H and 9I up to the top after the Public Hearings as Johnson needs to leave to attend another meeting. Also, she would like to have 13A-Follow up report-Chris Plott removed as Mr. Plott is ill. She would also like to add 9L which is a solar amendment to the Geronimo Energy contract. Motion was made by T. Peterson, seconded by Pam Cooreman to approve the agenda with the changes. All voted in favor.

Mina Atkins addressed the Council during the Public Comment portion of the agenda. She indicated that she lives and pays taxes in the City of Tracy. After not being able to hear the last meeting on the TV and finding out what all took place I would like some clarification from the council. In light of the appeal verdict and the appellates having their assessments forgiven, will the company that did this work come in and just erase these amounts off of the books? Mayor Ferrazzano indicated that the bill is the bill it is just a matter of how it gets paid. Atkins questioned who it is that pays these amounts? Mayor Ferrazzano indicated that it would be the property owners that did not appeal as well as the City of Tracy as a whole. It is paid off with the bonds, however we have to pay off the bonds when they become due. Atkins questioned when you reference City do you mean people in the City? Mayor Ferrazzano indicated that is correct. Atkins indicated that she is one of those people, so you are saying that those amounts forgiven will go on my taxes correct? Mayor Ferrazzano indicated that it has to be paid somehow. Atkins indicated that what she does not understand is why do I pay for someone else's street? Mayor Ferrazzano indicated because it has to get paid and the judge indicated that those particular property owners do not have to pay it. Atkins indicated that every year when her taxes are due she goes to the courthouse and puts down the money and from that day until they are due again I save for that all year long. So what I am understanding from you is that I now have to save more money. Mayor Ferrazzano indicated that the bottom line is that it has to come from somewhere. He also indicated that as a result your taxes may increase. T. Peterson stated that whether or not there were special assessments that tax levy is going to be that tax levy. Atkins indicated that she understands that, however those people that had it forgiven are not going to pay it correct? T. Peterson indicated that is not correct – they will pay it in their taxes. Everyone has already been taxed for it to pay off the bond, everyone across the whole city. Atkins indicated that the people within that original group will not be paying what was forgiven. T. Peterson indicated that forgiven is not a good word to use – it was indicated that we did not have to pay anything because it did not increase the property values. The state statue indicates that you cannot assess more than it increases the value of the property. Atkins stated that those property owners will not be paying that. T. Peterson stated that they would be paying

for the whole project. Atkins indicated that you will be paying for the whole project but not for the special assessments. T. Peterson indicated that his property is on a street that does not get assessed because I am on a County road and a Federal Highway and he still pays it. Atkins indicated that she would like to make one last statement – she does not understand why she is paying for someone else's street and if that is the case than she feels there needs to be an ordinance indicating that each property owner is going to be paying for every street that is done from now on. She feels this way because that is not how it has been done in the past until now. She feels that the Council needs to understand that the property owners are frustrated with what is going on. We are tax payers and we do not want to have to pay more for someone else's street unless you are going to create an ordinance saying that they have to. Mayor Ferrazzano stated that basically she is saying that the lesson for the future is that no one gets assessed anything – that the city as a whole pays for everything. Atkins indicated that that is what is happening now but has not in the past. Atkins wanted to address one more issue – this weekend she had the privilege of talking to someone that was a former employee for the City. We were discussing the $14.00 that appears on our water bills – and I am not complaining about that however this person indicated that when he was working for the city that it started out at $3.00. He indicated that when the $3.00 was made "a law" it was specified that it was only to be used for infrastructure. It was not to be used for anything else. This person also said before he left the City that it was being used for other things. Atkins indicated that they as a council need to make sure to follow thru with all of these "laws" and realize that things are being used for things that it should not be. She indicated that wants her $14.00 to be used for what it was intended to be used for and nothing else. She could not understand how money that was specified to be used for one thing is being used for other things such as paying off bonds. She feels that when ordinances are made – regardless of what it is for- that it needs to be followed. The council thanked Atkins for her comments.

Alfred Jessen addressed the council and thanked them for allowing him to speak. He indicated that he has read the paper regarding the improvements. He stated that he understands that they need to be done and as a property owner he will have to pay his share and is willing to do that. He brought attention to the City of Tracy sign at the entrance of the city and feels that it may draw people into the town to see what we have to offer. As they drive in they will find 13 homes that are not being used, the Tracy Bottling Company that does not employee any one anymore, and the Masonic Building that is not being used. We do have doctors and dentist located throughout the city so we do have something to offer. He showed a picture to the council of a house that is 100 years old that does not look very appealing to the public. What we do not see is the underground infrastructure that is also 100 years old that needs to be taken care of. We do have a lot of positives in the City – we have a good school system, daycares, clinics and hospitals and places where people can get employment which are all benefits. He indicated that he is a farmer and that all surrounding towns rely on agriculture. If it wasn't for the ground out there and the farmers there would not be a Tracy. He feels that what we need is an entrepreneur to come into town to light a firecracker under all the farmers to raise the price of $3.00 corn to $5.00 corn which would bring money into this community. Jessen says that because when he went to his insurance agent to get the insurance he indicated to the agent that it is worth more to him than it was to Jessen. He explained that when he brings that corn to town to convert it into dollars and cents and pay his bills if there is anything left over the agent gets it before he does. He addressed the fire in Medelia and stated that there was a TV Station from Minneapolis that went there to do a story on it. They also came down a year later to do a follow up report and as they interviewed one of the business owners he indicated that it probably was not his best economic decision to re-build but he did it for the community and the legacy of the community. What is Tracy's legacy going to be? Adding to the 13 homes that are empty or alive and growing? Now it is the time to bite the bullet and get the community on the right tract again. The council thanked Jessen for his comments.

M. Peterson indicated that it appears that there are some problems on the Vast TV station. The sound is working however it is scratchy and from what we can see from our TV it appears that there is interference from another channel. The same broadcast is going over Charter and that one seems to be very clear. She would suggest if you are having issues to call your VAST provider and ask them to check it out.

Public Hearing for the Annexation and Zoning of the Hospice House property was held at 6:45. Gross indicated that the City had received a petition from the Hospice House to have the City annex the property. This will allow them to have the City provide water, sewer and other services to that parcel of land. Once the annexation is approved the City can zone it. The Zoning would be R2 which includes nursing homes and facilities of that sort and is consistent with all the other properties surrounding it. The surrounding property owners will not be affected by the zoning as it is consistent.

Steve Meyer with Monroe Township addressed the Council in regards to the Annexation. He indicated that after discussion with the property owners they are in full support of the annexation. He wanted to let the Council know that Monroe Township approves of it. Mayor Ferrazzano thanked Meyer for coming.

Mayor Ferrazzano closed the public hearing for the annexation and the zoning and referred it back to the Council.

Motion was made by Chukuske, seconded by Cooreman to approve Ordinance #320 to annex the Hospice House property into the City. All voted in favor.

Motion was made by Chukuske, seconded by Cooreman to approve Ordinance #321 to Zone the Hospice House property as R2. All voted in favor.

Dale Johnson III addressed the Council regarding the Fire Department Standard Operating Guide and a letter for a purchase request. He indicated that the Standard Operating Guide would be the procedures that they follow. They are pretty standard and something that the League had them do 15 years ago. Each year they slowly update things and the big change this year was going from 26 firemen to 28 firemen. The only other thing was that they were a little more specified in job duties of all the fire chiefs and all of the officers for the fire department. Johnson also indicated that they found out recently that they do qualify for the DNR Grant for the joint use tanker to be used between the Fire Department and Public Works Department. They do have some other equipment out there now that we would qualify for. The two items that they are looking at is a larger pay loader to replace the Terex as well as a crew cab pickup to replace one of the Grass Rigs. We currently budget $15,000 to buy the pickup and then try to replace the lights etc with what we have. This would probably get us a lot newer truck with less miles on it for half the dollars. Again, thru the joint venture we have to hold it for three years with the DNR and then the City of Tracy would own it free and clear. We do have some requirements such as the truck we received last time was camouflage and anything with camouflage you are required to paint therefore we are hoping they would have something that we would not have to paint. Johnson explained that this is an on-line auction – you fill out a request of what you are looking for, if something that meets your requirements hits the auction the DNR would call you and let you know. How the grant portion works is that the DNR buys it off of the auction for whatever the cash price is, then they would only charge us a delivery fee. Our last truck came from Maine which was $4,500 in shipping, $500 in paperwork so the price was $5,000. The grant paid for the $100,000 Chassis for the DNR to buy it and then they turned around and gave it to the City of Tracy providing we kept it up etc for three years and then it was ours. If they are able to find these pieces of equipment it would save us a couple hundred thousand dollars between Public Works and the Fire Departments. Johnson indicated that this is nothing new – we have been doing it with the generators and the trash pumps to name a few. Chukuske questioned if he estimated the delivery costs to be up to $25,000? Johnson indicated that with

the delivery and possible painting he felt they could do it all for around $25,000, best case scenario would be $10,000. Johnson indicated the last truck they put a request in for they had pictures etc for one within 12 hours, however it could take longer this time – you just don't know. Motion made by Chukuske, seconded by Tiegs to allow the Fire Department to pursue these pieces of equipment. All voted in favor.

Motion made by T. Peterson, seconded by Chukuske to approve the Tracy Fire Department Standard Operator Guide. All voted in favor.

Johnson indicated that he had one more thing to address. Every year we have our air packs serviced and tested by the company that sells them to us. When we purchased the air packs 13 years ago it was thru the FEMA Grant however, we no longer qualify for the FEMA Grant for this round. Once you purchase them part of the contract is that you are supposed to start funding to replace them. The air packs are supposed to be replaced every 10 years and after 10 years you can still drag them out to 12 or 13 years as long as they are passing inspection. We have been passing our tests however, some of our 15 year air packs are now down. They are supposed to come at the end of the month to fix them. In talking to the guy that was scheduled to fix them, the problems they are having are the electronics on them. It is not just O rings, fittings and hoses anymore. Johnson indicated that we could be looking in the neighborhood of $8,000 to $9,000 to repair what we have. We do have many that have been in the Capital Improvements Plan, the fire department has also been fund raising for them and does have approximately $30,000. Johnson did price new ones today which was $88,625.00. That would be for 13 new air packs, we currently have 15. Johnson indicated that he does not feel it is essential to have 15. He indicated that if we upgrade air packs and buy new ones nothing will interchange with the old ones. Which would mean every time we go to fill bottles we would have to change compressors that fills the bottles, your bottles would be different from air pack to air pack which would mean if one truck has 2 air packs and 6 spare bottles you would have to have each different type of bottles on the truck. What we are looking to do is to totally replace everything. T. Peterson inquired if they offer a trade in on the old equipment? Johnson indicated that it would be $200 a unit. He indicated that about 5 years ago they started having electrical and battery problems and now we are learning that some of the battery problem were because of the electronic components in it are not working. You can try to retro some new components onto it and you will end up with a whole bunch of new electric gizmos. Unfortunately FEMA is one of the big funders for these, there are a few other smaller grants that we could attempt to write for them, there are some loan financing like a lease program that we could do. I have ran out of avenues for finding places to grant us the kind of money we need for it. Chukuske questioned what the life expectancy was and Johnson indicated it is 10 years which would be $670 per year. Johnson stated that when we originally bought these it was $42,000 for 15 new ones and now 10 years later we are at $88,000.00. It was asked if they are still draggers and it was indicated that they were. Johnson indicated that they will be going to the high pressure bottles verses the low pressure bottles which instead of 20 minutes you will have 40 minutes of breathing air. This is another reason we can shorten up the number of air packs. T. Peterson indicated that he doesn't see how they have a choice, it is a safety issue. If you have already raised a 3rd of the cost he makes a motion to give you permission to purchase them. Chukuske seconded the motion. All voted in favor.

M. Peterson presented a Liability Coverage Waiver from the League of Minnesota Cities. She indicated that every year the decision must be made by the governing body to decide whether or not you want to waive the liability coverage or the monetary limits of the tort liability established by Minnesota statutes. Mayor Ferrazzano inquired what they did last year? M. Peterson indicated that they did not waive it. Mayor Ferrazzano question if there is any good reason to waive it? M. Peterson did not know of any reason. T. Peterson stated if they have never done it in the past that they should not start. Motion made by T. Peterson, seconded by Tiegs to not waive the liability coverage to the League of MN Cities. All voted in favor.

M. Peterson indicated that she had checked with Brian Grogan, Attorney to see if we were able to charge penalty to Charter and the response was that we cannot. T. Peterson asked if they are actually sending us anything? M. Peterson indicated that they are not but they are supposed to be. T. Peterson indicated that maybe we should discontinue sending them the resolutions. M. Peterson pointed out that they are waiting for a larger city to step up to the plate and move forward with it. Motion made by T. Peterson, seconded by Chukuske to discontinue sending extensions. All voted in favor.

Authorization was given to hold a closed meeting to discuss the assessment appeal.

The Local Board of Appeal and Equalization meeting has been set for April 24, 2017 at the direction of Lyon County. This date lands on the same date as the regular council meeting. M. Peterson offered to reach out to them and see if the date could be changed, however they have many cities to work around so not sure if they would be able to do that. The council decided to move the regular council meeting from April 24, 2017 to April 25, 2017. T. Peterson questioned how many people are trained. M. Peterson indicated that there are two – Mayor Ferrazzano and Pam Cooreman. It was also indicated that the classes for this are available on-line.

Wheels Across the Prairie sent a letter requesting the City of Tracy contribution be increased. The city has been giving $2,000 annually since 2007 and they are requesting an increase of $3,000 to $4,000. This would be an increase up TO $3,000 to $4,000 not an additional $3,000 to $4,000. T. Peterson questioned if we have it in the budget. M. Peterson indicated that it is not and that she had let the museum know that and they were ok with that. They are looking at other cities and they seem to be giving their local museums larger contributions. The $2,000 was determined when they moved the church to the museum. The only addition that has been made was when the City of Tracy put a sign out there. We paid for the electricity for the sign on an annual basis which is less than $1,000. Mayor Ferrazzano indicated that they could likely budget more for next year – maybe an extra $1,000.00. T. Peterson indicated they could wait until budget time and see how it is laid out and decide then. Mayor Ferrazzano stated that it would be important to note that we will look to change the contribution when we go thru the budgets. Rosemary Martin stated that being on the board she does know that a lot of people come to the museum when they come to town. Chukuske indicated that $1,000 does not seem like much to him. He inquired if there is a way they could come up with more as it is an important facility with a lot of volunteers running it. T. Peterson indicated again that he would like to wait and see how the budget lays out. Mayor Ferrazzano stated that like everything else with the budget you need to prioritize things so maybe this should go to the top of the list since it has not been raised since 2007. M. Peterson inquired if they wanted to through a figure out there as a ball park figure such as raising it from $2,000 to $5,000 so they have an idea what the Council is thinking when they start working on the budget? T. Peterson suggest up to $5,000.00. All agreed. Rosemary Martin asked if the council would like them to check with other cities to get an idea of what their contributions are? Mayor Ferrazzano indicated that she could if she would like to.

The Tracy Lions Club would like to request the Council to consider contributing to the electronic message board. M. Peterson indicated that she had a visit from Wayne Brock and Chris Kamrud and requested them to prepare a memo for you to outline what they are attempting to do. The reason the City of Tracy would need to be involved in it is because they are trying to get qualified for a USDA Grant, however the USDA is a governmental entity that needs to be able to grant the money to another governmental entity. The City of Tracy would basically have to take ownership of the sign and then accept the donations from the Lions Club to finish the project. Chukuske inquired where the sign would go? M. Peterson indicated that it would be placed on the Subway sign which would be at the corner of Morgan Street and Craig Street. Chukuske inquired if this has been approved by the State? M. Peterson stated that is has. She also stated

that it would be above the Subway sign and would be seen from both sides. Mayor Ferrazzano stated that basically all they would have to do is write the grant. M. Peterson indicated that they would like us to take ownership of it and they are also asking for the city to contribute to it. They are in the process of trying to raise money. The cost of the sign is approximately $40,000 – last year to present time they are at $7,000 raised and they are on their campaign again. The grant would be 1/3 to 2/3's so if you pay 2/3's you get 1/3 back. Chukuske questioned if we would control the sign from the city office and M. Peterson indicated that we would. She also indicated that their future plan would be to get us to maintain it and maintain the messages on it. They would come up with a policy as to what kind of things would be advertised on it. Chukuske stated that the nice thing about the location is that you can direct traffic right down Morgan Street to downtown. T. Peterson questioned if the $40,000 they are trying to raise includes labor? M. Peterson thought it did but was not 100% certain. Mayor Ferrazzano stated that they should just go ahead and apply for the grant now. T. Peterson made a motion that we support the sign and take ownership of it and work out a donation amount later. The motion was seconded by Cooreman. All voted in favor.

Todd Hagen from Ehlers address the council via skype in regards to the General Obligation Temporary Bonds, Series 2017A. What we have in front of the council is a pre-sale report for the proposed issuance of $1,415,000 General Obligation Temporary Bond. The report includes the summary of Bond issuance and then there is a proposed issuance schedule and attached to the report is the proposed bond schedule which is the principle and interest on the bond. There is a Bond Buyer index graph which shows where the 30 year trend is right now and then there are 2 resolutions for council consideration at the end of the presentation. One is to authorize Ehlers and Associations to sell the bond and come back on March 13th and show you the results of the public sale. At that point we would have the tabulation of the bids. There is also a resolution that authorizes the City to proceed with a Credit Enhancement Program. Because these are utility related bonds you are able to get the principle and interest guaranteed by the State of Minnesota and that takes you to a AA Plus status, which is the State of Minnesota's rating. The higher the rating the lower interest costs and hopefully the bids we will get on March 13, 2017. Back in the beginning of December, 2016 we had issued an $8, 315,000 temporary bond to finance the water and sewer system project. The idea was to come back like we are right now and issue the remaining USDA Loan Obligation for Phase II to temporarily finance that now in 2017. The City does have, along with this, over $1.4 million dollars of grant money that is coming as well. This is the loan obligation from USDA. The bank qualification status is limited to $10,000,000 per year and what that does is lower the interest rate which attracts the banks to purchase the bonds and hopefully will broaden the market which results in a lower interest rate. We issued 4 sets of bonds last year and so this bond will be in the $1,415,000 range and will free you up finance other Municipal projects within that $10,000,000 limit. This Phase II financing is basically to complete the Wastewater Treatment Phase II part of this. This bond issue is going to be a 2. 5 year term – we have a 3 year term on the other one. This one basically dove tails into that bond issue. It has the same principle and interest payments – it has capitalized interest so the interest leading all the way up to December 1st 2019 maturity of this temporary bond is paid thru the bond issue so any property taxes or utility revenues that go to pay this bond off are really going to be starting to pay this 40 year USDA Bond and the interim construction financing, like this bond and the C Bond last year lets them drop off. Hagen indicated that he would suspect that the USDA taken out at that time would be one or two bond issues and they usually get taken out at the same time and he would assist the City with that program. This bond issue, in keeping up with the way the City of Tracy finances – most of your municipal projects is a general obligation bond – it is really the City's best practice to finance projects like this with this type of debt. It is the most cost effective option among the limited options that are out there to finance these types of projects. A general obligation bond provides the lowest possible interest costs. We may get what we call a premium bid, we did not get one of those on the last bond issue. Not to complicate things but if an underwriter or a bank feels that they need

a higher interest rate they may re-market bonds to issuers with the way interest rates are going right now. If they offers us more money than what we need, what we will do is reduce the size of the bond issue to get back down to this $1,415,000 amount as this has been budgeted for from USDA and we don't need any more money than what is being obligated. Some bond issues the City will keep that money, but nothing is free. On March 13th we will come down and show you what we received, however we did not receive one of those last year, which makes it a lot easier for us to make the adjustments on the day of sale. We use the same service provider which is Kennedy and Graven, your Cities bond attorney, Bond Trust Services is the go between the City and the purchaser as recurred payments and Bond Trust Services will invoice you and make that payment. We will then have the bond rated again by Standard and Poor's. The plan is also to use Ehlers Investment Partners to deposit the bond proceeds until they are needed. This is just a very efficient way of segregating the funds to maximize the interest earnings. We can make adjustments all the way up to week before the bond sales so let us know if there is anything you feel needs attention. We are going to try and stay within the original USDA budget, I do get that budget so I know how much they have allotted for financing costs and the capitalized interest figure and even though we have two bonds here and I didn't do them all at once we are still in keeping with the original budget. Hagen indicated that that is his summary of the bond issue and inquired if the council had any questions for him. T. Peterson asked if there were any guidelines for assessing back based on the bond we get? Do we have to specially assess or what are the rules? Hagen indicated that he believes this Phase II project compliance property taxes and utilities and revenues for Phase I goes thru town a little bit more and there may be some special assessments that may be pledged to that. The statute we are running under is Chapter 444 and special assessment law is 429 so we do mention all those statutes, however 444 allows you to finance projects like this, and special assessments are just an additional revenue source which gives you some flexibility. T. Peterson asked if it was mandatory that we special assess? Hagen indicated that is correct, but it is a little different then just a regular street project that may or may not have utilities under it, the idea is to issue what is called an improvement bond and that would be mostly just under chapter 49 where we've got that minimum threshold of assessing atleast 20% of the benefitted property owners. Motion made by T. Peterson, seconded by Chukuske to adopt Resolution 2017-11-Providing for the sale of $1,415,000 GO Temp Bond-Series 2017A. All voted in favor. Motion made by Cooreman, seconded by Chukuske to approve Resolution 2017-12 Authorizing the City to Enter into a Credit Enhancement Program Agreement with the Minnesota Public Facilities Authority. All voted in favor.

Andy Boyle from ISG addressed the council regarding Phase I Infrastructure Project bid that has been reviewed by USDA and concur awarding it to Duininck, Inc in the amount of $3,256,112.05. T. Peterson questioned the reference in the letter where is states "submitted by our engineer consultants" – who is that? It was indicated that that would be us. T. Peterson also inquired if the numbers are from ISG or RD or where did they come from? Boyle indicated that he was unsure and that he would talk with Chris Larson and have him draw up a memo. He is guessing that it is the cost of construction observation. T. Peterson's main question was if it was ISG or an outside source. It was indicated that it was ISG. Boyle indicated that you are your own engineering consultants. T. Peterson questioned if this was a product that has been drafted by RD based on the numbers you gave them? Boyle believed that is correct. The additional engineering service is likely just the construction statement. This was just for information purposes and no action was required.

Andy Catania with Geronimo Energy addressed the Council. He handed out to the council an updated engineering diagram that shows what the final design of the project will look like. One of the things that we have been working thru as part of the engineering process was identifying where the airport safety zone is as well keeping all of the infrastructure out of safety zone A. This new design accomplishes that as you can see how the panels are removed from safety zone A. Because of this decrease in the acreage of the facility, construction is going to be tighter.

What we are looking for is a temporary construction easement just south of the project boundary which is drawn out in the legal diagram that was handed out. This will help accommodate the storage on equipment during construction. Beyond that we are looking to mobilized the site at the end of April and have it up and running come September. What I have before you tonight is an amendment that updates the lease area for the actual project footprint that we will be using. It also incorporates that temporary construction easement which would just be applicable during construction and would go away when the facility is complete. It was asked if it would be recorded and it was indicated that it would. We are looking to update the lease and then get everything recorded. T. Peterson inquired if this was all Ag property? It was indicated that it was. One point on the ag land, because of the safety zone the farmer will still be able to farm it. Motion made by T. Peterson, seconded by Chukuske to enter into the amended lease agreement with Geronimo. All voted in favor. It was asked when construction would start and Boyle indicated that it would the end of April, however it is possible they may be able to start a little earlier.

Mayor Ferrazzano indicated that he had skipped over the animal permit update as Chris Plott is ill. He indicated that it would be his preference to wait to discuss this issue until Chris is able to be present, however we can talk about it if the Council would like. M. Peterson indicated that he did stop in and asked that it be put on the February 27, 2017 agenda due to being ill. T. Peterson asked if the rest of the council seen the evidence that Lichty collected over there? It was indicated that he had given the disk to all of them. T. Peterson indicated that his problem with this is that when we moved their permit from 7th Street to where they are currently at I specifically told him that he had to appear once a year before the council to let people know how many dogs he had. Now it is turned into him indicating that he was told something by a person that is not here to defend it as they are no longer with the City. He indicated that his biggest stipulation was that there be no complaints – he indicated NO complaints and people are now coming forward with complaints. T. Peterson indicated that he has people from the neighborhood calling him. Lichty was not allowed in the house and he was told he had to let him in the house. Chukuske indicated that he has an issue with that as well as Plott was supposed to reach out to Lichty and he did not. Lichty took it upon himself last Friday to have it done prior to the meeting. Mayor Ferrazzano indicated that it appeared to him in the video that he just did not want the dogs to bite him. T. Peterson indicated that either way the council indicated that they wanted Lichty in the house. Ferrazzano indicated that they need to look at the situation as it exists now. Whether or not someone signed something last year does not change what the situation is right now. Chukuske indicated that he is not in favor of this and would like to make a motion that we do not allow it. Cooreman indicated that she does not understand how you cannot let the dogs outside. They have to go out to use the bathroom? It was indicated that that is why it smells so bad in the house. T. Peterson indicated that he would second Chukuske's motion. Mayor Ferrazzano indicated that whatever the council decides is fine but he would prefer the affected people to be here and have them face to face when the decision is made. T. Peterson indicated that Plott would have the right to appeal. Cooreman inquired how many dogs they had before they moved to this house. T. Peterson indicated that he had 15 dogs. He also indicated that the neighbors counted at least 4 cats as well when he was on 7th Street. They are saying that they have cats in their current home as well. Cooreman asked if they ever had complaints on Third Street. It was indicated that they have. She also asked if they are not allowed to have 15 dogs what would they do with them? Chukuske indicated that they have a motion and a second and asked if they are in discussion? Ferrazzano indicated that they are in discussion as Cooreman had a question. Chukuske indicated that the motion and second was made and Mayor Ferrazzano had not called for discussion yet. Mayor Ferrazzano indicated that there is a motion to deny the permit and a second and we are now having a discussion. Mayor Ferrazzano again indicated that his view is that he would rather have someone here before a final decision is made. If you go ahead and do it that is fine, however one of the things that has to be in the motion is to indicated when you want this problem alleviated by? T. Peterson indicated

that he had specifically asked that question of Lichty and he recommended a 30 day notice. Chukuske indicated that he would like to amend his motion to say that the council do not allow the exception and that they go by the City ordinance of 3 dogs and have 30 days from today to come to compliance. T. Peterson seconded that motion. Ferrazzano indicated that he would be voting no as he would prefer someone to be here. Voting in favor: Chukuske, T. Peterson and Tiegs. Voting against: Ferrazzano and Cooreman.

Resolution 2017-6 to waive special assessments for parcel 31-104101-0 was presented. This was approved at the February 13, 2017 Council meeting, however the resolution still needed to be drafted and approved. Motion was made by T. Peterson, seconded by Tiegs to approve Resolution 2017-6. All voted in favor.

Resolution 2017-7 was presented to approve a Gambling Permit for the Tracy Area Chamber of Commerce for the Sportsman's Show to be held on April 30, 2017. Motion was made by Chukuske, seconded by Cooreman to approve the Gambling Permit. All voted in favor.

Resolution 2017-8 was presented authorizing unbudgeted money to be spent on the asbestos removal in the Masonic Building. Motion was made by T. Peterson, seconded by Chukuske to approve the resolution. All voted in favor.

Resolution 2017-9 was presented granting Charter Communications an extension thru 3/31/17. Mayor Ferrazzano indicated that based on what they had previously discussed that they should just exclude these resolutions. M. Peterson asked if they would like them done on a quarterly basis? Chukuske indicated that he believed the motion was that they would not be done at all. No motion was made to approve the resolution.

Ordinance #322 to annex the Fultz property for the ponds was presented. Gross addressed the council and indicated that the difference between this one and the Hospice annexation is that you do not have to have a public hearing for this one as it is owned by the city. All that is required is that the City pass an ordinance and provide a copy to the Municipal Boundary Adjustment Unit. Motion made by T. Peterson, seconded by Tiegs to approve the Ordinance. All voted in favor.

Resolution 2017-10 to approve an inter-loan transfer for the wastewater project was presented. M. Peterson indicated that this had been discussed at the beginning of the year and when she went thru the preliminary audit they had asked for the resolution. M. Peterson indicated that she was unaware one was needed which is why it is being presented now. This is to put all the monies back into where it came out of. Motion made by T. Peterson, seconded by Chukuske to approve the resolution. All voted in favor.

Resolution 2017-13 to approve a resolution for a Gambling Permit to MN Waterfowl Association on 3/18/2017 was presented. Motion made by T. Peterson, seconded by Cooreman to approve the resolution. All voted in favor.

The consent calendar consisted of the Municipal Account Payables, Tracy Fire Relief Minutes from January 2, 2017 and approval of Mayor's Youth Advisory Board minutes from November 5, 2016. Motion made by Chukuske, seconded by Cooreman to approve the consent calendar. Mayor Ferrazzano brought up putting a sign up in the park indicating that if anything is damaged that they would be prosecuted due to the vandalism in the bathrooms. He questioned if it would be possible to put a sign up to that affect. Daniels indicated that he could do that. Mayor Ferrazzano indicated that he felt it would be a good idea just to let people know. It was addressed that they are not allowed to put camera's in the bathrooms which is where the damage happens. It was discussed putting them on the outside to show who is going in and out. Mayor Ferrazzano also indicated that the tennis court and basketball court are in bad shape. M. Peterson indicated that the planning commission made a presentation to the council in regards to what is going to be done with the tennis courts within the last 6 months. She believes the plan is to

split the tennis court and make it half tennis court and half basketball court. This is in the park improvement plan. It was asked if they would be resurfacing it and Daniels indicated that they would have to. The biggest decision would be whether or not to leave the fence up as the fence is not in good shape. However, if they remove it they have concerns about having to chase after balls etc. All voted in favor of approving the consent calendar.

T. Peterson indicated that he was contacted by a gentleman that has two airplanes out at the airport. His issue is that he has the hanger on the southwest corner which is a low spot. This is not allowing him to get his airplanes in and out when he wants to dependent on how the weather is. T. Peterson indicated to him that he would check to see where they are at on the airport plan as to when they would be able to put a paved pad on the west side of the hanger line. T. Peterson wondered if it could be done this year when the contractors are in town paving anyway to save us some money. We would have from now until fall to get it done. If not he will find another place to hang his airplanes and we would go right back to where we were on the Federal side of reimbursement. M. Peterson indicated that Bollig Engineering will be here on the February 27, 2017 meeting to give an update on the Airport Master Plan. Cooreman questioned how much they pay for a hanger rental. M. Peterson indicated that it is $165.00 a quarter. It was indicated that the council should take a look at changing that, however the real issue is getting the Federal money. If we lose funding then we just have a lot of empty land out there. T. Peterson indicated that it is one of the assets that the community has that is not being marketed as it should be. There are not a lot of airports in the area that has three runways. M. Peterson indicated that the airport commission has talked about the conditions of the hangers. M. Peterson questioned Daniels if the hangers were something Federal dollars could be used on? Daniels indicated that he thought it was only 50%. M. Peterson indicated that the conditions of the hangers have been discussed many times over the years. T. Peterson stated that the hangers are the oldest part of the airport and do not have a solid floor under them. He also indicated that you could call it a taxiway improvement and he felt that they should be able to get an 80/20 split. Daniels felt you could get the Federal money for the pavement but the new hangers would be 50%. T. Peterson indicated that they do not want to get involved in anything that you could generate revenue from. He also again indicated that he would like to see something done on the west side so we don't lose anymore hanger rent. He would like it to be followed up by Bollig.

The other issue that T. Peterson wanted addressed was the corner tire sign that is no longer allowed to be used. This sign has been used by many organizations such as church feeds, Eagles Club, the blood drives, Lions Club and the Masons. M. Peterson asked Daniels to address the reasons why it can no longer be used. Daniels indicated that the biggest one is public safety. It is not legal to put an object in the middle of the intersection. If someone were to hit it, that would be a huge liability for the City. Secondly, you are advocating off site signage for businesses which is not compliant with the City ordinance. Those are the two main issues. It is also inconvenient for us to have to sweep around it, moving and blowing snow around it, he has seen people swerve around it, go in the wrong lane around it and it is an accident waiting to happen. Also, it is sitting on the sidewalk all of the time and blocking the use of the sidewalk as well. M. Peterson indicated that more than anything she has heard that if are not going to allow certain signage in other areas of the town why would we allow it there. I realize that these are non-profits but again, if it is a safety issue against the city it should not be allowed. T. Peterson indicated that he just wanted the word out so the people can understand why it is no longer being allowed. It was indicated that the sign has been removed.

Mayor Ferrazzano stated that in the future if a council member has a question and an e-mail is sent out that the e-mail should be cc'd to all council members in addition to the person the question is being as of. The reason being is that the other Council members could be having the same question that people are asking them as well. T. Peterson indicated that it would be better for it to be answered to all, not sent to all, because if we send it originally to everyone it may come across as trying to conduct a meeting without holding one. Mayor Ferrazzano indicated

that this would strictly be so that they are all on the same page with the various issues. T. Peterson again indicated that the person asking the question should not be sent to everyone as it would be construed as trolling for support. Mayor Ferrazzano indicated that it would not be support, it would just let people know what you are asking. Gross indicated that that would constitute a quorum and would violate an open meeting law. Mayor Ferrazzano indicated that he does not want to violate anything, he just wants everyone to be on the same page so we all know what is being asked.

Mayor Ferrazzano also indicated that he would like to address how fired up everyone was at the last council meeting during the public comment period. He would like it to be known that from now on people will be limited to 5 minutes with no exceptions. Also if people are upset they may be asked to leave. He certainly does not want people slamming doors again because it does not portray them in a positive light when that happens. During the public comment it will be orderly and would ask people that come up to do it in an appropriate manner. Chukuske indicated that he feels the whole purpose for the public comment is to come up, address their concerns and have it put on the next agenda. Mayor Ferrazzano indicated that he knows at times that the meetings are fairly relaxed, but what needs to happen is that they are limited to 5 minutes, but also if someone from the audience has a concern that they come up to the podium and voice those concerns. He wants the council to know that he will be more strict on the 5 minutes and keeping everything in order.

Mayor Ferrazzano indicated that he feels that there needs to be a Special Meeting to address the issues going on at the Multi-Purpose Center. We continue to get e-mails regarding issues going on there and the only way to address this would be to set a specific time to address them with the people it involves. Chukuske inquired when there next meeting was and if they could address it then. It was indicated that their next meeting is scheduled for the 20th, however with that being a holiday it would likely be the 21st. Mayor Ferrazzano suggested having the meeting on February 21st, 2017 at 6:30 at the Multi-Purpose Center so we can see the things they are talking about. All agreed.

Motion made by Chukuske, seconded by T. Peterson to adjourn to go into closed session regarding the assessment appeals. All voted in favor.

ATTEST:

City Administrator

Mayor

SPECIAL CITY COUNCIL MEETING-ISSUES AT THE MULTI-PURPOSE CENTER

A Special meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, February 21, 2017 at the Multi-Purpose Center. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson and Bill Chukuske. Also present were Madonna Peterson, Clerk and Diane Campbell, Administrative Assistant. Member absent: Pam Cooreman.

Mayor Ferrazzano called the meeting to order.

Mayor Ferrazzano asked for approval of the agenda. Motion made by Chukuske, seconded by Tiegs to approve the agenda as presented. All voted in favor.

Mayor Ferrazzano indicated that M. Peterson would be giving an update on the issues that have arisen in regards to the use of the kitchen at the MPC. Once she is done he indicated that he would like to give the public an opportunity to address the Council one at a time. He also indicated that they would only have 5 minutes per person to state their concerns.

M. Peterson stated that Mike Votca left employment with the City of Tracy at the end of September, 2016 which was when herself and Shane Daniels were appointed as interim Administrator. Shortly after that we started to have patrons come to the office complaining about several issues regarding the MPC. The main complaints were that they felt there were things being done improperly. These complaints included both the morning as well as the afternoon attendants. The morning program is ran thru Lutheran Social Services (LSS) who has a contract with the City of Tracy for the use of the facility, a pancake fund raiser as well as providing a noon meal which is done thru Senior Dining. There seems to be some confusion with the afternoon attendant as far as what her responsibilities are and what can and cannot be done by her. The afternoon attendant was preparing lunches such as cakes for the people that come in the afternoon. However, M. Peterson received notification from the State of Minnesota that this is not allowable. The reason for this is that the City is not licensed to do it along with the fact that the attendant does not have a certified food operator license. We were also told that there was a breakfast being offered in early morning hours that was being ran thru LSS. As of last Friday that breakfast has ceased. Sometime in January M. Peterson received a visit from Jason Kloss and Chris Hansen from the State of Minnesota, which is now affiliated with Southwest Health and Human Services. The MN Department of Agriculture is one entity that runs kitchens and the other entity goes thru the Department of Health. She had several visits with the Department of Health before they gave regulation over to SWHHS on January 1, 2017. It was indicated to her that these gentlemen had received multiple telephone calls from a variety of people regarding a variety of issues. Some of the claims were that there were expired food, dirty ovens, the wrong type of plastic was used and on and on. During that meeting they also went to the MPC and inspected things and it was indicated that LSS does have the proper licensing for the person that actually prepares the food. The inspector indicated that everything that LSS is doing is good as far as how they are preparing the meals. The main issue lied with the afternoon attendant as she does not have the licensing required. The gentlemen indicated that the City of Tracy would not be fined unless we did not stop her from preparing the lunches. The letter we received from the State has been posted as well as a letter M. Peterson drafted in regards to why there is now a ban on the kitchen. If each person would use the kitchen for its intended purpose such as using the sink that would have been ok but that is not what was being done. People were digging thru the refrigerators, freezers and dishes which were possibly contaminating things. M. Peterson has indicated that she would be willing to lift the ban on the kitchen if people would stop doing that. The questions that have arisen is if the City Council knows what she is doing. She indicated that she has shared everything with the Council and has hid nothing from them.

Mayor Ferrazzano thanked M. Peterson and indicated that these are the issues the Council wanted to address outside of a Council meeting. By doing that and holding it at the MPC it allows for citizens to be able to openly voice their concerns as well as allowing the Council to hear the issues first hand.

Ferrazzano opened the floor up to the public.

Raymond Randall addressed the council. He wanted to bring forth a few questions that he had as far as how things are ran. The first clarification he asked for was if the building is owned by the City of Tracy, which it is. He also asked if the official name is the Multi-Purpose Center as well as if there is a specific board named by the City Council that is in charge of the MPC. It was indicated that that was the name and that there is a board, however it has been difficult getting people to be on the board. Mayor Ferrazzano questioned who is all on the board? It was indicated that it consists of: James Green, Claire Hannasch, Tam Schons, Kim Kalas and Willmar (Shorty) Engel. Randall indicated that there is also another committee that works with LSS which is known as the Senior Dining Committee. LSS takes care of the noon meal and Meals on Wheels correct? It was indicated that that is correct. Does LSS pay any rent and does the City have a written contract with them? It was indicated that they do. The kitchen has been licensed and inspected to whom? It was indicated that it is to LSS. That in his mind is a problem as they do not own anything in this building. The kitchen license should be in the name of the City of Tracy as they own the building and all of the equipment in the kitchen. You have what is called the Multi-Purpose Board who answers directly to the City Council. It should be the City of Tracy at the top, Multi-Purpose Board would be next and they would answer to the City Council. Then you have the Senior Dining Committee who would then answer to the MPC Board. The MPC Board would then work with LSS. As he sees it the biggest problem that we have is that there are too many chiefs. He feels that the organization needs to be re-done to get the City of Tracy on top, then the MPC Board, then the Senior Dining Committee and LSS would be down there at the bottom. LSS is the one that holds the license for the kitchen, which doesn't work as they are at the bottom. Again there should be some re-organization. The City of Tracy needs to hire a person to run the MPC in the afternoon that is the person that should be on the license for the kitchen. Then if someone would like to use the kitchen they should be able to with that person's permission and that person would be responsible for making sure the kitchen gets cleaned up. He does not feel that we should need 10 licenses to operate this facility.

M. Peterson addressed the council to clarify that Senior Dining is responsible only to LSS. The City of Tracy has no authority over Senior Dining or its board. Our contract is with LSS and Senior Dining is just a step down from them just like the MPC Board would be from the City Council. LSS would be Senior Dining's authority. It was asked who is on the Senior Dining Board? M. Peterson indicated that she believes Harold Deal is one of them as well as Joanne Greenfield, Ken Giles and Janet Randall. Sheila Carlson inquired who has been making the complaints? M. Peterson indicated that she does not know as they are anonymous calls being made. Mayor Ferrazzano indicated that the only information M. Peterson received from the State was that there were multiple complaints so whether it is the same person calling multiple times or a bunch of people calling separately we do not know. M. Peterson indicated that most recently they are calling the suppliers of LSS, which is their federal funding source. Sheila Carlson indicated that she feels that this is just someone out to get somebody and take away something that is really good for the seniors.

Claire Hannasch addressed the council. He indicated that the most important thing is that the rules are written and followed. Everyone complaining about things doesn't work. We have to have rules and we have to have them followed. He indicated that he does the Wednesday morning pancakes and feels the people here do a very good job and the people that come are very appreciative. We have the facility here where people can play cards and play bingo – there needs

to be a set of rules and would like the City Council do that. If there are people who would like to volunteer to help compile those rules that would be fine. The rules would have to be followed!!! The State is in charge of us and if we get a lot more complaints the whole place will be shut down and we will be without a facility. He indicated that he hopes that people can understand THAT if nothing else comes of this meeting. It is a good facility and a lot of people enjoy it, however we need to make sure it is available for all to enjoy.

Chukuske inquired as to what all the complaints are? M. Peterson indicated that they included the condition of the stove, outdated food in the refrigerator, that the wrong kind of plastic is being used on food, that there is too much storage in here, that there is too much food and on and on.

Mayor Ferrazzano explained to Sheila Carlson, being she came in late, that they are allowing people to address the council at the podium for 5 minutes rather than allowing people to interject with questions. S. Carlson indicated that if you can't talk back and forth that you really can't get questions answered. Mayor Ferrazzano indicated that you can't get anywhere if there is no order to the meeting or people are having separate conversations.

Becky Averill addressed the Council. She wanted to speak on behalf of the people that come in just to play cards. She is not a Senior Dining participant, however she is a card player. It is very unfortunate that we have gotten to this point that we have to have this type of meeting. I do agree with Hannasch that we have to come to some continuity and know exactly what is expected of us – whether you are here to play cards, eat or you are the host. With that being said and listening to what is being said here, I am understanding that the City needs to get a license for us to keep going. Then the person, whether it ends up being Linda Pettit or whoever you hire, they will have to get the license. We are a ways off from being in compliance but in a nut shell, if those two things are done then we should be able to move forward smoothly as long as the guidelines are followed. I would like to see those guidelines include what the hosts responsibilities are as well as what the patron's guidelines are. What she would like to know for her own knowledge – the Senior Dining is all well and good so on Wednesday when Hannasch is here making pancakes – what issues do we have with that? M. Peterson indicated that the pancakes are an LSS fundraiser. Averill asked if Hannasch would also have to have an operator's license? M. Peterson stated that as long as there is someone here that does have a license he would not. Averill clarified that as long as Kalas was here that would take care of him. It was indicated that that is correct. Averill inquired if there has also been eggs and bacon and things like that being made in the morning and if that would continue? M. Peterson indicated that she was told last Friday that that has ceased. M. Peterson was originally told that this was being run thru the Senior Dining program and it is not. Averill asked where the money for that was going? M. Peterson indicated that she did not know.

S. Carlson inquired if Kim Kalas was expected to provide services here and not make any money? Mayor Ferrazzano indicated that she is paid by LSS. She also asked if she quite the eggs and bacon breakfast because of a problem or did people just not want them anymore? M. Peterson indicated that there are likely people that still want it, however what was being allowed to happen was that an individual was being allowed to run a private business out of a city owned building. M. Peterson also indicated that she has since been approached by multiple people who now want to come to the MPC and run their business here also.

Averill stated that she feels they need to start from the top to bottom – get the licensing done and things will start to flow a little bit better. Also based on Hannasch's suggestion that they have some guidelines and then everything should be ok. M. Peterson stated that at the Multi-Purpose Center Board direction, she has reached out to SWHHS and the City can license the kitchen for a fee. She also indicated that the position description now includes that the new person obtain this license. She also indicated that she did give Pettit the opportunity to obtain that license. Averill

indicated that out of respect for Pettit and seeing her here volunteering her time that she would hope that the City would look at paying her for her time until there is a replacement. This is only a suggestion, and granted, she is volunteering that time, however I feel it is important to have someone there.

Randall inquired if everyone that goes into the kitchen to work with food has to be licensed. M. Peterson indicated that they do not. He also inquired who you would go to in order to use the building for a meeting. M. Peterson stated that that has been a subject of confusion. At one time they were to go to Pettit, that stopped when LSS was demanding that they get paid for use of the kitchen. M. Peterson indicated that there is a facility use application that can be filled out. S. Carlson question if we know who we contact? M. Peterson indicated that you would contact the office of the City of Tracy.

Chris Kamrud addressed the Council on behalf of the "Early Crew". As many of you know the Red Rooster closed and the early group usually went there starting around 5:00 or 5:30 a.m. to have coffee. When the Red Rooster closed we were without a home. Kalas, who had worked at the Red Rooster and knew about our predicament, offered to serve coffee at the MPC. That would have been almost a year ago. It moved from there that with coffee we had eggs and toast – no bacon. Kalas was kind enough to allow us to come to the MPC and things went along smoothly for quite a while. I am not exactly sure if it was December or when but we were informed that we had improper licensure and no liability insurance. Some of us ponied up – I am not sure what the total was but it was somewhere between $600 and $1,000 for the licensure and the Liability insurance. Now we are out on the streets again because there is no place to have coffee. S. Carlson asked where the money they pooled together went. Kamrud indicated that he did not know. He was assured that it went toward the licensure and liability insurance. S. Carlson questioned who told him that? Kamrud indicated that he believed it was Kim Kalas. Kamrud also indicated that he was unsure how long these licenses were for. It was indicated that they were good for a year. Right now his group is upset about what is happening. He does believe it can be solved. Some people like to get up in the morning and as of right now there is nowhere to go to get a cup of coffee except Casey's, however there is no place to sit down there. Kamrud indicated that he would like to see it resolved so they have a place to come and share a cup of coffee and breakfast in the morning. M. Peterson indicated that it was LSS that stopped the eggs and coffee as Kalas was doing something beyond what LSS authorized her to do. Kalas went and purchased her own kitchen license, I am guessing with the funds that you are talking about as well as the liability insurance. Again – with these multiple entities, I can answer some of the questions but some of them you will have to go directly to Andrea Lingl about. She is the one that stopped the breakfasts.

Hannasch asked if there was any way that the council could work with LSS and get this figured out so they could have something in the morning. He understands their frustration. When he comes down on Wednesday mornings, Gregoire has the coffee going and the people really enjoy it. Like Kamrud indicated they are early morning people, they like to come down and have coffee. I feel like it is a slap in the face to good people, however we do need to follow the rules. M. Peterson indicated that there was never any intent to slap people in the face, LSS is the one that directed Kalas that her hours are from 7:00 a.m. As far as having an individual that works for the City of Tracy, you will need to convince the council to have a full time employee here to do some of the things that you are asking to do. Kamrud asked if it would be possible for Kalas to work for the City for 2 hours in the morning before she starts for LSS? M. Peterson indicated that it is not budgeted for. Kamrud indicated that his group might be willing to help with that. M. Peterson indicated that there would have to be a study regarding that. You would want to make sure her work comp etc would be taken care of. M. Peterson indicated that if they were to do that the City would want to make enough on it to cover expenses. T. Peterson asked that as a short term fix, would one of the morning guys be willing to come in and make coffee if they are provided a key? M. Peterson indicated that if that is what the council wants to do that is fine,

however the security of the building has been brought into question in the past, we don't just give out keys. M. Peterson also indicated that you would be opening the City up for a liability if something happened. The council indicated they would be ok with allowing a key to be given out. Ferrazzano indicated that he realizes how important this is to a lot of people and it is an asset to the City that needs to be taken care of. He feels that what needs to happen first is we want to look at doing something for 2 hours in the morning or do we want to look at hiring someone to be here the whole day even though we don't have it budgeted. D. Tiegs asked what he considers all day? Ferrazzano indicated it would be from 5:00 a.m. to 4:00 p.m. M. Peterson stated that the ladies do not get done until 4:45 – that was their biggest complaint is when we shut the door at 4:30 - that it is not long enough for them. Chukuske indicated that it should then be from 5:00 a.m. to 5:00 p.m. – would that work? We would need two people to cover that shift. It was indicated that that would be correct. It was asked about the 4-H Group and the Lions Club in the evening? Chukuske questioned if they serve food. M. Peterson indicated that the Lions Club does, however that is covered under LSS. S. Carlson questioned if they are concerned about the liability when 4-H is here? M. Peterson indicated that we have coverage for that.

Ken Giles addressed the Council. He indicated that he has been coming to the MPC since 2001 and he would like to thank the City of Tracy for providing the building. It has been a great place for us older people to come and enjoy cards and have a good time. He is very sorry that it has come to this. He knows that some of that derives from some of their doings, we have been in places that we should not have been at times. He apologized for that. Many years ago we had 40-45 meals per day served here and it is now down to maybe 15 meals. This includes meals on wheels as well as congregate meals. It is sad that at one time LSS employed 3 part-time employees – one sat at the desk, another set up the tables and one assisted in the kitchen as well as having volunteers. Now we are told we cannot wash the dishes or go in the kitchen unless we have a food handlers license. To me that is ridiculous. I would pray that there is something that can be worked out to make it more enjoyable for people that come.

Sheila Carlson addressed the Council. She asked if the City can take charge in figuring out what the legalities are? Mayor Ferrazzano indicated that they are. Carlson inquired how long that will take. Mayor Ferrazzano indicated that if we would have someone hired then it would take care of it. Carlson asked if they would please take care of it so every month or few weeks we are not still having issues. She also asked if they could get the group going to work on the guidelines. She asked what they need to look at to set up the guidelines as they cannot be pulled out of a hat. Mayor Ferrazzano indicated that this particular resolution had not had much thought put into it until tonight. Obviously you need thought about what goes into rules. Carlson asked if they know what the health rules are. Mayor Ferrazzano indicated that they do know that when people contact the State about health violations it is not good. Carlson indicated that if you are going to have guidelines, then you need something to go by to make them. T. Peterson indicated that the simplest guideline when it comes to the health rules is that instead of picking up the phone to call the State, go across the street and talk to the City Administrator to come and check it out. Carlson indicated that she would appreciate it if the people who have the complaint would not be anonymous so that it could be discussed. Chukuske indicated that the council agrees with that and that they wish they knew who it was also. Carlson stated that if someone is continually making complaints and they don't have the honesty to present themselves maybe their complaints should be thrown out the door. She indicated that she would like to see the ball rolling in getting this resolved soon.

Ken Witt addressed the council and indicated that he plays cards at the MPC in the afternoon on a regular basis. He would also like to see the people be able to come in in the morning and have their coffee and breakfast. He does not see a lot of people there in the afternoon aside from card players and he would like to see it be a MPC in the afternoon as well. He thinks there are downtown people that could be coming in there in the afternoon and be able to have coffee. He

does know of some of the complaints and feels those complaints have been passed onto our City Administrator. He stated he is uncomfortable talking about personnel issues at an open meeting so he is not going to do that. He has not made any calls to the state but he does know that there have been people that have made complaints. He feels the complaints have sounded somewhat legitimate to him and hopes that they have been passed along from the administrator to the council. He feels that all of the people here would like to come to a place and have fun, not complain or argue. He would also like to have good service not only from the kitchen but also how clean the facility is. On some occasions it did get nasty, especially in the bathroom – he hates to talk about this in an open meeting as well however, it did get quite messy. He does not know what the solution would be in solving this. He knows the patrons have cleaned up the problem and not the people that were hired. Carlson asked if that is such a terrible thing to have people help out with something like that? Witt indicated that he is simply stating what some of the complaints are.

Ken Drier addressed the council and indicated that he has been coming to the MPC for many years. I have heard that there are a lot of people unhappy with things and that some of the people that get Meals on Wheels are unhappy with their meals. It was asked if it is a registered dietician preparing these meals. He also inquired as to why the meal menu is not listed on the board so people know what will be offered. He also addressed the cleaning problems and how bad it is as far as the grease and dust. He understands that LSS was in the building the other day and also found some issues with the freezer arrangement etc. He feels that these issues should be addressed so they don't have it continually brought up. He also indicated that there was a patron that was in the building and turned down for a meal. Drier felt he should have been offered a meal whether they could afford it or not. The patron indicated that he would not be returning. S. Carlson inquired as to why they were turned down? Drier indicated that he was told that they do not give away free meals. M. Peterson indicated that it was not the City that told them that. Drier agreed.

Darrell Carlson addressed the council and asked if the council could talk to LSS and see if they would be willing to extend the hours that Kalas works by two so she could be there for the morning crew. This would take care of the licensing and the other issues. The Council felt that that would be a possibility worth looking into.

Mary Ann Blanchette addressed the council. She stated that years ago there was an LSS manager that did the meals and handled the LSS Program. They also had two people in the kitchen cooking for LSS. We also had a very active MPC Board that met once a month and offered many things. Some of them included fund raisers, soup suppers, ludefisk suppers and Burger King suppers. There also was a director that worked from 12:00 to 4:30 or 5 and that went on for years and years. It was decided a few years ago that we did not need a director and that is when the issues arose. Previously the place was clean, people were welcome, there was free coffee, people would come in in the afternoon and have lunch and that is also when the card players started coming in. Now we just have a mess. She feels that we need to have a more active MPC Board and people that know what is going on. Maybe the Board needs to be more active in the day to day activities that occur here. If you are not here you don't know what is actually going on. You do not have anyone here that is in charge to say what needs to be done. If there was someone in charge, things would be taken care of and the facility would be clean. Chukuske indicated that she said it perfectly.

Don Gregoire addressed the council and stated that the reason you don't have volunteers is because too many people complain about everything you do. That is why there is nobody that comes.

Karen Krog addressed the Council and indicated that she would like to speak on behalf of the bridge players. There are 3 Bridge Clubs that meet at the MPC, every Thursday and every other

Tuesday in the afternoon. There is also a group that plays every Friday afternoon. In the past there has been a director that has prepared coffee and lunch for us. We pay a nominal amount to play cards and have coffee and lunch. The reason they play here is because they like having all of that done for them. The tables are set up and they don't have to prepare food. If they were not here playing Bridge there would be very few people here. Something needs to be done to keep these card players coming. Pettit has always prepared lunch and then we were told she is unable to continue to do that and that we are not to go into the kitchen. Pettit was able to buy something and serve it which is how it has been until a couple weeks ago. Then we were told they could bring food in for their own club. It doesn't make much sense for every group that is here to bring in their own lunch. Some of those women do not want to have to carry all of that in here. Whatever you need to do to keep things going and have food prepared needs to be done.

Dallas Pettit indicated that he would like to ask a question that likely will not be answered as there is not anyone here that would know the answer, but he has heard the term liability insurance – doesn't the City carry liability insurance on the building and the kitchen. M. Peterson indicated that they do. So the city is covered if someone were to get sick? M. Peterson indicated that it is not the city that holds the license. Pettit asked if an individual got sick could they still sue the individual that cooked the food on a personal basis and it was indicated that they could. He also wanted to make a general comment – everyone talks about senior this and senior that – this building is not just for seniors. This is for everyone in town to use if they want to. That needs to be projected to the public.

It was asked how we can legally have a building where the door opens to the inside? It was indicated that it is because it was on a sidewalk. If it opened to the outside you may injure someone walking by. James Green indicated that this is something that Shane Daniels has been working on. It was indicated that if this were a new building it would have to swing out and it would be recessed in. However, being it was existing, it was grandfathered in.

S. Carlson questioned how the public will find out what is all happening. Mayor Ferrazzano indicated that it would be addressed at a City Council meeting. The Council wanted to have this meeting separately so they could hear what is going on and come up with a solution. S. Carlson indicated that she does not know who was going into the kitchen when they were not supposed to and digging in the freezer, however if the people that were doing those things are agreeable to not doing that and follow the guidelines it would solve many of the complaints. Mayor Ferrazzano indicated that what he feels would change the situation is if they would have someone in charge, especially if they are trying to market this as more than just a Senior Center and more as a Multi-purpose Center. S. Carlson asked if they were going to budget for that. Mayor Ferrazzano indicated that if it is a worthy expenditure then yes they would as this is an asset to the community and they do not want to see it go away. S. Carlson indicated that we are lucky to have it as there are many small towns that do not have a Senior Center at all.

Charlene Lenertz pointed out that the TV channel is still indicating that you can come to the MPC and have lunch and she feels that it should be removed.

Ken Drever indicated that if there is a person going to work in the morning, there is no place in Tracy to go and eat until 7:00. We no longer have a café and if we did we would not be down at the MPC at 5:30 or 6:00 – some of them have to be to work by 7:00.

Mayor Ferrazzano indicated that if there are no further comments that it would be referred back to the Council. He feels that they need to figure out if they want to hire someone to deal with the situation, which seems to be the easiest solution. T. Peterson indicated that if they could work something out with LSS in the morning that they could go back to the same hours they previously had in the afternoon. Hannasch questioned if there was any way, on a short term basis, that they could offer the breakfast in the morning so they are not locking the people out that come early in the morning. T. Peterson indicated that they could have one of them get a key

to come in and make coffee and they could bring something in to eat without breaking any rules. Hannasch indicated that they need to figure something out until they put a plan together that works for everyone.

S. Carlson asked if the City would be responsible for replacing the tiles in the ceiling? Mayor Ferrazzano indicated that they would be as it is their building. She indicated that now they know that they need tiles replaced. It was also indicated that there are tiles in the kitchen that need replacing as well.

Mayor Ferrazzano indicated that they need to figure out what they want to do. Chukuske inquired if he was understanding correctly that right now it is not open in the morning until 7:00. It was indicated that that is correct. Chukuske indicated that if they give Gregoire a key so they can come in in the morning and have coffee that would be a temporary fix. The Council and Gregoire agreed. Chukuske indicated that they need to decide who they are going to hire to be in charge of the facility and if LSS would be willing to extend the hours. Gregoire indicated that he comes in and stays until Kalas gets there so he is not sure they would need to have someone covering those hours as they could just bring food in. The council indicated that they would not until they can get everything figured out.

Kat Root gave a suggestion. She is a senior citizen and was wondering if they could have regular meetings like this to discuss various issues that arise. Mayor Ferrazzano indicated that is why they have committees to handle these situations. However, if need be the council would not be opposed to having more meetings like this if it is warranted. M. Peterson indicated that the MPC Board is meeting monthly and they are open to the public, there are agenda's that go out and it is not dysfunctional. Mayor Ferrazzano understands that they meet, but to have to deal with issues of this magnitude is why they are doing this. M. Peterson understands that but is getting the feeling that you think that they don't meet when they do. Chukuske indicated that he feels that there needs to be two Council members assigned to the Board and would like to be a part of it. This could be done at Monday's City Council meeting.

It was asked that the Council/Board members show up at the Center so they can see what is going on. Chukuske indicated that he would commit to them as a Council member that he would do that. He also feels that all the Council members should make a point, whether they are on the board or not, to come down here and see what is going on.

T. Peterson asked how often the Senior Dining Board meets? It was indicated that they meet every third Monday at 10:30 a.m. T. Peterson asked if there were any members that were on both boards. It was indicated that Kalas was. T. Peterson asked if there were any members on the Senior Dining board that would be willing to also serve on the MPC Board? It was indicated that it might be a possibility. T. Peterson indicated that he feels the biggest problem is the kitchen, however most of the town does not realize that LSS is cooking the meals, they think the City is doing it. The other half doesn't even use it. This makes it real easy for things to snowball and get out of hand.

Kat Root asked why they call it Senior Dining, should this whole thing not be community? She knows of people that have been turned away because they are not senior citizens. T. Peterson indicated that he understood that there were two pay scales based on age. Root indicated that there is, however there have been people turned away. T. Peterson indicated that he does believe that there are people choosing not to come and we need to find out why.

Motion was made by Chukuske, seconded by T. Peterson, that they allow Donny Gregoire to come in at 5:00 to make coffee until they get something worked out with LSS. All voted in favor.

T. Peterson questioned M. Peterson if she felt that it would help if a Council member met with LSS. M. Peterson indicated that she felt it would. Andrea Lingl was going to be here tonight but she was unable to make it. She also indicated that she would be happy to provide her phone number to any council members that would like it. Chukuske asked where SWHHS come into play. M. Peterson indicated that they are the inspecting authority. They are also the ones that indicated that if we do not stop making the meals/lunches that there would be repercussions.

Motion made by Chukuske, seconded by Tiegs to adjourn the meeting. All voted in favor.

ATTEST:

City Administrator

Mayor

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 27, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Dave Tiegs, Tony Peterson, Bill Chukuske and Pam Cooreman. Also present were Matt Gross-City Attorney, Shane Daniels-Public Works Director, Madonna Peterson-Clerk and Diane Campbell- Administrative Assistant.

Pledge of Allegiance was given to the flag.

Invocation was given by Nick Scutari.

Mayor Ferrazzano asked for the approval of the minutes for the meeting held on February 13, 2017. Motion was made by T. Peterson, seconded by Chukuske to approve the minutes. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. M. Peterson indicated that she would like to add 9G-Masonic Building Asbestos Report. Also 11A which is Resolution 2017-14 Approving Payment to Duininck, Inc for Work completed on 2015 Street Project. Motion made by Tiegs, seconded by Cooreman to approve the Agenda with the additions. All voted in favor.

Marlin Meyer addressed the council. He indicated that Tracy is a mess. There is a home on 2nd Street and one on Harvey Street, he drove by there and he couldn't believe it. We have wasted space on the alley by the bakery, which has been gone for 15 years and it is still a one way. We have four empty businesses full of junk in a row and the west side of Third Street. The police indicated that it is not their duty to do anything about it. Years ago the Chief of Police took care of those things. Who is supposed to take care of it? Mayor Ferrazzano indicated that they are working on those things and we understand the issues that you are talking about. Meyer again indicated that there are four businesses in a row full of junk and they should be made to clean them up. He had spoken to the police but they indicated that it is not their job. Whose job is it? Mayor Ferrazzano indicated that ultimately it is the Council's and that the Council is aware of it. Meyer indicated that nothing has been done about it. He questioned if it is the Chief of Police job? Mayor Ferrazzano indicated that they will figure it out and they are well aware of the issue. Meyer again indicated that nothing has been done about it. The place on Harvey Street is unbelievable. Mayor Ferrazzano questioned where on Harvey Street? Meyer indicated that it is a dead end road right next to Highway 14. Mayor Ferrazzano questioned if there was stuff in the yard? Meyer indicated that they have travel trailers and cars and they are taking someone else's lot – there used to be a house where stuff is now. Meyer also indicated that the Liquor Store should be sold right now. He was in there the other day – they have 6 part-time employees, and the gal who tried to get me my wine couldn't even find it. What do you pay the manager over there? Mayor Ferrazzano indicated that he does not have that information in front of him. Meyer indicated that he wants to know. M. Peterson indicated that Meyer should come into the office and visit with her, most of these questions she could answer for him. Meyer indicated that they are finally cleaning up Rignell's – they have a big dumpster in there. Nothing had been done – I have complained for years and nothing gets done. Chukuske indicated that he appreciates Meyer's comments, however the purpose of the public comments is to address issues to the Council and for them to put them on future agenda's and that he will encourage the Mayor to add them to the agenda in the future. He also indicated that if he is understanding Meyer correctly, it is the vacant buildings downtown that are not being utilized and also the nuisance ordinances around town, in particular the house on Hwy 14, that you were talking about – those are the two things that you would like addressed? We cannot address them tonight but we could address them at a future meeting. Meyer indicated that the Council has a lot of work to do. Chukuske indicated that they do and asked again if those were the two issues he would like addressed? Meyer again asked why it hasn't been done. We had an EDA Director for 14

years, paid him $500,000 and he only brought one business to town. He should have been fired after the third or fourth year. Chukuske again asked if those are the two issues he would like addressed? Meyer indicated that he hoped so. Meyer also indicated that as far as the Liquor Store goes, the price was double compared to Marshall. Mayor Ferrazzano indicated that we have a Liquor Store committee and those issues will be explored with them. Meyer asked how much the Council makes in a month. Mayor Ferrazzano indicated that those were questions he could ask M. Peterson as he does not have that information in front of him. Mayor Ferrazzano indicated again that he is only allowed 5 minutes to talk. Meyer questioned if he is not allowed to talk anymore? Ferrrazzano indicated that his time is up but they do have the issues he wants addressed noted and they will be addressed at the next meeting. Meyer questioned why they had not addressed them before? Mayor Ferrazzano indicated that they would do it at the next meeting.

Joe Gimse and Paul Jurek from Bollig Engineering appeared before the Council to give an Airport Master Plan Update. Gimse indicated that they are about ¾ of the way thru the scoping process, which he will lay out all the steps in detail for the Council. FAA currently has it for their review and we will be meeting with them tomorrow via conference call regarding the Master Plan. They wanted to give an update as far as where they are and to bring the newer council members up to date as well as to let them know that they are available for questions. Bollig's contact information is on the Project Schedule which Jurek will be going over and would encourage them to call if they have any questions. The Master Plan Project is a two year project as you can see by the schedule. It will take some time and you will be seeing us quite often during the process. We will also be looking for your input. Shane has been very good to work with in the past. He is very much appreciated by both MnDot and the FAA. Back in August we had a NEED meeting in Tracy which was about 5 hours of in depth discussion and a tour of the airport. Cassandra Isaackson, the director of MnDot Aeronautics was here along with 5 others to talk about all of the possible aspects for the airport and to set the tone for the Master Plan Project. Isaackson spoke to the Council that evening giving her vision of what the MnDot Aeronautics is looking for and what she sees as the future goals. Gimse turned it over to Jurek, the Project Engineer for the airport here in Tracy. Gimse started at the top of the Project Schedule that was handed out. Back in December we provided a Pre-Application Package to the ADO in Minneapolis. That laid out the Master Plan and we also submitted an Airport Apron Project with that – those are two projects that we are trying to move forward thru the Grant process for either MnDot or FAA. We have been working on a draft that lays out all of the tasks that Bollig has to do as a consultant for the Master Plan. One of the big parts is to update the ALP and look at all of the technical details of it. One of the first things they need to do is an aerial survey, which they will need to hire a consultant to do that. It is a very technical, specialized activity. We will be working with M. Peterson to get this advertised and then they will have to go thru a selection process to select the consultant. He indicated that they will be getting the final scope of services, a fee review that will need to be done and ultimately they will get to the grant application thru MnDot. That would get approved after we go thru everything, then they will weigh out the costs of the project.

Chukuske indicated that they were having some issues with the hangers and wondered if they had looked at that or were aware of it. Gimse indicated that there is the older hanger that you see as you go along the highway – it is a low area. There has been some talk whether we should side it and put new tin on it to get us by, or do we look at building a new hanger. Those are some of the things that will get talked about thru the Master Plan. Some of the things that go with this are getting funding thru the Airport Aeronautics process. Instead of spending money now you may be able to get some grants and other programs. Chukuske indicated that that was going to be his next question – is there anything that the City could apply for to have FAA help with that? Gimse indicated that some of the grant programs are available thru Aeronautics rather that the City paying the full bill. These are the things that Bollig will need to look into. I am sure you

would like to pave it so you can drive in there and it is not muddy, however do you need to pave all of it or do we want to look at other things and get them done at the same time. T. Peterson indicated that there is a gentleman who is renting a hanger at the airport on the South end of the West side with two planes in there. He cannot get them out half of the time because it is so wet. He has actually spent his own money to lay gravel and plywood inside the hanger as he was unable to get his planes out to taxi. This is the urgency that we are looking. T. Peterson also asked if the MnDot money and the FAA grant money can be applied for both on a single project or is it one or the other? Gimse indicated that that is what they did when they rolled out the initial grant agreement, we dual tracked the apron reconstruction. The apron is the part in front of the Administration Building or the AD Building that has some issues with the storm drain and is sinking. What we did was dual track those, we ran it thru FAA on the Federal side and at the same time we also applied for State money. During that period of time the Tracy airport was non-NPIAS and so they could not do anything with Federal money until that was rectified. Now that we have gone thru that process and you are now a NPIAS Airport again receiving your entitlement dollars, which is $150,000 a year, it can be spent on these types of projects. It can be a long, consuming process to build up enough money to accomplish that. What Bollig can do is talk to MnDot as we move that apron project forward, we would have a contractor there to do some paving and dirt work and try to add that. Gimse indicated that he thinks the council is talking about the Taxi Way extension that would pull on the South side of the hanger. T. Peterson indicated that that would be one way to solve it. M. Peterson asked Daniels if this has been brought to his attention. She indicated that she does not understand why an individual would be bringing gravel in there rather than the City? Daniels indicated that they do not advise putting gravel in by a hanger as it ends up chipping away at crops. M. Peterson questioned why the City is allowing him to do it then? Daniels indicated that he put it inside his hanger. T. Peterson indicated that the gentleman put down a gravel base and plywood on top of it. M. Peterson indicated that she was just making sure that Daniels, the airport manager was even aware that this was happening. Gimse indicated that they had an Airport Commission meeting and they had discussions regarding that hanger and the issues surrounding it, however they never solidified anything to move forward with it. He indicated that he can see now that they need to re-address it and move forward on it. T. Peterson indicated that he would like to see it moved up on the priority list. Gimse indicated that there are a number of discussions that are surrounding that – do we just clean and renovate the building and make it look better, or do we put concrete in on the floors – we have also had some of these discussions at the Airport Commission meeting. Personally, he feels as we move forward with the master plan process we will need to have more regular Airport Commission meetings. The one other thing that will be coming up in the next 6 or 8 months is an Airport Advisory Council that they will be asking the City to put together, in conjunction with us, to get their input into the Master Plan. There are a few other moving parts but Gimse will be working with Daniels and M. Peterson to help keep that process going and report back to the Council. Mayor Ferrazzano thanked Gimse and Jurek for coming.

Mayor Ferrazzano indicated that he would like to have the Department Heads give their reports now rather than waiting for the consent calendar.

Val Quist gave an update on the Library. She indicated that they had the book sale a couple of weeks ago and we did really well. We have many that they still need to figure out what to do with. They completed their inventory of the Library, which was a huge process – they literally scanned in every item and then went thru to find what is no longer on their shelves so they could be removed from the system. We recently did a new large print shelf which has been popular. She is also working on updating the policies, which is badly needed. The annual report is ready for review by the Library Board, which they will likely do this week. Mayor Ferrazzana inquired if they found things in their inventory that they did not know they had? Quist indicated that they had. Fortunately they did not find many things that did not belong to them.

Sandy Lau gave an update on the Liquor Store. Chukuske asked Lau who is all employed at the Liquor Store – no names, just a number. Lau indicated that she is the only full time, and then there are 5 part-time employees. Cooreman asked how many work during the day? Lau indicated that normally she does not have anyone come in until 2:00 p.m. Then on Saturday they come in at 11:00 until 4:00 and then someone comes and works from 4:00 until 10:00 p.m. Cooreman asked if one or two people come in at 2:00? Lau indicated that it is just one. Chukuske asked if she could break down Monday thru Saturday – what the volume is and when the busy times are? So for example from 9:00 to noon how busy is it? And from noon to 3:00 etc. Lau indicated that that changes from day to day. Chukuske questioned if she could determine the busy times based on the cash register? Lau indicated that she could look at that. Chukuske indicated that he would like to see a breakout as to when the busier times of that day are. Lau indicated that she would look into it.

Dale Johnson III gave an update on the Fire Department. He indicated that things are going fairly smooth. The Training Grant was huge for us as we are looking at about $10,000 worth of training that we would not otherwise be able to afford. Some of the training involves the toxins and smoke that are causing cancer and killing fireman. We will also be doing the trench rescue training in March. We have just completed auto education training and there is a live burn training coming up. We have been doing these trainings pretty much every Monday to burn thru as much free money as we can. Enderson has gotten the new tanker painted that we are doing in conjunction with Public Works and we have it back from getting a tank on it. We will be working on lights and lettering and some miscellaneous electrical things over the next couple weeks. We are also working on four different grants that are out there. They will help us to keep current on updating our gear for some of these toxin things. There are some new hoods out there that are supposed to help with brain cancer. These hoods are fairly expensive but there is grant money that we are trying to get our share of for this. Also there are new gas meters out that will eventually be built into the technology of the air pack, however right now it is a separate meter that will assist in knowing what the fireman has been in if they go down. It will also help to know what the toxic levels are if you pull someone out of a burning building. Hopefully we have good luck with these grants which would cover most, if not all, of the expense for these things. Johnson also indicated that fire calls have been good. We did have a grass fire yesterday already, which generally does not happen in February. Mayor Ferrazzano thanked Johnson for his update.

Chief Lichty gave an update on the Police Department. Chukuske questioned if Plott had the notice served for the dogs? Chief Lichty indicated that it has been served. It was questioned if we have heard from Plott? Chief Lichty indicated that he had not – that he had 30 days to take care of the issue and Plott has not contacted him or the City Office for an extension. Chief Lichty is guessing Plott will have it taken care of. Chief Lichty indicated that he has been doing a few nuisance ordinance issues. The home owner on Second Street came in earlier today and indicated that she would need another week to make the deadline. She did have a plan for everything and things are progressing.

Daniels gave an update on the Public Works Department. He indicated that the DNR would like us at a 10% water loss mark and for a few years we were close to 35% loss. We are bringing those numbers down and the biggest thing is citywide leakage and old infrastructures. Mayor Ferrazzano indicated that he and Chukuske had been over the Multi-Purpose Center today to look at the structural issues. Chukuske indicated that he would like Daniels and two Council members to do a walk thru of the MPC Building and decide the basic things that need to be done such as ceiling tiles, lighting as well as any water leaks. He would like Daniels to look at it and give his opinion if it is something that could be taken care of ourselves. M. Peterson indicated that the custodian did have many of the issues you are talking about on his March schedule however, we need to let him do his job. This would include the ceiling tiles as well as the lights. Chukuske asked if that was something that Lydell could do and it was indicated that it was.

Chukuske also indicated that there is no reason to hire someone if Lydell is able to do it. Mayor Ferrazzano is mainly concerned about the buckets that they have to put on the floor to catch the water. M. Peterson indicated that Daniels has already contacted Buysse Roofing in regards to that. Chukuske indicated that the other issue is that the upstairs is a real mess. He is wondering if there could be volunteers to clean it up even though it does not get used. One way or another he feels it needs to be cleaned up. He does not want to lay it all on Lydell. M. Peterson indicated that Lydell has been more than happy to help with anything he can over there. Daniels indicated that Buysse Roofing had come and did a temporary patch, however there is so much water up there that they will have to come back and do a permanent patch. Chukuske asked when they were here? Daniels indicated that he believes it was in December. Mayor Ferrazzano indicated that they could not figure out where it was and asked Daniels if he knows where they patched? Daniels indicated that it was on the lower North roof. Chukuske inquired as to what the 8 X 10 addition on the lower roof is? Is that for the exhaust vent? Daniels indicated that that is a stairwell. It was indicated that this is North of the stairwell, and that the windows are all boarded up and there is an addition with a big vent coming out of the top of it. It is a white tin addition. Chukuske again indicated that it is a big room – like an 8X10 addition on top of the lower roof. Daniels stated that he is unsure what that is. Chukuske stated that we now have a new council and it is a new year and it sounds like a lot of these things have not been addressed and it is time to take care of the issues going on over there. Getting new lights over there would just perk everything up. Daniels indicated that the lights are mounted to a wire above the false ceiling, they are not IN the false ceiling. M. Peterson indicated that she would like to address a few things – we do need to stay in budget. I am not saying that it is ok that it was left that way, however even at the City hall there are issues – it is all over. Another thing we were looking at was the asbestos removal at the Library, however, they were not sure if they could do it or not because of budget numbers. Mayor Ferrazzano questioned if they were going to use that space, because if they are then it has to be removed. If they are not going to then it doesn't have to be at this point. In terms of the leaking at the MPC – he is glad that Buysse Roofing took care of that. There were concerns about the leaking that the carpet may have mildew – not sure what the condition is underneath it but it can't be good. M. Peterson indicated that every time there has been a bucket on the floor we have been over there to address it. Mayor Ferrazzano indicated that in terms of repairing things the carpet may need to be looked at. Daniels indicated that Lydell has been over there many times to shampoo the carpet. Mayor Ferrazzano indicated that maybe that carpet should be lifted up to see what is underneath it. Daniels indicated that it is glued to the cement. Mayor Ferrazzano stated that he was just curious with all the water what condition it is in. He also indicated that his main concern was that things were being taken care of and it sounds like they are.

M. Peterson gave an Administrative update. Mayor Ferrazzano inquired where we are at in the process of getting someone hired at the City Office. M. Peterson indicated that she has hired Christa Vandendriessche-Marten and she will be starting on March 6, 2017. Mayor Ferrazzano asked what the time frame for the Senior Center position is. M. Peterson indicated that it closed on February 13, 2017. She stated that she only received one application and that she has put it back in the newspaper starting today with the removal of the minimum wage scale as well as that it will be open until filled. T. Peterson asked if the one application we received was suitable? M. Peterson indicated that she has just as many people out there that are against it, meaning that people have come forward to her with complaints. Mayor Ferrazzano again inquired how long it will be open? M. Peterson indicated that the ad indicates that it is open until filled. Chukuske indicated that he is confused as to if there is a qualified applicant why the position is not filled? Mayor Ferrazzano indicated that if there are people that do not want that applicant they should have encouraged other people to apply. Chukuske inquired if the applicant is qualified or if there was an interview done? M. Peterson indicated that she did not interview. She indicated that she is looking to get more applications so that we have a larger choice. Mayor Ferrazzano indicated that we are going into closed session and that the Council could discuss it then. M.

Gross indicated that it would not be allowed as it was not on the agenda when it was approved. Mayor Ferrazzano indicated that the agenda for the next meeting should include closing the meeting to discuss the MPC applicant. Chukuske indicated that there should be a motion to have a closed meeting at the March 13, 2017 meeting regarding hiring policies. M. Peterson requested to address the Council. She stated that she would like to draw attention to the City Charter section 2.15 Oath of Office. She stated all of the Council members gave the same Oath of Office that she gave. She would also like to address Section 2.14 from the City Charter which is in regards to the Control of Administrative Services. She would prefer to hand it out to the Council members and let them read it. She indicated if the Council would prefer she read it over the TV she would do that. She suggested if the Council is not in agreement with the exerts on the handout that they bring forth the changes to the Charter Committee. If they are ok with it they need to let her do her job. She apologized to the Council for having to do this, however she did not think that the Council would micro-manage. She asked the Council for a little bit of trust in her and her ability to do her job. She indicated that this has gone on for a while and feels that they are all aware of it. Chukuske indicated that his motion still stands to discuss this in a closed session after their next meeting. Mayor Ferrazzano asked for a second. T. Peterson seconded the motion. All voted in favor.

There was an EDA letter presented to the Council in regards to the assessment policies that may be implemented and how they will affect the EDA. They asked that the Council keep this in mind when reviewing and implementing the assessment policy. The letter's purpose was to let the Council know what the EDA's position is in this regard.

The Council discussed appointing a Council member to the MPC Board. Mayor Ferrazzano inquired as to how many are needed for this? It was indicated that there has never been a Council member on there and that one would likely be enough. Chukuske indicated that he would volunteer to be on it. Chukuske indicated that he is assuming that this is a non-voting position and that it would be advisory only. It was indicated that it is.

The disposal of the Masonic Building options were discussed. Daniels indicated that it has been brought up by several contractors that they have an interest in bidding on the removal of the Masonic Building. He indicated that they are looking at Permit by Rule and apply for that so that they could have their own disposal site. Right now they are looking at the compost site as one of the spots for disposal. It has been brought up that there is room at the airport, however one of the stipulations is that it has to be on higher ground to prevent ground contamination. With the elevation of the compost site it might be a good option and would keep the bidding more level if we were to provide a site with a specific address for them to dispose of it. That way they would not have to worry about one person shipping it 10 miles away and another one 20 miles away. Chukuske asked if Daniels is talking about when the asbestos is gone and just the disposal. It was indicated that he was. Chukuske asked if any of it would be re-usable? Cooreman indicated that she had questioned her husband about that and indicated that they had driven around the building to look at it. She also indicated that it is too bad that it is not feasible to make apartments there as the shell is very nice. She stated that re-using the brick would depend on how it comes off. If it comes off with a bunch of rubble then it would be too time consuming. Chukuske inquired as far as crushing and using for a base for something else – would that be an option. Cooreman again indicated that it would depend on how it comes off. Chukuske asked if it were disposed of at the compost site, would it have to be buried or would it be above ground? Daniels indicated that it would be buried. He also indicated that the site would have to be recorded. It is not a for sure thing to do it there, he would have to apply for it thru the MPCA. Right now he is just needing the approval from the Council to look into that option as it would be an unbudgeted item. Chukuske asked how big of an area it would have to be? Daniels indicated that the max that you can have is 15,000 yards at a site without a Permit by Rule. Daniels stated that he doubts that it will be that much. Motion made by T. Peterson, seconded by Chukuske to approve Daniels to apply for the Permit by Rule. Chukuske

questioned if everything that is in the building would be bulldozed and hauled out there? Daniels indicated that it would, however they would have to take all of the garbage out of there. Chukuske questioned that once they bury it could we then do our other disposal on top of it? Daniels indicated that that would be done in a separate area so we don't end up digging it up. Chukuske questioned if we have all that land secured – is it ours? Daniels indicated that it always has been it is just not in the City limits. All voted in favor of the motion.

Dale Johnson III, Fire Chief, addressed the Council regarding a Public Hearing for Air Packs. He indicated that he had previously indicated that there was no grant money available for this, however he made a phone call the day after the last meeting to the USDA and they do have some funds available. Johnson and M. Peterson have filled out the paperwork and have had Mayor Ferrazzano sign it. This option is up to $35,000 in grant money. Sometimes they will do up to $35,000 in grant money, sometimes they will give you $15,000 in a grant – take it or leave it, or they may give you an option to give you a $30,000 grant if you finance another $30,000 with them. This would mean that they would give us a $60,000 check, we would have to pay off $30,000 of it and then the other $30,000 would be forgiven. The gentleman Johnson spoke to sounded positive about the City getting some grant dollars. When the gentleman meets with the Council there will be the option of the possibility of lower grant dollars, more grant monies if we do the loan or the same grant monies and then we would just have to decide if we want to do the loan portion with it. We really won't know any of this until after the Public Hearing, however we will have all of the information. Motion made by T. Peterson, seconded by Chukuske to set a Public Hearing for the Air Pack for Monday, March 20, 2017 at 6:45. It was indicated that the 20th is not a regular council meeting. M. Peterson indicated that it should be the 13th. She indicated that they originally thought that it would have to be published two times and they would have to call a special meeting, however we had enough time to do it twice. T. Peterson amended the motion, seconded by Chukuske, to hold the Public Hearing on March 13th rather than March 20th. All voted in favor.

They discussed appointing a Council member to the Liquor Store committee. Mayor Ferrazzano indicated that he is already a member. T. Peterson indicated that he was on there as a member of the public but thought it would be a good idea to have a new person on there. Mayor Ferrazzano questioned if they had figured out when they would meet again? M. Peterson indicated that they had not and that she was looking for direction. She also indicated that the committee itself has never been established other than a group getting together. Mayor Ferrazzano indicated that it would be himself, Tiegs and Rosemary Martin who would fill T. Peterson's spot, and S. Lau. Martin asked if she would need to go thru the application process and it was indicated that she would not. Mayor Ferrazzano questioned Tiegs if he would be available to meet this week? He indicated that he would be unavailable Thursday and Friday. Chukuske questioned if this committee was the same as any other committee that we have? It was indicated that it is not. It started when a couple council members and the Liquor Store manager met to help them thru a decision process. Chukuske indicated that he just wanted to make sure, otherwise they should have to go thru the application process. It was indicated that this is just an advisory committee. Mayor Ferrazzano suggested doing it Monday, March 6th at 6:00? It was indicated that there is a Planning Commission meeting that day at 6:00. Mayor Ferrazzano indicated that it would be held on Monday, March 6th at 6:30 p.m. in the Council Chambers. It was suggested to show up at 6:00 in case the Planning Commission finished early.

M. Peterson gave an update on the removal of asbestos at the Masonic Building. Tara Onken has received the Asbestos Re-Inspection Clearance Report back along with the documents that she had submitted. M. Peterson indicated that they had issued a check today to pay the bill. She included both the Fire Chief and the Public Works Director as well as the EDA Director on the information. She also stated that this did not require action, it is just informative.

Resolution 2017-14 Approving Payment to Duininck, Inc for work completed on the 2015 Street Project was presented. Chris Larson addressed the Council and indicated that there are still a couple of things on the punch list, however they are proposing to reduce the retainage to $5,000.00. This is down from roughly $137,000. The only thing left is to make sure that the grass comes up and $5,000 would more than cover that. There is also a change order to be approved – there was a connection to an existing main and that main was severely cracked and the connection failed. It was no fault of the contractor – it was just the condition of the pipe. There has been a trench list repair made – the City is only paying half of it and the contractor will pay the other half. They did install a short liner to get past that connection. One option that was discussed was to dig down and go back to the next piece of pipe that had integrity, however the whole block was in the same condition. Odds are they would just continue chasing it down the block so they just did the short line. Chukuske questioned where this was? Larson indicated that it was at 5th and Hollett Street. There was no excavation or anything so you did not see the work being down aside from some equipment parked over a man hole for a day or so. Larson indicated that it was about a $9,000 repair with the contractor is eating half of it. Larson indicated that it was an unforeseen thing with the condition of the pipe. The contract had no way to know when they were bidding that the pipe was in bad condition. If you put something in the contract that the contractor is liable for the integrity of existing pipes that would drive prices up real quick. We are still within the 5% contingency that was set for the construction budget. Motion was made by Cooreman, seconded by Chukuske to approve Resolution 2017-14. All voted in favor.

Larson also indicted that Phase I contracts were being circulated now and once we get those back we will be able to schedule a pre-construction meeting. Duininck has indicated that they would like to start as soon as weather allows. Phase II – EPA and MPC have come to an agreement on some interim language for the permit, which is good news. Basically, it was all about the River Eutrophication Standard and they are only concerned with what the affluent strength is during certain months of the year. There is another limit that the City is subject to which is the phosphorus limit, which prohibits discharge during those months anyway. They are in agreement with some interim language that states that the City will be able to meet these requirements and they have put a compliance schedule in the permit. Now that they are in agreement, the permit will go out for a comment period, which is a 30 day process. Assuming that there are no major comments that the MPCA will have to go back and change, the permit should be able to be issued soon after that. If there are some comments that come back and the MPCA will have to make a major change to the permit then they would have to put the new permit with the new language out for the comment period again. That is not anticipated, however it could happen. It is good news that EPA and the MPCA are in agreement now. We met with MPCA a couple weeks ago – they had some simple things so we are hoping to get those formalized so we can finalize the plans. We did briefly discuss the moratorium and indicated that it would be reviewed on a case by case basis. If there is opportunity for development that requires a sanitary sewer extension it should not be assumed that the MPCA will block it with that moratorium. Phase III – the televising is now complete so we are compiling results which would include recommendations for repair and/or replacements of all the different remaining segments of pipe in town. We will meet with Daniels once we have that put together and with the condition of water, storm and street along those same sanitary segments, we will develop a priority list for the next set of projects. It is possible that we will have something to present at the next meeting. Mayor Ferrazzano thanked Larson for coming.

The consent calendar consisted of the accounts payable and receivable as well as the Planning Commission minutes from November 7, 2016. Motion was made by T. Peterson, seconded by Chukuske to approve the consent calendar. All voted in favor.

T. Peterson indicated that he has been approached by several people in regards to the stop sign in the alley by the old bakery – now Affordable Appliance. They feel it is no longer necessary to

have a one way. It used to be a drive thru for the bakery, now it is an appliance business. T. Peterson was wondering if they could look at making it a two way alley again. Chukuske question why it has never been an alley going West of that? T. Peterson indicate that it used be an alley. Daniels indicated that that was in the 90's. T. Peterson indicated that it was part of trying to green things up and less snow to push. Daniels indicated that they do still plow it. Chukuske asked if they could tear the curb up as he feels it should be an alleyway. Daniels indicated that it is not that wide. M. Peterson inquired if they were talking about the alleyway next to the original bakery. It was indicated that they were. Chukuske indicated that they should take the no parking out of there if they are not going to tear up the curb. Daniels indicated that the only time that alleyway is being used is during Box Car Day's. M. Peterson questioned if there was a crosswalk there at one time? It was indicated that there was. It was indicated that it used to be a two way. Daniels stated that you could not get two cars thru there at the same time. T. Peterson indicated that they would not be able to meet – it would have to be a one way. Chukuske stated that even at the post office vehicles cannot meet – you have to take turns.

T. Peterson indicated that the other thing he would like to address is that he was contacted on Saturday by Ed Engel – they are planning on doing the fly in again the 2nd, 3rd and 4th of June, 2017. He was requesting the use of the airport and Swift Lake Park. T. Peterson feels that they should do whatever they can do to accommodate that group as they bring quite a few people into town to do shopping and other things while they are here.

T. Peterson indicated the last thing he would like to address was that he has been approached by some members of the Lions Club. The people that do the Red Cross blood drive would like to know what traffic hazard that sign posed out there as they no longer have a community place to advertise. They indicated that all of the years they have lived here they have never had any accidents as a result of it. T. Peterson had told them that he would bring it up to the Council.

Mayor Ferrazzano indicated that he had been approached by some of the organizations that wanted to use the MPC for meeting and inquired about having keys handed out. Ferrazzano indicated that he is unaware of the number of keys that have been given out at any given time and asked it M. Peterson knew? M. Peterson indicated that they did change the locks to the building sometime in the last year so she is unsure who all has keys. She indicated that the procedure for giving out keys is that there is a form that people fill out to get a key – if they do not bring it back then we charge them for that key. Most of the City buildings have a key that you cannot just duplicate. She is unaware what the former administrator did for the keys to the MPC. Mayor Ferrazzano indicated that he was curious as he knew some organizations were not utilizing the facility anymore. It was somewhat concerning as after the last meeting we discussed that we wanted to utilize it for more than just a Senior Center. Most of the organizations that have talked to me are for non-profit so they were concerned about a charge to use it. He had suggested that if there were specific organizations that are not non-profit that wanted to use it that he felt the Council would waive the fee. M. Peterson indicated that what she tells people is that they just need to put their request to waive it in writing and it would be brought to the City Council for consideration. Mayor Ferrazzano indicated that if an organization uses the MPC monthly or routinely, maybe we could explore letting the person in charge have a key. That way they would not have to come back and forth and we know who has the key. He indicated that he just wanted to suggest that as he would like the building used as much as possible.

Motion made by Cooreman, seconded by Chukuske to adjourn and have a closed session to discuss the assessment appeal. All voted in favor.

ATTEST:

City Administrator

Mayor

SPECIAL CITY COUNCIL MEETING-CITY CLERK/ADMINISTRATOR

A Special meeting of the Tracy City Council was called to order at 7:30 p.m., Monday, March 6, 2017 in the Council Chambers at the City Hall. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, Bill Chukuske and Pam Cooreman. Also present were Madonna Peterson-Clerk, Shane Daniels-Public Works Director and Diane Campbell-Administrative Assistant. Absent: None

Mayor Ferrazzano called the meeting to order. He asked for the approval of the agenda. He stated that he would like to comment on item #4 – Public Comment. His inclination is that he would like to have the public comment period removed and to have that take place at their next scheduled meeting which would be March 13, 2017. The public would then be able to address the Council regarding what is discussed tonight. The reason for this is that he views this meeting as a way to talk with M. Peterson and have her talk to the Council in regards to her expectations of working with the Council and vice versa. Due to this it will be considered a working meeting and it is Mayor Ferrazzano's hope that it is treated as such. Everyone in question has a vested interest in this City improving as well as M. Peterson succeeding in her position. This meeting will not be used to express animosities or get upset with individuals, but to have a dialog to see how the Council and M. Peterson can work better together and avoid having another Special Meeting in the future. He also indicated that there are a lot of things that need to be addressed in the City and the Council needs to be able to have effective communication with the Administrator as well as amongst ourselves. Because of this he does not believe a public comment period is needed tonight. Mayor Ferrazzano asked the Council if they had anything to add to what he said. T. Peterson and Chukuske indicated that they would agree with that. Motion made by Chukuske, seconded by T. Peterson to approve the agenda with the deletion of the Public Comment. All voted in favor.

Mayor Ferrazzano stated that if there are issues that arise again, he would prefer, in dealing with any issues, to have it go to the Employee Relations Committee. It would be better to talk things out that way opposed to calling a Special Meeting to address it. T. Peterson indicated that the Employee Relations Committee was set up for the employee's to discuss things with management without getting the Union involved. This would allow the employee another avenue rather than supervisor or Union to discuss grievances that the employee may have. He does not want to have to call a Special Meeting for things when they could sit down at a table and talk about.

Mayor Ferrazzano mentioned that T. Peterson had contacted him with some things and questioned him if he would like to address them. T. Peterson indicated that M. Peterson needs to move out of the main office. There is a reason there is a door on the former administrator's office so the discussions are kept between her and the party she is talking with and not the public. That would solve a lot of it. The other thing T. Peterson addressed was that she needs to empower the people in that office to be responsible for doing their jobs and be able to answer public questions instead of always bugging her.

Mayor Ferrazzano mentioned that Chukuske had also contacted him with some things and question if he would like to address his concerns. Chukuske stated that his concern was that we cannot solve everything in the paper. That is not the way to go about addressing issues that the City has. He had a concern about a comment that was made in the paper "Peterson state that she was concerned that the actions of two Council members were interfering with her doing her job as City Administrator. She said that the Council members, who she declined to identify, had on more than one occasion conducted investigations of City related business and talked with and given instructions to City employees without her knowledge or participation". Chukuske indicated that he would like to know who those Council members and City employees are. Mayor Ferrazzano pointed out that it should be of record that M. Peterson had wanted to have this meeting open to the public. M. Peterson indicated that that is correct and that she had e-mailed Daniels to let you know that she was fine to have it open to the public.

Mayor Ferrazzano addressed the fact that M. Peterson had also contacted him with some concerns that she had in regards to interactions that she has had with respective members of the Council and asked if she would like to address any of those concerns. M. Peterson stated that the first thing she would like to see is before each Council meeting have a working meeting so that the Council members can visit

with the Department Heads one-on-one. This would allow the Council to feel like they are part of the decision making process. She stated that she feels there are decisions being made that we as the workers are being overlooked – that you are not including us on what actions have been taken already to correct something. She thought that if they meet an hour before the Council meeting we could debate things and answer questions so that the Council felt involved. She feels that that may elievate some of the problems of being told how I am going to do the job. Mayor Ferrazzano indicated that it may be difficult for some to be here by 5:30 but he thinks it is a great idea. He also stated that what he had told M. Peterson and Daniels was that he could be here at 5:30 prior to the meeting and he would like to do that. This would be a great opportunity to visit so there are no surprises, which normally there are no surprises as they get the agenda ahead of time. However if there are last minute things that need to be talked about it would be nice to meet early if time allows for people. It was questioned if they would be violating an open meeting law and Mayor Ferrazzano indicated that it would be an open meeting. He also stated that they have talked about doing this in the past and that there are other towns that do this as well. M. Peterson expressed that she felt that they still have to be recorded, however there can be no motions made. She pointed out that this would strictly be an informative meeting to discuss and debate issues. M. Peterson reiterated that she is always open to anyone coming in and talking to her about anything as well as the other Department Heads.

Mayor Ferrazzano asked M. Peterson if there was anything else she wanted to address so they could effectively work together. M. Peterson stated that people think she is being overly defensive, however she has been told by a Council member that she has no business making a decision. She has been told that she is being defensive and that things need to be done differently. She stated that no one is coming in to talk to her or asking questions, instead they are waiting until a council meeting. At that point she feels like she is being jumped on. She pointed out that she is doing anything and everything that she can to make the City of Tracy a better place. She stated in the newspaper article that she would like to get rid of all of the negativity. She stated there are two sides to every story. What Mayor Ferrazzano talked about the other day she is willing to bet that at least 4 of them are just one side of the story, however we are not going to talk about that. Chukuske said they should talk about it and asked what she is referring to. M. Peterson stated that the Warren Riddell thing happened a year ago, that did not happen when she was the City Administrator. At that time she sat on one side of the office, she was not behind the file cabinets. She pointed out that Kim Burch was the one that waited on him and all M. Peterson did was stand up to defend Burch because of the way he was treating her. M. Peterson told him that if he wanted a reduction on his rent that he would have to bring it to the City Council. That is all that it was, but the Council never came and asked M. Peterson or talked to her about it – it was just assumed that his side of the story was accurate. She also stated that she was not the one that called the Southwest Health and Human Services, she would not do something like that. Chukuske inquired as to who said she had? M. Peterson indicated that Mayor Ferrazzano told her that Chukuske indicated that she was the one that turned in the EDA for something that happened in an apartment. Mayor Ferrazzano indicated that she did not do that, however he had to ask her about it. Chukuske stated that was all he was doing when he asked Mayor Ferrazzano. M. Peterson indicated that with talking with Mayor Ferrazzano she was under the impression that she was being accused of doing it. Mayor Ferrazzano indicated that he had to find out because the question was posed to him. M. Peterson indicated that she has told T. Peterson multiple times that she respects him and likes that he investigates things. The situation that transpired at the last meeting in regards to hiring someone – M. Peterson did not want to stand up and tell the Council the things she did, however she had to defend herself. She feels like she is being harassed. Mayor Ferrazzano indicated that that is the purpose of this meeting.

Chukuske again inquired about the comment that was made in the paper. Who was M. Peterson referring to? M. Peterson advised that it was Chukuske and T. Peterson. Chukuske asked which employee's they give directions to? M. Peterson indicated that they were giving Campbell directions. T. Peterson e-mailed her more than once to have the minutes changed. It was also indicated that T. Peterson had told M. Peterson that she had no business making a decision on an issue. T. Peterson stated that he had not – you may have heard it that way but what he said was that that was not how he would have done it. M. Peterson indicated that there were five witnesses that heard it. As far as the

minutes – he was just trying to save Campbell some time, were the corrections wrong? M. Peterson indicated that in his opinion they were – it was a grammar error. T. Peterson indicated that it was a Street error. Mayor Ferrazzano suggested that anytime we have corrections about minutes to have it done at a Council meeting. M. Peterson advised that that is how it is supposed to happen. Mayor Ferrazzano indicated that he does not want to undermine what she is doing and does not feel that other people do either. If is better to have the questions answered rather than have them linger on. M. Peterson again indicated that if the Council members have any questions or doubts about anything, they should come in and talk to her about it. She does not have a closed door. Anyone that comes to City Hall, the first thing she does is grab her keys and go across the hall for privacy. Mayor Ferrazzano pointed out that one of T. Peterson's issues is that you do not have your own office and asked for an update in regards to this. M. Peterson advised that originally she had thought about being in the break room because the survey that she had done indicated that members of the public cannot just walk into a City Administrator's office. She feels that they should have to first be addressed by a reception desk. This way the staff would know when there is a call or a visitor if she is available or not. She has talked with Daniels about it and he feels that she should not be in a "closet" at the back of the office. What they suggest is that they put up two walls in the corner of the office, which would box off the room. That way the reception would be there as well as all the internet and phone line that are already there. Daniels feels that it would cost less than $2,000 to do it. Mayor Ferrazzano agreed that one of the concerns with her being in the office off the Chambers is that people by pass the main office and go right into the Administrator's office without being announced. M. Peterson mentioned that there were multiple times the Administrator was being addressed with issues that the staff should be addressing because they went directly to the Administrator's Office and by-passed the main office. Mayor Ferrezzano stated that the dog issue was a good example of that. The dog owner indicated that he had talked to Votca and was told he could do something. Now Votca is gone and there are no witnesses to the conversation. Chukuske questioned which Cities she had surveyed? He stated that you can walk right into the Administrator's Office in Marshall. M. Peterson expressed that the Police Department needs to have all of their things located within the Police Department, which would include the supply closet and evidence room and things like that. The room that was the Economic Board Room is being turned back over to the Police Department. The Economic Development Director with be moved into the big room with the Chamber. She would then like the current Administrator's Office to be turned into a Conference Room/break room. That way more than one meeting can take place at any given time.

Chukuske again indicated that he would like his question regarding the article addressed. He asked what directive he had given to the staff as she had mentioned two council members had done that. M. Peterson stated that it was a matter of how it was written and in what context.

M. Peterson brought up that if they are going to work together she would like them to back each other up. What she means by that is when someone has a complaint it will be discussed with the appropriate Department Head to see what has already been done regarding it. There is not good communication or backing each other up. She indicated that she does not want to come off as defensive, however there were things that were already being taken care of at the Senior Center and had the question been asked the Council would have known that. T. Peterson pointed out that she had asked the Council to come over and field questions at the MPC, and he applauds her for that. Then when we did ask questions- that did not involve who you were hiring or why- it was about the investigation of city affairs- it upset you. It was just simple questions. M. Peterson stated that he asked here specifically why she did not hire someone. T. Peterson stated that he did not, he asked why she did not hire someone who is qualified, he did not ask any names. T. Peterson also stated that he asked if someone was qualified why not hire them. Mayor Ferrazzano stated that she does have to be allowed to do her job. When he went to the MPC with Chukuske they went to have coffee like they committed to do. Mayor Ferrazzano also stated that wanted to see the condition of the facility, it had nothing to do with undermining M. Peterson's position. He also expressed that when he and M. Peterson visited he felt bad that she felt that way because that was not his intention and that all of the Council members want M. Peterson to succeed. With the past two Administrator's leaving it has been like a revolving door and that needs to end. We need to have someone who will be here for the duration and we need to support her. Mayor

Ferrazzano also indicated that if he did not give M. Peterson the feeling that she is supported he apologizes for that and will not do that again. M. Peterson needs to succeed because if she succeeds than we all succeed.

Cooreman expressed that it would be nice if some people would not dictate rather than ask questions. She stated that her phone blew up today in regards to this meeting and what people have heard that T. Peterson had said. T. Peterson stated he does not have an inside voice but he does not holler. Cooreman indicated that he was talking loud enough to scare some of the employees and customers. T. Peterson stated that he apologizes and that there was no intention of that. Cooreman expressed that they need to work together because Tracy is a mess. Mayor Ferrazzano explained that there are major issues that they collectively need to deal with and we should not be spending this much time on side issues. In order to alleviate this, if possible, we should meet an hour before the council meetings or if there are issues they can contact him. He acknowledged that he appointed M. Peterson and the council approved, so if there are issues he would like to know about them so he can talk with her because he and the council wants her to succeed.

Motion made by Cooreman, seconded by Tiegs to adjourn. All voted in favor.

ATTEST:

City Administrator

Mayor

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 13, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Dave Tiegs, Tony Peterson and Pam Cooreman. Also present were Shane Daniels-Public Works Director, Madonna Peterson-Clerk and Diane Campbell-Administrative Assistant. Member absent: Bill Chukuske

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Eric Natwick.

Mayor Ferrazzano asked for the approval of the minutes from February 21, 2017 and February 27, 2017. T. Peterson indicated that the portion stating that "LSS is contracted for Meals on Wheels" should be changed to read "use of the facility" in the February 21, 2017 minutes. Motion made by T. Peterson, seconded by Cooreman to approve the minutes with the above change. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. M. Peterson stated that she would like to remove 9C – approval to close the meeting to discuss MPC applications/hiring policies. She would also like to remove 11A – Resolution 2017-15 Waiving Special Assessments-4th Street and Morgan. She would like to add 9H – Rebecca Kurtz with Ehlers-GO Temp Bond-Series 2017A, 9I-Chris Plott-Animal Permit, 11B-Resolution 2017-16 Award Temp Bond 2017A, 12C-Approval of Planning Commission Minutes 2/6/2017 and 12D-Approval of Tracy Relief Assn Minutes 2/6/2017. Mayor Ferrazzano indicated that Chukuske would like to set up a Spring/Fall Cleanup and that he has some ideas of how that could be funded. Mayor Ferrazzano would like to talk about it briefly under the New Business section tonight and have it put on the March 27, 2017 Council Agenda. Motion made by Tiegs, seconded by Cooreman to approve the agenda as amended. All voted in favor.

Mayor Ferrazzano opened the floor up for the public comments portion. He reminded the public that they would have 5 minutes each and if there are questions those would be answered at the next Council meeting.

Mike Martin addressed the Council. He mentioned that he was previously a Council member with Ferrazzano, T. Peterson, Russ Stobb and Chukuske. He spends a lot of time traveling so he reads the paper often. He expressed that it was disturbing reading the articles last week in regards to the City Council and specific Council members misbehaving and acting unbecoming of a City Council members. People here who work for the City need to be treated with dignity and respect. If you as Council members don't get your way, yelling and screaming is not the answer. As Martin recalls they previously had about 3 or 4 disciplinary meetings of our City Council and they all involved T. Peterson. He stated that he hears about these things so hear has been reading the City Charter. He read Article 2.14 as well as 5 (couldn't remember which section within 5) and it discussed recall. Martin thinks there were about 520 people that voted for Ferrazzano and 20% of that is the amount it takes to recall any member of the City Council. That is about 140 or 150 – Martin stated he would hate to have to start a petition or have it get that far. However, the behavior on this City Council is unacceptable and Martin is putting the Council on notice.

Shirley Anderson also addressed the Council. She advised that she does not have questions but she does have a statement. She stated that she commends the Mayor for keeping the meeting last Monday civil. Anderson would like to add some additional insight. She was stopped in the store by a citizen who relayed that they had been in the City office when a City Council member had come in and became rude and demanding. This person in the office was very quiet and the conversation could be clearly overheard. The employee did not raise their voice nor argue with the Council member in any way. The person that Anderson spoke with in the store indicated that they were actually embarrassed by even being a witness to this event. They also advised that they were especially embarrassed for the City employee who was on the receiving end of this City Council member's rudeness. They also indicated that if they had not heard the

conversation themselves they would never have believed that this City Council person would have talked to anyone like that. Anderson stated that there was another incident where she was stopped by a person that indicated that there was another City Council person that came in and was addressing some flags that were not displayed correctly. Anderson felt that the flags had likely been that way for weeks. The Council person was loud, demanding and almost threatening saying the flags had better be fixed by the end of the day. Anderson is addressing the Council because she feels that the citizens of Tracy should know how the City Council people are behaving. This is a small town – people talk - especially when they witness this kind of interaction in our City Office. In Anderson's opinion this is classic bullying behavior. The City Council people represent all of the citizens of Tracy – her included – and she for one does not appreciate the City employees or anyone else being treated that way. We try to teach our children not to be bullies and we have this behavior going on from our elected officials? This behavior is totally unacceptable and Anderson would offer her services in teaching a character class to adults , that they should have learned a long time ago, how to interact with people in a respectful, professional, polite, appropriate way. Bullies are not respected and no one wants to work for a bully or be subjected to this kind of treatment. This behavior- whether it is words, tone of voice or actions should not be tolerated. Our City Council representatives should be role models for all of our citizens. Our citizens deserve City Council people who will act in a professional and respectful manner when interacting with anyone. They should not have their own agenda in this representation and they should have the entire communities best interests in their thoughts and minds. Anderson feels that the Council representatives should follow all of the ordinances, rules, regulations and the City Charter. The new City Administrator is a truthful, intelligent, caring, by the rules kind of person. She knows her job and is following our City Charter rules. She deserves to be given a fair chance to do the job without difficulties. It is not the City Administrator that is out of line, it is the two City Council members who evidently want to run this City by themselves. Anderson does not know if the bullying will actually stop but if we all follow the golden rule by treating others the way we would like to be treated there would not be any problems. Each one of us has the potential to be a kind, respectful, caring person – we just need to open our minds and do it. Anderson would like to add that she will be watching and listening to these City Council people and how they are interacting with others. Anderson thanked the Mayor for supporting our City Administrator.

Mina Atkins addressed the Council. She expressed that likely all of the Council members have taught their kids, at some point, about being truthful and following the rules and the laws and they have likely grown up to be good people. Atkins feels that they need to let M. Peterson do all of these things. She has so much information in her head that she wants to show you what she can do. She has done this with her other job and I know she will do it with this job. However, she needs the Council to let her do it and make the decisions and then have you stand behind her. Atkins is hopeful that the Council can step up to the plate and do that for her.

Gayle Whiting addressed the Council. She indicated that she grew up in Tracy, went to the Cities for a period of time and is now back. She stated that she worked in an organization where they had to deal with work place violence issues and this is one of them and it is not ok. First of all, the Council members are supposed to be role models on how the business within the City is conducted. More importantly, Whiting expressed that she has a couple of questions. There are state laws that have to do with Human Resources regarding work place procedures and interactions. There are consequences that can be put in place when that does not happen. She indicated that she sees a pattern going on here. She would like to know if there is an anonymous reporting system which has someone overseeing complaints so that things are not done behind the scenes. Whiting feels that there needs to be a procedure that can be gone thru when this behavior is happening. She has seen this behavior happening in her own personal instance with a Council member where she witnessed someone being bullied. The second thing that Whiting would like to have addressed is when is it ok to have a closed meeting and what kind of discussions can take place during them. Also when is the public allowed to know what is being said to whom. Whiting also stated that these open discussions are awesome and would like them to continue with this type of dialogue going back and forth

with each other where it is respectful, questions are raised and answers come later. She also expressed that she hopes the meetings continue to be taped because as you can tell there are a lot of people watching what is going on and that will continue. She was concerned about coming before the Council as she is a new person back in town and will take a lot of heat for taking a stand, however she has worked on work place violence issues and knows how it affects people and the job performance. This town needs to be able to make some changes and move forward – you can't do that if you are afraid to take a step and take action. She again expressed that she hopes that the group can continue to work together and that there will be a process in place that will be followed if there are any further problems. Also if there are any State law that they need to be abided by on top of what our Charter articles are, she would like to see what those are relating to this issue and made public. When you go to another town and on-line and hear about this it is frustrating. She moved back here because she is proud of Tracy, however the Council is not making me proud right now and she wants that back. She stated that her grandfather had a business here and her family grew up her – this is a really great town and it is being dragged down.

Cooreman indicated that Diana Tearney Westley had sent her a text and asked her to read it as she could not be at the meeting. Mayor Ferrazzano stated that she could come to the next meeting. The reason for this is that they could be inundated with texts if we start allowing that. T. Peterson agreed.

Public Hearing regarding Air Packs for the Fire Department was called to order. Dale Johnson III gave an update. The purpose of the is Public Hearing is for the public to have a chance to speak on behalf of the Fire Department receiving free money or low interest money from the USDA for air packs. He stated that at one time they were looking at approximately $35,000 in grants and a $30,000 loan, however in the last fews day the grant funds may have ran out and we may not get much if anything at all. The USDA does not know for sure so they wanted to move forward with the Public Hearing. Rosemary Martin expressed that if Johnson can't find money than it is likely not there to be had. It was referred back to the Council. T. Peterson questioned how much life they have left in the Air Packs that they do have? Johnson stated that they will be out of service on the 20th. The new ones will be delivered on the 20th. He stated that when they started this whole program they were funding them with the equipment replacement fund and then the grant issue came up, which sounded like a really good deal. Johnson hopes that it still is, however if it isn't then we are back to square one. He also stated that they have not officially ordered them as we cannot do that until the grant is awarded to us.

Tara Onken, EDA Director and Ron Prorok, Shrimp project coordinator gave an update on the Shrimp Project. One update is that Balaton does plan to expand their Balaton Bay Reef, which is going to be bigger than what they have now to scale the project. Prorok, who is a paid consultant for the Marshall Business Development Committee, is helping to promote Marshall and Lyon County to Ralco and to try and get as much of the Shrimp Project into our County as we possibly can. Another update is that True Shrimp did complete a PPM (Private Placement Memorandum) which is a document required by the State and needs to be turned in before you can go out and get funds. That has now been completed so they can now finance the True Shrimp Company. With that they are looking for about $11,000,000 in investments. At this level it is called the True Shrimp Enterprise that they are financing and they are going to keep it very limited to a small group of investors - it is a public company so anybody that wants to invest can. The minimum investment is at $500,000. That would fund the True Shrimp Enterprise and the Enterprise will consist of hatcheries, processing plants and the genetics labs as well as the Balaton Bay Reef, which is the research and development center. As those things are being developed they will also go out for another PPM which will finance what they call their harbors. This is their growing facilities. The True Shrimp Enterprises would be responsible for providing the baby shrimp and once they are old enough they would be processed. The other harbor entities would be tasked with growing the shrimp in their harbors. Mayor Ferrazzano asked if it was entities being plural – meaning that they could be in different cities? Prorok indicated that there would be multiple harbors and hatcheries. Mayor Ferrazzano expressed that he understood that, however you could have multiple hatcheries in

one city – would they harbors in cities (plural)? Prorok indicated that that is correct. Onken stated that it is a hub and spoke model similar to what a hog facility would be where you have a central facility and then you contract them out. Mayor Ferrazzano inquired if it would be individual cities within Lyon County that would be competing with each other to get these harbors? Prorok indicated that it could be. Mayor Ferrazzano questioned if it is multiply harbors then it is possible for all the Cities to get some? Prorok indicated that that is correct and that what will drive any of the parts will be security, which is a separation between the facilities so if one has a problem it will not carry over to the next one. Onken pointed out that it would not be just for disease but also if a natural disaster were to strike you wouldn't want all of them to be affected. Prorok stated that another thing that will drive where they go will be the investors. If they have some big investors in a community like Marshall or Tracy and the investors indicated they would really like to see the facility placed in a specific town they would have some say in that matter. Community support will also play a part – meaning if they feel like they really want it and the communities can support them as far as TIF funding and abatements etc. Another determining factor would be community infrastructure and if it can handle the waste water, which would be minimal, water supply, space and land. Mayor Ferrazzano questioned if it is true that they would like everything to be in Lyon County? Prorok indicated that that is not necessarily true. In fact they are in competition with several other cities in the region, one of them being Luverne for a harbor. Again the plan is to have multiple harbors. As Prorok indicated earlier, there will be a second PPM that will come out for the harbors and they are asking for a lot more money as it takes about $50,000,000 to build a harbor. These are double Wal-Mart size buildings which will have very large tanks that will be raising the shrimp. With these facilities they will want a lot of investors – he has heard numbers from $2,500 to $25,000 as far an entry point for a share of the harbor. As far as a timeline the Balaton Research Expansion should be breaking ground here in the next month or so and they plan on building a hatchery very soon afterwards or simultaneously as they will need baby shrimp for their research side of it. Hopefully the first harvest will start the beginning of next year. Mike Martin questioned if harbors and hatcheries are separate? Prorok explained that a hatchery is where they have adult parents where they will be laying the eggs starting what they call PL Postlarval shrimp. They would stay in the hatchery until they are about the size of a mosquito at which point they would be taken to a harbor where they would be raised. It takes about 4 months to raise them, however they raise in different stages. They will actually harvest off of those tanks 11 times, 9 different sizes – anything from your small salad shrimp to your jumbo shrimp. Martin asked how large the hatcheries are? Prorok indicated that they are not that large, about 30,000 square feet. Rosemary Martin questioned how many hatcheries they want at each place? Onken stated that one hatchery serves 3 harbors. Rosemary Martin asked for clarification if they would want one hatchery at one place? Prorok thought they would mostly because of Bi-securities. Rosemary Martin questioned how many people would work at a hatchery? Onken advised that she has heard estimates anywhere from 12 to 20 – it would depend on full-time vs part-time and the harbors would be around 60-70. Those numbers change every couple months as they learn more so it is based on what they know as of right now. Mayor Ferrazzano thanked Onken and Prorok for coming and giving the update. Mike Marten question how much land would be needed. Onken estimated about 9 acres under one roof for a harbor and 23 acres land as they would have to do ponding. Mike Martin questioned what the footprint size of a hatchery would be? Prorok indicated that they are looking at anywhere from 7 to 9 acres depending on if it is a developed area where they already have ponding and things like there. Mayor Ferrazzano again thanked them for the update.

Marlene Halfmann and Trudy Williams applied for positions on the Library Board. Motion made by T. Peterson, seconded by Cooreman to appoint Marlene Halfmann and Trudy Williams to the Library Board. All voted in favor.

Rhonda Fredericks also applied for a position on the Library Board. Fredericks has served the maximum terms allowed by Minn. Stat. § 134.20 Subd 2. The Library Board recommended letting Ms. Fredericks continue to serve until such a time that there is interest from other

parties rather than leaving the spot vacant. Motion was made by T. Peterson to table it until they can get direction from Matt Gross, City Attorney.

James Green applied for a position on the Planning Commission Board. Motion was made by T. Peterson, seconded by Tiegs to appoint James Green to the Planning Commission Board. All voted in favor.

Terry Peterson, Rhonda Fredericks and James Green applied for positions on the Charter Commission. Motion was made by Cooreman, seconded by T. Peterson to appoint Terry Peterson, Rhonda Fredericks and James Green to the Charter Commission. All voted in favor.

Ken Witt applied for a position on the Multi-Purpose Center Board. Motion made by Cooreman, seconded by Tiegs to appoint Ken Witt to the MPC Board. All voted in favor.

Neil Daniels and David Algyer applied for positions on the Airport Board. T. Peterson stated that Neil Daniels is not registered to vote in the City of Tracy so he is not eligible. Motion was made by T. Peterson, seconded by Cooreman to appoint David Algyer to the Airport Board.

Brenda Mentjes and Carol Snyder applied for positions on the Hospital Board. Motion was made by Tiegs, seconded by Cooreman to appoint Brenda Mentjes and Carol Snyder to the Hospital Board. T. Peterson questioned if the out of town seats are filled? It was indicated that Carol Snyder will fill the Walnut Grove opening and Brenda Mentjes would be local. T. Peterson asked for clarification that they would be filling the surrounding area positions, not the City of Tracy. It was indicated that that is correct. All voted in favor.

Daniels gave an update on the Multi-Purpose Center. He mentioned that as of right now the City is eligible for a grant with Xcel Energy for lighting upgrades. He stated that that would be a major improvement on the appearance of the interior. He indicated that Lydell has been working on tile and they will be painting the one foot tiles in the back, which is the pool room and the extra dining area. The MPC Board is still looking at quotes for the vinyl flooring.

M. Peterson gave an update on the kitchen use at the Multi-Purpose Center. She expressed that she had removed the signs for the kitchen use after the last meeting as she feels they now understand what their boundaries are now. She pointed out that she has purchased the Kitchen License for $403.00 for the afternoon attendant and for the City of Tracy to be able to do the breakfast and lunches one the City has someone in place.

Motion made by T. Peterson, seconded by Cooreman to approve a Private Bottle License to the Tracy Eagles Club once the fees are paid. All voted in favor.

Motion made by T. Peterson, seconded by Tiegs to approve a Setup License for the Tracy Lanes once the fees are paid. All voted in favor.

T. Peterson stated that the Planning Commission is recommending removal the one-way sign by Affordable Appliance and to have it go back to the way that it was. The purpose of that sign was for when the building was a bakery and there was a drive thru, which is no longer being used. The Planning Commission would like to have it removed so there can be traffic going thru both ways. Tiegs questioned if that was as simple as taking down the sign? T. Peterson stated that it is. Motion was made by Cooreman, seconded by Tiegs to remove the sign. All voted in favor.

Rebecca Kurtz from Ehlers and Associates addressed the Council. She stated that they did take bids today in their office on a $1,415,000 GO Temp bond Series 2017A. This is the second piece of financing the construction for the sewer system improvement's within the City. This is in anticipation of receipt of the Federal Loan from the USDA for the project. As with the other one, this was credit enhanced by the State so it has a rating of AA+. The underlying rating for the City is an A. Ehlers did go thru and identified a shorter version of a rating which is attached

as they had gone thru the rating process not that long ago from the 2016 Bonds. The rating does reflect the Standard Financial policies and practices under the Financial Mangement Assessment methodology. In addition, they highlight the strong budgetary performance with the operating surpluses at the end of fiscal 2015. The also highlight the strong budgetary flexibility with the fund balance in fiscal 2015 at 34% of operating expenditures and within the recommended guideline from both Finance Officers Association and the State Auditor. There were a lot of positive things in there and Kurtz will leave a copy with the Council for them to look thru in more detail. Kurtz stated that the packet that was handed out today does include a summary sale day report along with details of the sale. Ehlers did receive three bids – the low bid was Piper Jaffray based out of Minneapolis with a low bid of 1.44% for the true interest cost. This includes not only the rate for the bond but also factors in the cost of issuance and other fees. The interest rate that was proposed thru Piper Jaffary is 1.25% and does tie with the bonds that were awarded at the end of 2016, so it is a nice piece to pull the whole package together. In comparison, Ehlers had estimated a rate of 1.9% so they are very happy with the bids and will answer any questions that the Council may have. Again these are temporary bonds so capitalized interest will pay the interest payments and then there is one principal payment that when the bonds are taken out with the USDA funding they will be paid off in full. Ehlers is recommending awarding to Piper Jaffary with the true interest cost of 1.44%. Motion was made by T. Peterson, seconded by Tiegs to approve the Resolution 2017-16 awarding the bid to Piper Jaffary. All voted in favor. Kurtz stated that they will be closing on April 13, 2017 so the money will be available on that date.

Kyle O'Dwyer, attorney for Chris Plott and Jennifer Roach addressed the Council. He stated that Plott hired him to assist them in getting a re-hearing regarding the pet permit. O'Dwyer had contacted Matt Gross, the City Attorney and it is his understanding from M. Peterson that there has been some discussion regarding this. Mayor Ferrazzano indicated that they could re-schedule it for March 27, 2017 and within that time have Chief Lichty go over and look inside. O'Dwyer pointed out that there is still a concern with the dog biting him. O'Dwyer suggested that they could use skype where the Chief could be on one side and telling him where to go. That way he could go all throughout the house and there would be no issues of possible dog biting. The main concern is that Plott does not have many visitors and someone coming in in uniform that is unfamiliar could result in some nipping. Mayor Ferrazzano expressed that ideally he would like Chief Lichty to get in the house as he does have experience with dogs. He also indicated that he understands the liability concerns Plott has if Chief Lichty did get bit. T. Peterson expressed that he feels that Chief Lichty needs to go in the house as that was what was agreed to before. O'Dwyer stated that there was some confusion as to what Chief Lichty all needed to do whether it was just counting heads or really inspecting the premises. T. Peterson stated that Chief Lichty was supposed to count noses and tails. Plott was supposed to contact Chief Lichty to let him know when he would be available for the Chief to come in and that did not happen. O'Dwyer advised that Plott will reach out to the Chief soon to set that up.

The consent calendar consisted of Municipal Accounts payable, approval of the Library minutes from 2/2/2017 and the approval of the Tax Relief Association minutes from 2/6/2017. Motion was made by T. Peterson, seconded by Cooreman to approve the consent calendar. All voted in favor.

M. Peterson questioned if they need a motion to extend the animal permit issue. T. Peterson questioned when his 30 days are up? The Council thought that it was the first meeting in February. M. Peterson stated that Matt Gross indicated that they had two weeks left. Mayor Ferrazzano stated that he feels it is pretty apparent that it has to be done in the next two weeks if they are supposed to come back at the next meeting. T. Peterson stated that they could extend it at the next meeting if that is what the Council elects to do.

There was discussion regarding a special assessment policy. T. Peterson had drafted an explanation of special assessments and how they work. He would like it, as a Council to have it published in the newspaper to try and answer questions. Mayor Ferrazzano advised the Council to read it and if they are satisfied with it to let M. Peterson know in the next day or two

and to have it put in the newspaper. T. Peterson stated that he would e-mail a copy to Chukuske so he can look it over and give his input.

Mayor Ferrazzano stated that he would like to see any comments from a previous meeting to be put under the unfinished portion of the agenda. Marlin Meyer had brought up some questions and concerns at the last meeting which have been presented to the Planning Commission. T. Peterson advised that the Planning Commission is working on coming up with a plan on the alley between the old bakery and the old Enderson building. They are also going to review the ordinance and find out who the enforcement officials are. There is an assumption that the police are to enforce these things which isn't necessarily true. The City Administrator is an enforcement official, the Public Works Director is an enforcement official as well as the Police Department and the Weed Inspector. Before the Planning Commission can recommend changing an ordinance they need to find out who is supposed to be enforcing those things and if they have been done or not. There was also some discussion in regards to storage in the downtown buildings. The biggest issue was why it is being enforced for some and not others and if this is a nuisance ordinance or a building code violation. T. Peterson would echo the fact that both department heads are doing their best to keep an eye on these things and enforcing it when they can but it takes time. Our current City Attorney does not prosecute for us like they have in the past so that adds more time, however it is not being kicked under the rug and ignored. T. Peterson had told Meyer that it did not happen over night to get the mess and it would not be taken care of overnight either. Mayor Ferrazzano questioned T. Peterson if the Planning Commission thinks that the ordinances that we have in place are sufficient to address the issue or if they may need to be changed? T. Peterson advised that that is what the Planning Commission is going to look at, especially when you get into the warehouse type of issue and what an empty building is supposed to look like. What is one person's castle could be another person's mess. Daniels pointed out that if the issue is in the backyard and there is no alley they would not see that, however, once it is pointed out to them they can certainly look into it. Mayor Ferrazzano expressed that he feels the bigger issue is the things that everyone can see and that he understands that it does take time to alleviate some of these issues. As long as the City has ordinances that are sufficient and that there is coordination between who enforces what that is helpful. M. Peterson feels that it may be a good idea if they were to section off different parts of the City and the department heads, city employees, council members etc each take a certain section and review where the issues may be. Mayor Ferrazzano mentioned that there is always a concern of objectivity and why some property owners are being called out but not others. There are some that we would all objectively say it is an issue. He agrees with a systematic approach where you do some each year, however he would like to take care of the big issues that everyone sees first. If the City Ordinances are in place than we should deal with some of these issues first. T. Peterson stated that these types of issues should always be enforced, not just during times like spring cleanup. Back when he was Mayor the neighbors would take pictures and explain the compliance issues, give the information to the Chief and they would serve the notice indicating how long the property owner has to come into compliance. That is the type of interaction that was successful. Mayor Ferrazzano agrees with that approach. He knows that in previous years there was a concern that the police or other officials would need the Councils support first, however they would have the Councils support as they have all heard over the years the problems with the nuisance and building codes. If it is in the code and the building is not being used the way it is supposed to be used the ordinances needs to be enforced. If individuals would like to address certain situations with the council they are more than welcome to bring them up during the public comments portion of the meeting.

Mayor Ferrazzano stated that Chukuske had contact him to suggest to the Council to have at least one citywide cleanup per year. This has been discussed previously and it has always come down to the cost of it. What Chukuske is suggesting is to include a letter with their water asking for donations to go toward the cleanup. Obviously not everyone would do it, however if there are enough people that are willing to do it there would be some pool of money to enable the cleanup to happen. However, this may create an accounting headache to keep it separate. Also, Chukuske was going to talk to Dan Ritter to see what they could work out to get it done.

M. Peterson indicated that this had been done a couple of years ago where there were big trucks available but people had to bring their garbage to the trucks, which she feels may have been a detour for the public. She felt that if they just have to bring it as far as the curb you would have a better response. Mayor Ferrazzano expressed that it is something that they should discuss and appreciated Chukuske bringing forth the suggestion. M. Peterson suggested that maybe it should just be budgeted for. T. Peterson stated that a lot of the cities that do this twice a year haul their own refuse. He also expressed that the difficult part of budgeting is to know the costs. It was suggested to have it where the property owner would pay up front. M. Peterson expressed that another issue they ran into before was that once the truck goes by people would set more stuff out after the fact and it would end up sitting there. Mayor Ferrazzano stated that they could discuss it again at the next meeting. T. Peterson questioned for research for the next meeting – of the 25 cents that we are currently doing for the landfill, how much does that generate per year? That would give you some numbers to work with if you could research it. M. Peterson stated it is roughly $225.00. T. Peterson inquired if you could throw an extra .25 on it if you would come reasonable close to being able to do a cleanup twice a year? M. Peterson is to look into this and report back at the next meeting.

M. Peterson pointed out that Campbell and Hanson have been doing a great job of keeping things updated on the public access channel. It is her hope that people from the public are watching the various things that are being aired. They both have been putting in a lot of time in getting trained and figuring the system out and trying to get the Cities monies worth out of it.

Motion made by Tiegs, seconded by T. Peterson to adjourn.

ATTEST:

City Administrator

Mayor

March 27, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 27, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, Pam Cooreman and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Madonna Peterson-City Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Ferrazzano asked for the approval of the minutes from March 6, 2017 and March 13, 2017. Motion made by T. Peterson, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. M. Peterson stated that she would like to add 9F-approval of a Plumbers License, 9G-Portion of retainage from Duininck, Inc to be used for repairs on Mattson Property and F11-Resolution 2017-22. Motion made by Cooreman, seconded by Chukuske to approve the agenda with the above amendments. All voted in favor.

Mayor Ferrazzano stated that he has been contacted by several people that were questioning why out of town people are not allowed on the Airport Board as this has previously been allowed. Per the City Ordinance it indicates that they are required to live in town, however this is not applicable to the other Committees that the City has. Mayor Ferrazzano feels that until the Charter Commission is functioning that the Council should make an exception for the applicant that was denied. T. Peterson had suggested that as long as a person has an airplane and a hanger out there that they should be eligible to serve on the Airport Board. Mayor Ferrazzano recommends appoint Neil Daniels to the Airport Board. All voted in favor.

Willmar Engel applied for a position on the Multi-Purpose Board. Mayor Ferrazzano appointed Willmar Engel to the MPC Board. All voted in favor.

Barbara Knutson and Joan Ziemke applied for a position on the Library Board. Mayor Ferrazzano appointed Knutson and Ziemke to the Library Board. All voted in favor.

Gross pointed out that there was a question raised regarding one of the board members serving an additional 3 year term on the Library Board as she has reached the max. He is advising that the City Code be modified to conform with the State Statute. What he means by this is that the makeup of the Board needs to be staggered terms – 3 members for three years, 2 members for two years and two for three years. That is state statute so once the Charter is functional the City Code will need to be amended to adopt those terms.

Mayor Ferrazzano questioned where we are at with getting the Charter Commission functional. M. Peterson stated that currently we cannot have a Charter Commission as we do not have enough members. Campbell stated that per State Statute you have to have a minimum of 7 members and a maximum of 15 members. Our current Charter indicates a maximum of 9 members, we currently only have 4 members. Campbell explained that the City Charter Commission has been inactive since 2011 so the Charter will need to be Re-Established thru the Judicial Court and that there is a resolution being presented for approval tonight to accomplish that. It was pointed out that the City Charter does not allow appointment of City employees or City Council members to the Commission. Mayor Ferrazzano stated that he would like to wait until the next meeting to see if we have received any new applications. If not maybe the Council could look at making an exception. T. Peterson stated that he has talked to several people that have previously served on the Charter Commission and they have picked up applications

A request to waive the fee for the use of the VMC by the Tracy Area Chamber was presented. This would include the use of the VMC for their March 31st Baked Potato Bar and well as April

7th and 8th, 2017 for the Women's Expo. Motion was made by T. Peterson, seconded by Chukuske to waive the fee for the use of the VMC by the Tracy Area Chamber for the dates indicated. All voted in favor.

M. Peterson addressed the Council for approval to purchase GlobalSearch Platform Software. She indicated that the company had reached out to her this morning and informed her that there was an adding error – the total of $9,870.00 should be $9,970.00. She explained that this software would allow the operator to easily retrieve various documents from the server and would save the City money in efficiency. Currently if the staff needs a copy of an invoice they are looking thru boxes located throughout the building to locate it. This software will strictly be to research things, nothing more. Mayor Ferrazzano inquired if there would be any future costs association with it. M. Peterson informed the council that there may be as the quote M. Peterson received was for one year as she declined the 5 year. If the software works as they say it should she may not have to be concerned with the updates. If there are updates needed it could be around $1,300 a year for the updates and support. T. Peterson pointed out that it is for 3 licenses and questioned if three would be needed? M. Peterson indicated that the reason there are three is because there may be times that 3 different people will need to access the software at once. She expressed that she would inquire what the price difference would be between 1 verses 3 licenses. M. Peterson also advised that the ultimate goal with this would be to alleviate the need of having to store paper copies going forward. There also may be an opportunity of scanning in old recorders via sentence to serve or thru Experience Works.

The Bid Specs for the Masonic Building removal were presented. The was also discussion in regards to the vast building and how to assist that tenant in finding a new place for her business. The hope is to start the demolition sometime in May. T. Peterson questioned Daniels if he has had any luck in regards to the demo site. Daniels advised that he is still in the process but he is hopeful. Motion was made by T. Peterson, seconded by Cooreman to approve the specs and bidding out for the demolition of the Masonic Building. All voted in favor.

M. Petersen presented a Farm Lease with Dan Lanoue to the Council. She indicated that a reduction in the lease per acre is warranted as the land is so chopped up. It was $190.00 per acres for the last 3 years, they are now proposing $175.0 per acre. Gross stated that the lease was previously for 122 acres, the new lease will be for 110 acres. Motion was made by Chukuske, seconded by T. Peterson to approve the Farm Lease with Dan Lanoue. All voted in favor.

A request from Mike's Plumbing and Heating for a Plumbers License was presented. Motion made by Chukuske, seconded by Tiegs to approve a Plumbers License to Mike's Plumbing and Heating. All voted in favor.

Chris Larson with ISG addressed the Council. He indicated that there was a backup with Geri Mattson's sanitary service which was due to some workmanship issues by Duininck Inc. They have agreed to pay for the repair and some of the cleanup bills. The proposal was that the City of Tracy will pay them and the retainage money being held back by the contractor will be reduced by $1,107.83 when the final payment is made. Chukuske questioned if there was anything in the retainage to cover cracks in the sidewalks? He noticed that there is a huge crack in the sidewalk outside of the MPC. Larson indicated that they do still have money withheld to cover seeding but is in excess of the actual cost of the seeding will be so it could be looked at. Larson questioned if it is a cosmetic crack? Chukusked advised that it is about a 5 foot crack with a big chip in the middle of it. Larson stated that they had a pre-construction meeting last Friday for the Phase I project and that Duininck plans to start on April 13th, 2017. They are going to start with the outfall line at the Airport and will work their way back toward town. They will be starting into Circle Drive approximately May 1st. ISG will be sending out a project newsletter to let everyone know the preliminary schedule and they will be sent out weekly once

construction starts. T. Peterson questioned what their plans are for Hollett Street between 5th and 2nd as far as wheelchair access. Larson advised that in the plans they require that access be maintained at all times so likely they will not be able to tear into 2nd while Hollett is torn up. They will also have to do some type of plywood planks to assist them. Resolution 2017-22-Resolution approving a portion of the retainage to Duininck, Inc to be used to cover sewer blockage bills was presented. Motion was made by T. Peterson, seconded by Tiegs to approve the resolution. All voted in favor.

Resolution 2017-17 to Re-Establish the Charter Commission was presented. Motion was made by Cooreman, seconded by Chukuske to adopt Resolution 2017-17. All voted in favor.

Resolution 2017-18 for the appointment of members to the City Charter Commission was presented. Motion made by T. Peterson, seconded by Chukuske to adopt Resolution 2017-18. All voted in favor.

Resolution 2017-19 Waiving Special Assessments for 4th Street and Morgan Street was presented. Motion was made by Tiegs, seconded by Cooreman to adopt the resolution. Voting in favor: Cooreman, Tiegs and Mayor Ferrazzano. Abstaining: Chukuske and T. Peterson.

Resolution 2017-20 Approving a Social Media Policy was presented. Motion was made by T. Peterson, seconded by Chukuske to adopt the resolution. All voted in favor.

Resolution 2017-21 approving the City of Tracy Cable Access Channel Policies and Procedures was presented. Motion made by T. Peterson, seconded by Tiegs to adopt the resolution. All voted in favor.

The consent calendar consisted of the Municipal accounts payable and receivable and approval of the Multi-Purpose Center minutes from January 23, 2017. Motion was made by T. Peterson, seconded by Tiegs to approve the accounts payable and receivable. All voted in favor. Motion was made by Tiegs, seconded by Cooreman to approve the MPC minutes from January 23, 2017. All voted in favor.

Val Quist, Librarian addressed the Council. She thanked the council for approving their new Library Board members as they will now have a full board in place. They have finally been able to hold their Tracy Reads discussion as it was previously snowed out. They are working on policies and have ran into the same issue as the Council in regards to the inactive City Charter. What the Library did at their last meeting was put together a committee, which met last week to put together recommended changes. Hopefully once the City Charter Commission is put back in place this committee will have some recommended changes for them. The annual report has been submitted and their winter reading program will be wrapping up. They do have Chad Lewis, an author scheduled to come on Friday, March 31, 2017.

Daniels, Public Works Director address the Council and advised them they are working on the second filter and gave an update on the Airport. Daniels and M. Peterson have access to the FAA Airport for the tail number updates. He did find out that they have 11 registered , however one of the 11 is also registered in the City of Marshall's airport so they technically only have 10. That one does not store a plane out there at the current time. He will be sending a letter out to everyone that currently has tail numbers out there to update the information as it has been about 3 years since the last update. He also stated that he will be looking at the house on 5th Street to see if they can move forward on it. The owner has changed so he will have to start over again but will see if the County Attorney will work with him on it.

M. Peterson, City Administrator addressed the Council. She inquired if the questions that the public has posed from the previous meeting should be answered by the Council or if they want her to investigate and address them. Mayor Ferrazzano indicated that it should be a collective answer as some of the questions the Council could answer. M. Peterson indicated that she would

research and give the council her findings and that may generate discussion. M. Peterson gave an update on the MPC – the retro-fit lights have been completed and the ceiling tiles are done. She also indicated that the MPC Board has requested a re-quote on the floor. They are looking at installing a new vinyl floor as well as taking the carpet out due to the condition of the carpet. She also advised that the breakfasts have resumed. There is a limited menu with a larger menu being offered on certain days. Kalas is also looking at serving breakfasts one Saturday a month and feels it has all been very positive changes.

Gayle Whiting had posed several questions to the Council at the last Council meeting. M. Peterson indicated that the first question was that she would like to know is what the procedure is when the person that causes the problem is also the one doing the bullying and what protections there are for a person being bullied. She stated that there is a handbook that addresses these questions however it does not reference elected officials. Mayor Ferrazzano feels that in that situation they should contact a Council member. The second question was-when is it ok to have closed meetings and what is allowed to be discussed? M. Peterson advised that information in regards to meetings can be found on the MN Office of the Revisor of Statutes state website in Chapter 412 at https://www.revisory.mn.gov/statutes/. A guide to the type of meetings and notices can also be found on the League of MN Cities website at https://www.lmc.org/page/1/general-search.jsp. M. Peterson stated that she does have this available in the office for anyone that would like to look at it. Mayor Ferrazzano pointed out that they are very limited as to what they can close a meeting for.

There was continued discussion in regards to having a city wide spring cleanup. They talked about holding atleast one a year. The funding was discussed and M. Peterson expressed that they are very limited to what can be put on a water bill. She will have to do some research to see if it is legal to put such a fee on there or not. Chukuske mentioned that they could ask for donations. He also suggested putting together an estimate as to what it would cost. Volunteer labor may play a big part in the dollar amount needed as community pride should play into that. Tiegs mentioned for the appliance portion they could contact A to Z Recycling in Porter. Cooreman also suggested contacting Xcel as they came and picked up her refrigerator and was only charged $45.00 to do it. M. Peterson advised that they had Mike Bottleberghe from Walnut Grove do the same thing a couple of years ago and there is also Eagle Recycling out of Westbrook. Chukuske stated that Lyon County is now recycling mattresses and box springs as well for $7.00 a piece. Tiegs questioned if they are looking for funding for regular garbage or appliances. Chukuske would like it to be funding for people that just can't afford it as well as branches and painting and things of that nature. This would also help address some of the issues that Marlin Meyer had previously addressed. Cooreman suggested contacting some of the churches as well as at the school to see if some of those organizations would be willing to assist. Chukuske stated that the Hmong Alliance Church's youth pastor is attempting to see if their youth group could do projects such as this for the city. M. Peterson has done some research on spring cleanups in other cities and there are some model policies out there that could be looked at. Chukuske would like to reach out to some of the local farmers to help as there are a lot of yards in town that are full of corn husks as well as at Swift Lake Park. Daniels stated that the school has a cleanup day the last day of school and they usually do the softball fields. Chukuske questioned if we currently have a fee on the utility bill that is going towards a project. M. Peterson advised that there is a .25 cent fee that goes toward the compost surcharge. She feels that it should just be a budget item. It was agreed that they should discuss this again at the next meeting and set a date at that time.

Chris Plott and his attorney Kyle O'Dwyer address the council in regards to his animal permit. Mayor Ferrazzano question O'Dwyer if he had received the report from Chief Lichty. He indicated that he had as well as the CD. O'Dwyer stated that Plott and Roach have been living in the City for five plus years and that they have 15 dogs that are all rescue animals. They are not looking to bring in more animals, however these animals are like children to them as they do not

have children of their own. There have been anonymous complaints that have been brought to M. Peterson and it is hard when you do not know who it is and if they have a personal vendetta or not. Some of the complaints related to the health of the pets – O'Dwyer passed out a letter from the vet in regards to this that states the animals are in good condition. With that said some of them may not last much longer but they are being taken care of. He also indicated that Plott and Roach are willing to make certain improvements to help with the barking issues. These would possibly include putting up a composite fence which would cost around $1,500.00. They are also getting bark collars, which are different from shock collars. They just have a vibration which increases with the intensity of the barking. Another option could include putting carpet in as opposed to the hardwood floors they currently have. They did have carpet when they moved in however, it was difficult to keep clean. Plott's biggest thing is that when they received their first permit from the Council they discussed how they would receive complaints. It was indicated at that time that they would have to go thru the Police Department and be investigated. Now there are complaints coming thru City Hall which should not be legitimate complaints as they did not go thru the Police Department to be investigated. He stated that he does the best he can to keep them quiet, when other dogs bark and Plott is home he gets his dogs quieted down quickly. Plott expressed that he likes living in Tracy, they have been there for almost 6 years and have had no problems in the past. O'Dwyer pointed out that in the last council minutes it referenced that Plott did not reach out to the Chief of Police to get him into the house, this time he made sure that the Chief came to the house and brought him thru the house. Plott expressed that the Chief indicated at the time that the decision was already made at the last meeting and wasn't sure if the Chief was unaware that they were back on the agenda or not. Mayor Ferrazzano advised that the reason they had him come back in was because of the 30 day compliance. O'Dwyer stated that they are now requesting a one year permit, if the permit is not granted they will have to make alternate living arrangements. The Vet indicated that being the dogs have been together this long they would get depressed and could die if separated. They would request atleast a few months to find a new place and move out if the permit is not granted. Mayor Ferrazzano pointed out that when they initially gave the permit for the dogs he felt it was specific for the property. Being as Plott and Roche relocated to a different residence he felt that the permit should not have transferred with the move. Plott did not feel that there were any stipulations tying them to a specific property. T. Peterson stated that the only reason that was allowed to begin with was because they lived next to a council member who was not offended by the dogs and he persuaded the Council to go along with it. T. Peterson does not recall telling Plott that there has to be a police investigation. He does recall that the permit hinged on NO complaints from any neighbors. Mayor Ferrazzano pointed out that he cannot make a motion so he is relying on the other members to determine if they would like to give him an opportunity to put some improvements into place or not. Chukuske pointed out that it is unfortunate that it was ever allowed in the first place, however with what he currently knows he will not change his mind. Chukuske made a motion to not authorize making an exception to the ordinance by granting another permit allowing him to house 15 dogs. Mayor Ferrazzano asked Plott how much time he would need if the motion on the table were to pass? O'Dwyer stated that they would like 6 months being Ms. Roche is on the road, however any time would be very much appreciated. Plott pointed out that it takes time to find a different house and get moved and will not be able to accomplish it in 30 days. Mayor Ferrazzano question Chukuske if he would amend the motion to put a time frame in the motion? Chukuske rescinded his motion and suggested that they decide on a time line that should be allowed and what the consequences would be if the deadline is not met. T. Peterson stated that there has already been a passed motion to not renew the permit so the question before them should just be a timeline. Chukuske questioned if six months would be to long? T. Peterson made a motion that they have 90 days to get rid of the dogs. Cooreman expressed that she feels they would need longer than that. T. Peterson stated that they have already been given 30 days. Mayor Ferrazzano pointed out that they were given an opportunity to come before the council again within that 30 days so that time

was not devoted to finding a new home to live in. Mayor Ferrazzano stated that he feels 6 months would be an appropriate amount of time to get it taken care of. Chukuske indicated that he would second T. Peterson's motion to allow 90 days. Gross advised that they will need to extend the amount of the timeline they will be allowed to move or to come into compliance with the ordinance as far as the number of animals that they have. Motion has been made and seconded for a 90 day extension. All voting in favor: T. Peterson, Chukuske and Tiegs. Opposed: Mayor Ferrazzano and Cooreman. Motion passed. The 90 day extension will end on June 27, 2017.

There was discussion regarding the Airport Hangers. M. Peterson stated that Daniels will be designing a letter to get in contact with the person that is not storing an airplane in his hanger. She indicated that there was previous discussion that they could swap spots so the one with the airplane could get it out easier. Daniels is waiting to hear back what the hanger is actually being used for and if they are complying with FAA guidelines. The way it appears right now they are not. Last year he received two inquiries on hanger rent so if the current renters are not using the hanger for what it is intended to be used for it should be looked at offering it to someone that will. T. Peterson pointed out that if they do not allow the downtown buildings to be used for storage the hanger should be used for that either. Chukuske questioned what we currently get for hanger rent? M. Peterson stated that it is $165.00 per quarter.

The Truth in Taxation meeting was discussed. This meeting is scheduled to be held on April 24, 2017 at 7:00 p.m. and the regular Council Meeting will be held on April 25, 2017 at 6:30 p.m. Chukuske questioned if all council members will need to attend the Truth in Taxation meeting? It was advised that Mayor Ferrazzano and Cooreman are the two that are trained so as long as there is one trained person and a quorum that is what they need. There was discussion on possibly getting more council members trained as well.

Mayor Ferrazzano questioned if there had been people that went out with Chief Hillger when he was giving out nuisance orders and driving around? He feels it would be a good idea to put together a committee or have someone go with Chief Lichty to go do those things so they could field complaints from people. Chukuske stated that he would like to see a group sit down and review the ordinances verses the officer deciding that on their own. T. Peterson stated that one of the reasons the ride along stopped was due to the fact that the people were coming before the council and having things waived. He stated that the Council needs to support the Police Departments choice whether the Council agrees with it or not. T. Peterson suggested having a committee that would go to the house and indicated what is out of compliance and ask them if they need help getting it cleaned up. The Council agreed that that would be a good idea. Mayor Ferrazzano expressed that the enforcement needs to be consistent. Tiegs questioned if they would go on a consistent time frame as well such as two weeks or thirty days. It was indicated that it would depend on what the nuisance is as some could take longer than 30 days. Chukuske questioned if they should wait until Chief Lichty gets back so the Council can share with him what they are thinking. It was decided that Chukuske, M. Peterson, Chief Lichty and 2 community members should make up the committee.

The Charter Commission and how they can generate interest to serve on it was discussed. Seth Schmidt indicated that he would be willing to do an interview regarding the Commission.

The Liquor Store hours were discussed. It was suggested that summer hours could be different than winter hours. Chukuske pointed out that between 9:00 a.m. and 12:00 p.m. not much happens. Tiegs indicated that that is the times that vendors drop things off, however that would only require a manager to be there – the facility would not need to be open. He also indicated that once you start changing hours, the people that you have that do come in that early will never come back. M. Peterson suggested that the main thing would be to not have double coverage. M. Peterson has discussed this with S. Lau which was not as receptive as she had hoped as these

are her employees. Chukuske pointed out that this is a business decision and the City has been losing money for too long. Mayor Ferrazzano questioned M. Peterson if she has heard from the College kids yet? It was indicated that she had not, however she does know that the professor is not there all of the time. She indicated that they do have information from other liquor stores that have relocated that have indicated it was a good move for them. It was agreed that moving it to Highway 14 would be beneficial. T. Peterson pointed out that they need to get the current location under control before they look at moving.

Motion made by Chukuske, seconded by Tiegs to adjourn. All voted in favor.

City Administrator

Mayor

APRIL 10, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 10, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Madonna Peterson-City Administrator and Diane Campbell-Administrative Assistant. Member Absent: Pam Cooreman

Pledge of Allegiance was given to the flag.

Mayor Ferrazzano asked for the approval of the minutes from March 27, 2017. T. Peterson requested that there be a correction to the work session minutes changing Behavioral Care Specialist city from Woodstock to Sioux Falls. Motion was made by Chukuske, seconded by Tiegs to approve the minutes with the correction. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. M. Peterson state that she would like to add 9G-ISG Proposal approval request for Geotechnical Construction Testing-Phase 1, 9H-EDA-set public hearing for proposed property Tax Abatement for the Masonic Bldg Bond, 9I-Hospice Petition for local improvements & agreement of assessment & waiver of irregularity & appeal, 12C-Approval of Tracy Relief Association minutes, 12D-approval of Tracy Aquatic Center Committee minutes and 14A-Planning Commission recommendation. Motion was made by T. Peterson, seconded by Chukuske to approve the agenda with the additions. All voted in favor.

Alison Hulshof with Behavioral Care Specialist gave a presentation in regards to services that they provide to children with autism and severe behavior disorders. They are a company out of Sioux Falls, SD that would be willing to set up a business in Tracy if there is a need. It would serve area towns in an one hour radius. They would work with the child and their family as well as the para's at the school and the school administration. This would assist the school as well as alleviating the need to transport the children elsewhere – they would be able to stay local. Hulshof indicated if the City is interested and there is a need that there is a client referral form on their website that would need to be filled out and turned in. If there is enough interest they would move forward with the next step in figuring out what the needs are. They indicated that if there is a need they would set up shop in Tracy and that they do try hire locally. It was indicated that the set up would likely take about 6 weeks, however they are not a long term fixture. Their goal is to get in and help the kids, get the people directly involved in their life trained and main stream them back into the school system. The city obtained packets to be handed out and encourage citizens that are in need of the service to fill out the paper work and get it turned into Behavior Care Specialist so they know how to proceed.

The appointments to the Charter Commission were discussed. Mayor Ferrazzano stated that there has been six applications received and we currently have four members. We can have up to nine members but need seven to function which leaves 5 open seats. Mayor Ferrazzano advised that he would like to appoint a full board of nine members and would like to appoint Bernie Holm, Shirley Anderson, Ken Giles, Marvin VanAcker and Jan Arvizu. T. Peterson questioned if they have to have nine as he feels it might be better to have a smaller group. Chukuske agreed that they should just have a seven member board. Mayor Ferrazzano reiterated that he would like to appoint a full board of nine members. T. Peterson pointed out that there is an applicant that has served on two prior boards and has yet to complete a term. He also expressed that they reduced the council from 7 to 5 and feels like this should follow suit. Motion was made by T. Peterson to make the Charter Board a minimum of seven members. Chukuske seconded the motion. Mayor Ferrazzano questioned if they would need a public hearing to accomplish that. Campbell stated that you would not as that is the minimum. Mayor Ferrazzano questioned if they don't want a maximum, they just want to appoint the minimum board of seven? Campbell indicated that that is what they are proposing to appoint but that does not mean you couldn't add

more later. Mayor Ferrazzano indicated that that is what T. Peterson is proposing. Campbell pointed out that he are not asking to change the Charter he is just stating that he would only like to have seven appointed right now. T. Peterson was in agreement with that. Voting in favor: Chukuske, T. Peterson and Tiegs. Voting against: Mayor Ferrazzano. Motion passed. Mayor Ferrazzano stated that he would like to appoint Bernie Holm, Marvin VanAcker and Jan Arviz. Motion was made by T. Peterson, seconded by Chukuske to approve the appointments. All voted in favor. Mayor Ferrazzano instructed M. Peterson to send out notices to the three remaining applicants to indicate that they will interview them if they are still interested. Chukuske indicated that they now have a full board of seven. Mayor Ferrazzano indicated that that would still leave two openings. It was pointed out that there was an approved motion to lower it to seven. This would not change the Charter they are just appointing only seven members to the board.

M. Peterson included Ordinance #324 in the packet which is an ordinance providing for funding of certain utility connections. This ordinance was passed on November 23, 2015, however thru her investigation she discovered that there is no statutory authority that allows the City to act as fiscal agent for another organization or individual. Therefore it is likely that the State Auditor would view this as an illegal expenditure of City resources that is benefitting a private property. The proper way to provide loans to people is thru the EDA as they can legally do this. M. Peterson is asking the Council to repeal the ordinance to remove the possibility of the City getting into any ligation trouble. Mayor Ferrazzano questioned if they have had anyone utilize the ordinance and it was indicated they have not. T. Peterson advised that there was a former council member use it to finance a replaced water line to his house. M. Peterson indicated that this ordinance is just for people that are assisting residential utility customers for required work. T. Peterson stated that the intent behind the ordinance was for the East end project and the property owners that had to have their sewer line rerouted and to have a lower interest loan verses whatever the banks were charging at the time. M. Peterson advised that there is currently another program that is being ran thru the city that allows people to have curb stop repairs done with the city paying for it and then they are charged for it. Mayor Ferrazzano indicated that it is really irrelevant whether or not it has been done in the past, we should keep doing it. Motion was made by Chukuske, seconded by Tiegs to repeal the ordinance and refer it to the EDA. T. Peterson questioned if the City would be able to fund the EDA for these amounts? Chukuske feels that it would be up to the EDA as they have restrictions that need to be followed. T. Peterson pointed out that in order for the EDA to loan money they have to have the money to loan. M. Peterson indicated that they could make it a budget item if that is what the Council would like. Chukuske pointed out that if there are not funds available it would not be guaranteed. All voted in favor.

Aquatic Center fee change was discussed. Chukuske questioned why the adult morning and evening swim rate is so low? M. Peterson stated that they are only in there for an hour or two. Chukuske feels that the rates are so affordable that they could be higher. Tiegs expressed that he feels that they are getting so high they are going to start pricing people out. M. Peterson stated that currently if a family of four uses the facility 10 times they will each pay an entry fee of $2.75 per time where as if an individual pass is purchased and used 10 times they would be paying $6.50 per time. Eliminating the family passes it will even this gap out. Chukuske questioned at what point do we continue to pay tax dollars to support something that isn't supporting itself. He is in favor of the fee increases and feels they could even be higher than proposed. T. Peterson questioned how these fees compare to Slayton or Marshall? M. Peterson indicated that they do have family passes – Slayton's is $84.00 for single and the family is around $114.00. It was discussed that the fees have not been raised for years. M. Peterson stated that there was a swim lesson increase in 2010 from $30 to $35, the season price passes were reduced in 2014 in an attempt to gain more users. Beyond that this is the first increase in 14 years. T. Peterson questioned if the reduction in 2014 resulted in more usage? M. Peterson

stated that it is hard to know for sure. There is also a concern in regards to whether family members are actually family members or if there are extended family members being list in attempt to get by cheaper or do they just not understand the rules. There were not more passes sold as a result of reducing the price, however as families rotate out with age that will constantly change. Motion was made by Chukuske, seconded by T. Peterson to remove the family pass and approve the rates. All voted in favor.

Bollig Engineer is requesting the Council to award a consultant to provide the airports geographic information system services. T. Peterson questioned if they are awarding them the job without having a competitive bid? It was indicated that they would because FAA law says that they cannot award the job based on money, it has to be based on qualifications. Motion made by Tiegs, seconded by T. Peterson to accept Woolpert as the firm that will be providing the AGIS services. T. Peterson questioned if they know a ball park cost and where the money is coming from? M. Peterson advised that once the consultant is awarded the grants will be applied for. All voted in favor.

M. Peterson stated that she would like guidance from the council if they would like to treat commercial property the same as residential property in regards to nuisance ordinances. The Council agreed that the ordinance does not distinguish between the two so therefore they should be treated the same. Motion was made by T. Peterson, seconded by Chukuske that all properties are treated the same per the ordinance. Chukuske would encourage all council members to support that when issues are presented to the council. All voted in favor.

Chris Larson with ISG addressed the council in regards to a proposal approving a request for Geotechnical construction testing for Phase 1. Larson indicated that the proposal was from American Engineering and Testing. This is part of the PER budget. There was an estimate sent to them as to how many tests ISG feels they will have which is subject to what happens in the field. Their proposal comes to $32,000 with $40,000 in the approved PER budget. He is asking the council to approve this contingent upon Rural Development approval. Motion was made by Tiegs, seconded by T. Peterson to approve the bid from AET to do the testing. All voted in favor.

Tara Onken addressed the Council in regards to setting a Public Hearing for the proposed property tax abatement for the Masonic Building Bond. They are trying to secure the demo loan that they have received from DEED. This is not a true abatement, but what the City is required to do by State Statute is to list specific parcels. Upon the advisory of the Bond Council and attorneys they came up with a list of parcels and their net tax capacity which equals $13,000 so the payment can be made each year. If the loan payment comes in less than $290,000 they may be able to remove some of those parcels from the list. The loan will be levied as a whole for all tax payers, not just the listed parcels. This is a common form of public bonding and is the same type of bond that was used when they did updates to the aquatic center. What they are asking for is that the City Council call a Public Hearing for Tuesday April 25, 2017 at 6:30 pm. Motion was made by T. Peterson, seconded by Chukuske to approve the Public Hearing. All voted in favor.

Tara Onken also addressed the Council regarding a Hospice House petition for local improvement and agreement of assessment and waiver of irregularity and appeal. She stated that Hospice of Murray County has signed the petition for local improvements requesting an extension of 75 feet which will allow them to gain access to their lot. Along with this is the agreement of the assessment and waiver. Their original plan was to extend the improvements 50', now they are requesting 75' which then changes the $60,000 fee in the waiver to $90,000. What this document does is protects the City from Hospice House changing their mind once the project is complete. Motion was made by Tiegs, seconded by Chukuske to allow Mayor Ferrazzano and City Administrator Peterson to enter the agreement of the Petition of Local

Improvements and the Agreement of Assessment and Waiver of Irregularity and appeal with the language changing from $60,000 to $90,000. All voted in favor.

Resolution 2017-23 for approval of a Single Audit Policy was presented. M. Peterson explained that any time a City receives Federal Grant money exceeding $750,000 the City is required to have a single audit policy in place. A single audit is prepared by the auditing firm in a different way than a regular audit is done. Due to the City receive the grant money for the Waste Water Project it put us over the $750,000 mark. The policy being presented has been reviewed and approved by the City Attorney. Motion was made by T. Peterson, seconded by Chukuske to approve Resolution 2017-23. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, approval of Planning Commission minutes from 3/6/17, Tracy Aquatic Center minutes from 1/10/2017 and the Tracy Relief Association minutes from 3/6/2017. T. Peterson questioned if the legal fees with the City Attorney are being kept track of and under control so that it does not go over budget? M. Peterson indicated that it is being watched. Motion was made by T. Peterson, seconded by Chukuske to approve the consent calendar. All voted in favor.

The citywide spring cleanup was discussed. It was decided during the work session that this would be discussed at an ordinance committee meeting. M. Peterson is to send out an e-mail to the ordinance committee members to get a meeting set up. The committee is to come to the council with recommendations as to how to proceed.

M. Peterson gave an update on the dog issue with Love Yang. She indicated that Mr. Yang has vacated the house due to the house being uninhabitable. He has also removed the dogs from the property and has left them with a relative in the Twin Cities. Daniels indicated that the water is shut off and the meter has been pulled. Daniels also indicated that Yang is willing to move forward in getting the improvements accomplished and feels they should give him a chance to carry it out.

Airport hangers were discussed. Daniels indicated that he has sent letters out to current members that are registered with the FAA. Hopefully he will have the responses to this by the end of next week. The last one that was done was in 2014 and not much has changed since then. Based on the results they can decide if they want to move occupants around or not. Chukuske indicated that he would like to see some money budgeted for to make some improvements to the hangers. There was discussion regarding any money that may be available thru FAA and Daniels indicated that he thinks that there is more available for new hangers than existing ones.

The office hours at City Hall were discussed during the work session. It was decided that starting May 1, 2017 the office hours will go from being open to the public until 4:00 pm to being open to the public until 4:30 pm Monday thru Friday.

There was discussion at the work session with Chief Lichty regarding nuisance ordinances. There was a committee set up to address this as well as the spring cleanup.

M. Peterson addressed the Council regarding a special assessment policy. It has been on the agenda as it is something that needs to be addressed. There are various stories going around town in regards to the assessment that is pending on the East end of town. Mayor Ferrazzano stated that until the Council decides how to handle it no one knows what is going to happen. The specifics regarding the bond will need to be address before we can figure out how to implement the assessments without being too specific to this project so it can be used on future projects as well. There was a committee set up to put ideas together to be presented to the Council which consists of Rosemary Martin, T. Peterson, Mayor Ferrazzano and M. Peterson.

Mayor Ferrazzano pointed out that there was a letter to the editor in the paper last week that that specifically talked about property owners with corner lots. The article indicated that the corner

lots were owned by council members. Mayor Ferrazzano questioned Larson with ISG how many corner lots there were that were not assessed properly? Larson indicated that there were 10. He also asked Larson for validation that those lots were owned by property owners other than Council members and Larson indicated that is correct. Mayor Ferrazzano question where it was left in February of 2016 when they were trying to decide if they should reassess them or just move forward with future projects. Larson indicated that they had received a letter from Matt Gross requesting that they pay for their error, an error they fully admitted to and agreed to pay for. They had sited a few things that they did not feel needed to be as high as it was but they agreed to it anyway for the sake of moving on and keeping a good relationship with the City. Votca wanted to hold off to see how the appeals went so they have not paid the City anything as of yet. He also indicated that nothing has been done as far as reassessing the corner lots yet. Gross indicated in a letter that the City of Tracy was in an unenviable position to go back and reassess people as it was a lower total amount that should have been assessed. Mayor Ferrazzano apologized for springing these questions on Larson, however he did not like the implications that only council members had the corner lots and for whatever reason they were not assessed properly leading people to think that the council members involved were the reason for the delay. He also indicated that in reviewing the minutes there was never anything addressed to those specific corner lots and that the issue was how to go about doing it? Larson indicated that that is correct. Mayor Ferrazzano expressed that he will not be getting involved in what happens with these corner lots which includes voting. Living in a small community people can easily determine who lives on a corner lot and who does not. This will alleviate any implication that because a council member owns one nothing was ever done about it. T. Peterson indicated that it needs to be put to rest one way or another. Mayor Ferrazzano pointed out that he thought it was until he read the article in the paper. The last he knew was that Gross was going to put together is recommendation and the consensus was at the time for the people that could vote was that they would assess the side lots as a unit as opposed to a half a unit. Whether or not that is what this council would like to do is up to this council. T. Peterson expressed that if the City has already paid Gross to come up with his opinion on it it would be nice to know what that opinion was. M. Peterson indicated that she would check with him. Larson indicated that at the time there was a plan, however that was about the time that the appeals were filed so what the actual short fall amount was could have changed based on the outcome of the appeal. T. Peterson stated that once they figure out what ISG's liability is along with Gross's recommendations they will then be able to make a determination. Larson expressed that as the committee works thru the special assessment issue ISG would be available for any questions they may have of them.

M. Peterson readdressed the request to purchase Global Search Platform Software. She stated that she did check into getting one license verses 3 and she was told that 3 licenses was their minimum. Motion was made by T. Peterson, seconded by Tiegs to approve the purchase. All voted in favor.

The Planning Commission is making a recommendation to put a sidewalk and grass area between the original bakery and the old Enderson building as budget allows. Daniels state that right not there is beat up asphalt in between the two buildings. What the Planning Commission is recommending is putting an 8' wide sidewalk down the alley and putting grass on either side of it. Chukuske questioned if there would be a curb put in on the alley side? Daniels indicated that they would likely put a sidewalk approach there but curb up to it. They also talked about removing the curb and gutter on one section on the east side to put in an approach and crosswalk to the east side of 3rd Street which would be mid-block. Daniels feels that it could be done for around $5,000. Chukuske recommended budgeting that for 2018.

T. Peterson indicated that he had been approached by an individual looking for funding sources to take down an eye sore house that they own. T. Peterson inquired if there is any resources that

the City has that could assist people in with this situation? M. Peterson indicated that there is a flyer in the hallway that may be of assistance.

Motion made by Tiegs, seconded by Chukuske to adjourn. All voted in favor.

City Administrator

Mayor

LOCAL BOARD OF EQUALIZATION

April 24, 2017

532

The annual Local Board of Equalization meeting was called to order at 7:00 p.m., Monday, April 24, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, Pam Cooreman and Bill Chukuske. Also present were Madonna Peterson- City Administrator, Sherri Kitchenmaster-Lyon County Assessor and Mark Buysse-Lyon County Property Appraiser.

Sherri Kitchenmaster addressed the Council and encouraged the members that are not certified to get their certification. These trainings are done on-line with one live training being offered in June. She gave a reminder of what can and cannot be done as Council members. They can increase and decrease values, however the burden lies with the property owners to prove why the values should be changed. The Council cannot exempt property, however you can add property that is omitted which means – for example - if an exempt business disbands and the land is sold and is now taxable it can be added. There cannot be a conflict of interest decision made whether by blood or financial interest. Those council members would be asked to excuse yourself from the meeting and the other members can vote on it providing there are still trained members as well as a quorum. If there is not a quorum or a trained member present then it would have to go before the County Board. Currently Cooreman and Mayor Ferrazzano are the trained members on the Council.

What she did for tillable land values is that she went down 5% to 10%. Ratio's is where they take their estimated market value and divide it by the sale price. If the individual pays more than the EMV you would have a low ratio – if they pay more they will have a high ratio. Department of Revenue indicates that if you have six or more sales for a specific property type including ag, residential and commercial then they have to have a medium radio. This means that you take all of the 22 sales that occurred in Tracy, they figure the radio for each one, line them up from smallest to largest and take the one that is in the middle. Everyone will not hit that ratio as it ranges in Tracy from 73% to 128% which is quite good. Tracy's medium came in at 96.77% after any changes that needed to be made.

For Ag land the twenty-three sales came in at 99%, however due to the incoming sales she went down 10% on the NE part of the County and 5% on the SW part of the County.

Residential property stayed pretty much the same with the exception of Ghent, Lynd and part of Lynd Twp.

They are working on entering their information into the computer appraisal system. This should result in less human error. Tracy should be entered in the next two years.

T. Peterson addressed the Council in regards to 101 E Craig Ave. He stated that the home sales have not changed from last year, however his value went up again. From 2013 to 2017 it has went up almost $20,000.00. For assessment year 2016 it was $81,600.00 and for 2017 it is at $83,500 and no improvements were done in that time period. It was explained that they have sketches in the Vanguard system and have been finding the square footage of homes being inaccurate. It went from 1176 sq ft in the books to 1216 sq ft in the computer system. With the second floor in comes in at 2,189 total sq ft which does take into consideration depreciation. The entryway's were discussed. The accuracy of the square footage was discussed as well as the grade of 6 and depreciation. No change was recommended and no motion was made.

Bill Chukuske addressed the Council in regards to 285 9th St. The houses on both these properties were demolished in June of 2016. He is questioning being taxes for the full year in 2017. The assessment date is January 2, 2016 so if they were still standing as of that date they only way to get an abatement is if it were burned down or destroy by a tornado as examples. At 285 9th St there is $1,000 for a cement pad and the lot value of $5,500, the cement pad is not

depreciated so the Council could take action to depreciate the pad and remove the value. Due to the city ordinance he would not be allowed to place a garage there without a house. Kitchenmaster validated that Chukuske has excused himself and excused himself and stepped back from the Council. Motion made by T. Peterson, seconded by Cooreman to depreciate the $1,000 concrete pad at 285 9th Street for the payable 2018 tax. Voting in favor: T. Peterson, Cooreman, Tiegs, Mayor Ferrazzano. Abstaining: Chukuske.

Bill Chukuske addressed the Council in regards to 949 Rowland Street. This parcel has two garages on it with cement pads. One of the garages has depreciated 60% to $2,000. The other garage has depreciated 60% to $2,800. The garage values come to $4,800 and the Lot value is $8,000 for a total of $12,800. There was discussion that the values are January 2, 2016 values used for 2017 taxes. He will still pay on the house and two garages for 2017 and the house value will drop off in 2018.

Seth Schmidt with the Headlight Herald questioned Kitchenmaster how the onsite inspections for the City of Tracy are coming. Kitchenmaster indicated that with the loss of Runholt and having two new appraisers they are a little behind, however per statute 1/5 has to be done and they are close to that. Each property has to be inspected at least once every 5 years, however it can be inspected more often. He was able to get into 25% to 30% of the homes that were inspected which was about 50 to 60 homes. Typically a building permit will trigger an inspection. Chukuske questioned how it is handled if the property owner does not allow the assessors into the home? Kitchenmaster indicated that they do have the right to refuse it, however they would have to sign a form indicated the denial and it would then be valued based on assumption of certain things. If that is they route they take and they come to the Board of Equalization the Council would not have the right to reduce their value until they allow entry.

Kitchenmeyer indicated that she had received a call from Richard Stelter regarding property at 336 Park St, 163 E Emory and 161 E Emory. She feels that they did have these homes overvalued as they were unaware of the bad condition that they were in. Now these houses are gone, however they were there as of January 2nd. She is acknowledging that the buildings were there, however they were unlivable and are now requesting to make these the same value as some of the tax forfeited properties. The first one to be addressed is located at 336 Park Street. Kitchenmaster indicated that the value of the lot is $5,200 and the building value was $7,100 for a total of $12,300. She is recommending to reduce the building value to $1,000 and leave the lot value as is for 2017 payable 2018 tax. Motion was made by T. Peterson, seconded by Chuckuske to approve Kitchenmaster's recommendation. All voted in favor.

The property at 161 E Emory St was discussed. The lot has a value of $5,800 and a building value of $19,700 for a total value of $25,500. Kitchenmaster is recommending that the building value be reduced to $1,000 for 2017 payable 2018. Motion was made by T. Peterson, seconded by Chukuske to approve Kitchenmaster's recommendation. All voted in favor.

The property at 163 E Emory St was discussed. The lot value is $5,800 and the house value is $13,900 for a total of $19,700. Buysse recommended changing the building value to $1,000 for 2017 payable 2018 tax. Motion was made by T. Peterson, seconded by Chukuske to approve Buysse's recommendation. Chukuske questioned why these are separate parcels? Kitchenmaster indicated that they have two separate legal descriptions. Chukuske indicated that the lot is not big enough to build two separate structures on it. Combining them was discussed – they are each 85' long and 70' deep each. All voted in favor.

Motion made by Chukuske, seconded by Tiegs to adjourn. All voted in favor.

City Administrator

Mayor

APRIL 25, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 25, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, Pam Cooreman and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Madonna Peterson-City Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Invocation was given by David Erickson.

Mayor Ferrazzano asked for the approval of the regular minutes as well as the work session minutes from April 10, 2017. Motion was made Chukuske, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. M. Peterson stated that she has two additions. 9G-Request to join the mutual aid agreement for the Fire Department and 9H-Aquatic Center fee complaints. Motion was made by Tiegs, seconded by T. Peterson to approve the agenda with additions. All voted in favor.

Several of the new Charter Committee members were introduced to the Council. Members present were Marvin VanAcker, Bernie Holm and Rhonda Fredericks. This was done so that the public knows who to contact with Charter questions or suggestions. Mayor Ferrazzano thanked the members for their willingness to serve on the committee.

There was discussion on awarding a bid for the demolition of the Masonic Building. The conversation included to table it until they know if they have a demolition site secured as that may affect the awarding of the bid. Motion was made T. Peterson, seconded by Cooreman to table it until the next meeting. All voted in favor.

There was an application for the MPC Board presented for approval. Mayor Ferrazzano appointed Jan Arvizu to the MPC Board. Motion was made by Chukuske, seconded by Cooreman to approve the appointment. All voted in favor.

M. Peterson indicated that there are various organizations/citizens that are requesting items from the Masonic Building. The most common requests are for bricks and it was suggested to refer it to the contractor to handle that. It was pointed out that the museum have already acquired everything that they would like to have. All agreed.

Motion was made by T. Peterson, seconded by Tiegs to authorize a Public Hearing for the Fee Schedule on May 22, 2017 at 6:45. All voted in favor.

Dale Johnson III had made a presentation during the work session requesting the Council to approve joining the mutual aid agreement for the Fire Department. This is in regards to the Fire Department fee schedules and will be noted on the City fee schedule to reference this document. Motion was made by T. Peterson, seconded by Cooreman to enter into the Mutual Aid Agreement. All voted in favor.

The Public Hearing for the proposed property tax abatement for the Masonic Building was opened to the public. M. Peterson explained that when DEED awarded the EDA the demo loan for up to $290,000.00 a GO Bond needs to be secured to back the security of the Loan. A Tax Abatement bond is the way that the City's financial advisory suggested that it should be handled. This is a way to issue a GO Bond for a public purpose so that it can be levied. The law indicates that a tax abatement needs to prove parcels that can pay back the bond. In this case the bond council indicated that the City needs to come up with $13,000 worth of tax capacity surrounding

the Masonic Building. The EDA came up with the tax parcels which are to be used as the tax base. As far as the parcels that were used – this will not affect those parcels in any way. There were no comments from the public. The hearing was referred back to the Council. Motion was made by Cooreman, seconded by Chukuske to adopt Resolution 2017-26 and 2017-27 for the Tax Abate Bond Series 2017B for $290,000.00. All voted in favor.

Rachel Landherr and Ashley Freeberg addressed the Council regarding the pool pass increases. Freeberg stated that she is a non-resident of Tracy so this increase will greatly affect their summer schedule. They have a family of five which would require them to purchase $350.00 worth of passes. This is over a 100% increase. She expressed that her and her family enjoys the pool and frequents it often. She also pointed out that the surrounding areas do offer a family pass – Marshall offers one for $140.00 and Slayton's is $138.94. Their individual passes are higher than Tracy's are, however they do still offer the family pass. She also indicated that she does patronize other business while she is in town and it could affect them as well. She suggested minimizing people coming in under family passes that should not be by administering a photo ID system. Mayor Ferrazzano questioned if the surrounding towns have a limit as to how many people can be on a family pass? Freeberg indicated that Slayton's is up to 9 people and Marshall is up to three for $120.00 with an additional $10 per person beyond that. M. Peterson pointed out that Marshall does charge an additional fee for the use of the slide as well as charging for patrons to observe. The issue with extended family members comes from blended families including both unmarried adults as well as both sets of kids under one pass when they should be on two. Landherr stated that this big of an increase without any warning would be a huge financial burden for her as well as other families. Freeberg and Landherr stated that they understand that there needs to be an increase, they just feel that it should not be so drastic. Mayor Ferrazzano questioned when the fees were dropped in 2014 if it generated more people patronizing the pool? M. Peterson informed that it did not. She indicated that the amount of family passes sold varies from year to year – for example one year we may sell 20 but another year we may only sell 3 – it just depends on how the kids cycle out with age. T. Peterson feels that there has to be a compromise of some kind that does not drive customers away. M. Peterson pointed out that if there is a family of 6 but only 3 of them frequent the pool, with the single pass they are only required to purchase three passes – they are not required to buy a pass for every family member. This allows them to exercise their right to spend their money they way they want to. M. Peterson offered to go back and do a study to identify how many times individuals are actually using the facility. Chukuske indicated that he has had calls from people questioning how much the pool is costing the city and its residence and at what point do you discontinue it. There are a lot of citizens that don't use the pool but are still paying for it thru their taxes. He also pointed out that tax paying persons should have a bigger discount than non-tax paying. Campbell suggested charging to use the slide as they do at the Marshall Aquatic Center. Chukuske pointed out that this has already been voted – if the council decided to change it that is fine but then it needs to be done with. M. Peterson stated that it was an aquatic center decision and that the Council should consider referring back to them. Mayor Ferrazzano agreed that it needs to be referred back to the Aquatic Center Committee to have them look at a dollar figure for a family pass for a family of four or more as well as look at the difference for resident verses non-resident. M. Peterson indicated that the Aquatic Center meeting when this was discussed was an hour and forty-seven minutes long and they went thru every scenario they could think of and that was how they arrived at their proposal. They discussed how a family of two pays $6.50 per visit, however a family of six only pays $1.38 per visit. T. Peterson pointed out that in that situation two single passes would be cheaper for them. M. Peterson would prefer they have an individual price as it takes all the guess work out of it. Chukuske pointed out that the City has committees for a reason and if the Council is not going to support them then why have committees. The Aquatic Center gave the Council their recommendation, it was voted on as a Council, now we are waffling and this type of thing happens all the time. The citizens have the right to complain but it doesn't mean that the Council should waiver on these things. This is

a concern as that has been the history of the Council. The Aquatic Center did a diligent job, they came up with a recommendation and presented it to the Council and the Council approved it. He indicated he does not feel that it should be discussed any further. Mayor Ferrezzano stated that if they refer it back to the committee and they come back and say our recommendation is not changing then we would have our answer. If that happens the impact would not be known until the end of the season. Chukuske pointed out that when they closed the on-sale liquor store by committee recommendation there were upset people as well but the Council did not change their decision. This is an expense that is not going to make money but the City chose years ago to invest money in it so now it has to be dealt with. M. Peterson questioned what specifically the Council would like the committee to look at as they spent a lot of time hashing this over. T. Peterson would like to see some number comparisons with other cities as he would hate to see the city lose out on other revenues as a result such as a tank of gas or a meal at Subway. Mayor Ferrazzano pointed out that you still need to be cognizant of what the pool is losing. T. Peterson made a motion, seconded by Tiegs to refer it back to the pool committee to compare how they can be competitive with surrounding town pools. Voting in favor: Cooreman, Tiegs, T. Peterson and Mayor Ferrazzano. Voting against: Chukuske. Motion passed.

Tom Olinger with Abdo, Eick and Meyers addressed the Council regarding the Single Audit. One thing he wanted to re-visit was the segregation of job duties in the finance department and to make sure that the Council is aware of it. Another finding was that there has been a lot of activity in regards to Bond issues and the capital costs related to that. There was also a finding as part of the single audit it is required to develop written policies and procedures which is now taken care of. The financial information in the general fund had an unassigned fund balance of $677,000 which is about 34% of next years budget and has stayed pretty consistent with the last several years. This is on the low end of the recommended but are still within the dollar amount threshold. The revenues did exceed the budget by about $35,000, however there were some refunds and reimbursements that made up the difference. The expenditures were slightly over budget by about $7,000.00. Overall the change in the fund balance was about $36,000 so for the most part everything stayed in line with where the budget was. The overall revenues from 2015 to 2016 stayed relatively flat, there was a slight decrease in the intergovernmental fund as well as small city dollars that the State provided last year that was not received this year which resulted in a loss. The total current expenditures for 2016 were about $1.7 million which was up slightly from the previous year. This was due to some additional Economic Development and miscellaneous expenditures. Capital Outlay stayed about the same as well as the transfers. The Special Revenue Funds – the Aquatic Center did have a slight increase in their deficit of about $2,604.00. EDA did decrease by about $20,000 in relation to loans that were issued. The rest of the funds stayed pretty much the same. The Debt Service Funds which is the payments that were paid by taxes and assessments – not the debt portion that is paid by water and sewer revenue. The total cash and temporary investments is about $2.7 million which does include an escrow account that will be refunded in 2017. Overall the cash in these funds are cash flowing with the levies and assessments that are being collected. The annual debt service requirements shows the next 10 years of principle and interest payments. This is something that you would want to keep an eye on going forward as far as future projects go. For 2018 the debt does jump up a little and doesn't drop off until 2023. The City needs to try and keep these flat so if there are additional street improvements coming up between 2018 and 2022 that would more than likely mean that there will be an increase in Debt Service Tax levies to cover those costs as there is not debt dropping off until 2023. Planning is important as you may want to slowly start to increase the debt levy so that the City has the capacity to do bonds if necessary. The infrastructure is older so there is likelihood of some street project that will need to be done. The Council will want to keep this in mind as you would hate to add a bond issue and all of a sudden you have a huge spike in the tax levy. Capital Project Funds – the 2016 Street Project was started and there is about $400,000 of unspent bond proceeds, the Tracy Medical Capital Account has $1.5

Million which is what is remaining after the sale. One thing to keep in mind is that those dollars are restricted for specific use. The 2014 Street Improvements did have a deficit of about $80,000 – you could look to see if that could be closed as that project is done. The equipment replacement fund has had some payments out of there but they have roughly $80,000 in the police fund, $150,000 in equipment and $68,000 in the Fire Department. The O'Brien Court cash flow operations have decreased and currently has a balance of $166,000. The 5th Street Apartment cash flow is certainly paying down the bonds, this was the first year that receipts covered operations and debt service. One thing to keep in mind is that there is some inter fund loans for both the EDA fund and the Eastview Apt which have dollars loaned for a cash deficit and that is about $38,000.00. The Orchard Lane townhomes did increase slightly this year. There is a cash balance of about $13,802 which is a result of some advances getting paid back. There is about $1.2 in bonds payable for this account. The Liquor Fund did have a loss of about $41,000, however the on-sale was closed which is why there is an operating loss there. If two of three years has an operating loss there will need to be a public hearing which would need to happen if this upcoming year has a loss. The one thing to point out regarding the gross profit, the percentage has been consistently hovering around 40% and for 2016 it was at 36% which could be a combination of cutting prices or increasing the operating costs. At this point there is no cash balance in the Liquor Fund. The Water Utility cash flow for 2016 – operations just generated a small amount of dollars for last year. The water utility cash balance that did increase is due to unspent bond proceeds. As the project started getting off of the ground the bond proceeds in there are about $760,000 and with taking them out of there it will continue to drop and go into a deficit. There will be debt and Olinger fees that the rates will need to be looked at as the Debt Svc payments will be going too and there are some significant debt coming on the books that will need to be addressed. He would encourage the Council to address it sooner rather than later. The utility surcharge cash flow did drop but does still have a little bit of reserve in the fund. If you are looking at rate structure this may be something that could be combined into other funds and do a rate overhaul between the water and sewer. There is currently $65,000 in that fund. The Sewer Utility Fund did generate some dollars, however there is a lot of capital that is tied into it. For 2016 there is about $214,000.00 which is a little bit below what is recommended. What is not included in the cash balance is that the cash balance has about $6 million more on the balance sheet. Olinger did not include that as it is just bond proceeds that you received in but will have construction costs going out. The Refuse Collection is hovering around breaking even. They have seen a general decline so the Council will want to be aware of the budget and what is being spent out of it. The Deputy Register is pretty much a break even fund which is right in line with where it should be. Under the Ratio Analysis the Debt per Capita has jumped up significantly due to the temporary bond issue which leave it at about $9,000.00 which is a pretty hefty load of debt. The majority of it is water and sewer which is why those rates need to be addressed. Mayor Ferrazzano indicated that he would like Olinger to emphasize again the importance of increasing the water rates. Olinger indicated that the water and sewer fund are a little rough. The City has made improvements and has bonded thru USDA so the debt payments will be lower over a longer period of time, however over the next 40 years the City will have to pay that back. This will reduce the payment, however when you look at how the operations are going there will not be a lot of gap. There was a significant amount of principal and interest, but now the cash will go down in the water and sewer funds because the city is not getting enough from the operations to cover the debt service payments. What the Council will need to look at is what are the payments going to be three years from now and what will the rates have to be to cover the payments. Chukuske pointed out that there are a lot of expenses that will have to be looked at to decide what is essential and which ones are just nice to have. Olinger indicated that you have your underground infrastructure which is your water and sewer and will be paid by the water and sewer rates which is the majority of what the Street Project is. Then you have the above ground streets which are paid for by tax levy so depending upon what the needs are one will have to give. A good thing to do is to circle back

to the televising that was previously done and see what that schedule looks like and map it out over the next 5 to 10 year period and plan around it. Mayor Ferrazzano thanked Olinger for giving the update. It was again discussed that the water rates have not been raised since 2011 and it needs to be addressed. T. Peterson indicated that he would like to see a 3% increase. M. Peterson indicated that in June of 2015 the Council was presented with a rate increase and there was no action taken. T. Peterson pointed out that a single person pays $35 a month for a water meter to his house when a family of 12 uses more water and they get it for the same price. The cost for getting the water to that stop is the same whether one person uses it or fifty. He feels that to have water at your house should be X amount regardless but each unit that goes thru it based on usage will differ. M. Peterson indicated that Abdo, Eick and Meyers does do studies like this and she has asked them for a quote as they know the Cities financials and what needs to be done. Something like this was presented last year and the Council took no action on it and it now needs to happen. In 2013 the DNR indicated that we needed to get into compliance with a tiered study and it was ignored, in 2014 they extended the deadline to 2015 and it has been ignored since then. Mayor Ferrazzano is thankful based on the recommendation regarding the water rates that is will be addressed now.

Motion was made by T. Peterson, seconded by Cooreman to approve Resolution 2017-24-Appointment of members to the City Charter Commission. All voted in favor.

Motion was made by T. Peterson, seconded by Tiegs to approve Resolution 2017-27-Accepting offer of MN Department of Empl & Ec Dev-purchase Tax GO Abate Bond Series 2017B. All voted in favor.

Motion made by Tiegs, seconded by Cooreman to approve the consent calendar consisting of Municipal accounts payable and receivable, Department Head reports which were given at the Work Session, Library Board Minutes from 3/2/2017, Planning Commission Minutes from March 6, 2017 and MPC Minutes from March 20, 2017. All voted in favor.

Behavioral Care Service update was given. M. Peterson indicated that it has been referred back to the EDA as it is a possible business coming into town. It was indicated that there has been an interest shown and that they have filed out the appropriate forms. Behavioral Care Services are looking at doing evaluations sometime this summer.

There was an update regarding the 2017 Tracy Clean-up Day Project. M. Peterson is proposing May 20, 2017 from 9:00 a.m. to 4:00 p.m. in the vacant parking lot next to the Tracy Liquor Store on South Street. She will be posting it in the Tracy newspaper as well as a posting for volunteers to help out. Fees were discussed including a reduced charge to help offset the cost. This is to make it affordable as well as encourage residence to participate. The thought process of holding it by the Liquor Store is that people would be able to pay cash or use a card there and would receive a receipt of payment to present when dumping. It was also pointed out that they could stop at the city office and prepay as well.

Motion made by Chukuske, seconded by Tiegs to adjourn the meeting. All voted in favor.

City Administrator

Mayor

MAY 8, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 8, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, Pam Cooreman and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Madonna Peterson-City Administrator and Diane Campbell-Administrative Assistant and Matt Gross-City Attorney.

Pledge of Allegiance was given to the flag.

Mayor Ferrazzano asked for the approval of the Local Board of Appeals from April 24, 2017and the Work Session and Regular minutes from April 25, 2017 meetings. Motion was made by T. Peterson and seconded by Chukuske to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. M. Peterson stated that she would like to add 9G-Committee Appointment to the Housing & Redevelopment Authority, 9H-Request from Bonnie & Clyde's to authorize a temporary dance permit for 8/26/2017, 9I-Requestion from Bonnie & Clyde's to authorize closing Third Street from South St to Morgan St from noon on 8/26/2017 to noon on 8/27/17, 12B-Approval of Library Board minutes from 4/6/2017 and 13B-Approval of Spring Cleanup Flyer. Motion was made by Chukuske, seconded by Cooreman to approve the agenda with additions. All voted in favor.

Sis Beierman addressed the Council. She stated that the Council has been talking about putting a green space between the old bakery and the old Enderson building and inquired why the Council would spend money to do this between two buildings that would have to be brought up to code or demolished? The second question she had was why the patio attached to the Liquor Store is not open during the day for people downtown to eat lunch and socialize? As a taxpayer – the patio has already been paid for why would we not use it? The last question was in regards to the patio furniture – is this furniture still at the Liquor Store? If so they should be put out and if not where are they? Mayor Ferrazzano thanked Beierman for the comments.

M. Peterson gave an update on the server. The current server was purchased in 2011 and is out of storage. She received a quote from Computers and Beyond out of Marshall that came to $4,932.58, however once the tax is removed it would come to roughly $4,500.00. The backup feature would be optional. This would be an unbudgeted expense and could come out of the Equipment Replacement fund. Motion was made by T. Peterson to accept the quote and leave it up to the Administrator's discretion regarding the backup. It was stated that currently they use WOW Cloud and the new one would be Cloud 2. If the City went with Computers and Beyond it would be a local vendor. Cooreman seconded the motion. All voted in favor.

Awarding the bid for the demolition of the Masonic Building was discussed. With a demo site secured it will cost substantially less. Chukuske made a motion, seconded by Tiegs to accept the bid from Noomen Excavation at $54,950.00 for the demolition of the Masonic Building. T. Peterson questioned if the $10,500 for the permits could be paid out of the EDA Bond for the demo costs? M. Peterson indicated that she could do a journal entry. Chukuske questioned if this will be done and leveled by Labor Day weekend? It was indicated that it would. T. Peterson questioned being we do not have a permit in hand if they want to award a bid or should they award the bid with a permit contingency? Chukuske revised his motion to be contingent on the permit and to approve Resolution 2017-28. Tiegs seconded the revised motion. All voted in favor.

A Variance request was recommended by the Planning Commission for Keith Peterson. M. Peterson stated that there was a Public Hearing with only one person present that was there for inquiry only. Daniels indicated that it was a 12 foot variance being requested to place a structure on that would go into the setback footage. Motion was made by Chukuske, seconded by Cooreman to approve the variance. All voted in favor.

The Planning Commission is recommending to the Council to declare a School Zone between the 6th and 7th Street block on Morgan Street by St. Mary's school. A parent had contacted the Planning Commission indicating that Morgan Street traffic is to fast going past a school. The Planning Commission agreed that it should be declared a school zone with a reduction of the speed limit to be posted. Daniels indicated that there will be different options once it is declared a school zone such as a higher fine or just changing the speed limit. There was discuss as to how far out the reduction should go. Chukuske suggested going from 5th Street to 8th Street. M. Peterson indicated that she would bring that suggestion back to the Planning Commission. Motion was made by T. Peterson, seconded by Cooreman to declare that area a School Zone. All voted in favor.

The corner lot assessment correction was discussed. Gross stated that he had met with Chris Larson from ISG and M. Peterson on April 21st to discuss this issue. Now that the appeals for the special assessments have been finalized the lot assessment corrections needs to be re-addressed. What happened is that 12 lots were under assessed – three of the twelve were involved in the appeals so that would leave 9 parcels that were under assessed. This was due to a mistake by ISG with the calculation formula. The amount under assessed comes to about $25,000 which the City had made a demand of ISG to come up with a resolution in getting this corrected. Gross stated that they could re-assess all of the properties, however that would open it up to the property owners being able to appeal. Given the outcome of the special assessment appeals, that would likely mean that the City would have to declare all of those properties of zero value. Gross indicated that he would not advise doing this. ISG is willing to make up the difference for their mistake as they value the on-going relationship with the City. Gross would advise the City to accept that and avoid any potential appeals and bring $25,000 into the City for the cost of the project. Motion was made by T. Peterson, seconded by Chukuske to accept Gross's recommendation on the corner lot assessments. Voting in favor: Chukuske, T. Peterson and Tiegs. Opposed: none Abstaining: Mayor Ferrazzano and Coorman. Motion passed.

Fill Certification proposal from American Engineering Testing for the Masonic Building was discussed. T. Peterson stated that after the demo there would need to be some compaction testing so that in the event that there is a potential builder there would be something solid to build on. This is recommended by the EDA and would cost $1,500.00. Motion was made by Chukuske, seconded by Cooreman to accept the proposal. All voted in favor.

Rhonda Fredericks submitted an application for the Housing and Redevelopment Authority Board. Mayor Ferrazzano appointed Rhonda Fredericks to the HRA Board. Motion was made by Tiegs, seconded by Cooreman to accept that appointment. All voted in favor.

Bonnie & Clydes requested a temporary dance license permit for a Street Dance on August 26, 2017 as well as a street closure on Third Street block from South Street to Morgan Street from noon on August 26 to noon August 27, 2017. Motion made by Chukuske, seconded by Cooreman to approve both requests. All voted in favor.

Resolution 2017-29 Authorizing to sell a 1972 Ford Tanker no longer needed for public use was presented. Daniels indicated that this was the old 1110 fire truck that the new one replaced. Motion was made by T. Peterson, seconded by Tiegs to authorize the sale of the 1972 Ford Tanker. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Library Board minutes from 03/02/2017 and 04/06/2017, Tracy Relief Association minutes from 04/03/2017, Aquatic Center Minutes from 01/10/2017 and 04/10/2017 and Mayor's Youth Advisory Board Minutes from 02/25/2017. Motion was made by Chukuske, seconded by T. Peterson to approve the consent calendar. All voted in favor.

The Aquatic Center recommendations concerning family passes were discussed. M. Peterson indicated that the committee is recommending re-establishing the family pass with the fees for a resident family being $150.00 for a four member family with an additional $20.00 per person over and above up to 8 members. If there were more than 8 family members than the remaining family members would have to start over on a new family pass. The non-resident fees would be $170.00 for a four member family with an additional $20.00 per person with a max of 8 members as well. All other recommendations would stay the same. Mayor Ferrazzano indicated that he appreciates the work that the committee put into it as well as them coming up with a resolution that will hopefully work for most families. Motion was made by T. Peterson, seconded by Cooreman to accept the Aquatic Center Committee recommendation. Chukuske questioned that if someone else comes in and is not happy with this is the Board going to stick to their decision? Mayor Ferrazzano expressed in the future before policy decisions are made he would like to have access to the minutes to see what kind of discussion took place so as to make an educated decision. He also indicated that he feels it is important to support the committees and their recommendations as we do not want to undermine their work by constantly second guessing their recommendations. All voted in favor of the changes.

Motion was made by Tiegs, seconded by T. Peterson to adjourn the meeting.

City Administrator

Mayor

MAY 22, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 22, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, Pam Cooreman and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Madonna Peterson-City Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Homer Dobson gave the invocation.

Mayor Ferazzano asked for the approval of the minutes from the May 8, 2017 work session meeting as well as the May 8, 2017 regular meeting. Motion was made by T. Peterson, seconded by Tiegs to approve the minutes. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. T. Peterson requested adding 13F – Airport Hanger Rent and item 16A – Closed Session to discuss Alleged Misconduct of a Council Member. M. Peterson indicated that she would like to add 9C – Roger Bunker, 449 Morgan St sidewalk, 11C – Resolution 2017-32 – Approving Payment to Duininck, Inc for work completed on Wastewater Improvement, 13G – Phase II – WWP and 9D – Airport Fly In. Motion was made by T. Peterson, seconded by Tiegs to approve the agenda with the additions. All voted in favor.

Rosemary Martin addressed the council. She requested that there be a public comment portion added to all the subcommittee's agenda's. Mayor Ferrazzano thanked her for the suggestion.

Sis Beierman addressed the council. She indicated that she had requested at the last Council meeting to have the patio off of the Liquor Store open for public use. That has been done and she would like to thank the Council for honoring her request.

M. Peterson requested approval to hold a public hearing to adopt a fee schedule. Motion was made by Chukuske, seconded by T. Peterson to hold the public hearing at the June 12, 2017 council meeting at 6:45 p.m. All voted in favor.

Paul Jurek with Bollig Engineering addressed the Council regarding the Airport Masterplan. He presented task order #5 and requests approval to continue to move forward. About a year ago they met with the FAA and held a workshop and from there they developed a task order for the Masterplan Scope of Services. The next step will be to get the Grant Application complete and to move forward with the two year study. This will allow for planning for the next twenty years and to development projects for the airport over that time frame. Another component of this would be to update the ALP which has changes due to the new ponds. T. Peterson questioned if this is still eligible for the matching funds? Jurek indicated that it is and that the funding would be 90% FAA which is roughly $360,000.00 and the City's obligation would be $25,000.00. T. Peterson also questioned if they would be required to do another wildlife study as one was just done? Jurek indicated that the one they just did was done thru USDA and they need to have an outside study done. Also, it will not be done for another year and the one that was just done will likely be outdated. T. Peterson stated he just does not want to duplicate efforts. He also indicated that he would be willing to service on the Advisory Board if the Mayor would be agreeable to that. Mayor Ferrazzano appointed T. Peterson to that Advisory Board. Motion was made by Cooreman, seconded by T. Peterson to approve Bollig Engineering to continue with the Masterplan. All voted in favor.

A Public Hearing to remove dollar amounts from the ordinances to establish a fee schedule was called to order. M. Peterson stated that our current ordinances have a specific dollar amount attached to them and in order to proceed with passing an annual fee schedule these dollar figures need to be removed and replaced with verbiage. There were no public comments and it was referred back to the Council. Motion was made by T. Peterson, seconded by Chukuske to approve the amended ordinances as written. All voted in favor.

Mayor Ferrazzano addressed the sidewalk issue with Roger Bunker located at 449 Morgan Street. The consensus of the council is for the city to revert the property back to the way it appeared pre-construction. Motion was made by Chukuske, seconded by Cooreman to authorize Daniels to take care of it. All voted in favor.

M. Peterson stated that she had been contacted by Ed Engels indicating that he would like to reserve 17 camp sites for June 2, 3 and 4th. M. Peterson stated that there are only 12 sites and 8 of the 12 are currently rented for the entire season by construction workers. There are two sites on the north side that are available and then there are 2 sites that are in the construction zone. Daniels thought he could get those sites ready by that weekend by re-establishing the gravel pad. M. Peterson suggested possibly putting them by the airport. It was also discussed squeezing them in various areas of the campground. Daniels is to do what he can to accommodate him.

A rate study & special assessment policy from ABDO Eick & Meyers was presented. M. Peterson indicated that the way the agreement is structured is that they are including the Special Assessment Policy recommendation as part of the utility rate study. If they were only to do the Special Assessment Policy revision recommendation the investment by the City would be roughly $1,600.00. If the City decides not to do the Special Assessment Policy revision recommendation the investment for the Utility Rate Study would remain the same as outlined in the proposal. Chukuske questioned if this is to determine how much the City would like to increase their water and sewer? M. Peterson indicated that it is a rate study specifically for not only the past but also the present and future. It was also indicated that this is the same firm that does our audit's and would already have the information. Chukuske questioned if this is something that could be done in house? T. Peterson indicated that we would not be able to project like the firm could. He also indicated that the main thing is that the council stay proactive and not reactive. M. Peterson indicated that this has been brought to the Council's attention numerous times in the past with no action taken so the past would be very difficult to figure out. Daniels and M. Peterson also pointed out that the DNR told the City that they were supposed to be in compliance in 2013 and it was extended to 2015 and we are still not in compliance and that is where the rate study would come in handy. T. Peterson pointed out that if they keep an eye on it and start out conservatively they would have the three tier system broke down and would make the DNR happy. He also indicated that he would like her to bring a proposal back to the next meeting which would give them a starting point. M. Peterson stated that it was done 2 years ago and it could be pulled out and looked at. M. Peterson stated that her and Daniels would like to see a rate rather than having it based on users. She would like to have a size for the actual meter and a tier for the actual gallons used. Chukuske indicated that he would like M. Peterson to come back with a recommendation. M. Peterson stated what she is not confident that it will be enough to cover bond payments etc. T. Peterson stated that there will be roughly 10 months where the City can implement it and look at it so they know where they have to be in order to cover the payments. M. Peterson indicated that she would like to go with the proposal as this is their expertise and it would be done right. T. Peterson pointed out that when the audit is done they should be able to give some direction at that time. Mayor Ferrazzano agreed that he would like to see M. Peterson come back with a recommendation at the next meeting.

The size of the Charter Commission was discussed. Unless the Council would like to change the Charter they will have to appoint two more members to the Commission. Mayor Ferrazzano recommended putting this back on the agenda for the June 12, 2017 meeting.

Resolution 2017-30-Authorizing un-budgeted money to be spent for a new server was presented. Motion was made by T. Peterson, seconded by Cooreman to approve the resolution. All voted in favor.

Resolution 2017-31-Adopting Ordinance changes removing dollar amounts to establish a fee schedule was presented. Motion made by Tiegs, seconded by Chukuske to approve the resolution. All voted in favor.

Resolution 2017-32-Approving payment to Duininck, Inc for work completed on the wastewater improvement in the amount of $302,863.37. Motion made by T. Peterson, seconded by Chukuske to approve the resolution contingent on obtaining the proper signatures. All voted in favor.

The consent calendar consisted of Municipal accounts payable and accounts receivable, Department Head reports, approval of Planning Commission Minutes from April 3, 2017 and MPC Minutes from April 17, 2017. Motion was made by T. Peterson, seconded by Cooreman to approve the consent calendar. All voted in favor.

M. Peterson gave an update on the Spring Cleanup. It was held on May 20 and the preliminary figures are showing that they had 232 paid for items for a revenue of around $1,500.00 which will be used to offset expenditures. She does not know as of yet what the expenditures will be but she does know that the dumpsters were $500 each. Daniels took a load of tires which came to $160 and they are still waiting for the bill for the appliances. M. Peterson thanked the volunteers as it would not have been possible without them. Mayor Ferrazzano also thanked the volunteers and indicated that the organization of the event was flawless and feels that it should be implemented several times a year if possible.

There were several questions asked during the May 8th meeting during the public comments section that needed to be followed up on. The first question was in regards to the liquor store patio being opened to the public during the day as well as where the patio furniture is and why it is not out. The patio attached to the Liquor Store is now open for public use during the day and the furniture is out. The furniture has always been housed at the Liquor Store. There has been signs made and placed throughout the City so people are aware they can use it. The second question was regarding turning the alleyway between the original bakery and the old Enderson building into a grass area. There was a concern as to why that would be done when both buildings either need to be brought to code or torn down. M. Peterson indicated that the "perception" of the current paved area between the buildings if often thought to be an alley that can be driven thru to the road. Both the Planning Commission and the City Council have discussed this area and concur if the area is turned green, the "perception" of driving on it could be eliminated. The City Council has already approved installation of a sidewalk with grass on both sides of it to be budgeted for in 2018. No further action was taken on this.

The pot holes at the corner of State Street and Center Street were discussed. Daniels stated that he had talked with Andy Boyle from ISG and they are thinking that they should possibly put a flat concrete gutter thru there. This would likely require some asphalt work to make it slope correctly. The other option would be to put a catch space in there, however the only outlet for it would be across the road by the triangle flower garden area. Tiegs questioned if there was a flat cement gutter in there how big of a dip would that create? Daniels indicated that it would be similar to what was done on 4th Street. Chukuske pointed out that there is a stop sign there which would require people to stop before they would hit the dip anyway. If they could get the water moving it would eliminate the pot holes. Daniels indicated that they would continue doing what they can until it can be addressed.

Daniels gave a follow up on the sump pump violations. He indicated that he had held a meeting on May 15th for the people that were affected by it. He felt that the meeting went well and that people now have a better understanding as to what the issues are and how to correct them. Chukuske discussed how property owners purchased the property not knowing of the violation and how certain cities grandfathered these properties in. One of the reasons the City doesn't is because they have a different wastewater treatment facilities.

There was a follow up on the nuisance ordinance violations that Chief Lichty has handed out. M. Peterson stated that there was 55 residential properties that he has sited that he will be following up on the first of the month. He has also notified 30 businesses that he will be giving them one month to clean things up before a fine will be issued. M. Peterson stated that the nuisance committee met last week and they asked Chief Lichty if there was anything they could do to help and he indicated that he feels that he has it under control at this time other than asking for full council support.

Warren Riddel addressed the Council regarding his airport hanger rent. He indicated that there is a mud hole in front of the hanger he is renting. He stated that he has been dealing with it for atleast two years and has not had much for access. He does not fly everyday but when he wants to he would like to be able to and there has been a good share of the time that he cannot as a

result of the mud hole. He is requesting to have his rent reduced to storage rent for a year which is roughly half. He has been on that side since 1970 off and on and this situation has never changed. M. Peterson questioned Daniels if he had heard back from the gentleman that is using the hanger for storage to swap hangers? Daniels stated that the renter has indicated that he is lining up a new plane to put in there and wanted to secure that site. The only other spot that they have available is the one that the City has items in which is not any dryer than the one Riddell currently has. Paving it was discussed, however there is no base there to put it on. M. Peterson stated that they do not allow storage so if the gentleman does not have a plane it should not be allowed. T. Peterson suggested that they reduce the rent until the problem is fixed. Riddell would be in agreement with that as he would like to stay where he is at. He would be willing to go to the other side until it is fixed but will not complain about staying where he is at until it is fixed if he can pay storage rent vs hanger rent. Motion was made by Chukuske, seconded by T. Peterson to reduce the rent to 50% of what he is now paying for one year and work on getting the issue fixed. Riddell requested having it start the 1st of June, 2017. Chukuske made a motion, seconded by T. Peterson to amend his motion to have it start June 1st, 2017. All voted in favor.

The hanger being used for storage only was discussed. Daniels indicated that he had done a survey to verify who does and does not have a plane out there. Chukuske stated that his understanding was that they were not going to allow it to be used for storage. Mayor Ferrazzano pointed out that someone "lining up a plane" could go on for a long period of time and feels that they should be told that if there is not a plane in 30 days they would have to vacate. Cooreman question Riddell if that hanger then became available would he like to move into that one? Riddell stated if it became available he would be willing to move into it, however when the improvements are done to the one he is currently in he would prefer to move back into it. Motion was made by T. Peterson, seconded by Cooreman for Daniels to contact the person about the storage and give him 30 days to get a plane registered there. All voted in favor.

Chris Larson and Andy Boyle from ISG gave an update on Phase III of the Wastewater Plan. They gave a slideshow presentation which identified what the current wastewater issues are. They included leaking Wastewater Treatment Ponds, Undersized Wastewater treatment ponds, Sanitary bypass structures, trunk sanitary sewers aligned through private property without an easement, significant inflow & infiltration, structural deficiencies which could cause collapses & blockages, shared & rogue services and missing sanitary mains. The Water system issues included undersized mains, frequent breaks, dead-end mains, under-valved, shared & rogue services and missing mains. The Storm Water System issues include undersized mains, failing intakes and pipes, missing catch-basins and minimal storm water retention facilities. The Phase I Improvements includes currently under construction, sanitary improvements, watermain improvements, storm water improvements and roadway improvements. The Phase 2 improvements include Discharge Permit which is expected to be issued by MPCA in early June, Final plans & specs comments from funding agency and regulatory agency being addressed and providing new stabilization pond system of adequate size. Remaining System Issues are Sanitary Systems which includes inflow and infiltration, structural deficiencies, shared & rogue services and missing sanitary mains, Water System, Storm Water System and Street & sidewalk conditions. There was a lot of televising that was done last fall and finished this spring. The colors on the map presented indicates the sanitary structural condition. The red indicated bad, magenta was poor, orange is adequate, green is good and purple is unknown. The purple means that the televising contractor could not access the whole main. This could be due to it being in poor condition, however it could have been protruding serve taps or things that obstructed them from getting in there. There was also a map of Sanitary Maintenance needs which would be mains that Daniels needs to flush multiple times a year and need attention due to their condition. The next map was addressing Watermain's that are in poor condition and have frequent breaks. The last two maps addressed Watermain's that are undersized (less than 6") and Watermain's undersized or failing. The proposed improvements for Phase III are primarily governed by sanitary system needs, Storm sewer, water system, street improvements, new water & sanitary mains proposed where missing, entire street section to be replaced and underdrain with sump drain services. Several more maps were presented including Sanitary Lining potential and potential reconstruction area. These were broken out into sub phases based on what portion of the City you would like torn up during a particular summer. The funding eligibility was discussed. USDA Rural Development establishes the maximum affordability for each

community. This is equal to 1.5% of the median household income which pertains to the monthly utility rates for sewer and water. You would take the total number of equivalent domestic units to establish an average per month rate which comes to $51.00 per month each for sewer and water. The grant eligibility begins above that amount. Storm sewer is loan only and will likely be tied to the water costs for Phase III. Being there is not a regular utility bill for storm sewer they wrap that into either sanitary or water. From there they calculated the loan and grant eligibility. The maximum RD grant amount is 75% of the projected cost, however in practice there is usually not that much money there so they try to spread it out amongst all of the different communities. It usually ends up being about 30% of the total project cost. Additional grants could come from state sources if available. Surface restoration of each utility trench is something that gets debated with Rural Development on every project because they only consider 10 foot centered over a utility trench to be eligible regardless of how deep or big the pipe is. If surface restoration exceeds 75% of payment width then 100% of the pavement becomes eligible. Projected costs were given based on location and color coordination. The initial opinion of probable cost are as follows: Total Project Cost $35M, Sanitary Eligible $15M which consists of Maximum Loan Affordability of $5.4M and Grant Potential $9.6M. The Storm Eligible $1.1M, Water Eligible $9.5M which consists of Maximum Affordability of $7.2M after subtracting storm sewer costs and Grant Potential of $2.3m, and Ineligible Improvements of $8.6M. The Cost Saving Opportunities include in some area's replacing only RD-eligible portions of the surface except for 8th Street as most of the streets within the potential project area are in need of improvement. Also narrowing streets where feasible which would save about $1,000/block per foot of width which would have more long-term benefit. The last thing would be closing streets and restoring it to greenway with a utility easement. Some discussion points were discussed. In regards to prioritizing, pipe lining is the least invasive and least costly on a per-foot basis compared to pipe replacement and surface restoration. The phases would be consolidated geographically downstream to upstream. Smaller phases price fewer contractors out of bidding as they can only bond for so much. Because of this the larger phases prevent contractors with insufficient resources from bidding. The next step would be to submit the PER to USDA-RD, apply for PFA funding lists for the additional grant eligibility and discuss the desired scope and/or phasing of the project. There was discussion regarding the construction at 701 4th Street East. They are estimating the cost to be between $45,000 to $50,000 and if it would be better to do it later. T. Peterson questioned if the road base from Hollett back towards the hospital will be built back up to the South of if? Larson stated that Rural Development was to replace it in-kind. The reason for this was due to the x-ray vans tearing the street up. Larson pointed out that long term it would have to be done either way. Larson also reminded the public that if they are on the project that they should sign up for the newsletter to get updates.

Motion was made by T. Peterson, seconded by Tiegs to close the meeting to discuss alleged misconduct of a council member. All voted in favor.

ATTEST:

City Administrator

Mayor

JUNE 12, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 12, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, Pam Cooreman and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Madonna Peterson-City Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Invocation was given by Edsel Miller.

Mayor Ferazzano asked for the approval of the minutes from the May 22, 2017 work session meeting as well as the May 22, 2017 regular meeting. Motion was made by Tiegs, seconded by Cooreman to approve the minutes. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. M. Peterson requested to add Matt Knakmuhs to 9D1a, 9G-Petition for local Impr-Agreement of Assessments & Waiver of Irregularity and Appeal-Hospice House, 9H-Phase III Infrastructure, 9I-Closed Session to discuss the EDA Contract with Marshall Chamber of Commerce and 11F-Resolution for Change order #3. Chukuske added 13E- update on the Liquor Store surplus items. Daniels asked to correct 9A to read storm sewer vs water line. Motion was made by Chukuske, seconded by T. Peterson to approve the agenda with the additions and changes. All voted in favor.

Rick Johnson addressed the council in regards to the Storm Sewer line relocation. He stated that he lives on 701 4th St E and that he and his wife moved to town in 2010. He stated that when the house was initially purchased it was his hope to add on a garage. In 2012 he pulled a permit to put the garage on and was notified the night before he was schedule to dig footings that he could not due to the Storm Sewer running right where the footings were to be placed. In 2013 or 2014 the City started talking about the infrastructure and within the discussion they talked about removing things off of peoples property and right of ways. He assumed that the sewer project would include removing the storm sewer from his property. He found out recently that that was not the case. If he could get the pipe re-routed he would be able to fit a garage onto his property. If it is not re-routed the only way to do it would be to have the driveway take up the entire remaining part of his property which would not work. He is hoping that the contractor can re-work the project to include the removal of the storm sewer so he is able to add his garage on. He indicated that they have put a lot of work into their house and would like to stay there, however they will not stay there if they are not able to add a garage. He pointed out that it would be a good time to do it as things are currently being torn up. Mayor Ferrazzano indicated that the cost estimate they received to relocated it is roughly $60,000 less $5,000 for the catch basin. Johnson acknowledged that when the property was purchased he was unaware of the easement and the location of the storm sewer. Had he know he would not have considered purchasing that property. M. Peterson stated that the previous owner had granted an easement to the City for the Storm Sewer line and the easement does go with the property. T. Peterson questioned Larson what the procedure would be to secure the easement from the adjoining property owners? Larson indicated that it would depend upon if the property owner is willing to do it or not. If they are willing it may only take a couple weeks. If they are not agreeable the timeline would be unknown. Johnson stated that he has not talked to the neighbor regarding this issue yet. His intention was to wait and see what transpired at the meeting tonight. He would be willing to purchase some of that lot where the easement would be if necessary. T. Peterson stated that if Johnson is willing to do the leg work on securing the easement that would be a good starting point. Johnson again stated that he assumed this issue was being addressed as the City was aware of the issue. Larson advised that early on, before they knew the pipe was in good condition with the exception of the catch basin, they were assuming it would need to be replaced and at that time they could have changed the alignment upstream. With the pipe being in good condition it was not in need of replacement and was not included in the project. T. Peterson questioned Larson if Johnson were able to secure the easement when would be the time to stub it in if the rest of the work is done privately? Larson stated it would have to be put in soon. The size of the pipe being a 48" was discussed. Johnson stated that he would like to put a 30' garage on and would not want to do it any shorter than that because if he goes shorter he would have to tear out a good amount of landscaping and trees which would cost about $20,000 to

replace. Mayor Ferrazzano indicated that the concern is expending tax payer money on someone's private property and there would be a precedence set if the Council authorized it. He suggested that Johnson discuss it with his neighbor to see about getting an easement from them and meet back at the next council meeting to see where they are at. Johnson indicated that he would reach out to his neighbor.

A Public Hearing to adopt a fee schedule was called to order. M. Peterson advised that they have been working on the fee schedule since January. The purpose of the public hearing is to hear any objections to the dollar figures attached. There was no public comments and it was referred back to the Council. T. Peterson questioned if there are specific fees that were not previously addressed in an ordinance? M. Peterson indicated that there are. T. Peterson stated he would like to see those identified and the thought process behind it before it is approved. He also indicated that he views the fees as a tax and wants to fully understand the reasoning for each of them. He questioned the repetition and it was explained that it was done on a department basis so there were things listed multiple times. M. Peterson did point out that the more fees we charge for the services provided the less tax that will have to be levied. Chukuske stated that no one is opposed to this as the City does need to increase their fees. The size of the schedule was discussed. M. Peterson is to go thru it and highlight the new items and present it again at the June 26th, 2017 meeting.

Motion was made by T. Peterson, seconded by Chukuske to approve the on/off sale 3.5% Malt Liquor Licenses once all fees are paid as follows:

Casey's General Store – Off Sale 3.2% Malt Liquor
Tracy Lanes – On Sale 3.2% Malt Liquor
Tracy Eagles – Off Sale 3.2% Malt Liquor

All voted in favor.

The Loan agreement for the Masonic Building demolition was presented. T. Peterson questioned Daniels if we have the permit site yet? Daniels indicated that it has been signed by the City, County and the operator and the State currently has it. He is hoping by the next council meeting they will be able to issue a notice to proceed. Motion was made by T. Peterson, seconded by Chukuske to enter into the loan agreement for the Masonic Building demolition. All voted in favor.

Motion was made by Chukuske, seconded by Cooreman to accept Sarah Willhite's resignation from the EDA, Library and Planning Commission Boards. All voted in favor.

There were five application's for the EDA opening as a result of Whillhite's resignation. Mayor Ferrazzano indicated that they should be referred back to the respective board for them to interview and give their recommendation to the Mayor.

The pigeon issue in the downtown buildings was discussed. Motion was made by Chukuske, seconded by Tiegs to have the Chief of Police coordinate with the Administrator to set up a fall pigeon shoot between now and October. T. Peterson questioned if it should be done prior to Labor Day? Chukuske amended his motion, seconded by Tiegs to have it done prior to Box Car Day weekend. All voted in favor.

Chris Larson from I & S addressed the Council regarding change orders to Phase I Infrastructure Improvements with Duininck, Inc. The first one is to eliminate a block of sanitary due to the direction and people re-routing their private services. The seconded one was a spot repair that they decided to eliminate as it will be more cost effective to be addressed as part of Phase III and the third was a to add cleanouts to the sanitary service stubs and adding a new man hole and sanitary main stub for future Phase III connection to serve some other area's of town. There are three change orders – one is a net reduction of approximately $35,000 and the other two were an increase of approximately $6,000.00 each. Resolutions will be approved in the Resolution section of the agenda.

Tara Onken had prepared a memo regarding a Petition for Local Improvement of Assessments and Waiver of Irregularity and Appeal. M. Peterson stated that Hospice had initially requested changing the extension from 50' to a 75' with a cap of $90,000 which was discussed at a previous Council meeting. The Hospice Board did not feel comfortable with a cap of $90,000 so they decided to stay with the 50' extension with a cap of $60,000.00. This is the reason for this current request and why it is being addressed again. Motion was made by T. Peterson, seconded Chukuske to approve the Petition. All voted in favor.

Chris Larson gave an update on Phase III infrastructure/Wastewater Project. He indicated that they would like to hold a work session to discuss options. It was questioned if they could do it at 5:00 prior to the Council meeting on June 26th, 2017. Subsequent dates can be set as they go. Larson also stated that they could then get it submitted to Rural Development and amend later if need be. M. Peterson questioned if it would hurt us if they put it into Rural Development if there was money for FPA? Larson indicated it would not. T. Peterson questioned the time line. Larson stated that there was not many issues with Phase I, it was just that they were tied together for so long. T. Peterson stated that we will have a pretty heavy debt the next seven to ten years and is concerned how that would affect the City. He is concerned with the financing and now that they know how they will be getting it out to the ponds it would be nice if they could get some of the side streets repaired. Larson stated that that is definitely something they would want to talk about as the City would not want to put too much money into fixing the street knowing that the sanitary is on the hit list. Mayor Ferrazzano thanked Larson for the update.

Mayor Ferrazzano requested a closed session to discuss the EDA Contract that is due in September, 2017. Motion was made by Chukuske, seconded by T. Peterson to hold a closed meetings after the regular council meeting is concluded. All voted in favor.

Resolution 2017-33-Adoption of Lyon County All-Hazard Mitigation Plan was presented. M. Peterson indicated that this had been presented by Chief Lichty awhile back. Motion was made by T. Peterson, seconded by Chukuske to approve Resolution 2017-33. All voted in favor.

Resolution 2017-34-Adoption of the Fee Schedule was presented. This resolution was tabled until the June 26, 2017 meeting.

Resolution 2017-35-Approve School Zone and Authorize speed limit change by St. Mary's. Motion was made by Chukuske, seconded by Cooreman to approve Resolution 2017-35. All voted in favor.

Resolution 2017-36-Approve Change Order for Phase 1 Infrastructure Improvement to decrease the contract by $35,005.95. Motion made by T. Peterson, seconded by Tiegs to approve Resolution 2017-36. All voted in favor.

Resolution 2017-37-Approve Change Order for Phase I Infrastructure Improvement to increase the contract by $6,020.00. Motion made by Tiegs, seconded by Cooreman to approve Resolution 2017-37. All voted in favor.

Resolution 2017-38-Approve Change Order for Phase I Infrastructure Improvement to increase the contract by $6,126.40. Motion made by Tiegs, seconded by Coorman to approve Resolution 2017-38. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Tracy Relief Association minutes from 5/1/2017, Planning Commission minutes from 5/1/2017 and the Library Board minutes from 5/4/2017. Motion was made by Chukuske, seconded by Tiegs to approve the consent calendar. All voted in favor.

The Utility Rate Study was discussed. M. Peterson indicated that she would like the Council to re-visit this and the importance of the financials of the City of Tracy. She does not feel that she has the time it will take to dedicated to this project. T. Peterson suggested having the Department Heads put in the numbers as something needs to be done. He pointed out that if they do this, when the auditing is done next year the firm should be able to tell us where we are at. At that point, if need be, it could be put in the budget to have the study done. T. Peterson

stated there was a motion that was previously passed years ago and they did it annually for a couple of years and it got swept under the rug. M. Peterson indicated that there was a motion, however it never passed. She indicated that this is to be looked at annually in July per the City Charter. T. Peterson stated that we are talking about 1% of the levy by outsourcing the study and they need to get on it and making progress towards it as that is the Council's job. He indicated that he is not 100% opposed to having the study done however if something could be implemented now so they have a track record to look at the firm could guide us from there. Chukuske agreed that they should not spend $16,000.00 if it could be done in house and see where we are at a year from now. T. Peterson stated they would have to do the the three tier and get that satisfaction done with the state first and move forward from there. Mayor Ferrazzano indicated that if he is hearing the Administrator correctly she does not have the time to devote to it, and to him that speaks volumes. He understands the reluctance due to the price tag, however because it has been neglected for so long having an outside firm do it would be a positive. That way people cannot claim that the Council is just picking rates out of the air. Chukuske questioned if the firm already has our numbers why would we have to pay them to do the work again? T. Peterson stated that this would be a projection. Chukuske feels that they should be able to give a recommendation as they already have our numbers. M. Peterson stated that they are auditing the numbers that the City provides them. They do not have the detailed rate information that they would need to project it. She stated that she does understand the concern, however she pointed out that the City pays someone else to change the oil in the City vehicles, why would we not pay someone to help project a rate study that will help determine the future financial health of the City? Mayor Ferrazzano advised that he does feel that they should have an outside source do the study so people don't view what the City is doing as arbitrary. What he suggested was for the Administrator to contact the firm to see if they could do anything about lowering the cost if the City were to provide them with certain aspects of the study or assist in it. M. Peterson did indicate that the firm has offered to allow the City to pay for it in installments. T. Peterson also indicated that the firm should be asked if the previous track record would be beneficial and if they could project anything from that. M. Peterson is to report back at the June 26, 2017 Council meeting.

At the previous Council meeting a member of the public asked that there be a Public Comment period added to all sub-committee agenda's. M. Peterson indicated that Campbell has contacted the EDA and the Library Boards to have that added to their agenda's and has added it to the agenda's that she prepares.

The Charter Commission appointments for two open spots were discussed. M. Peterson is to contact the applicants and set up a time to meet with Mayor Ferrazzano for interviews.

The surplus items at the Liquor Store were discussed. Chukuske questioned if there has been a decision as to how that will be handled? M. Peterson indicated that she has not been provided with a list as of yet. Chukuske asked for that to be placed on the June 26th meeting.

There was discussion regarding the airport hanger rent that was decreased for Mr. Riddel at the last council meeting. M. Peterson stated that he has been in to pay his rent for June 1, 2017 thru May 31, 2018 at the reduced rate. He also presented a check for the period of January 1, 2017 thru March 31, 2017 which was also at the reduced rate. M. Peterson asked for council approval to accept the check for January, 2017 thru March, 2017 at the reduced rate as that was not authorized at the previous meeting. Motion was made by T. Peterson, seconded by Chukuske to accept his check at the reduced rate for the period of January 1, 2017 thru March 31, 2017. All voted in favor.

David Algyer addressed the council regarding the airport hangers. He stated that he came to City Hall the Friday before Memorial Day at which time M. Peterson wasgone. He indicated that Christa Vandendriessche Marten told him the hangers were all full. He asked M. Peterson if they could write the person that has the hanger he would like and was told they could not. He received a letter from M. Peterson indicating that Hanger #4 is being used for storage. He also requested that the humvee be removed from #4 stating that if you are going to vacate someone from another hanger that is being used for storage that the City should follow suit. He is proposing two options – the first is to clean out #5 by tomorrow or let him in the new hanger #4 until it is resolved. Algyer also stated that MnDot has a new program called Forced Account

allowing small Cities that do the work to get paid back 100% for the labor and materials. He also requested that there be money put in the budget to allow someone to attend the symposium each year with MnDot and FAA. He indicated that he has purchased an airplane and would be bringing a business to town for flight instruction and is in need of a place to store his airplane. Due to the size with a wide tail it will not fit in a regular size hanger. Chukuske indicated that he would like to do what they can to accommodate Algyer and questioned if we have a hanger available? Algyer indicated that there would be in #4 if the items in there could be moved into #5. M. Peterson stated that #4 is rented to an individual and they cannot just get rid of that person to move Algyer in. The big hanger is currently being rented to two different people. M. Peterson indicated that there is not room for a third plane in the big hanger. Chukuske indicated that as of right now there is currently only one plane in that hanger and has only been one for some time now. M. Peterson advised that two people are currently paying for it and have been since 2007. T. Peterson questioned if both planes are physically in the hanger as of today and if not will they be within 30 days? Daniels indicated that one is not currently in there as it is having its annual certification done and would likely be back in there within the next 30 days. M. Peterson also stated that hanger #5 would be cleaned out and she has offered it to Mr. Algyer. T. Peterson questioned if Algyer could house his plane in the big hanger until the current renter gets his plane back? M. Peterson stated that that would have to be an arrangement Algyer makes with the current renter not with the Council. Mayor Ferrazzano suggested referring this back to the Airport Commission and have them make a recommendation to the Council. Daniels advised the council that they do have another party on a waiting list as of today which would also need a larger hanger. Algyer questioned if he is being authorized to store his plane in the larger hanger until the current renter gets his plane back? M. Peterson stated that it is not up to the Council it would have to be between the current renter and Algyer. She also pointed out that the Council has voiced many times that they will support the decisions that the Department Heads make. There are two Department Heads present that have tried to get this worked out and have offered more than one hanger to Mr. Algyer, it just was not the one that he wanted. Chukuske indicated that there is a conflict of interest with one of the Department Heads. Mayor Ferrazzano again suggested having the Airport Commission figure it out and come back with a recommendation at the June 26th, 2017 meeting.

T. Peterson would like to acknowledge the good job that the Police Department did over the weekend regulating traffic thru Rowland and Morgan Street as there was a significant amount of standing water as a result of the heavy rain.

Motion was made by Cooreman, seconded by Tiegs to adjourn the meeting to hold a closed session regarding the EDA contract with the Marshall Chamber. All voted in favor.

ATTEST:

City Administrator

Mayor

JUNE 26, 2017

552
The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 26, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Madonna Peterson-City Administrator and Diane Campbell-Administrative Assistant. Member Absent: Pam Cooreman

Pledge of Allegiance was given to the flag.

Invocation was given by Peter Cha.

Mayor Ferrazzano asked for the approval of the minutes from the June 12, 2017 work session and the regular council meeting. Motion was made by Tiegs, seconded by T. Peterson to approve both sets of minutes. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. M. Peterson requested to add 9D-Cemetery Board appointment, 9E-Mary Ann Ankrum special vehicle permit, 11E-Resolution 2017-43-Approving payment to Duininck, Inc for work completed on Phase 1 for 2017 Infrastructure Improvements, 11F-Resolution 2017-44-Notice to Proceed for demolition of the Masonic Building, 12D-approval of Library minutes from special meeting held on 6/22/2017. Motion made by Chukuske, seconded by Tiegs to approve the agenda with the additions. All voted in favor.

David Algyer addressed the council during the public comments regarding Vangard coming for Box Car Days. They would like 30 gallons of fuel and $500.00 to do static displays and two fly overs which would consists of a four plane group. He indicated that the total cost would be around $650.00. Chukuske asked Algyer to explain what they do. Algyer indicated that they are an acrobatic team out of Sioux Falls. This would occur during the pancake breakfast. It was suggested to put this on the July 10, 2017 Agenda for further discussion. Algyer indicated that they would land and be present from 8:00 a.m. to 11:00 a.m. for the public to view.

Mayor Ferrazzano indicated that he would like to do the Department Head reports next.

Val Quist, Librarian gave an update on the Library. She indicated that they have 78 kids doing the reading challenge and good attendance at both events that were offered. They held a special meeting to interview Vicki Streifel for the Library Board opening and are recommending her for appointment.

Sandy Lau, Liquor Store manager gave an update on the Liquor Store. She indicated that the Liquor Store will be open Sunday, July 2nd, 2017 from 11:00 a.m. to 4:00 pm and Tuesday, July 4th, 2017 from 10:00 am to 3:00 pm and that she will be working those shifts. On Saturday, July 1, 2017 she will be providing samples during the day which has been advertised in both the newspaper and on the radio station.

Jason Lichty, Chief of Police gave an update on the Police Department. He indicated that the Pigeon shootout will take place before Box Car Days.

Daniels indicated that they will be spraying for mosquitos every other week for the month of July. He will have it advertised again to keep the public informed.

Mayor Ferrazzano requested to hold a closed meeting for a quarterly Council/Administrator work review at the end of the meeting.

The Chamber of Commerce has requested the Council to waive the VMC rental fee for their Taco Bar fundraiser. Motion was made by T. Peterson, seconded by Chukuske to waive the rental fee. All voted in favor.

Dennis Fultz, Chairman of the EDA Board addressed the Council in regards to the EDA contract the City has with Marshall Chamber of Commerce. He indicated that the EDA Board is recommending Tom Morin replace Sarah Willhite on the EDA Board. He also stated that at the last council meeting the Council had requested the EDA Board to examine the effectiveness of the current contract with the Marshall Chamber of Commerce and report back with their recommendations. The Council had also suggested that the EDA Board look at terminating the contract as of August 1st, 2017. Fultz indicated that the request caught the EDA Board by surprise, however they did have a good discussion regarding it. Ultimately the recommendation is to continue with the current contract thru November 1, 2017 at the earliest. This would allow time for the EDA to look at how things are working and come up with suggestions as to how to handle this in a different way. The discussion points that they had at the EDA Board meeting were that they did not want to just terminate the contract and leave the City in a void with no EDA director leadership at all. Currently they have some potential businesses coming to town and would hate to lose those as a result. Onken has established a good working relationship with three businesses that are from out of town and things are moving forward. This may not be at the speed that the Board wishes it was but at the speed that they internally have for themselves. The last thing that the Board wants to see is to have those relationships severed. The thing that makes business development difficult in a public body like this is that many of the discussions that take place with these businesses are that they would like to keep it confidential. This confidentiality is highly critical to the success of bringing these businesses to town. The EDA Board intention is to hold a working session on Thursday, June 29, 2017 at 5:00 pm to brainstorm ways of doing the EDA directorship in a different manner. Fultz stated that the agenda packet included a 5 year plan and he would like to touch on a few highlights. The EDA Board is intensely involved with the first 6 items and working them thru to a successful conclusion. They include: Convenience store/additional, Pharmaceutical/Retail, Lighting company warehouse/office, Existing business expansion to vacant building, "Personal Best" building – work to secure redevelopment and future tenant and Hospice House – street improvements and construction commencement. The seventh item on the list is dealing with True Shrimp. True Shrimp is a company based out of Balaton and Marshall that are creating a whole new industry of raising shrimp. This has never been done before and Knakmuhs have millions of dollars poured into this project. They will make sure that this project succeeds at their pace and with their decisions. Fultz feels that Tracy has an excellent chance of being involved in the hatchery. Their public announcement was that one of the hatcheries will be placed in Marshall, however their intent is to have two hatcheries built quite close together. He does not feel that there is any reason that Tracy could not be the second site. This would generate approximately 20 jobs. He does not feel that Tracy would want the first one in as the Marshall location will learn a tremendous amount on the first one. The challenge to Tracy is to get ourselves ready to accommodate such a facility. All is not lost with regards to True Shrimp despite their recent announcements. He also mentioned the wind farm that will be going up West of Walnut Grove. This may have potential to bring revenues to Tracy also. Mayor Ferrazzano thanked Fultz for his comments and indicated that he would like Tracy to be at the table for some of these projects. Mayor Ferrazzano suggested honoring the request and continuing the contract until November. The Council agreed.

Mayor Ferrazzano appointed Sue Ann Moyars to the Cemetery Board. Motion was made by Tiegs, seconded by T. Peterson to approve the appointment. All voted in favor.

M. Peterson stated that the City offers special vehicle permits for people to be allowed to drive ATV's, Snowmobiles etc in the City limits. Mary Ann Ankrum has an ATV that she uses to do the flower gardens for the City of Tracy. Several years ago T. Peterson suggested that the annual fee for the special permit be waived as long as she is providing this service to the City. Motion was made by T. Peterson, seconded by Chukuske to waive this fee for Mary Ann Ankrum for as long as she volunteers her time to provide the City this service. All voted in favor.

Resolution 2017-39-JT Resolution with the City /Township of Monroe Annexation for the Compost Site was presented. Motion was made by T. Peterson, Seconded by Chukuske to approve Resolution 2017-39. All voted in favor.

Resolution 2017-40-Adoption of an Annual Fee Schedule for 2017 was presented. T. Peterson questioned the finance charges and if it should be increased. He also questioned if this is for late

utility payments? M. Peterson stated that it is not and that the utility bills have a 10% finance charge. This is currently the only finance fee that is charged. This would be a new fee for things such as hanger rent, special assessment certifications, mower etc. It was suggested increasing it to 10% as well. T. Peterson also questioned the Channel fees and suggested seeing how it goes and looking at it again in January. He also pointed out that there is an ordinance prohibiting adult businesses and wondered if we should have fee's regarding this. M. Peterson stated that she would pull them off of the fee schedule and will do some research as far as the ordinance removing it. The transfer and locate services at the cemetery was discussed. T. Peterson feels that the transfer of the lot recording fee is ok but the locate service should maybe be included in the price of the lot. He also feels that the perpetual care could be a little higher. M. Peterson advised that the perpetual care was increased from $185.00 to $200.00. The portable bar from the Liquor Store was discussed. With the On-sale closing the City no longer has a liquor license and would not be able to provide liquor for a portable bar. M. Peterson also pointed out that if she is going to go to businesses and offer samples that there should be a fee for that. T. Peterson mentioned that if the Council is trying to grow the community that the City should pay for annexation and variance fees. The property owners did not pay anything. The Variance's have never been recorded nor has the property owner ever paid for the legal fees. She stated that the city tax payers are paying for a private expenditure. T. Peterson expressed that these expenses will generate more tax revenue. M. Peterson questioned that at what point does the Council want to draw a line for personal property owner expenses that the City pays for? T. Peterson suggested bringing this issue to the Planning Commission Board for them to look at. Mayor Ferrazzano questioned what the expense consists of and why it is so high? M. Peterson indicated that most of it is legal fees which includes publishing, notifications, drafting of documents and legal description changes etc. The Council referred it back to the Planning Commission. Chukuske asked for clarification of a private event regarding the PD? The example given was if the VMC were rented for a wedding reception and there was a need to have an officer on duty. T. Peterson questioned the ROW inspection fees and it was indicated that it would be if the utility company put a deposit down due to digging into the asphalt and assuring it is left in the same condition it was found. T. Peterson questioned how it is determined how many amps are being used at Swift Lake Park. Daniels indicated it is determined by what pad they are using. Right now they are all 30's but there will eventually be 50's. The meter installation inspection fees were discussed and explained that if a structure is vacant for a certain period of time or during winter months it is required to do an inspection before a water meter can be installed. Exempting the snow birds was discussed and indicated that an inspection would not be required of them. The meter profiles were explained and why there needs to be a fee. Sump pump permits were discussed and if there should be a charge if it is not going into the sanitary sewer. Daniels indicated that it is to offset the extra treatment costs if it is being discharged into the sanitary sewer. Chukuske questioned how that would be monitored and Daniels indicated that they are in the process of compiling a list of who has the connection. Schultz inspects the sump pump every time he goes into a house and where it is discharging to. M. Peterson advised that they had hired someone in early 2000 to inspect everyone's basement to identify what kind of connection they had. From that there were several noted that had to apply for an annual permit to discharge into the sanitary sewer. That list was kept up for a couple years and then was shoved to the wayside. Chukuske voiced concerns that people will just run it into the street and will have an ice skating rink to deal with. Daniels indicated that that would fall under a second violation. It was discussed that if they are going to pass the fee schedule with a fee attached for it that the City needs to be charging for it. Chukuske indicated that he does not have a problem with the fee he just wants it to be done fairly. It was suggested to remove it until there can be an accurate list compiled. T. Peterson indicated that he feels that the fee for sewer hookup outside of city limits is too low. M. Peterson gave a recap of the requested changes which included: changing the finance charges on bills from 1.5% to 10%, the removal of adult orientated business license investigation fee, adult business orientated license comprehensive fee in and out of state. the removal of location services and have the fee built in, removal of the portable bar rent. The removal of annexation application, vacation of street or alley, easement application, the variance permit application, the special use permit, the non-conforming permit, the map amendment and the zoning and re-zoning to be referred to the Planning Commission. It was decided to have all of the Planning fee's reviewed by the Planning Commission. The sewer hookup outside city limits is to be changed to $2,500.00. Motion was made by Chukuske, seconded by Tiegs to approve Resolution #2017-40 with the above changes applied. All voted in favor.

Resolution 2017-41-Accepting a Petition for a Local Improvement by the Hospice House was presented. Motion was made by T. Peterson, seconded by Chukuske to approve Resolution 2017-41. All voted in favor.

Resolution 2017-42-Ordering a Feasibility Study to be done for 2017 Hospice House Infrastructure was presented. T. Peterson questioned if these costs would be passed on to Hospice House? M. Peterson indicated that that is how she understands it. Motion was made by T. Peterson, seconded by Tiegs to approve Resolution 2017-42. All voted in favor.

Resolution 2017-43-Approving Payment to Duininck, Inc for work completed on Phase 1 for 2017 Infrastructure Improvements was presented in the amount of $323,853.93. Motion was made by Chukuske, seconded by Tiegs to approve Resolution 2017-43. All voted in favor.

Resolution 2017-44-Authorize Notice to Proceed with Demolition of Masonic Building was presented. Motion was made by T. Peterson, seconded by Chukuske to approve Resolution 2017-44. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Department Head reports, MPC Minutes from 5/15/2017 and 5/30/2017 and Library minutes from 6/22/2017. T. Peterson questioned if the businesses are going to be sharing in the Greenhouse bill for the flowers that are hung in various locations throughout town? M. Petersons stated that Mr. Farber had informed her as to how it has been handled over previous years and she directed him to handle it as it has been handled in the past. She is uncertain if that included the businesses contributing or not. She does feel that what the City is paying for is the maintenance of the flowers and just a percentage of the flowers. T. Peterson pointed out that for the amount paid there are a lot of empty poles. M. Peterson stated that she does know that there were some businesses that declined to have flowers. Chukuske advised that as a downtown business owner in the past he had received an annual requested to contribute but he has not received one. He feels that the business owners should be asked to contribute. M. Peterson questioned if he contributed in the past to the City of Tracy or Greenwood Nursery. Chukuske did not recall. M. Peterson is to check with Farber to verify how it is handled. Motion was made by Chukuske, seconded by Tieges to approve the consent calendar. All voted in favor.

Mayor Ferrazzano appointed Tom Morin to the EDA Board to replace Sarah Willhite. Motion was made by Chukuske, seconded by Tiegs to accept the appointment. All voted in favor.

Mayor Ferrazzano appointed Ken Giles and Shirley Anderson to the Charter Commission. Motion was made by Chukuske, seconded by Tiegs to accept the appointment. All voted in favor.

Mayor Ferrazzano appointed Vicki Streifel to the Library Board at the Board's recommendation to replace Sarah Willhite. Motion made by T. Peterson, seconded by Tiegs to accept the appointment. All voted in favor.

The water main relocation for Rick and Jamey Johnson was discussed. Chukuske informed the Council that Johnson was unable to get permission from his neighbor to have it relocated on his property so the relocation will not happen. There does not seem to be any other options at this time.

Chief Lichty addressed the Council with an update on the upcoming pigeon shootout. He indicated that they do have a plan of action and that the shootout will take place prior to Box Car Days weekend. Other people interested in assisting with the pigeon issue was also discussed.

M. Peterson indicated that Alyger now has a hanger and has signed the rental agreement. She also advised that Daniels has sent a certified letter to the renter that does not have a tail number registered. He will have 30 days to respond. T. Peterson indicated that if it is aviation related that they should be on the West side and put the parasail etc on the East side. M. Peterson stated that they did have a short airport meeting to discuss if the board would like to change the design as far as how things are rented. The Airport Board members agreed to leave everything as is.

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Motion was made by T. Peterson, seconded by Tiegs to adjourn and hold a closed meeting for Council/Administrator work review. All voted in favor.

ATTEST:

City Administrator

Mayor

JULY 10, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 10, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, Pam Cooreman and Bill Chukuske. Also present were Madonna Peterson-City Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Invocation was given by Pastor Samuel Schmeling.

Mayor Ferrazzano asked for the approval of the minutes from the June 26, 2017 work session and the regular council meeting. Motion was made by T. Peterson, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the agenda. M. Peterson indicted that she would like to add 9C – Planning Commission recommendation-Variance Request from Mark Seager. Chukuske indicated that he would like to discuss the performance appraisal worksheet, the water rates and the special assessment process during the Mayor Council Communications. Motion was made by Cooreman, seconded by T. Peterson to approve the agenda with the additions. All voted in favor.

M. Peterson indicated that Chris Larson was put on the agenda to address Resolution 2017-48 and Resolution 2017-49 regarding the Hospice House. T. Peterson questioned if they have secured the permit from MPCA yet? M. Peterson indicated that Larson will not be in attendance, however Andy will be present shortly after 7:00 pm and that question could be asked of him. T. Peterson indicated that he does not want to get to deep until they know if they have secured the Permit.

T. Peterson indicated that the Planning Commission recommendation regarding the fees is to keep the permit fees and adding the $35.00 permit fees to the ones that did not have one. He also indicated that the Commission would like to see the person billed for actual cost verses a blanket fee that may exceed the actual cost.

M. Peterson indicated that the Planning Commission is recommending that the variance request from Mark Seager be approved. This variance request was for a 5' variance on the alley side which will allow him to place a new garage structure. T. Peterson indicated that the only public comments received were in favor of approving the variance. Motion was made by Cooreman, seconded by T. Peterson to approve the variance request. All voted in favor.

Resolution 2017-45-Appointment of members to the City Charter Commission was presented. This is for the appointment of Shirley Anderson and Ken Giles to the Charter Commission. Motion was made by Tiegs, seconded by T. Peterson to adopt Resolution 2017-45. All voted in favor.

Resolution 2017-46-Adoption of Annual Fee Schedule which included the changes that were approved at the June 24, 2017 meeting was presented. Motion was made by T. Peterson, seconded by Chukuske to adopt Resolution 2017-46. All voted in favor.

Resolution 2017-47-Granting Charter Communications a Franchise Extension. M. Peterson advised that everyone in the State is in the same boat as they have not renewed any Franchise agreements with anyone in the State of Minnesota. Motion was made by T. Peterson, seconded by Tiegs to adopt Resolution 2017-47. All voted in favor.

The consent calendar included the Municipal Accounts payable and the Planning Commission minutes from 6/5/2017. Motion was made by Chukuske, seconded by T. Peterson to approve the consent calendar. All voted in favor.

David Algyer had indicated during the June 26th, 2017 public comment period of the Council meeting that he would like the Council to consider having the Vanguards do a fly over during Box Car Day weekend. This is being referred back to the Airport Commission which will be meeting July 13th, 2017 to discuss it. T. Peterson indicated that they have already done some fund raising and collected money to cover expenses for this. Mayor Ferrazzano stated that the meeting is on Thursday and it will be decided at that time if it will or will not be approved. M. Peterson questioned who was on the contract. T. Peterson indicated that he was under the impression that they had talked to Mayor Ferrazzano about it. Mayor Ferrazzano indicated that he has not signed it. T. Peterson indicated that he had heard that there is a signed contract and Algyer has the money for it. Chukuske questioned if there would be any reason why they would not do it? M. Peterson stated that the airport commission as a whole decides what will and will not be offered that weekend which is why she is bringing it back to the airport commission for a decision. T. Peterson indicated that they usually hold their meeting in May to make decisions regarding Box Car Days and it is already the middle of July and they don't have any decision made yet. M. Peterson advised that she had talked to the Airport Commission members as well as Homer Dobson in great detail regarding the airport fly-in and this is something they do as a committee not as an individual person. M. Peterson thinks that this may need to be considered as a budget item. It was initially a fundraiser however the city is currently losing money on it. Chukuske advised that he is in support of the fly-in and will do what he can to assist with the fundraising. Cooreman questioned what they all pay for? M. Peterson indicated that they pay for all of it including liability insurance. The pancake breakfast was to raise money for the fly-in expense. She also pointed out that the City can accept donations but legally cannot fundraise for things. T. Peterson stated that the Eagles have donated money for fuel for several years so does not understand how it could be a loss. M. Peterson explained that historically it has been a loss and that previously they have not purchased liability insurance which put the City at risk. Chukuske questioned if they need to buy liability insurance for the carnival and it was indicated that the Chamber does that.

There was a follow up discussion regarding the bill from the Greenhouse for flowers. T. Peterson questioned what fund the expenditure comes out of? M. Peterson stated that it comes out of fund Street Other which is other maintenance. T. Peterson questioned if she could breakdown the pots verses the baskets? She indicated that the first year the cost was $65.00 per basket but has increased to $85.00 to maintain it. Chukuske indicated that as a business owner he was previously contacted to contribute which paid for the cost of the plant. Cooreman questioned the $85.00 to maintain it. It was indicated that that cost was for the whole season in addition to guaranteeing the plant and replacing it if need be. Chukuskes concern is why the businesses are no longer being solicited to cover the expense. He feels that this should be addressed next year prior to obtaining them and how they will solicit the funds for it. M. Peterson pointed out that the only thing the City is paying for is the maintenance with the exception of 4 hanging plants, all of the other plants are paid for by businesses. Chukuske questioned if they wanted to have an individual fundraise for it as the city cannot fundraise. Budgeting was discussed and if they want to look at specific items within the budget. Cooreman questioned why the Highway is not addressed and what would make people want to go downtown when the highway is being neglected? M. Peterson expressed that what she is getting from the Council is that they do not want the hanging baskets unless they can get money to pay for them from an outside source? Chukuske indicated that he agrees with Cooreman that the highway also needs to be addressed. M. Peterson advised that there were several years where the city workers tried to maintain the flowers but was not successful as they do not work on weekends so they were not watered for several days at a time and they died. That is the reason that the City picked up that expenditure. Chukuske acknowledged that Greenwood is doing a great job and provides a great product.

A performance appraisal sheet that has previously been used was discussed. Chukuske was under the understanding that they were going to utilize one when doing evaluations and feels that this needs to be done. The Council was in agreement with this as it is a good source of communication.

The water rates were discussed. Chukuske advised that there was a proposal to hire someone to compile this for us but it was decided to wait so we could put some ideas together and was wondering if anything had been done with that. M. Peterson indicated that she has not. T.

Peterson stated that it had been previously done and inquired if Votca's paper work had been located? M. Peterson indicated that she should be able to locate the power point presentation that he had done a couple years ago. T. Peterson indicated that it is a starting point as something needs to be done. M. Peterson indicated that Abdo Eick and Meyers as well as Jeff VanBuren from Rural Development would like to come and address the Council and explain why there needs to be a study done verses throwing numbers together. She also indicated that if the council would like a number thrown at it they should supply her with a number and she will apply it to the fee schedule. T. Peterson stated that nobody is just throwing numbers at it and that it needs to be broken down into a three tier system and they should be able to come up with a number and work it thru this year so they have something to look at. He also indicated that if he were a consulting firm he would try to sell his services over and over again as well. M. Peterson rephrased her statement and indicated that if they would like her to add numbers to the numbers that are out there she will do that if that is what the Council wishes her to do. T. Peterson state that they need to start somewhere and that is where he would like to start. Chukuske indicated that he would also like to start as they need to start increasing the rate. Mayor Ferrazzano pointed out at that time they could reach out to Abdo Eick and Meyers for them to come and explain why it is important to do a study. Chukuske stated that they know that all they are going to do is come and try sell their services. Mayor Ferrazzano feels that M. Peterson should reach out to them to come and do a presentation and would be willing to listen to what they have to say.

The hookup fees were discussed in regards to assessments. Chukuske stated that it is his understanding that when they went thru the issues they had regarding assessments last year that they need to come up with a way to assess a dollar amount to property owners and that they remainder would be spread out amongst the city, however this has not been talked about in detail yet. T. Peterson advised that they have appointed a committee to address this. He also indicated that he had questioned how much of the project will be done by bonding and what part requires assessments and what that dollar amount is but he has not received an answer to that yet. Chukuske asked where that answer should come from and was indicated that the engineering firm should be able to provide the answer to that. T. Peterson again indicated that he had asked the question but has not received an answer for it. Chukuske advised that the project is going on and they need to move forward with getting this resolved as he does not want to go thru a lawsuit again. He also pointed out that there are still citizens that are confused over the sump pump issue and how to get it resolved. The city needs to be proactive in educating these people and assist them in getting it corrected. It was acknowledge that there was a public meeting to address this previously and at that time most of the questions had been answered. Mayor Ferrazzano asked T. Peterson to reiterate the question he had posed to the Engineers concerning the fees. T. Peterson indicated that the question he had was what portion of the money that we have out in bonds requires a special assessment on it. The council had indicated that they were going to come up with a fair hookup fee. Chukuske stated that he feels that it is just being put off and it needs to be addressed sooner rather than later. M. Peterson stated that the proposal from Abdo, Eick and Meyers dated May 11, 2017 reads as follows: "AEM Financial Solutions, LLC is pleased to offer the City of Tracy a utility rate study as well as evaluating the existing special assessment policy. In 2014 the City updated their long term plan and their understanding is that their plan is again being updated in 2017. The update will include revisions to their existing plan and adding a payment management plan." M. Peterson stated that the proposal amount of $12,500 was not only for the utility rate study but they also thru in the evaluation of special assessment policy to answer the questions for you. M. Peterson stated that it is not like she is not doing anything with it. She also indicated that she does not have the ability to tell them the answers in regards to what part of the bond requires special assessments. Chukuske pointed out that he was not addressing the question to her he was addressing it to the Council. M. Peterson was just pointing out that she has been addressing it. Chukuske stated that he feels the Council has not addressed it as they should, not her. Mayor Ferrazzano reminded the Council that his position is to hire it done as M. Peterson has indicated that she does not feel comfortable doing it. M. Peterson stated that it is the same thing with the utility rates, she can propose something but that proposal would only be to add a certain dollar amount. However, she cannot tell them that that amount is going to be able to sustain the debt. Mayor Ferrazzano voiced a concern that if the committee met without an outside group that people may deem what they are doing as being arbitrary even though it may not be. T. Peterson indicated that once they get the bonding amount that it would be a good starting point. Mayor Ferrazzano indicated that

in two weeks they will hopefully have that dollar amount and they can decided if they want to go with an outside firm or if they feel comfortable enough to do it themselves. T. Peterson pointed out that as far as assessment they are the ultimate authority regardless of who recommends what. Mayor Ferrazzano questioned the Council if they feel comfortable enough to do the water rates without having an outside firm assist them in deciding what rates would be appropriate. T. Peterson indicated that he feels they could get enough information that they could look at during an audit and be able to tell if they are going in the right direction and if not then the Council could have them come in and fix it. Mayor Ferrazzano pointed out that the proposal was to address both issues. M. Peterson stated that the proposal just included the special assessment policy. She also indicated that there have been two cities that have passed a special assessment policy based on the same issues that they were dealing with last year. Marshall has also gone thru this and they are in the process of changing their special assessment policy as well. T. Peterson agreed that it is a complicated issue but as a Charter City they have a little more latitude than a statutory city does.

Andy Boyle joined the meeting. T. Peterson inquired if they have the MPCA Permit in hand for the annexation and improvement for the Hospice House? Boyle indicated that he was unsure and would have to pose that question to Larson. T. Peterson indicated that he does not feel comfortable approving the resolutions until they can verify that the permit has been secured. Boyle stated that he recalls that they were going to look into it and if they would be willing to grant it since it was in the works. M. Peterson thought that they had received a verbal commitment. T. Peterson again indicated that he is not comfortable until they have a permit in hand. He questioned Boyle what portion of the bonded amount on the current project requires a special assessment? Boyle indicated that he would have to check with Larson on that as well. Chukuske indicated that they really need the answers to these questions so they can decide if they will tackle it themselves or hire someone to do it for them. The Council agreed that they will decide in two weeks whether or not to hire an outside source or do it in house.

Motion was made by T. Peterson, seconded by Cooreman to table Resolution 2017-48-Receiving Feasibility Study and Resolution 2017-49-Ordering the infrastructure improvements and prep of plans and specs. All voted in favor.

Mayor Ferrazzano indicated that he had a citizen point out that at the corner of 4th and Morgan the traffic speed is high. He would like to see a four way stop at the corner of 4th and Harvey in an effort to slow the traffic down and was wondering what the process would be to accomplish that. T. Peterson felt that they would have to question the County Engineer. Mayor Ferrazzano indicated that his concern is that Harvey is a popular path to the park as well as the pool so there is a good amount of foot traffic. M. Peterson is to get in contact with the County Engineer.

Obtaining a speed limit digital sign that displays the vehicles speed was discussed. They would be interested in a portable one that can be placed at various locations at various times. Mayor Ferrazzano indicated that this should be questioned at the same time as the four way stop signs.

Motion was made by Chukuske, seconded by T. Peterson to adjourn the meeting. All voted in favor.

ATTEST:

City Administrator

Mayor

JULY 24, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 24, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tony Peterson, Pam Cooreman and Bill Chukuske. Also present were Madonna Peterson-City Administrator and Diane Campbell-Administrative Assistant. Member absent: Dave Tiegs.

Pledge of Allegiance was given to the flag.

Invocation was given by Samual Schmeling.

Mayor Ferrazzano asked for the approval of the minutes from the July 10, 2017 work session and the regular council meeting. Motion was made by Chukuske, seconded by T. Peterson to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the agenda. M. Peterson indicted that she would like to add 9F-Fire Relief Department-Application for Exempt Permit and 9G-National Night out-closure of Rowland St from Park Street to 2nd St. Motion was made by Cooreman, seconded by T. Peterson to approve the Agenda with the additions. All voted in favor.

Jeff Farber addressed the Council regarding the hanging plants in the downtown district. He explained the logic behind who pays for the hanging plants and what portion the city pays for. It was indicated that the maintenance portion that the city pays is due to the fact that the city workers do not work on weekends and the flowers were dying as a result of going the weekend without being water. Putting hanging flowers on the Highway was also discussed. The council agreed that it would be a good idea to expend the money to do this as it would leave a positive impression on people who pass thru. There are 24 light poles on Highway 14 on the south side and 1 light pole on the north side. Farber indicated that he would want some type of commitment from the Council prior to planning for that many extra plants. It was the consensus of the Council to include it in the 2018 budget.

Mayor Ferrazzano made a recommendation to appoint T. Peterson to the Airport Commission as an advisory member. Motion made by Chukuske, seconded by Cooreman to approve the appointment. All voted in favor.

Chris Larson with I&S addressed the Council in regards to the Feasibility study for the Hospice House Improvements. This would consist of a 50' extension to facilitate the development of the Hospice House. He advised the Council that the permit in question at the last meeting cannot be issued until the Infrastructure Improvements prep and specs are order. He did not feel that this will be an issue. T. Peterson voiced his concern with having the permit in hand before proceeding but trusts the guidance Larson is giving.

The Rural Service District Benefit Ratio certification was discussed. The City is required to certify to the County yearly by August 1. Previously the rate has been fixed at 30%. After discussions with the County Auditor/Treasurer's Office 30% is the standard rate for Lyon County and is consistent with the other Cities within the County that are similar in size. The Auditor/Treasurer's Office advised that the City does not increase the rate as it could open the City up for potential appeals. M. Peterson recommended leaving the Rural Service District Benefit Ratio at 30%. Motion was made by T. Peterson, seconded by Cooreman to approve certifying the Debt Service Ratio at 30%. All voted in favor.

Preliminary Department Head budget requests were presented and discussion held on them.

Fire Relief presented an application for a Gambling Permit and Raffle to be held at the Tracy Fire Department on October 16, 2017. Motion was made by Chukuske, seconded by T. Peterson to approve the Gambling Permit/Raffle request. All voted in favor.

National Night Out submitted a request to close Rowland Street from Park Street to 2nd Street in order to hold this year's Activities on August 1st, 2017. Motion was made by T. Peterson, seconded by Chukuske to approve the street closures for National Night Out. All voted in favor.

Resolution 2017-50-Declaring the disposal of lights no longer needed for public use from the library was presented. It was discussed that they would like to donate the lights to the Wheels Across the Prairie. Motion was made by T. Peterson, seconded by Chukuske to approve Resolution 2017-50. All voted in favor.

Resolution 2017-51-Accepting monetary donations for the Fire Department was presented. The donation was from the Tracy Fire Relief Association in the amount of $635.00 and is to be applied to the purchase of a Portable Scene Light. Motion was made by T. Peterson, seconded by Cooreman to approve resolution 2017-51. All voted in favor.

Resolution 2017-52-Accept the Feasibility Study on Hospice House 2017 Infrastructure Improvements was presented. Based on the previous discussion with Larson the Council was comfortable with moving forward. Motion was made by T. Peterson, seconded by Cooreman to approve Resolution 2017-52. All voted in favor.

Resolution 2017-53-Ordering the 2017 Infrastructure Improvements Project and Preparation of Plans and Specifications was presented. This is for the Hospice House improvements and hookups with the City. Motion was made by T. Peterson, seconded by Cooreman to approve Resolution 2017-53. All voted in favor.

Resolution 2017-54-Approving Change order for the Masonic Building Demolition was presented. The change order was due to the foundation that was discovered under the KMHL Building that needed to be removed in the amount of $4,500.00. Motion was made by Chukuske, seconded by Cooreman to approve Resolution 2017-54. All voted in favor.

Resolution 2017-55-Approving payment to Noomen Excavating for Demolition of the Masonic Building was presented. Mayor Ferrazzano commended Noomen on a job well done. Motion was made by Chukuske, seconded by T. Peterson to approve Resolution 2017-55. All voted in favor.

Resolution 2017-56-Approving payment to Duininck, Inc for work completed on Phase 1 of the 2017 infrastructure was presented. Motion was made by T. Peterson, seconded by Chukuske to approve Resolution 2017-56. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable and Receivable, Department Head reports and Tracy Relief Association minutes from 6/5/2017. Motion was made by T. Peterson, seconded by Chukuske to approve the consent calendar. All voted in favor.

The 4th Street traffic was discussed. M. Peterson indicated that 4th Street (CSAH11) has a Major Collector classification which serves a different purpose than local roads. In general, these routes circulate traffic in higher density and have longer distances between stop signs in an effort to get the higher traffic volumes through town in a smooth manner. She is hesitant to add the stop sign as it will typically results in high crash rates. With it being a County road they would be required to do a traffic study before it could be implemented. It was decided by the Council to just let the issue lay for now. The portable radar was a larger expense than thought and will not be pursued.

The current performance evaluation worksheet was presented. The council agreed that this would be the form they will use going forward for the Council/Administrator working sessions.

The utility rate study was discussed. M. Peterson indicated that she had met with Jeff VanBuren with USDA Rural Development and they worked on putting together a preliminary plan on how to move forward with the rate study. It was the decision of the Council to make several changes. The first is to decrease the surcharge from $12.00 to $6.00 and add a $4.00 storm sewer surcharge. This will lower the original $12.00 surcharge to a $10.00 surcharge. The second change was to increase the base water & sewer rates by 25% and to increase the per unit water

rates by .20¢ and sewer rates by .40¢ per unit. It was also decided to leave the $2.00 surcharge that goes to the fund to maintain piping from water main to the curbstop as is.

Larson discussed the Special Assessment options with the Council. He indicated that they are free to assess as they see fit, however when they go to get the permanent bond it may tie their hands if they don't reach the 20% mark. Right now you could get a different type of bond just not the improvement bond. T. Peterson requested Larson to provide the total number of properties involved for the area in question on Phase 1. Larson indicated that they now have all the comments addressed on Phase II and it should get submitted this week. It is the hope to have final approval in the next month or so to go out for bid. Phase III – they are working on getting the PER submitted and as previously discussed Center Street and 3rd Street will be the next two and that will help get them set up for other projects. Based on conversations with the County Center Street will be a little farther off in the future so 3rd Street would likely be the next one up. The PER is a process on its own, however the Council can do their homework ahead of time such as the televising and sent out any notices to property owners in regards to anything they may need to do.

The Special Assessment Hookup Fees were discussed. M. Peterson suggested calling a meeting to discuss options and ideas. T. Peterson indicated that there will be $500,000 that will need to be assessed back to meet the 20% mark. This does not mean that we would carry that particular bond going forward as it is a temporary bond not a permanent one. He also indicated that once they get the number of assessments from Larson it could be worked backward. Chukuske indicated that when they get a total and divide it by the number or properties it would give a starting point. M. Peterson asked for clarification – they are looking for the total dollar amount of the current bond that is subject to assessments and the number of properties that it affects. T. Peterson indicated that is correct and from there they can decided what kind of bond they want.

The Airport Board is asking the Council to consider reducing the per gallon charge on fuel in an attempt to move the fuel and replace it with cheaper fuel. The current fuel price is at $5.05 per gallon and the commission is asking for it to be reduced to $4.65 per gallon. The fuel was originally purchase at $4.54 per gallon. Fuel can be purchased cheaper than that now and the surrounding cities are selling it cheaper so the concern is that if we keep the price up it won't be sold and there will be revenues lost. Motion was made by T. Peterson, seconded by Chukuske to lower the fuel price on the remaining fuel to $4.70 per gallon. All voted in favor.

Mayor Ferrazzano indicated that there are some things going on with the EDA Board that he feels he should be involved in. It was the agreement that he would take over for Chukuske on the Board.

Motion was made by Chukuske, seconded by T. Peterson to adjourn the meeting. All voted in favor.

ATTEST:

City Administrator, Madonna Peterson

Mayor, Stephen Ferrazzano

AUGUST 14, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 14, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tony Peterson, Pam Cooreman, David Tiegs and Bill Chukuske. Also present were Madonna Peterson-City Administrator and Shane Daniels-Public Works Director and Matt Gross, City Attorney.

Pledge of Allegiance was given to the flag.

Invocation was given by Nick Scutari.

Mayor Ferrazzano asked for the approval of the minutes from the July 24, 2017 work session and the regular council meeting. Motion was made by Cooreman, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the agenda. M. Peterson indicted that she would like to remove 9E-Chief Lichty Benefit Package and 9F-Capital Improvement-Garage and 9M-Call for a closed session for AFSME. She would like to add 11H-Resolution 2017-64-Approving Change Order for Phase I Infrastructure Improvements. Motion was made by T. Peterson, seconded by Tiegs to approve the Agenda with the removals/additions. All voted in favor.

Mayor Ferrazzano indicated that there has been no decision made regarding the addition of a police garage request to the downtown building. He indicated that there are other options that will be discussed at future meetings.

Tara Onken, EDA Director address the council regarding the EDA Coordinator position. The EDA Board is recommending a 32 hour week contract employee thru the Marshall Chamber. If the Council decides to go that route the advertising could start immediately. Onken and Cal would work with Madonna regarding the details of the contract and then the contract would come back to the Council for approval. The EDA is just requesting the Councils approval. The other item on the agenda is a Program Income Plan which was discussed at the last Council meeting. This is in regards to the Housing Incentive Programs and them being used City wide. If everything looks good she would like to have Council approval so that she can get it sent in to the State.

The fall cleanup was discussed. M. Peterson stated that she would like to hold the fall cleanup on September 30, 2017. Motion was made by T. Peterson, seconded by Chukuske to hold a fall cleanup on September 30, 2017. All voted in favor.

Motion was made by made by T. Peterson to approve an on-sale liquor license for Box Car Days Softball Field tournament, Beer tent and a license to hold a carnival. All voted in favor.

Motion was made by Chukuske, seconded by Tiegs to approve street closure, admission of carnival, use of parking lot and use of vehicles for parade. All voted in favor.

Motion was made by Chukuske, seconded by Cooreman to approve a temporary liquor license to The Caboose for a bloody mary bar during Box Car Day weekend. All voted in favor.

The reduced hangar rent at the airport was discussed. M. Peterson explained that Warren Riddel requested a reduction by half of his hangar rent back in May due to a mud hole that he was dealing with. He has prepaid his hanger rent thru May 31, 2018 but has since moved from that hangar to the other side where the apron is paved. She would like direction from the Council as to if they should continue to honor the reduced rate due to the move. T. Peterson made a motion to leave it as is due to the issues he endured before. Motion was seconded by Tiegs. Chukuske questioned if it was for 2017. It was indicated that it was thru May 30, 2018 and at that time he would be moved to the regular rate. All voted in favor.

The EDA Income Program Plan which Onken previously presented was discussed. Motion was made by Tiegs, seconded by T. Peterson to approve Mayor Ferrazzano and M. Peterson to sign off on the updated program income plan. All voted in favor.

M. Peterson is requesting an ordinance amendment be done to change the average months for sewer rates from January, February and March to March, April, September and October. This would be partly due to the snowbirds not having any usage during January, February and March so they are not getting charged sewer for the entire year. T. Peterson asked if they could do an average for a particular area verses household so that everyone's wouldn't have to be juggled. M. Peterson indicated that she just used snow birds as an example and that there are other situations where it could be affected such as the residence with old meters. Chukuske stated that what T. Peterson is proposing is that rather than paying nothing they would pay based on the average around them. M. Peterson explained that the software package is designed for them to indicated what months to base the average off of, it is not hand calculated. Cooreman indicated that is a good way to handle it until they get all the remote read readers in. Motion was made by T. Peterson, seconded by Chukuske to waive the first reading and hold a public hearing on August 28, 2017 at 6:45. All voted in favor.

Gross addressed the Council regarding a proposal to establish a storm sewer fund. He indicated that the way the City has the fund set up right now is that there are a couple of general funds for Capital Improvements that some of the other departments draw from. Because of this there is not a specific fund for storm sewer improvements. There are three possible options to resolve this by statute. The first one is that the City sets up just a general Capital Improvement fund that you would use as you see fit and is not limited to a specific project. This is what the City currently has. The other option is to have an infrastructure replacement reserve fund which would be for improvements of bridges, streets, sidewalks and storm sewer. How that is implemented and funded is that the Council would approve that fund and they would levy taxes on property for it. These funds would be long term visions and would allow the city to plan for something and raise the funds as you go. This would also reduce the amount of money that the City would have to borrow for a project. It would levy an additional tax on all properties in the City on their real estate tax statements. The third option would be a Storm Sewer Improvement District and would be the same sort of fund, however it would not be citywide. It would be specific to the area where the Storm Sewer Improvement Project would occur. This would be similar to a special assessment, however instead of assessing the properties by assessment you would levy taxes on those properties within that area and then collect the funds and use it toward the project. In essence one is citywide and one is project wide. The later two would require an ordinance and require that it would pass by 2/3rds of the Council, publish a notice and hold a public hearing. With the Infrastructure Replacement Reserve Fund the public can petition against the establishment of that. He also indicated that there are some benefits to creating a reserve fund but as with special assessments there can be appeals which can be costly and uncertain. These funds would reduce the funds that the City would have to borrow but will also increase taxes. M. Peterson stated that one of the things that grabbed her attention was that if the City does the 3rd option that would be similar to what the City does for the water tower. It is not a specific percentage it is a yearly charge that goes on the taxes and paid annually. It was pointed out that the 3rd option is not the whole city it would only be a district. Mayor Ferrazzano questions if they could designate the whole city as a district? Gross indicated that you would usually define streets that would be affected as a district. He does not feel that you could define the whole City as a district. Tiegs voiced that he feels it would be better to do option 2 verses option 3 as it would give you the ability to fund other projects. Mayor Ferrazzano also indicated that he feels option #2 would be the best. Motion made by T. Peterson, seconded by Chukuske to proceed with creating an Infrastructure Replacement Reserve Fund and for it to be placed on the annual real estate tax statements. All voted in favor.

Sandy Lau, Liquor Store Manager has been approached by several people requesting the On-Sale Liquor Store to be open over the Box Car Day celebration. The Council agreed that it should not be open.

Lau is proposing to have the Off-Sale Liquor store open on Sunday, September 3, 2017 of Box Car Day weekend. Motion was made by T. Peterson, seconded by Cooreman to authorize Lau to

open the Off Sale Liquor store on Sunday, September 3, 2017 from 11:00 am to 3:00 pm. All voted in favor.

The EDA Coordinator position was discussed. Mayor Ferrazzano indicated that the EDA Board is recommending to continue with an EDA Contract with Marshall Chamber of Commerce for 32 hours a week. The reason they are willing to enter into another contract is because there will now be clearly defined roles and job duties that the Coordinator will be responsible for. The Board would like a trial of one year to see how it works out. T. Peterson indicated that he agrees with moving forward with a contract and pointed out that any growth is not going to happen overnight. Motion was made by T. Peterson, seconded by Chukuske to enter into an agreement with Marshall Chamber of Commerce. All voted in favor.

Resolution 2017-57-National Night out was presented. Motion was made by Cooreman, seconded by T. Peterson to adopt Resolution 2017-57. All voted in favor.
Resolution 2017-58-Closing Fund 606 which is the Tracy Medical Center was presented. Motion was made by Tiegs, seconded by Chukuske to adopt Resolution 2017-58. All voted in favor.

Resolution 2017-59-Gambling Permit for Tracy Fire Relief Association was presented. Motion was made by Cooreman, seconded by Chukuske to adopt Resolution 2017-59. All voted in favor.

Resolution 2017-60-Gambling Permit for Tracy Area Chamber of Commerce was presented. Motion was made by T. Peterson, seconded by Chukuske to adopt Resolution 2017-60. All voted in favor.

Resolution 2017-61-Authorization to execute FFA Agreement for Grant of Federal Funds for the Airport was presented. Motion was made by Tiegs, seconded by Chukuske to adopt Resolution 2017-61. All voted in favor.

Resolution 2017-62-Approve Gambling Permit-Lyon County Pheasants Forever was presented. Motion was made by T. Peterson, seconded by Chukuske to adopt Resolution 2017-62. All voted in favor.

Resolution 2017-63-Duninink Pay Request-4th and Morgan Project was presented. Motion made by T. Peterson, seconded by Cooreman to adopt Resolution 2017-63 contingent on getting County Board approval. All voted in favor.

Resolution 2017-64-Approving change order for Phase I Infrastructure Improvements was presented. Motion was made by Tiegs, seconded by Chukuske to adopt Resolution 2017-64. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Tracy Fire Relief Association minutes from 7/3/2017 and Planning Commission minutes from 7/3/2017. Motion made by Chukuske, seconded by T. Peterson to approve the consent calendar. All voted in favor.

M. Peterson addressed the Council regarding the utility rate study. T. Peterson questioned if the rates are based on next year for when the Bond kicks in? M. Peterson stated that those are actual numbers given to her by Jeff VanBuren from USDA Rural Development from when the City bonded for this that we would collect in revenues. We are short those dollars in revenues based on what was previously thought. T. Peterson stated that they are now playing catch up from three or four years ago when this money was pledged. M. Peterson indicated that is correct and she did take off the dollars that they did collect which is how she came up with the figures. T. Peterson questioned if this addresses the three tiered system? M. Peterson indicated that it does not and she is hoping that that could be implemented next year. T. Peterson feels she is on the right track with the Alternative side which is a little more aggressive than the Council had recommended which he likes as it will get them closer. He questioned if the numbers reflect the change in the surcharge and it was indicated that it does. T. Peterson asked for verification that there is nothing addressing the storm sewer and it was indicated that that is correct. T. Peterson indicated to simplify it if someone is paying a current bill of $165.00 a month with the

alternative charges if would be about a $10.00 bump which in not bad. This addresses a lot of the problems, it doesn't eliminate them but it is a giant step in the right direction. Motion was made by T. Peterson, seconded by Chukuske to waive the first reading and to hold a public hearing on August 28, 2017 to adopt the Alternative Rate structure at 6:50 pm. All voted in favor.

T. Peterson questioned what the balance of the $2.00 surcharge fund is? M. Peterson indicated that even thou the ordinance specifically stated that it was to be kept in another fund it has all been kept in the surcharge fund. However, the auditors have made an adjustment each and every year to take part of the surcharge money and combine it into both the water and the sewer funds to eliminate that amount from the surcharge and put it into those funds. This is because those are the funds to likely pay for the underground work. The balance of the fund in the surcharge right now is $163,000. T. Peterson stated that he brought it up because once that fund was healthy the plan was to incorporate the curb stop to be paid out of that fund because the City benefits more from the curb stop than the property owner does and the property owner is paying for it. He would like to see the ordinance be amended to include that the City would take care of the curb stop and the home owner would only be responsible from the stop to the house. The Council was in agreement with that. Tiegs questioned if they would need to starting changing the way that they are doing the funding then? M. Peterson questioned if they are wanting to eliminated the $2.00? T. Peterson indicated that it would not eliminate it, just change the ordinance so that the homeowners are no longer responsible for the curb stop. The $2.00 would continue. M. Peterson indicated that she would have to have Gross do some research as there is more than one ordinance that discusses the curb stop. Daniels indicated that there may be some in the water department as well. Tiegs questioned if the way the auditors move the money is done internally? M. Peterson indicated that they did it themselves because of how the ordinance reads. Mayor Ferrazzano thanked M. Peterson for her hard work on this.

Special Assessment hookup fees were discussed. T. Peterson indicated that it is unclear as to how they will do the bond, he feels they could do an improvement bond. He discussed doing a $2,500 hookup depending on how it is done for each property that is affected. You would have to get it close to what the actual cost would be. Chukuske questioned if they could also include the sump pump hookup to elevate any issue regarding the home owner having to pay for it? He feels that as they go forward they should make sure that that gets done. Daniels questioned if he is referring from the house to the stub? Chukuske indicated that is correct. Larson indicated that it gets into a gray area when you are actually doing improvements. Chukuske feels it would be an advantage to the City to do that and questioned if there is already something in place for that? T. Peterson indicated that if the City puts an intercept line in they have a certain time frame to hook up to it. Daniels indicated that he informs people that if they have an interceptor line available they can no longer discharge into the sanitary sewer during the winter months. Chukuske pointed out that it is very difficult to police that. T. Peterson questioned if they would be better off just tightening the ordinance? Daniels indicated that it would be easier to enforce if they did. Chukuske suggested the City putting it in and having the property owner pay for it and if they don't it would be assessed on their property taxes. He feels that it should just be done at the time so they know it is done and wouldn't have to worry about getting a plumber etc. That way they could either pay upfront or have it put on their property tax statement. Larson indicated that the tricky part may be getting the easement, however the ordinance may address that. T. Peterson suggested having that put on the Planning Agenda to have that Board look at the ordinances to come up with ideas of what could be changed. Chukuske indicated that he is in favor of the hookup fees and feels that $3,000 would be fair. Mayor Ferrazzano questioned if that would be sufficient to cover out obligations under the bond? Larson indicated that he thought the obligation was closer to $5,000. T. Peterson stated that that does not even address curb and gutter. Chukuske expressed that even if it was $5,000 that is much better than $16,000 or $20,000. T. Peterson pointed out that the bond is just temporary and the numbers are not set in stone. Larson indicated that it may be premature but questioned if they would like anything sent out yet? T. Peterson stated that he is leary about putting numbers out there yet. Mayor Ferrazzano stated that fundamentally they are ok with paying the homeowners share thru hookup fee around $5,000 or $6,000 as opposed to how is has been handled. Chukuske pointed out that that could change by project. M. Peterson indicated that they will have to pull the various ordinances that say what the percentage is and rescind those ordinances. Larson indicated that they turned the ordinance into a policy for the 4th and Morgan

Project which gave the city flexibility. Larson indicated that they will know more once they reach substantial completion they will be able to forecast what the final project cost will be. T. Peterson asked if the temporary bond will be re-worked this December? Larson did not recall the schedule on it. M. Peterson indicated that the money was bonded thru 2018. Larson stated that it could be done earlier. Motion made by Chukuske, seconded by Cooreman that this would be how they will handle it in the future. All voted in favor.

Motion made by Chukuske, seconded by Cooreman to adjourn. All voted in favor.

ATTEST:

City Administrator , Madonna Peterson

City Mayor, Stephen Ferrazzano

AUGUST 28, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 28, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tony Peterson, Pam Cooreman, David Tiegs and Bill Chukuske. Also present were Shane Daniels-Public Works Director and Diane Campbell-Administrative Assistant. Absent: Madonna Peterson, City Administrator.

Pledge of Allegiance was given to the flag.

Mayor Ferrazzano asked for the approval of the minutes from the August 14, 2017 work session and the regular council meeting. Motion was made by Chukuske, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the agenda. Mayor Ferrazzano indicated that there will be additions of 9I-Authorize Advertising for Bids for Phase II-Wastewater Project and 11-F-Resolution 2017-70 Ordering Advertisment for Bids for Phase II Wastewater Project and the deletion of 13A-Update on Salmon Building. Motion made by T. Peterson, seconded by Cooreman to approve the agenda with the additions and deletions mentioned. All voted in favor.

A Public Hearing for a Variance Request from Kelly McConnell at 615 Emory Street was held. There was no one from the public to comment. T. Peterson stated that the Planning Commission is recommending granting the Variance request to place a deck onto her house. Motion was made by Chukuske, seconded by Cooreman to approve the Variance request. All voted in favor.

Jeff Farber addressed the Council regarding the cost to place hanging flower pots on Highway 14. Chukuske is reading it to say that the downtown areas as well as some of Hwy 14 would be $6,270.00 and the total investment for the City would including the new Hwy 14 baskets and poles would come to $11,670.00. He also stated that it is his understanding that the City cannot solicit donations, however Farber could do that on the Cities behalf? Farber indicated that is correct. On the bottom of the price work sheet it indicated that the Business and individual investments for 2017 was $4,780.00 for the baskets hanging downtown. He stated that that amount is not included in the $11,670.00 quote. How it is handled is that the City buys 6 hanging baskets and pots as well as the two big pots out in front of City Hall and then the City pays for the maintenance/watering of all 58 pots. It was asked if funds could be solicited for the new pots on Hwy 14 and it was indicated they could be just not thru the City office. The question is if the Council wants to budget the additional funds for the extra pots on Hwy 14. This decision would not impact what they have been doing downtown at all. Cooreman questioned how long it will take to place the brackets etc and it was indicated about 35 to 45 minutes each and possible more on Hwy 14 due to the traffic. Once the brackets are up they will be left up. The price given would include Farber keeping extras at the store in the event that one will need to be replaced. If the Council would like to proceeds with putting pots on Hwy 14 Farber will purchase the pots which is why he would like to have a commitment from the Council before he does that as he does not want to be stuck with all kinds of pots he can't do anything with. He is asking for a 10 year commitment but would be ok with a 5 year commitment. He has already placed the order for the pot as he gets a better deal on them but could still cancel the order if the Council has changed their mind. The cost of the plants will vary over the duration of a 10 year time frame which Farber would not be able to project. If the prices do go up the Council would be notified prior to budgeting for it. He does plan to keep the price he has presented for at least 2 years. He also suggested that if the City wanted to buy the pots themselves he would not need a long term commitment. T. Peterson indicated that the $11,760 would historically represent 1% of the levy and would like to see the budget numbers before committing to this. Farber would like an answer within the next couple of weeks so that he has a chance to cancel the pot order if need be. By getting the commitment he is saving himself about 10% of the purchase price of the pots. Mayor Ferrazzano does feel that it is something worth budgeting for and that they should try to figure out a way of fitting this into the budget over the next five years. Farber again indicated that he is comfortable with a 5 year commitment as he would atleast be able to recoup his expense. T. Peterson indicated that he

could make a motion providing they can make the money work in the budget and commit to five years. Chukuske agreed as until they see the preliminary budget they may have to cut more than they think. He also suggested that if for some reason they cut this from the budget that the City could purchase the pots from Farber. The Council broke from the discussion to hold the public hearings.

A Public Hearing to Amend Ordinance 6.14, Subd 2 regarding changing the months that the average is figured on for monthly sewer rates was held. There was no one from the public to comment. It was explained that currently the months are figured on an average from January, February and March. The problem with this is that the Snow Birds do not have any useage during those months so their average is zero. By changing the months to March and April and September and October it will elevation this and would give all residence a more accurate average. It was referred back to the council. Motion was made by Chukuske, seconded by Cooreman to approve the amended ordinance No. 360, Resolution 20174-66. All voted in favor.

A Public Hearing to amend the 2017 fee schedule to reflect the water, sewer and surcharge rate changes was held. Daniels indicated that this is one of the increases that needed to be done as a stepping stone to build finances for the water and sewer projects. This will change the surcharges around to increase the water and sewer and will change the base fees. There was no one from the public to comment. It was referred back to the council. T. Peterson questioned if it would affect the single family dwelling and it was indicated that it would not. Daniels pointed out that it could potentially affect the residents of O'Brien Court. Motion was made by T. Peterson, to change the rates in accordance with the Ordinance, Resolution 2017-65. Cooreman questioned why the hotel rates didn't change for the surcharge. Daniels indicated that it is the basis of determining the fee and is just setting the rate not charging them. Chukuske pointed out that it does not get charged based on usage it is just the amount that gets charged. Chukuske seconded the motion. All voted in favor of the motion.

The discussion with Jeff Farber resumed. Farber pointed out that Hwy 14 should be a separate issue from downtown as the downtown one has already been in place for 8 years and he would hate to see the Council take that away if they decide not to do Hwy 14. Chukuske indicated that he does not feel that the Council has even considered taking away the downtown. Farber pointed out that by adding Hwy 14 it would amount to an additional $5,400.00 not $11,670.00 as the downtown is also included in that figure. Traffic count on Hwy 14 verses downtown was discussed and pointed out that Hwy 14 gets a lot more traffic. T. Peterson made a motion, seconded by Chukuske for a five year commitment if they can justify the budget to do both. Mayor Ferrazzano questioned Farber if that is good enough for him? Farber stated that until they finalize it is not in concrete, however he will not cancel the order until he absolutely has to. Mayor Ferrazzano indicated that he does feel that they will be able to find the money as they do all agree that it is important. All voted in favor of the motion.

The Airport Maintenance and Operation Grant Contract was presented. Daniels indicated that this is for the annual maintenance for the Airport. It is essentially the same contract as past years. Right now it is a 25/75 split which means the City pays 25% and MnDot reimburses the City up to 75% of the cost. This would be for State Fiscal year 2018 and 2019. T. Peterson questioned if it is a 2 year contract and Daniels indicated that it is. Motion made by T. Peterson, seconded by Tiegs to sign the contract – Resolution 2017-68. All voted in favor.

The Farm Lease with Tracy Chapter of Future Farmers of America was presented. Daniels stated that it comes out to be about $1.80 an acre. Motion was made by Tiegs, seconded by T. Peterson to approve the contract. All voted in favor.

Mayor Ferrazzano called for a closed meeting immediately following the Council meeting to discuss AFSME negotiations.

There was a letter from National Night Out presented requesting financial help from the City. Mayor Ferrazzano indicated that it is a great event that is very well attended but would be another item that they would need to budget for if providing financial help is agreed to. Tiegs stated that they do ask for a free will offering and questioned if they have received much over the years? Mayor Ferrazzano indicated he is unsure but according to the letter they lost

money. Chukuske stated that he would like to see more information regarding their revenues and expenditures. He also questioned if the City has contributed in the past? Daniels indicated that it has only been their time for prep work for the employees. Tiegs agreed that he would also like to see more detailed information. Mayor Ferrazzano suggested tabling it and contacting the committee to come in and explain their request and to have them supply the numbers. The Council was in agreement of this.

The lease agreement between the City and the School for the use of the VMC was presented. Mayor Ferrazzano pointed out that the reason for the lease is due to the fact that the school fronted the money for the improvements. Because of this the agreement the City has with the School is that the lease will be zero thru 2027-2028. Motion was made by T. Peterson, seconded by Cooreman to enter into the lease agreement. All voted in favor.

Jeff Meyer and Jackie Lovald from the Tracy United Methodist Church addressed the Council. The church is requesting to have the $100 annual fee to air their church services on the Tracy TV channel waived. Campbell stated that Adam Hanson does have to rip the information to a form of data storage device that is compatible with the Cities new equipment which consumes a fair amount of time. The fee is an effort to recoup the time costs that it requires to air something. Lovald would like to see it aired at no cost as it is a public service and has been handled as such in the past and would like to see it continue. Meyer stated that this fee was not included in their budget so when they received word that there would now be a fee it caught them off guard. Chukuske stated that they need to realize that it is only $100 for the whole year and the City is just trying to recover some of the city costs to make it happen. T. Peterson questioned how long it takes to rip it. Campbell stated that it depends on how it is submitted but thought that Adam indicated about an hour as it has to be converted into a different format. She also stated that in the past they could just bring in a DVD and they could just play it right off of that. That is no longer the case. It was indicated that no other churches have requested to air their mass as of yet. Meyer questioned what they currently have on the city station. It was indicated that it is Council meeting and other city related things. The council thanked Meyer and Lovald for appearing and explaining their request. Chukuske stated that they asked for the fee schedule to be put together and the Council approved of it and they should not start making exceptions and to support the fee schedule. It does not matter to him who it is, it is a very minimal cost to help cover some of the City expenses. Tiegs was in agreement of that. Meyer questioned if anyone else has paid to have something put on the channel? It was indicated that there has been. Meyer stated that he completely understands the fee as he knows the City paid a lot of money for the equipment.

The water tower update was given during the work session. T. Peterson questioned if it requires any council action? Daniels stated it does not as it is under $20,000.00.

A request to authorize to advertise for bids for Phase II Wastewater Project was presented. Motion was made by T. Peterson, seconded by Tiegs to advertise for bids for Phase II-Resolution 2017-70. All voted in favor.

Discussion as to how much to levy for the Infrastructure Replacement Reserve Fund for the storm sewer was held. T. Peterson made a motion to do a $4.00 tax on every parcel per year to go towards the storm sewer Replacement Reserve Fund. Campbell stated that it cannot be a dollar figure per parcel, it needs to be a specific total dollar amount to levy. Tiegs stated that per the memo M. Peterson stated that she is suggesting they levy $50,000 per year as it is a middle ground between the two examples. T. Peterson stated to keep it simple they should just go with $4.00 on every parcel, although that could hit some people twice. He also suggested doing it on the water bills. Daniels questioned if that would require an ordinance change? In order to have the Infrastructure Replacement Reserve Fund it would have to be levied, it cannot be put on the water bill. Campbell indicated that at the last meeting Matt Gross, City Attorney presented several options and it was decided by the Council to go the route of a levy. She explained that it will go on all the parcels, the memo is just to give examples of how M. Peterson arrived at the dollar figure she is proposing of $50,000.00. T. Peterson stated that using that logic per parcel is still the best way to do it. Campbell again indicated that you cannot levy by parcel. Chukuske stated that the County will split it out by parcel. Daniels stated if they do it that way they will need a public hearing. Chukuske stated to leave the parcel part out of the motion. T. Peterson stated that the resolution reads that the City does ordain pursuant to Statute 471 to levy property

tax either by percentage or a flat fee so if he goes back to his original motion it is spelled out in the resolution and it can be done either way. So if they do $4.00 per parcel at $53,760 it complies with the verbiage on the resolution. With that said he goes back to his original motion of $4.00 per parcel for a total of $53,760.00 for Resolution 2017-67. Chukuske seconded it. Chukuske stated just to be clear it is the dollar amount that the County uses? Campbell stated that M. Peterson will have to levy the $53,760 to the County and their computer will calculate it out. All voted in favor. T. Peterson stated that the Public Hearing would be the Truth in Taxation Hearing.

Resolution 2017-69-Approve payment to Duininck, Inc for work completed on the 2017 Phase I Infrastructure Improvement was presented. Motion made by T. Peterson, seconded by Cooreman to approve Resolution 2017-69. All voted in favor.

The consent calendar which consisted of Municipal Accounts Payable, Accounts Receivable, Department Head Reports and the Multi-Purpose Center Minutes from 7/17/2017 was presented. Motion made by Tiegs, seconded by Cooreman to approve the consent calendar. T. Peterson questioned what the amount for general engineering and water tower for I&S was for? Daniels stated that that was for them to go over the proposals with KLM. T. Peterson also questioned when did they have G&R do the electrical for the compost bid? Daniels stated they had them fix an underground break as the light entering the compost site did not work. All voted in favor.

Tiegs questioned if they are going to televise the parade? Chukuske stated that they should and that Adam Hanson has set up the camera outside the building previous years.

Chukuske asked to clarify that for the Gramstad lot that is on the East side of the Fitness Depot that runs north and south that they want to sell to build a home – the City does have DNR approval? It was indicated that they do. He questioned if that will need to go back to the Planning Commission again? T. Peterson stated that it will as they will have to have a public hearing. Chukuske questioned the time frame. T. Peterson stated that the next Planning meeting will be held on September 5th and they could call for the public hearing at that time to be held on September 25th. Chukuske questioned if they will be ready to go after that? T. Peterson indicated yes. Chukuske stated that this should be communicated with the Granstad's as this has been delayed long enough.

Campbell clarified that what the Council was approving regarding the Infrastructure Replacement Reserve Fund was just a Preliminary Resolution. That Preliminary Resolution will have to be published and the public will have 10 days to file a petition. If they do not the final vote in regards to this will take place at the September 25, 2017 Council meeting.

Chukuske wanted to publicly thank Frank and Marjorie Nielsen for their work on the flower gardens located at the Velta Gazibo property. They do a great job and deserve to be recognized for their efforts. Cooreman indicated that she would like to add to that as Marianne Ankrum and Connie Anderson also do a great job and put forth a lot of effort in taking care of the other flower gardens around town. Campbell suggested sending out a certificate of appreciation to all four of them and asked if that is something the Council would like to have done? Mayor Ferrazzano indicated that they would.

Motion was made by Chukuske, seconded by Tiegs to adjourn the Council meeting and move into closed session. All voted in favor.

Attest:

City Administrator

Mayor

September 11, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 11, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tony Peterson, Pam Cooreman, David Tiegs and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Madonna Peterson, City Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

The invocation was given by Douglas Zeug.

A moment of silence was given in memory of the terror attacks and victims of 9/11.

Mayor Ferrazzano asked for the approval of the minutes from the August 28, 2017 work session and the regular council meeting. Motion was made by Tiegs, seconded by Cooreman to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the agenda. M. Peterson stated that she would like to add 9L-5th Street Apt sale-Memorandum of Understanding. Chukuske stated that 9A, 9B and 9J can be removed. Motion was made by Chukuske, seconded by Tiegs to approve the agenda with the mentioned additions and deletions. All voted in favor.

M. Peterson stated that the City Council has to call for a public hearing when it concerns the vacation of a road. Motion was made by T. Peterson, seconded by Tiegs to call for a public hearing on September 25, 2017 at 6:45 pm for the partial vacation of East 6th Street. Chukuske questioned what will happen once that is held, and questioned if this will back things off as he was under the understanding that they will be good to go on the 26th? M. Peterson stated that Gramstad's are in no hurry. Chukuske stated that that is not what he asked, he asked what happens after the 25th. Tiegs stated that if the public hearing is on the 25th they should be able to start on the 26th. M. Peterson stated that it will have to be recorded with the Lyon County Recorder's Office. All voted in favor.

Norine Hanson applied for a position on the Cemetery Board. Motion was made by Chukuske, seconded by Cooreman to appoint Norine Hanson to the Cemetery Board. All voted in favor.

It was discussed during the working session to have one 15 minute parking sign placed in front of the City Hall office. The Council was in agreement.

Placing a stop sign on Greenwood Ave at the corner of Greenwood and Adams St was discussed during the working session. That has been tabled until Daniels is able to gather more information. Having a police presence after school was also discussed to try and slow down traffic.

Dennis Fultz , EDA Board member addressed the Council regarding the EDA Coordinator Position advertisement. He indicated that he is pleased that the Council is moving forward with it as the sooner a person can be identified to take over Tara Onken's role the better. There is currently a lot of good things happening and is hoping to have a seamless transition with bringing the new person on board and getting her acquainted. Mayor Ferrazzano pointed out that Onken has indicated that if they do not have someone in place by November 1st she would still be willing to work with the City past that date. Motion was made by T. Peterson, seconded by Chukuske to direct an RFP to be drafted for a contracted individual for the EDA position. Mayor Ferrazzano indicated that it would have to be advertised for. T. Peterson made a motion, seconded by Chukuske to advertise a request for a proposal for the EDA Contract Position with a 40 hour work week and to close it by October 15, 2017. All voted in favor.

Mayor Ferrazzano called for a closed meeting at the conclusion of the Council meeting to discuss AFSME negotiations.

Tara Onken questioned if the Council will be doing the interviews throughout that month? She has had a couple of people inquire about turning in an application. She stated that she feels that a month seems like a really long time to just have it open. Mayor Ferrazzano suggested being there has already been an

interest that maybe they could just keep it open for 2 weeks rather than 4 weeks. T. Peterson stated that he would amend his motion to make it October 1st rather than October 15th. The time frame of getting it advertised and creating the RFP was discussed. She also stated that if it is an employed position or an independent contract position is dependent upon the duties that they come up with and would need to be considered. Mayor Ferrazzano stated that he believes that they would want an independent contractor. She stated that there are certain requirements and forms that will need to be considered. Some of the requirements would include behavioral control, financial control and what is the relationship to the parties. T. Peterson questioned if they would meet the requirements if they used the current contract with MAC. M. Peterson felt that it would. Onken also stated that they did have a subcommittee that went over the duties and that meeting did hash out some good things. Her thoughts are that if they hire an independent contractor, who is their boss-is it the EDA Board, is it the City Council, is it the City Administrator, is it the Mayor? These things need to be very clear when they are brought on. M. Peterson stated that she is understanding the Council to say that they would like to stay with the current contract as the language of the RFP? It was indicated that that is correct. Onken offered to provide M. Peterson with what Marshall advertised if that would be helpful. M. Peterson stated that she would appreciate that. Tiegs suggested having it go thru September 29th as that is a Friday. Amended Motion was made by T. Peterson, seconded by Chukuske to keep it open until 4:30 pm on September 29th, 2017. All voted in favor.

Onken gave an EDA update. She has been quiet about the Red Rooster property due to the nature of the job, however she would like to talk about a few things so the Council can start thinking about how the future will go for that site. She would like to dispel the rumor that Quick Trip is coming to town, that is not accurate. The EDA has been in contact with various businesses over the last year and there has been a lot of speculation as far as who has purchased the site since the for sale sign indicated there was a sale pending and the for sale sign has been taken down. What she can say is that the site is being purchased by a private developer with hopes to prepare the site for redevelopment. She acknowledge that collectively they would all like to see the site developed as right now it is vacant and is an eyesore. It is one of the first things that people see when they drive thru Tracy. Redevelopment would provide many benefits such as creating jobs, build the tax base and would provide services or products that the citizens would need. Most of the companies that they have been in contact with have expressed concerns as to the time and expense of preparing the site knowing that the site preparation will dilute capital and efforts that could be devoted to other sites. Some benefits of the site would be the Hwy 14 location with high annual average daily traffic counts. Site developers are always interested in the West side of town as that sees the highest volume of traffic. Redeveloping the site would help to keep momentum going that started with the Dollar Stores and continued with the Masonic Building and Lewis Drug. Another benefit of this site is that it already has the utilities needed. If virgin land was selected the city would likely have to extend infrastructure and potentially have to annex land into the city which would all require time lines. The property Lewis Drug chose had a quick turnaround time, where the Red Rooster site would likely be a yearlong process. Environmental fears that accompany this site include tank removal, working with MPCA, soil borings to name a few. They did just determine that there is asbestos in the building and the removal estimate is around $10,000 which is another added expense to anyone that is looking at investing in the site or redevelop it. The building currently has significant water damage as the roof has been leaking which would make it difficult for anyone to put a lot of money into fixing up the building when they could take their money and invest it into something new that would fit their needs. Onken is not indicating that it will for sure be torn down but she is stating that it is likely that it will which would then be another added cost onto the site. She indicated that they have a huge opportunity of front of them to get the site redeveloped and is urging the Council to put some forward thinking into what she is putting before them. She stated that all the EDA trainings she has attended stresses the 3 P's – Public Private Partnership. They really stress that in order to get things done and for people to work together the Public entity really needs to partner with private partnership to accomplish this. On a site redevelopment it can't rest souly on the shoulders of a private developer or it will not get done the way that it should be. Redevelopment likely would not happen without the public support. Onken encourages the Council or appropriate subcommittees to research tax increment or tax abatement incentives as well as how redeveloping Hwy 14 fits into the master plan. If you look at TIF you can set up a district that would help with the Red Rooster site as well as some of the underutilized sites that will need new life breathed into them. Onken stated that she does feel that Hwy 14 is becoming the new downtown in a matter of speaking. She explained that the former Lau Seed building generated roughly $700.00 to $800.00 in tax revenue and with it being redeveloped into Family Dollar it generates over $17,000 in taxes per year of which $11,000.00 or so goes back to the City. When the Dollar General site was classified as Ag Land the City of Tracy received $27.00 each year and now the City receives almost $13,000 each year. If abatement or TIF is used to lessen the burden of a private developer on the front end the City is going to see those benefits in jobs and tax base. With all of that said it boils down to looking at the long term vision and acknowledging that a public private partnership is needed. Onken stated that she is not here with a formal request right now but she knows in the near future there likely will be a formal request made by a developer and would like to start the conversations now so they are ready when that happens. This may potentially look like a development agreement which is a legally binding agreement signed by

both the City and the private developer and says if you do "x" we will do "y". She encouraged the Council members to educate themselves on how TIF districts and things like that work so they are prepared when the time comes. Mayor Ferrazzano thanked Onken for the update and stated he understands the importance of being prepared to work together.

Onken presented the Council with a hand out regarding the sale of the 5th Street Apartments. She stated that they have received an offer and have moved forward with a contingency. The EDA and the City of Tracy worked together to pass a Resolution a year and a half ago to offer tax abatement incentives to a buyer. It was a five year abatement of the City portion of the taxes sliding scale. With that they were able to advertise that there was a tax abatement involved so any future owner could come in and raise rent to assist in making some of the capital improvements that will be needed. What the EDA is currently doing is working with the buyer who has offered a five year abatement of 100% of the City taxes instead of the five year sliding. This is not a huge difference, they do have the price agreed upon, this is just the last piece to secure the sale. The Resolution cannot be amended as there is a two year window on each parcel but what they can do is look at the Memorandum of Understanding which has that resolution, the purchase agreement and the new resolution drafted after addendums to this Memorandum of Understanding outlining what the EDA and City Council's intent is for the buyer. Cooreman questioned what the purchase price is. Onken indicated it is $277,500.00. Cooreman questioned what the taxes would be on that property? Onken stated it is roughly $6,000 so the City portion would be a little less than that. Only the City portion can be abated. Currently the City is not generating any taxes on this property as the EDA is exempt. The EDA pays In Lieu of Taxes which is a payment to the County. The EDA built the townhouses with good intent to fill a void that Tracy needed and now it is time to turn it back to a private owner. Selling it at the price they have agreed upon covers the debt remaining and will put it back on the tax rolls five years down the road. The Memorandum of Understanding stated that they cannot draft a new resolution right now but for tax reasons it is advantageous for both the EDA as well as the buyers to close this year verses next year. That is why there is an MOU being done verses a resolution at this time per the City Attorney. Motion was made by T. Peterson, seconded by Cooreman to allow the EDA to execute the documents that are needed to facilitate the sale of the 5th Street Apartments. T. Peterson questioned if there is a necessity to hold a public hearing for this? M. Peterson and Onken indicated that a public hearing does not need to be held. All voted in favor.

M. Peterson presented the Council with a proposed ordinance change to address the sump pump regulations. She indicated that the Planning Commission reviewed the current ordinance to change the language requiring the property owner to hook into the interceptor if one is available. Chukuske stated that he wanted to know if the City should consider putting it in and charging it to the homeowner so the City knows it was done. T. Peterson stated that this would give the City the ability to enforce it. Motion was made by T. Peterson, seconded by Chukuske to waive the first reading and set a public hearing date of September 25, 2017 at 6:50 pm. All voted in favor.

The consent calendar consisted of the Municipal Accounts Payable, Planning Commission Minutes from 8/7/2017, MPC minutes from 6/19/2017 and 7/17/2017 and Tracy Relief Association Minutes from 8/7/2017. Motion was made by Chukuske, seconded by Tiegs to approve the Consent Calendar. All voted in favor.

M. Peterson gave an update on the Fall Clean Up scheduled for September 30, 2017. She stated that everything is being done the exact same as the Spring Cleanup with the exception of the contractor for the garbage.

The 2018 Budget was discussed. M. Peterson stated that it was figured by taking last year's levy and added 4%. As she started balancing a couple of things became clearer to her. The first being that they refunded the 2008 bond in 2016 which makes the payment that need to be levied increase by $45,383.00 which is a 60.51% increase. The other item was Infrastructure Reserve Fund for the Storm Sewer levy that the Council approved in the amount of $53,760.00 which also needs to be added to the levy. The final thing was permanent improvement which is the temporary bonding that was done in 2016. Todd Hagen indicated that he would be having a $40,000 payment that would have to be made which was not calculated as to how they were going to come up with the money to pay for it. That has been put into the permanent improvement fund which increases it by $40,000.00 or $400,000.00. The proposed 2018 Levy will have to be certified at the September 25, 2017 Council meeting and certified to the County by September 30, 2017. Once it is certified it can be decreased but it cannot be increased. The budget M. Peterson is proposing is showing a 10.9% increase which is more than anyone wants to see so she is suggesting that they look at it to see what kind of cuts they would like to make. The General Fund is already cut by 3.9% or $28,752.00. There can be cuts to the other funds but the Council needs to keep in mind that that is a big part of where the revenue comes from. The Debt Service needs to come in before the General Fund. Mayor Ferrazzano indicated that he would like to hold a Special meeting prior to the next Council meeting to strictly go thru the budget. The special meeting was set for September 19, 2017 at 6:00 pm.

Chukuske reminded the Council that they will need to hold a closed meeting for the Council/Administrator review after the September 25 meeting and asked that the performance worksheet be sent out to be completed. Chukuske questioned Daniels if they will be spraying for mosquitos again? Daniels stated that they will be doing it again weather permitting on Tuesday night.

T. Peterson thanked Public Works, Law Enforcement, Fire Department and First Responders for the work that they did over the Labor Day weekend.

Motion was made by Chukuske, seconded by Tiegs to adjourn and hold the closed session to discuss AFSME negotiations. All voted in favor.

Attest:

City Administrator

Mayor

SPECIAL COUNCIL MEETING
September 19, 2017

A Special meeting of the Tracy City Council was called to order at 6:00 pm, Tuesday, September 19, 2017 in the Council Chambers at the City Hall. The following Council members were present: Mayor Ferrazzano, David Tiegs, Tony Peterson, Bill Chukuske and Pam Cooreman. Also present were Shane Daniels-Public Works Director and Diane Campbell-Administrative Assistant.

Mayor Ferrazzano called the meeting to order.

Mayor Ferrazzano stated that in regards to the approval of the agenda, this meeting was initially set up purely for budget and the City Administrator position was added to this agenda as a result of what happened last week. The intent was to have this added to get approval to advertise for the position. The agenda that was sent out last week did not have a public comment period in it but he now sees that it is included. His view is that since it was set up for purely budgetary reasons that that was the primary focus and adding the City Administrator position on the agenda was simply to get approval to post the position instead of waiting. Unless someone on the council feels differently he is urging people to come to the regularly scheduled meeting on Monday, September 25, 2017 when there will be a public comment period. He does not want to assume that all the people here is to hear what the budget is, however you could certainly stay for that if you would like to. He asked if the other council members would like a public comment period tonight or not? If not he would ask that it be removed and they could speak during the public comment period at the next council meeting. If we want to spend 4 or 5 hours at the next council meeting at 5 minutes each that is perfectly fine. This meeting was specifically designed to go thru the budget. Chukuske questioned how the public comment was put on there without the council adding it? Campbell stated that this council approved a public comment to be added to all agenda's. Mayor Ferrazzano indicated that it is up to the Council, if they want it on there they can but his view is that this is specific to the budget and to advertise for a new City Administrator. They will have a public comment at the regularly scheduled meeting and will spend as much time for that as possible. Motion was made by T. Peterson to approve the agenda as originally written. Cooreman stated that she agrees they should have a public comment as that is how it was published and there are citizens here. Chukuske stated that that is not what the motion was. T. Peterson made a motion to approve the agenda as it was originally written which is the budget first and then the Administrator position. Chukuske seconded the motion. Cooreman questioned if the one in front of her was the original? Mayor Ferrazzano indicated that it is not as the e-mail they received on Thursday did not have a public comment included. Chukuske pointed out that they are not in discussion yet. Mayor Ferrazzano indicated that he is aware of that. He stated that the motion is to go back to the agenda that was initially e-mailed which did not include the public comment and had the proposed 2018 budget as item A and the Administrator position as item B. Cooreman stated that she does not feel that is right. Daniels stated that he did not see the original agenda and that Campbell was unsure if the Administrator position was on the original agenda and if it was not the only thing that could be discussed would be the proposed 2018 budget. The e-mail was retrieved and was found that the Administrator Position had been included on the original agenda with no public comment portion. Daniels stated that it must have updated before it was put on the website which included the public comment. Mayor Ferrazzano stated that they were not reading it incorrectly and it did have both of those issues on there with no public comment. He urges everyone to come on Monday and they can spend as much time as the citizens want at that time, however tonight was to specifically talk about the budget and advertising for the City Administrator position. Mayor Ferrazzano asked if there was any further discussion? Those in favor of adopting the original agenda that was e-mailed to them on Thursday: T. Peterson, Chukuske, Tiegs and Mayor Ferrazzano. Voting against: Pam Cooreman. Motion carried.

The Proposed 2018 Budget was discussed. Daniels mentioned some things that were not included on the packet that was presented at the last meeting. The first one was the National Night Out contribution of $1,000 if needed. The second thing was the flowers on Hwy 14. This has never been budgeted for in the past, however if you are looking to add to it by putting flowers on the Hwy it is something the Council will want to consider putting in the budget.

Discuss was held as to where the funds were taken out of in the past. Tiegs stated that it is an additional $5,500.00. Mayor Ferrazzano stated that he feels that they do need to make room for that somewhere as it is important to show off what they can on Hwy 14. He pointed out that Farber was agreeable to a 5 year commitment verses a 10 year. Chukuske stated that they will then have to shave something else. Mayor Ferrazzano stated that they could because if you set priorities the beautification of you City should be a top priority. It was agreed to put that in code 101-431-223. All agreed. Mayor Ferrazzano suggested budgeting in there to include the extra costs that Farber presented to cover the flowers on Hwy 14.

Daniels also mentioned that at the last MPC Board meeting there was discussion regarding the internet. As of right now they do not have a router there to access the internet, however we are still paying for it. It has been several months since they have even had a computer there. He asked the Council how they feel about paying to have wifi available when no one is utilizing it. T. Peterson questioned if he was talking about the router and Daniels indicated it was for the modem. Daniels also stated that it is about $840.00 that they currently have budgeted for it. Cooreman questioned why they have it there? Daniels stated that they did have access and a computer there for people to access the internet, however Kalas did not use it for anything. Mayor Ferrazzano expressed that if they are going to try and market the facility he feels having wifi is important. It was pointed out that the Library does have it and there was discussion regarding tapping into that. Daniels stated there are too many brink walls. Ferrazzano questioned what the additional cost is to have wifi available there? Daniels stated that it would be the same as what is currently budgeted. He also stated that you can buy a decent router for roughly $60.00. Mayor Ferrazzano suggested keeping it in there as he feels it needs to be there.

Daniels stated that the other thing that was not budgeted was the Wheels Across the Prairie contribution increase. T. Peterson stated that it is in there. Daniels stated that it missed the last budget after the preliminary last year. Peterson stated that it is budgeted for $5,700.00. Tiegs stated that it was budgeted for $2,000 and now they are budgeting $5,000.00. It was verified that it is included.

T. Peterson questioned if the wages were reflecting a 4% increase? Daniels stated that he believes it is at 3%.
Mayor Ferrazzano questioned Daniels if he was aware of any changes within departments? Daniels stated that he is unaware of any. He does have the requests available and to his knowledge nothing has been changed. Mayor Ferrazzano questioned the department heads that were present if that is accurate? Tara Onken indicated that she believes that the EDA request were the same as the independent contractor. T. Peterson questioned if there was anything in 101-418-222 on page 2 why did that jump so much. Daniels advised that he believes that is to start doing repairs to the brick and the DMV windows. T. Peterson stated that they could approve the levy numbers he has there at an 11% increase on the preliminary levy to meet the County requirements and they could work on reductions after that. Chukuske pointed out that they can go down they just can't go up. T. Peterson stated that they will see some going down depending how the wage negotiation turns out. T. Peterson questioned Chukuske if he knows where the health insurance premiums will come in at? Chukuske indicated he does not. T. Peterson stated that they could actually put the preliminary levy at 12% or 12 1/2% just to be safe. Daniels stated that he will punch the number in and have it ready for the next Council meeting. T. Peterson also suggested that a couple Council members could sit down with the department heads one on one and go over it with them to determine what is need and what is want. This would save a lot of time and would get better interaction and better numbers. The department heads present indicated that their departments look good. The budget handout was gone thru page by page of the expenditures. Mayor Ferrazzano stated that T. Peterson had mentioned the wages and he does not feel it is necessarily an increase in the salary as much as a set aside for special meetings. He stated that there had been money in there previously as there were new council members that needed training but that will not be needed for this budget year. He feels they can get rid of $1,000 right there. T. Peterson questioned in regards to 101-428-321 if the City is putting money into that fund that we gave the money to the ambulance for? On the loan for the ambulance are we setting the payment money aside to replenish what was spent out of the hospital fund? Dale Johnson stated that that was what the original motion was. He also stated that there was a lump sum paid up and the budget amount was going to stay the same to replenish the fund so that it was still in the budget when the payments needed to start again.

T. Peterson questioned if that has been for two years now? Mayor Ferrazzano stated that it was not budgeted last year either. Tiegs questioned if that should be the $14,000 that is shown under the 2016 year? T. Peterson stated that that was the intent when the loan was created, that that payment would be given to the ambulance fund that we gave the money to the ambulance for. Mayor Ferrazzano instructed Daniels to figure $14,000 into that fund for this year. Ultimately that money will go back into the hospital fund. Tiegs questioned on the Street and Parks temporary and part time there was $10,000 budgeted and the year to date balance is used in 2017 is $3,606.00 and the proposed budget is $17,000.00. Daniels stated that the is to potentially hire a part time person, however that decision has not been made yet. Cooreman questioned the hospital issue and asked for it to be explained. T. Peterson stated that they had a fund from when they sold the hospital that health related initiative and it was decided to give that money to buy a new ambulance. The $14,000 will go back into the pool. Cooreman questioned if it will go back to the hospital. Mayor Ferrazzano stated that they have money set aside for the capital improvements that they want to do which is different than this. Cooreman questioned being the hospital was sold they still have to do capital improvements for it? Mayor Ferrazzano stated that they do not pay for it, just that it was set aside thru the sale, they come back in if they need something, they get approval to use the money. The City is not paying any extra at all. This was part of the agreement at the time of the sale that it would be there in case they needed it. T. Peterson stated that if memory serves him the sale was for $1.2 million. The 2 was given to the City and can hold and collect interest on the $1,000,000. Once the One Million is done it is done. Mayor Ferrazzano stated based on the Capital Improvements needing to be done it is not that much money. Tiegs questioned if Chukuske has any clue yet in regards to the health insurance numbers? He indicated that they have not been released yet. Cooreman questioned if the airport wages get allocated somewhere else? Daniels stated that they get moved around based on averages throughout the year based on the year before. T. Peterson questioned on the big airport jump if it would be covered from the grant from FAA and matching funds. Daniels indicated that it would, that it is budgeted and reflected on the revenue side. Tiegs questioned if the Wastewater goes away in 2018 because it is covered already and just wanted to make sure he is understanding it correctly. Chukuske questioned the Liquor Store 491-321 why it went up so much? It was indicated that they would check with Sandy. Mayor Ferrazzano stated that it could be because they budgeted $2,000 in 2017 and it is already at $2,800.00. Tiegs questioned if it could be credit card fees? Daniels indicated that he thinks that that falls under services fees. T. Peterson questioned the transfer out on the surcharge fund 603-493-401 where it gets transferred to? Daniels advised that that was to establish another fund but it can be looked into. Cooreman questioned if they pay a fee for the City to do the garbage billing? Daniels stated that there is a contract with them and is assuming there is something figured into that for it. T. Peterson stated it would sure be nice to have the health insurance numbers. Daniels indicated under the aquatic center that it reflects the actual costs from when his staff sets up and tears down in the spring and fall and it is reflected all across the board thru the PERA, FICA, Medicare, Work Comp and the health insurance so it is a distribution of the labor. T. Peterson questioned the 470.45% increase under licensing. He also question if they still need to purchase remote read readers? Daniels indicated that he has less than 100 left to buy. Mayor Ferrazzano questioned 608-498-620 what a fiscal agent fee is and why it went up? Daniels advised that it is for the audit and he is assuming that previously it was not broken up into departments. Tiegs questioned line item 801-418-501and what it is? Daniels stated that it is for a copy machine replacement. Onken addressed the Council and stated that she would urge them to consider budgeting money for Training in the EDA department. She stated that she had attended a conference the last couple years and feels that a new employee would benefit from it. If they budgeted $1,000 it would likely cover the costs. Mayor Ferrazzano directed Daniels to figure that into the preliminary budget on line item 806-417-241 for $1,000.00. T. Peterson questioned the Infrastructure replacement reserve fund being $76,160.00 as they only approved levying $53,760.00. Daniels indicated that he would look into that.

Mayor Ferrazzano stated that Madonna Peterson resigned last week and that her last day will be October 2, 2017 and that she will be on vacation until then. The Council will need to authorize the posting of this position. Chukuske stated that her resignation will need to be accepted. Motion was made by Chukuske, seconded by Tiegs to accept M. Peterson resignation that was

written on a post it note and given to Daniels. All voted in favor. Mayor Ferrazzano stated that they will have to determine how long they would like it to be open. Chukuske stated that the last time that the Council did this one of the proposals that Chukuske brought before the board was that they hire a professional to assist them. At that time they had had initial discussions with South Center Service Coop out of Mankato with Wendell Sande who does this for Cities and Counties throughout the State of Minnesota. Chukuske expressed that he would like to see this gentlemen come and do a presentation as far as what he can offer. He is not indicating that he does not want it posted. Motion was made by Chukuske to look into SCSC to see what kind of services the firm can offer. Mayor Ferrazzano questioned if they would just be locating candidates or actually contracted to do City work? Chukuske advised that they would seek out the candidates, interview and screen them. Tiegs asked if they could set the number to be interviewed? Chukuske indicated that he is assuming so, however they would have to find the details out from them. He also indicated that he would be willing to call and line it up as he has the contact information. T. Peterson seconded the motion. Chukuske was directed to set the presentation up for Monday at 7:00 pm if it works for them. Chukuske is to let Campbell know what he finds out. All voted in favor. Mayor Ferrazzano indicated that they could still advertise and us the same description used previously. He indicated that it was kept open 4 weeks the last time. T. Peterson expressed that it should state " until filled". Daniels stated the minimum is two weeks. Mayor Ferrazzano indicated that he would like to have an end date as he would like to have someone in place by the end of the year. He suggests that it get put on the League website and have it open from September 20, 2017 thru October 20, 2017. Cooreman questioned if they will start advertising before the presentation from SCSC? Mayor Ferrazzano indicated they would. Motion made by Tiegs, seconded by Cooreman to advertise until October 20, 2017 using the same description as previously used. T. Peterson questioned if they are just going to put it on the League and not do a print ad? Daniels indicated that it has to be put in the paper. Cooreman questioned if SCSC doesn't come until the 9th and we are only advertising thru the 20th how will that be beneficial? T. Peterson indicated that they have a pool. Cooreman understood that she thought this company would do all of the advertising. Mayor Ferrazzano pointed out that the Council does not yet know if they will contract with them so instead of waiting we should be doing something to move forward as a backup. The League advertising is free so the only expense would be putting it in the paper. All voted in favor.

Motion made by Chukuske, seconded by Tiegs to adjourn. All voted in favor.

Attest:

Acting City Administrator

Mayor

September 25, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 25, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tony Peterson, Pam Cooreman, David Tiegs and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Diane Campbell-Administrative Assistant and Matt Gross, City Attorney.

Pledge of Allegiance was given to the flag.

The invocation was given by Thor Burntvedt.

Mayor Ferrazzano asked for the approve of the September 11, 2017 work session minutes, the regular council meeting minutes and the Special Council meeting from September 19, 2017. T. Peterson stated that he had a couple of corrections. On page 2 of the working session minutes the word mail should be main and on the regular council meeting on the second page second paragraph there should be a space in between two words. Motion was made by Peterson, seconded by Tiegs to approve the minutes as amended. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. Motion made by Chukuske, seconded by Cooreman to approve the agenda as presented. All voted in favor.

Mayor Ferrazzano requested Val Quist give her department head report before the public comments section so that she does not have to stay if she does not want to.

Val Quist, Librarian gave a library update. She stated that they had a really good turnout for the Curious George event over the BCD weekend. She is also working on the State Construction Grant and should be able to submit it by Friday. She pointed out that John Glaser's time with Experience Works is now complete and that they celebrated with a small party to thank him for all that he has done over the past four years.

Rosemary Martin from Craig Avenue addressed the Council. She stated that she is very disappointed in the leadership shown on this council by the lack of action to follow the plan that was set forth in March in an attempt to end the problems between the Council and the City Administrator. Why was this plan not followed? If these working meetings are to continue, we the citizens request the minutes be taken as City business is being decided before the Council meeting and voted on at the Council meetings. T. Peterson continues to overreach his authority which finally resulted in Madonna Peterson leaving as she could no longer work under those conditions. It would seem that part of the problem was that Chukuske failed to see the problem and dismissed it as hearsay. Martin indicated that they were all together in this very room when the meeting was documented, that is not hearsay. In his first four years on the Council T. Peterson was counseled by his peers at a closed meeting regarding his behavior. That is a matter of public record, it is not hearsay. T. Peterson had the applications sent to a mailbox outside of the City Office in the hiring of the previous City Administrator. That is a matter of public record, it is not hearsay. Tony has gone to the City office and behaved in a hostile manner towards Madonna Peterson which can be substantiated by City workers as well as members of our community. This is not hearsay. In spite of the Mayor's efforts T. Peterson continued to create a hostile environment for Madonna Peterson. That is not hearsay, it can be substantiated. Martin stated that she has served on the Planning Commission since August of 2012. Since T. Peterson has become part of the Board there have been times where he has created a hostile environment towards her as well and behaved like a bully. One such time was when it was discovered there were signs not being used appropriately per the ordinance. It was then discovered that the signs used at the Eagles Club that T. Peterson put up for Eagles events were also not per the ordinance. When it was brought to T. Peterson's attention he was above reproach and continued to put the signs out until they were finally removed for safety reasons. When T. Peterson was confronted with the double standard his response was to propose a new ordinance to have all rentals inspected and when he was asked how they would pay for that he stated he would have the volunteer fire chief do the inspections and they would start with apartment buildings. Who do you think that was directed at? Martin stated that this is the type of bullying that T. Peterson does on a continued basis. This is not hearsay, this can be

substantiated. At the last Planning Commission meeting it was decided by a majority vote to recommend putting up two stop signs on Greenwood Ave at the corner of Greenwood Ave and Adams St per the request of the citizens in the neighborhood regarding safety concerns. The cost of the signs would be minimal but instead T. Peterson wanted to do an independent study at the City expense to study traffic. It is a matter of public record that this is what the City Council did instead of following the recommendation of the majority vote of the Planning Commission. T. Peterson will not stop at anything to have his way even when it is not fiscally responsible for the City. We are now just digging our way out of our financial difficulty that was created when T. Peterson was Mayor and we now face more financial difficulty as a result of the efforts of T. Peterson and others who have saddled the rest of City taxpayers with their personal special assessments. Is this a possible Conflict of Interest? Ever since T. Peterson was elected to office he has abused people and his power. T. Peterson is a bully and needs to be recalled from the City Council of Tracy MN. Martin stated that she has had a number of people tell her that they are glad that someone has finally taken action. To those citizens that have told her that they are afraid to sign the recall petition for fear of reprisal from T. Peterson she says they should all be more afraid of what this man will do if he is to continue on this City Council. Martin pointed out that in her career she has been responsible for hiring and firing of employees. If she had an employee that did their job and did it well and left her a post-it note that indicated that they could not work under these conditions she would at least make an attempt to find out what those conditions were.

Mayor Ferrazzano pointed out that they do have a Public Hearing at 6:45 as well as 6:50 and will need to stop the public comment period until they are completed after the next speaker.

Shirley Anderson from Randall Street addressed the Council. The first thing that she wanted to say was that if they would have left the community speak at the September 19, 2017 Special meeting the Council would have known that some of the citizens did not want them to accept the City Administrator's resignation. The Council can correct this now by rescinding their vote of accepting that resignation with the exception of Cooreman as she was silent. Someone needs to find out exactly what was going on that lead to M. Peterson's note of not being able to work under these conditions to see if the situation can be rectified so that our City Administrator would not need to feel that she had to work in a hostile environment. She has done nothing wrong on the job. Before she left on vacation she even took the time to ensure the budget for next year was complete with the exception of the Council looking it over and making some minor changes. M. Peterson has always been very conscientious of fulfilling her job duties. The City Administrator was the one going by the rules, regulations and ordinances that a City is supposed to follow. At times she did try to direct the City Council members in this regard, however often times she was not listened to or some members just continued to disregard her. M. Peterson was the most honest person the City has had in this position. Her knowledge of the job was incomparable. Recently there was a three month evaluation system initiated for M. Peterson and in Anderson's opinion it was not so much an evaluation as it was a way to chastise her and give her direction on how to do her job the way some people thought she should be doing it. It also had an effect of keeping her scared and insecure about her job. M. Peterson knew how to do her job and if she had been given the support from the City Council and Department Heads she would have succeeded. Why were the department heads not reporting to the City Administrator yet they were reporting to the City Council? She was their boss. It is fine to update the City Council and the public at Council meetings as to what is going on, however they should not be by-passing the City Administrator. There are some people in this town that think because of who they are or what their position is they can do anything or say anything and nothing will happen to them. Anderson stated to be for warned, this is a small town and people talk and their behavior will be known. The citizens need to get together, start talking and start protesting against these kinds of people who think that they can run this town alone. She pointed out another issue is these so called "closed meetings". The citizens have a right to know what they are all about. Anderson believes that some of these and what they are being held for are against the City ordinances. Every Council member should be or should have been supporting the City Administrator; however some have their own agendas and were working against her. The Mayor should have been keeping abreast of these issues and if need be reprimanding or sanctioning these individuals who are overstepping their authority. This kind of behavior needs to be stopped and reined in. This hostile work environment should have been taken care of long before it got to this point. Anderson reiterated that the Council needs to

regain some integrity and leadership by working and solving what is inhibiting our City Administrator from doing her job as well as rescinding the acceptance of her resignation.

Mayor Ferrazzano called the Public Hearing for the vacation of a portion of 6th Street East to order. Daniels advised that they had received a petition at the Planning Commission to vacate a portion of 6th Street E. This portion would be from Sunrise Drive going north to Union Street. This street is a platted unimproved street and is needed to place a new house on a residential lot. Mayor Ferrazzano opened the floor up for public comments regarding this.

Rosemary Martin addressed the Council regarding the proposed street vacation. She questioned if this complies with the City plan? Is it compliant with the street length and the Cul-de-sac ordinances? Also does this impair City and fire department workers access? She pointed out that once it is gone it is gone. Gross stated that the ordinance he believes she is referencing is in regards to Planning Plats and since this is already a planned plat that has already been established those ordinances would not apply. It would comply with all of the ordinances and state laws. Martin questioned Daniels if this would create issues for the City workers? Daniels stated that that road is tough no matter what. The biggest problem is to turn around at the end, especially in the winter time. Mayor Ferrazzano stated that that problem would exist no matter what. Martin pointed out that if the two streets were connected they would no longer have that problem. Daniels was in agreement of that.

Seth Schmidt questioned if the un-platted street only goes from Sunrise Dr to Union Street or if it also goes North to what would be the extension of State Street? Daniels stated that it stops at Union St. Schmidt asked if there are any platted streets that go from State Street behind the Nursing Home to Union Street? Daniels indicated there is not.

Justin Struchen from Sunrise Drive addressed the Council. He stated that he is not opposed to properties being built, however he does have a concern regarding the ability to turn around. The garbage truck is currently forced to back up down the whole road at about 3:00 am. He also has a bussing concern as right now there is not a single bus that comes down the road as there is no way of turning around. Future plans may hinder that depending on who lives on that section and how far they will have to go to get to the bus. These issues along with any other deliveries that may need to be made makes it a challenging situation. Struchen stated that he would like to see the Planning Committee come up with a solution that would allow vehicles to be able to turn around, whether that is a cul-de-sac or something else before the Council pursues vacating.

Mayor Ferrazzano closed the public hearing and it was referred back to the Council. Tiegs questioned if it would be possible to make a turnaround at the end? Gross indicated that they could create a cul-de-sac. T. Peterson questioned if they didn't already have that discussion when they vacated Nick Gramstad's portion? He does not remember how the discussion ended but thought that they would take care of the portion of the road that was vacated. They would have to go back in the minutes to know for sure but he thinks that is what it was. Chukuske asked if there could be a turnaround at the end of Sunrise Drive? Daniels stated if there is a radius there they could. He also stated that if they decided to put a road in later they would have to buy the land from the farmer. Chukuske stated they would have to anyway and suggested having a spot where people could drive in and pull back out. He also suggested putting in a gravel cul-de-sac as they would not tar it anyway.

Shauna Davis questioned if she could speak and Mayor Ferrazzano indicated that she could. Davis, Transportation Director for the Tracy Bus Service addressed the Council. She indicated that Sunrise Drive is a problem and as a result they do not pick up in that area as they cannot get a bus turned around. Currently they pick up at the corner of Union Street and E 3rd Street. In consideration of all of the families that are in that area it would be great if there could be a turnaround big enough to run a bus down that road as it is quite a distance for those kids to walk in the bitter cold. She feels that if there are families there and families that may be moving out

there that they need to plan ahead and make it easier for those families. T. Peterson asked if there is a cul-de-sac that a bus currently is able to turn around in? Davis indicated that they can turn around in Circle Drive. Kids safety going to a bus stop is what they need and hopes that the Council plans for that.

Mayor Ferrazzano called the Public Hearing for Ordinance 361 to amend & replace City Code Sec 6.18 prohibiting storm sewer, surface water or ground water to discharge into the sanitary sewer system to order. Daniels stated that the main change is that currently there is not an ordinance stating that they are required to connect into the storm sewer interceptors for the sump pumps if one is available. The reason behind it is that if it is discharged into the streets it would eventually tear the asphalt up and this would eliminate that damage to the streets. T. Peterson indicated that it would also allow the City to take care of it and the property owners to make payments. Motion was made by T. Peterson, seconded by Chukuske to approve Ordinance 361 and Resolution 2017-73-Amending City Code 6.18 Sump Pump regulations. All voted in favor.

Discussion regarding the street vacation resumed. Mayor Ferrazzano asked if they can or cannot put something there for a turnaround. Daniels and Gross indicated that they could, however they would have to get easements from the two end lots. Motion was made by Chukuske to vacate the portion of E 6th Street and work with the land owners to figure out a plan to be able to turn vehicles around. Tiegs seconded the motion. Cooreman questioned if they should get the approval from the landowners first? Gross indicated that would be a separate issue. He stated that if the City wants to put something in place to ease the turnarounds the Council could do that at a later time by having a survey done for the circle or cul-de-sac. T. Peterson requested Daniels to go back to the minutes from when the first portion of E 6th St was vacated. He is sure that there was discussion regarding cul-de-sac's at that time. He also stated that turning around is a big thing and there has to be options that the property owners and the City could come to an agreement on. Daniels expressed to clear that up T. Peterson would like him to look to see if they had made an agreement with Gramstad when the first portion was vacated? T. Peterson stated to look to see what the agreements were as he is certain that the discussion is there for snow removal, busing and cul-de-sacs. Depending on what is found they can work something out from there. All voted in favor of the motion to approve Resolution 2017-72 to vacate a portion of 6th Street E and work with the landowners to create a plan for a turnaround.

Mayor Ferrazzano opened the floor up for any further public comments.

Rhonda Fredericks from Park Street addressed the Council. She stated that she has never been as angry at the Council as she is right now. She has lost respect for them with the exception of one person on the Council that did support M. Peterson. The City had an Administrator that truly cared about and loved this City. She always followed the statutes and rules to do what is best for the City and the Council did everything in their power to destroy that. They did nothing to support her, was always quick to criticize and bullied her. Fredericks stated that she was on the hiring committee for the City Administrator and they were instructed not to talk about what was discussed, however in conversations that she has had since then things are being said about it. With that said she advised that there was not one person on that committee that thought T. Peterson could do a good job as City Administrator. In T. Peterson's e-mail to Mayor Ferrazzano, which she has a copy of, he criticized him for having a secret meeting with Tara Onken and M. Peterson. There have been many people that have questioned T. Peterson, Chukuske and Jeff Salmon's secret meetings as well. You blame M. Peterson for things that past Administrators didn't do. When M. Peterson asked for help on the Utility Rate Study the council said no, however they had no problem with the potential of spending $60,000 to benefit one property owner. In regards to the Lichty lots-where does the EDA's responsibility lie for not following thru on their end? It was easier to blame M. Peterson! Fredericks stated that she

has copies of statements from different citizens stating that T. Peterson had gone into the City Office and yelled at M. Peterson. She also pointed out that it is not a secret that Chukuske was removed from the EDA Board and his actions cost the City of Tracy a fine of $5,000.00 in the Orchard Lane case. She would like to know why someone with a terrible temper and threats to physically harm M. Peterson or other people are allowed to stay on the EDA Board. Fredericks indicated that she is not the brightest bulb on the tree but even she knows that if businesses are considering coming to Tracy they will read the paper, watch Council meetings and see how things are handled and will no longer consider coming to Tracy. This has already happened a few times. Just think of what that would mean for the City residence, businesses and the schools. T. Peterson stated that M. Peterson was not doing her job? What other City Administrator would make sure the budget was complete before leaving? Our City was not being held back by M. Peterson, our City is being held back because of the Council. Fredericks stated that the Council needs to put their big girl panties on, put away their ego's and start doing what is right for Tracy not themselves. She feels that as citizens of Tracy they should demand that the Council rescind the acceptance of M. Peterson's resignation and they should talk to her.

Vera Anderson from Randall Street addressed the Council. She stated that she has lived her entire life with the exception of 20 years in Tracy. She stated that she cannot believe that this has gone on this long and nothing has been done about it. She stated that she is a lady of 90 years of age and knows that she could do a better job on the Council than some of these people that are doing this harassing. She feels that something should be done as it would be terrible if she would have to take someone's place. She stated that she does have the mental ability to do it, however she does not have the time as she is busy enjoying herself. Anderson stated that when the Council is busy pointing the finger at someone else they also have three fingers pointing at themselves.

Nancy Garrels from Tracy Street addressed the Council. She indicated that she had no intention of speaking tonight but she would like the Council to know that she has lived here almost 70 years and she has never been as ashamed of her town as she is right now. She stated that Tracy is a laughing stock. People from other towns look at Tracy and they laugh at us. What is going on with this town? Is there no respect anymore for the people that live in Tracy? She questioned T. Peterson what his agenda is? Do you want to be Administrator? Is that what you are after? Garrels stated she does not know what T. Peterson is trying to do but she feels bad that there are all these people sitting here and no one can make a decision that is the correct one. She stated that she feels sorry for their families and for everyone in this town that has to watch what goes on.

Tam Schons from North 3rd Street addressed the Council. Her question was how did the Council decide to do a three month review for M. Peterson when it has not been done that way in the past and no one else in a Department Head position has the same requirement?

Don Polzine, M. Peterson's father addressed the Council. He stated that he feels the Council has really hurt her and he is very ashamed of this Council, especially T. Peterson. M. Peterson has done the best job that she could do and is at the City office until 8:00 or 9:00 at night working and trying to do the best job for the City. He feels that the employees would tell the Council the same thing, however they are likely afraid to talk to the Council. The Council has broken her spirit and he indicated that when they did this to her 5 years ago she said she would never let it happen again, yet she has. Polzine does not feel it is right and that the Council members are better people than that. He is ashamed of the whole Council. A member from the audience indicated that she feels the whole City of Tracy is ashamed.

Shirley Anderson questioned if the Council could rescind their vote accepting M. Peterson's resignation? Mayor Ferrazzano indicated that with the public comments portion they just hear

the questions, they do not answer them. It is not give and take, it is something that the Council would have to consider so that question will not be answered at this time.

There was discussion to consider amending Ordinance 347 to change the verbiage from "valid for life of animal" to "yearly". T. Peterson questioned if it would require a public hearing? It was indicated that it would as it is changing an ordinance. He posed the question as he has had some residence question it and they would like to come and express their opinion. The other thing to consider is if the City will be grandfathering anyone in under the old system or will they all have to go to the new system? Daniels indicated that everything that is done prior to an ordinance change would be grandfathered in. Motion was made by Tiegs, seconded by Chukuske to call for a public hearing on October 9, 2017 at 6:45 pm. All voted in favor.

The proposed 2018 Levy was presented. Mayor Ferrazzano indicated that the levy should be set so that they can work down from it not up. The proposed increase was 12.67%. T. Peterson questioned if the only change was putting the $14,000 in and some other small ones that were discussed? Daniels indicated that it also includes the flowers for Hwy 14. Chukuske stated that they may want to consider bumping it up as they can always go down. Tiegs questioned if they still do not know where the health insurance will be? Mayor Ferrazzano indicated that it will not be cheap. Chukuske stated that he does not know that yet as he is comparing apples to oranges. He stated that they have two different sets – groups that are in the service cooperatives and groups that are not that are part of a statewide pool. Mayor Ferrazzano questioned Chukuske if he has any idea when they will receive the health insurance figures? T. Peterson stated that it would be a couple more weeks, right? Chukuske stated it depends on the state. Mayor Ferrazzano stated that knowing they can work down and if the figures from the Health Insurance are fine there are things in the budget that they could get rid of. He also indicated that he does not feel that they need to add the $14,000.00 back in. He suggested going with a 15% increase knowing for sure that they would work down from there just in case the health insurance prems come back higher than anticipated. Chukuske pointed out that there is nothing saying that the City would be liable for a health insurance increase as negotiations are not complete. Daniels stated that the problem with going to 15% is that it would change the resolution as the levy is based on the 12.67%. The resolution needs to be accepted tonight as it needs to be certified to the County by September 30, 2017. Ferrazzano suggested staying with what the resolution indicates as they will be able to work it out. Motion was made by T. Peterson, seconded by Chukuske to approve Resolution 2017-75 setting the preliminary levy at a 12.67% increase for a total dollar figure of $1,234,776. 00. All voted in favor.

Setting the Truth in Taxation date for December 11, 2017 at 6:45 pm was discussed. T. Peterson suggested setting it at 6:00 pm rather than 6:45 pm. Mayor Ferrazzano stated that 6:45 pm would be the easiest. Motion was made by Cooreman, seconded by Tiegs to approve holding the Truth in Taxation meeting on December 11, 2017 at 6:45 pm. All voted in favor.

Appointing an interim City Administrator was discussed. Motion was made by Tiegs, seconded by Cooreman to appoint Daniels as interim City Administrator. All voted in favor.

Compensation for Daniels additional interim City Administrator job duties was discussed. Mayor Ferrazzano questioned what they did the last time? Daniels indicated that it was an additional $2,000 a month and he would be fine with doing that again. Motion was made by Chukuske, seconded by Tiegs to approve paying Daniels an additional $2,000 per month as compensation for his additional duties as City Administrator. Cooreman questioned if he actually puts in more hours? Daniels indicated that he puts in quite a few additional hours. All voted in favor.

The lease with the Masonic Lodge for the use of a portion of the 2nd floor of City Hall was discussed. Motion was made by T. Peterson, seconded by Chukuske to enter into a lease agreement of $500.00 per year with the Masonic Lodge. All voted in favor.

appointing Christa Vandendriessche Data Use Representative (DUR) for motor vehicle was discussed. Daniels indicated that Madonna Peterson had previously been appointed and it will need to be appointed yearly. Motion was made by Cooreman, seconded by Tiegs to appoint Vandendriessche as the DUR. Chukuske questioned Vandendriessche if she was ok with that and she indicated that she was. All voted in favor.

Resolution 2017-74-Levying a Property Tax for the support of the Infrastructure Replacement Reserve Fund was presented. T. Peterson questioned how the resolution was written as it has the total and it indicated that it will be placed on all real property – it will only be the $4.00 a year per parcel correct? The resolution reads like everyone will get whacked with the 53. Gross indicated that the total for all parcels is $53,760.00. Motion was made by T. Peterson, seconded by Chukuske to approve Resolution 2017-74. All voted in favor.

Resolution 2017-75-Adopting the Proposed Budget and Tax Levy for 2018 was presented. Motion was made by Tiegs, seconded by T. Peterson to approve Resolution 2017-75. All voted in favor.

Resolution 2017-76-Approve payment to Duininck, Inc. for work completed on the 2017 Phase 1 Infrastructure Improvement was presented. Chris Larson stated that he is in support of that and the payment will be $373,909.75. Motion was made by Cooreman, seconded by T. Peterson to approve Resolution 2017-76. All voted in favor.

The consent calendar consisted of the Municipal Accounts Payable and Receivable, MPC Minutes from 8/21/2017, Library Minutes from 8/10/2017 and the department head reports. Motion was made by T. Peterson, seconded by Chukuske to approve the consent calendar. All voted in favor.

Daniels gave an update on the Fall City Wide Cleanup to be held on September 30, 2017. Mayor Ferrazzano questioned Daniels how many volunteers he will be in need of. Daniels indicated that they currently only have one. Tiegs and Chukuske indicated that they will be there to help. Daniels indicated that if there is anyone in the public that would like to volunteer to contact Campbell as she has the signup sheet. It was indicated that it will be the same setup as the spring one.

Cooreman inquired if the Council was going to discuss rescinding M. Peterson's resignation? Mayor Ferrazzano indicated that they could, however his initial thought is that if that is the case that she would need to send them something indicating that she would like to rescind what she is doing. As of right now all that they have is the post-it note. He appreciates everyone's comments but until they receive something from her in writing there is nothing to act upon. That is his opinion, however if the Council would like to talk about it they can.

Motion was made by T. Peterson, seconded by Tiegs to adjourn. All voted in favor.

ATTEST:

City Administrator

Mayor

October 9, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 9, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tony Peterson, Pam Cooreman, David Tiegs and Bill Chukuske. Also present were Shane Daniels-Public Works Director, Diane Campbell-Administrative Assistant and Matt Gross, City Attorney.

Pledge of Allegiance was given to the flag.

The invocation was given by Eric Natwick.

Mayor Ferrazzano asked for the approval of the October 9, 2017 work session and Council minutes. Motion was made by Tiegs, seconded by Cooreman to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda with two additions – 9L-EDA Recommendation regarding the Independent Contractor for EDA Services and 9M-EDA Tax Abatement Incentive Program Proposal. Motion was made by Chukuske, seconded by Cooreman to approve the Agenda with the additions. All voted in favor.

Shirley Anderson from Randall Street addressed the Council during the public comment. She stated that she is concerned about potential violations of ordinances and the liability of the City for those violations. She recognizes that the City Ordinances are lengthy and not particularly interesting reading but it is important to ensure that they are followed to have valid action. It is especially concerning to have violations in conjunction with conflicts of interest of certain council members. Normally, the primary concern with a conflict of interest is with a conflicted party, however she does feel that all of the Council members have the duty to consider both the self-interest of a Council member as well as the responsibility to insure that there is no violation of the City Ordinances as they fulfill their obligations to the City. They all, as City Council members and Mayor, take an oath of office to follow the City Charter, City Ordinances and League of City rules. They take an oath and are bound to uphold the Constitution of the United States, Constitution of the State and to carry out, without impartiality, the laws of the Nation, State and Municipality. Recently the Council violated this by voting to have 7 members on the Charter Commission. On May 22, 2017 Mr. Gross informed the Council of a violation against the City Code, Section 1.09 indicating that it is mandatory to have a 9 member Charter Commission. Another violation that she was involved in was the dispute for issuing permission for people to have and house more than four dogs. There was a violation against City Code, Chapter 8.30 Subd 4-the keeping of four or more dogs was in violation of the City Code without a special permit and neighbors were contacting City Hall regarding the special permit request and it was nothing was done. There are still violations in regards to this with the dogs. Another violation is the public nuisances which are supposed to be enforced under Section 8.70 of the City Code and there are many violations out there regarding this. She is respectfully asking that each Council member take the time to read or re-read the City Charter and the City Codes and to follow them as required and uphold the Oath of Office that they took. She stated that she does have one complaint which is in regards to all of the closed meetings. She is unsure when the public is to find out what was done in these closed meetings but she would really like to know.

Tom Morin addressed the Council and requested an update on the status of the Charter Commission. Mayor Ferrazzano stated that it is up to the District Court. Campbell stated that she spoke with the Karen Bierman, Lyon County Court Administrator last week and she has received approval from the Judge. Bierman was going to e-mail that information to Campbell as well as mail a hard copy, however Campbell had not received either as of yet. She did call Bierman back on Friday indicating that she had not received the e-mail and Bierman was going to speak with her staff to make sure that Campbell gets that in her hands. Once she receives that they will be able to move forward with setting a meeting date.

Mayor Ferrazzano indicated Wendell Sande with SCSC was present at the Work Session in regards to assisting the council with the City Administrator position and the services that they offer. There is minimal expense in having Sande involved. Motion was made by T. Peterson to

enter into a contract with SCSC as needed in the future as per their discussion and to set up an interview committee of two council members and three members from the public. Mayor Ferrazzano indicated that they will do those two things separately. Mayor Ferrazzano asked if anyone would like to make a motion to enter into a contract with SCSC? They will send some documents to Gross and all they will have to do to engage them is to pay their expenses to come back and forth. Tiegs seconded the motion. All voted in favor. T. Peterson stated that the other motion was to set up an interview committee of five members which would include two from the Council, which would be Mayor Ferrazzano and Councilmen Tiegs, and three from the public. Cooreman seconded the motion. All voted in favor.

Tara Onken questioned if there is a timeline in place for accepting applications and doing the interviews for the City Administrator position? Mayor Ferrazzano indicated that the deadline is the 20th of October.

Rosemary Martin addressed the Council regarding a conflict of interest. The first thing she addressed was city code 2.30 Subd 5 first statement and Section E and E1 and Subd 8 and 9. At the City Council meetings, to ensure the city code is followed, the head of the City Council meeting should request, after the agenda is approved, that if there is any conflict of interests regarding anything that is on the agenda to identify that conflict of interest at that time. If a conflict of interest arises during the meeting, it needs to be identified immediately. She stated that she was at a Planning and Zoning meeting at the County with Mayor Ferrazzano where they saw that very thing happen. Mayor Ferrazzano indicated that is correct. The situation identified there was due to a member of the board owning property adjacent to property in question. At the budget meeting on September 19, 2017 Councilman Chukuske did not identify a conflict of interest in the fact that he sells insurance to the City for all City employees that qualify for health insurance. Further investigation of the business arrangement with Chukuske revealed that for at least 6 years the City has not bid out for the insurance policy to other businesses in town. Should this not be bid out yearly? As a Council you should be required to identify conflicts of interest at the beginning of each City meeting and follow the City Code regarding the voting in any conflict of interest situation. The second item that Martin wanted to address was to re-visit the vote to vacate a portion of 6th St E which happened on September 25th, 2017. She asked for the council's attention to the Affidavit of Mailing which was sent out on September 12, 2017 as well as the photocopy of the Lyon County tax records for parcel number 31-173028-0. She believes that this is a direct violation of City Code 2.30 as Chukuske has significant interest in PC&B Properties. Per our city code, Councilman Chukuske should have identified his conflict of interest and abstained from voting on the street vacation, let alone make the motion. He is listed as owner number 35285 on the property which is adjacent to the property requesting the street vacate and the turnaround would be on property owned by PC&B Properties and the neighboring property. Who will pay for this? The fact that Sunrise Drive is vacated to 6th Street East is a huge inconvenience to all the residents in that subdivision. To now ask the tax payers of Tracy MN to pay for a cul-de-sac that conveniences two properties is asking too much. I believe that Councilman Bill Chukuske needs to identify his conflict of interest and not vote on any issue that directly affects properties owned by PC & B Properties. I believe that the vote to vacate a portion of 6th Street East needs to be rescinded and done correctly per our city code. The motion was ambiguous at best.

Mayor Ferrazzano called the Public Hearing to amend ordinance 8.30 subd 3A-Animal License change from the life time of the animal to yearly to order at 6:45 pm. Cooreman asked if they should clarify that the pet owners that currently have a pet license will be grandfathered in? Campbell stated that the ordinance change would become effective 30 day after the publication of the new ordinance. Mayor Ferrazzano opened it up to the public. There was no one from the public that spoke and the public comment period was closed and referred back to the Council. Mayor Ferrazzano re-iterated that if you have already purchased a pet license that it will be good for the term of the animal's life. He also questioned how much it is on the fee schedule? Campbell stated that it is an annual fee of $20.00. Motion was made by Tiegs, seconded by Chukuske to accept the ordinance change. Campbell asked if they wanted verbiage in the ordinance to indicate that the current licenses will be grandfathered in or does the Council strictly want to change it from permanent to yearly? T. Peterson advised that he would like to see that verbiage put in the ordinance. Campbell pointed out that the proposed ordinance in front of them does not include that and suggested having that changed prior to signing it. She

also stated that once the Council approves it, it has to be published and it would become effective 30 days after that. Tiegs amended his motion to include that the current animal licenses will be grandfathered in. Chukuske seconded the amended motion. All voted in favor.

Gross addressed the issues that Martin had addressed. He indicated that in regards to competitively bidding health insurance contracts state law, MN Statute 471.61 states that the City does not have to competitively bid insurance contracts if you have 25 or less employees. He believes that the City of Tracy currently has 15 employees that are currently covered by the Cities Health Insurance. Because of this the City can directly negotiate with any agent that sells insurance. He is unaware of what was disclosed at the Budget meeting, however that does not need to be competitively bid out by the City. Martin stated that it was not identified as a conflict of interest when the budget was voted on by Chukuske. T. Peterson stated that there were no votes taken at the budget meeting. Martin questioned if they did not vote to approve the budget? T. Peterson stated that there was no specific vote regarding health care. Martin questioned if Chukuske had identified his conflict of interest on that portion of the budget? And did he vote on it? T. Peterson indicated that Gross just indicated that it is not a conflict of interest. Gross indicated that there did not need to be a disclosure as the contract was not being entered into at that time. He is uncertain when negotiations took place, however it would not have needed to be competitively bid out so the city can contract directly with someone as long as they are not providing insurance coverage to more than 25 employees. Martin again questioned if the conflict of interest does not have to be disclosed? Gross indicated that Martin is correct and that it should have been disclosed. Martin questioned if Chukuske should have advised the Council that he cannot vote on that portion of the budget? Gross stated that if it has already been contracted then it would have already been in place. He also stated that the contract would already have been awarded and those monies would have already been allocated toward that. Martin stated that it still needs to be identified for the public's sake. Gross stated that he is unaware of what disclosures were made. Martin advised that there were none. Gross stated that he cannot answer that. Martin questioned Campbell if there were any disclosures in the minutes and she indicated that she does not recall any. Gross stated that if it is not anything being voted on, specifically for the contract itself, there would not need to be a disclosure, that would have happened prior. Campbell indicated that the fact that Chukuske was providing the City with the insurance was openly discussed. Gross stated that that would suffice if he disclosed that he is the insurance agent. Martin again questioned why the bid is not put out to any of the other insurance businesses. Gross stated that the City is not required to do that. Martin indicated that she sees this as a conflict of interest as well as a lot of other citizens. They would like these things to be disclosed and would like Chukuske to recuse himself from voting on anything that he is directly involved with that involves the city.

Gross addressed the issue with the 6th Street E vacation. He indicated that there are two state cases that state that even though a member of the Council has an interest in the property and vote that, if it passes despite their vote, it would not invalidate their motion to vote on it. In the City of Hasting 1989 Street improvement in Denmark Township there were similar instances that occurred where someone who had an interest voted and should not have as something was not disclosed and it still passed, the courts perceive that as that persons vote does not count and if there were still enough votes it would still carry. Martin pointed out that the last part of her statement was that the vote was ambiguous at best as she had understood that it was pending studying who was going to pay for the cul-de-sac. Gross stated that there was a resolution simply to vacate that portion of the street. The issues of building a cul-de-sac and who is responsible for paying for it would be a separate issue. Campbell pointed out that Chukuske's motion included looking into the cul-de-sac. Martin stated again that it was ambiguous as he does own the property there and he did not identify his conflict of interest. Gross indicated that the vacation would still have passed. Martin pointed out that she understands that, however they are asking the Council to please operate by the City Codes. Gross stated that she is correct with the language and that the disclosures should have been identified. Martin also stated that he needs to recuse himself from voting on these types of things. Gross indicated that he does not make an opinion on that, however the language that she quoted is correct and the City needs to be more aware of that and they will do their best to do that.

T. Peterson posed questions of Martin. The first was the fact that she is the chairman of the planning commission and on August 7, 2017 she voted in favor of letting the DNR handle it and

she did not mention anything at that time regarding cul-de-sacs or mailing, however on September 5th, 2017 she voted to move it forward for council consideration and she was still in favor of it with no questions regarding it, on September 25th, 2017 at the public hearing she brought up issues that should have been brought up at the Planning Commission – why is that. Martin advised that it was in between there that she looked at the tax statement and found out who actually owned that piece of property. T. Peterson stated that she is bringing up more information tonight that wasn't available to the Planning Commission – where is the information coming from as a member from the Planning Commission that he wasn't privy to and what is Martin's agenda? Martin advised that her agenda is that she wants the Council to follow the City Code. T. Peterson stated that that show fits both feet. He expressed that she also has a responsibility as the Chairman of the Planning Commission to do the research and give the information necessary to the members of the commission so that they can make an accurate recommendation to the Council, not to come back and argue it after the fact. Martin stated that it was brought up to her later by citizens of the community and she went back to the tax records and found that that is the case. T. Peterson questioned what was the case? Martin stated that PC & B Properties are the ones that own that property. T. Peterson questioned what that has to do with cul-de-sacs and bus routes? PC & B Properties may be the owner listed on the tax statement, however the resident of that house is purchasing it from him. Was that resident sent a letter as well? He is the one that is affected the most and it is his vote that needed to be brought to the public hearing and they didn't. Martin stated she is bringing up the complaint because she wants the Council to follow the City Code. It's that simple.

The Forfeited Land/Special Assessment lists were discussed. T. Peterson questioned Daniels if the County is asking the Council to approve those special assessments or is someone asking for them to be removed? Daniels stated that the County would like to know if the City would like to keep them on there. Mayor Ferrazzano questioned what is written at the bottom of the page. Campbell advised that it is indicating that it has already been forfeited and put in the States name. Campbell also stated that what the County needs to know is which assessment would the Council like the ability to reassess if the property gets sold as well as if the City is interested in any of the properties prior to it going forfeit to the state. Motion was made by T. Peterson to leave all of the assessments on all of the properties. Mayor Ferrazzano questioned Daniels if the City would want any of the properties? Daniels indicated that he does not believe that the City would benefit from any of them. Gross stated that there is a period of redemption as well. Daniels indicated that there may be a couple of lots that you could put a house on with a variance, however most of them are 25' to 50'. Chukuske seconded the motion. T. Peterson questioned if they could handle each one separate based on the sale if the individual is doing it for a purpose that would benefit the community as a whole. To arbitrarily remove all of them now is defeating the system as it costs the City nothing to leave them on there, which is why he made the motion the way that he did. With that said if someone wanted to come in and buy all of them and combine them to build a hi-rise there he would be willing to look at waiving the assessments. Onken indicated that she has not seen the list of properties, but aside from a 25' unbuildable lot she questioned if there was anything that she should be aware of? Mayor Ferrazzano advised that she should look at the list and they could make a motion barring anything that the EDA may want. Mayor Ferrazzano pointed out that there was a motion to not waive any of the assessments and it has been seconded and called for a vote. All voted in favor.

There was discussion to discontinue the work sessions which was also discussed at the work session and the consensus was to hold a work session once a month at the second meeting of the month which coincides with the department head updates. These will take place at 5:30 pm and they will also be televised. Motion made by T. Peterson, seconded by Tiegs to hold the work session meetings at 5:30 pm before the second Council meeting of the month. All voted in favor.

Motion to approve a Plumber's License from E.T. Heating and Cooling was made by T. Peterson, seconded by Cooreman. All voted in favor.

An ordinance change to 6.13-Water Line Maintenance was discussed. Daniels stated that the Planning Commission revisited thisregarding the $2.00 surcharge which was put in place years back. The Planning Commission is proposing to change the language removing "to" and replacing it with "including" to include the first curb stop, not stopping before it. The City would then take ownership of the curb stop as far as maintenance. The home owner will still

own the line and would more or less be insurance for the property owner for the line. T. Peterson stated that when it was originally done the curb stop was included, however they did not think there would be enough funds to support it. Over the years the funds have been built up and there is now enough capital. He also indicated that it benefits the City as much as it benefits the property owner as the City uses the curb stop to shut water off and things like that. Tiegs questioned if they need to have a public hearing and it was indicated that they do as it is an ordinance change. Motion was made by Tiegs, seconded by T. Peterson to set a public hearing for October 23, 2017 at 6:40 pm. All voted in favor.

The EDA presented a Right of First Refusal/Certificate of Resolution for approval. Gross indicated that the City and Jeff Ellingson had a contract for deed, commonly known as the contractor of choice building in the Industrial Park, and there is a buyer that has been identified by the EDA upon satisfaction of payment on the contract for deed which will be conveyed to the new buyer. The contract for deed provided that the City had the right of first refusal and before it can be sold they had the option to re-purchase it for $1,000.00. Gross does not believe that the EDA or the City wants to do that and at this point it is not recommended. In order to convey clear to the buyer the City will need to vote on a Resolution declaring that they are declining to exercise their right of first refusal to purchase the property. This is being requested by the title company as that right of first refusal is included in the warranty deed. The Resolution will need to be passed and then Daniels will need to sign the certification of resolution and have it recorded which will provide a clear title for the buyer. Motion was made by T. Peterson, seconded by Cooreman to approve the Resolution 2017-79 to decline their right of first refusal. All voted in favor.

Mayor Ferrazzano discussed the bids for the Proposed Stabilization Ponds (Phase II). He indicated that Chris Larson with I&S was present at the Work Session and that he recommended accepting the bid from Reiner Contracting, Inc out of Hutchinson in the amount of $5,432,382.04. Motion was made by T. Peterson, seconded by Tiegs to accept the bid for phase II. All voted in favor.

Daniels presented the Inter-fund Loan Transfer and pointed out that Chris Larson with I&S discussed this at the working session as well. He stated that they need this fund for temporary funding and it will need to be set up and earmarked for the project. Daniels did include a spreadsheet that shows where the monies would come from which would include 101-General Fund, 608-Sewer and 303-O'Brien Court. He has spoken with Abdo, Eick and Meyer and that is their recommendation. Motion was made by Cooreman, seconded by Tiegs to do that. All voted in favor.

Setting a Public Hearing date to obtain subsequent rural development funding for proposed Stabilization pond system at 6:45 pm was discussed. T. Peterson stated that he would make that motion, seconded by Chukuske. All voted in favor.

Tara Onken addressed the Council in regards to a recommendation regarding the independent contractor for the EDA position. She stated that the EDA held a special meeting earlier this morning to discuss the candidate for the EDA position. A motion was made by EDA Board member Peterson and seconded by Ferrazzano to have the EDA recommend to the City Council that they adopt the Contractor Service Agreement as outlined. She indicated that the Council did not have a long time to review it, however the EDA Board has been back and forth and she feels that they now have all of the details solidified. The rate of the contract would be $5,400.00 per month, which is higher than what they budgeted for but they have recently learned of different insurance requirements and costs associated with an independent contractor that is different than what it was when they contracted thru Marshall Chamber. Marshall Chamber is an actual entity verses an individual which is the reason for the increase. The EDA Board feels that this was a good candidate and Jeff Carpenter was the one that the EDA Board has chosen. The EDA is requesting that the contract be approved with the $5,400 rate. The EDA felt that this is a worthy cause and the extra that is not budgeted for could come out of the EDA Reserve. The second request would be in regards to Carpenter coming in and Onken going out. The EDA Board is proposing to extend the Marshall Area Chamber of Commerce contract an additional month to allow for ample transition time. T. Peterson stated it would be his pleasure to make a motion to hire Jeff as their EDA director and Cooreman indicated that it would be her pleasure to

second it. Chukuske questioned being he holds a maintenance agreement with the EDA if he would need to recuse himself from the vote? It was indicated that he should. Mayor Ferrazzano stated that Carpenter had agreed to volunteer his time the last two weeks of October and it is appreciated that he is doing that. He also stated that in terms of the overlap with the Marshall Chamber it will come out as a wash. Even though they would technically be paying two people, they have budgeted for the whole year to have the Marshall Chamber there but Onken will not be here in December which will accommodate having the overlap in November. Mayor Ferrazzano welcomed Jeff aboard and indicated that it is a pleasure to have him. He also indicated that they do have it in his contract for him to meet with the board after the first 30 days and they will then meet quarterly. Daniels asked that they state his last name for the record as it was not included in the motion. Mayor Ferrazzano indicated that it is Jeff Carpenter. Voting in favor: Cooreman, Tiegs, T. Peterson, Mayor Ferrazzano. Recuse: Chukuske.

Mayor Ferrazzano indicated that the second motion would be to extend the Marshall Chamber contract until November 30th, 2017. Motion was made by T. Peterson, seconded by Tiegs. Voting in favor: Cooreman, Tiegs, T. Peterson, Mayor Ferrazzano. Recuse: Chukuske.

Onken indicated that she is excited to have Carpenter take this position as well as being thankful for the things that have happened over the last two years and for her time here. The Council thanked Onken.

Onken presented the Tax Abatement Incentive Policy to the Council. She stated that she has been working on this over the last couple months trying to iron out all of the details. This policy accommodates any person that wants to come forward and take advantage of the tax abatement program and there will need to be a special resolution passed for them to meet State Statute that would outline the estimated amount of abatement. This policy will give them an outline so that they know what to expect and what is within the limits to request. This will make it easier to not show favoritism as there is an outline of a policy in place. There will always be grey areas, however they did try to cover as many scenarios as they could as well as keeping as simple as they could. The policy does indicate that the City Council and the EDA reserves the right to modify incentives for businesses and commercial properties as needed and as applicable by law. She gave an example of someone coming in to create ten jobs, that abatement may be different than someone who is just building a house. This clause will allow for some flexibility within the policy. The goal of this is to increase the tax base within the City and by giving up some short term taxes they will increase the tax base long term. The EDA did talk about different scenarios-the length of time and percentage of abatements – and decided that it would be available to the first owner occupant of a property would be a five year abatement with 100% of the City portion of the taxes abated. They did look at sliding scales as well as longer terms, however they are basically front loading the abatement so it falls off and the property will get on the tax rolls faster. If a property owner sells at year four there would be no pro-ration, it is all or none as long as the owner occupies the property. The abatement incentive will not be transferable under this plan. Another example would be-a spec home would not be eligible for the tax abatement incentive, however the person who buys the house would be eligible. Onken stated that she would create a one page flyer to distribute to citizens of the community so that they can understand how it works and the document would not be given to them until they become more serious about looking into it. T. Peterson questioned if this would replace the current cash incentive that the EDA has and it was indicated that it would. Onken indicated that there is one applicant that was underneath the old cash incentive program and once this is approved the applicant could choose which one they would like to fall under. She pointed out that the new way is better as it does not deplete the EDA's reserve fund. Mayor Ferrazzano stated that he appreciates all the work that has gone into this, and questioned if there is a motion to adopt this policy? Motion was made by Cooreman, seconded by T. Peterson. All voted in favor.

Resolution 2017-77-approve closing of fund 504 and transferring the remaining balance to fund 510 was presented. Daniels stated that this is a recall of a bond. Motion was made by Chukuske, seconded by Tiegs to adopt Resolution 2017-77. All voted in favor.

Resolution 2017-78-amend City Code 8.30 Subd 3A-Animal License Verbiage was presented. There was discussion that this would be approved contingent changing the verbiage to include the licenses that will be grandfathered in. Motion to approve occurred earlier in the meeting.

The consent calendar which consisted of the Municipal Accounts Payable, Tracy Relief Association minutes from 8/7/2017 and the Planning Commission minutes from 9/5/2017 was presented. Motion made by T. Peterson, seconded by Tiegs to approve the consent calendar. All voted in favor.

Daniels gave an update on the Fall Cleanup. He thanked everyone that came to help. He indicated that the afternoon was fairly boring. His stated that Tracy and Walnut Grove are the only two cities that have a fall cleanup and he has been told that the fall cleanup is not nearly as productive and the spring cleanups are. Daniels recommends that they stick with just doing one in the spring in the future. Mayor Ferrazzano questioned if there is a way to put a sign indicating that people cannot put TV's and things by the drop off bins for cloths? He understands that the City is not responsible for the drop off bins, however it is unsightly. He was hopeful that people would see that it is just for cloths but that does not seem to be the case. He wondered if there is anything they can do or if they could notify the people that are in charge of them? There has been very little success in getting the organizations to enforce what can and cannot be left. Their turnover is horrendous which makes it difficult to keep on top of it. The various organizations that have them as well as their locations were discussed.

The responses to the public comment period from September 25, 2017 were discussed. Daniels stated that there were seven questions that were asked.

The first was-Why was the plan set out in March not followed? This was in regards to the meetings that they had last March regarding the Council and Madonna Peterson. T. Peterson stated that the plan was to meet with M. Peterson once a month and then it went to once a quarter. He indicated that they did everything that they could to follow it.

The second question was-What were the conditions in which M. Peterson could not work under? Mayor Ferrazzano pointed out that it was not elaborated on.

The third question was-Why was a 3 month review put in to place for M. Peterson and no other Department Heads? Mayor Ferrazzano indicated that it was discussed as a Council that it was not only designed to help her, but was also for her to discuss with the Council the issues that she was having with them. T. Peterson stated that this was agreed upon and was not just imposed. Mayor Ferrazzano indicated that it is a good thing which is why they are going to implement it with the new EDA Coordinator. T. Peterson stated that a review is not a punishment, it is an important tool that employees and employers have in order to minimize problems.

The fourth question was-Why was it allowed for Department Heads to by-pass the City Administrator and go to the Council? Mayor Ferrazzano indicated that that should not happen, the Department Heads should go to the Administrator. He does not know how they would discipline a Department Head that does not do that other than telling the Administrator.

The fifth question was-What is Tony Peterson's agenda and what is he trying to accomplish. T. Peterson thanked Daniels for asking that question. He indicated that simply put, his agenda is to serve the people of this community in the best way that he knows how. He indicated that at the interview when he was asked if he was happy in his current job, he clearly stated that he was not into it for the job but he would take it if they wanted him. He was happy with the job that he had. That is his agenda – to serve. He has spent eight years on the Council, he took two years off but stayed involved in various committees, and was asked to run for Council which he did. He indicated that he is doing nothing different today than he did ten years ago. That is his agenda.

The sixth question was-EDA responsibility for the Lichty Lots. Mayor Ferrazzano questioned if they were wondering why they were not followed thru with? Gross stated that the City cannot take any action due to the statute of limitations. T. Peterson stated that they cleared the lots when both Lichty's and Dale Johnson requested their third extension. The City Attorney at the time stated that being they hadn't been filed there is nothing they can do and that the lots were

theirs and it is over with. This was a matter of record. He was unaware that this would be a question or he would have brought a copy of the minutes, however they were told on both of those properties that the lots are theirs as the City failed to file any of the extensions.

The seventh question was-Are they going to rescind the resignation of M. Peterson? Mayor Ferrazzano indicated that at the last meeting they have not received anything asking that from M. Peterson. If they would it would be something that they would consider along with everything else that they would consider that is brought to them. At this point they do not have anything.

The research of the minutes regarding a turnaround at the end of Sunrise Drive was discussed. Daniels stated that some of the points that he read regarding the last vacation that was done when Gramstad's built their house were that in 2014 Gramstad's stated that the owners on Sunrise Drive would like a cul-de-sac at the end of the street. Gramstad's indicated that they may consider putting a cul-de-sac in. At that time the Fitness Depot had not intensions of doing anything with lots 9 & 10. Mayor Peterson, at that time in 2014, asked who would pay for the street extension. Robert Gervais, EDA director at the time, stated that the street improvements would typically be assessed back to the benefitting properties. Daniels also indicated that if the Council does put a cul-de-sac in the radius would need to be 70 feet. T. Peterson stated that any improvement on that street would be the home owner's expense, not the taxpayers.

The research of minutes regarding the Hospital Fund was discussed. Daniels stated that there was nothing stating that it had to be paid back in the minutes. He also stated that it could be used at the Cities discretion as long as it was medical use. Mayor Ferrazzano stated that when it is gone it is gone and is not needed in the budget. T. Peterson stated that the only reason he brought it up was at the end of the 5 year period the ambulance will want a contract payment and they should be putting a little away each year for that purpose. He pointed out that the last contract was just south of $14,000.00. Daniels stated that the $14,000 is in the preliminary budget and Mayor Ferrazzano stated to take it out. T. Peterson indicated that he doesn't think it should all be taken out and that they need to meet with the department heads to see where they are at. Chukuske questioned if they could meet with the department heads during the working session? T. Peterson indicated that he would like to see the council members meet personally with the department heads. That way when they go to a working session, they as council members will have already talked to them. Chukuske pointed out that if they are going to do that they should not appoint any more than two so that they do not violate any meeting laws. T. Peterson feels that the Citizens would be better served meeting them two on one as your attention span is better that way. Daniels asked if the Council would like to create a schedule? It was determined to break it out as follows: Fire-Tiegs, Police-T. Peterson, Liquor Store-Tiegs, Library-Mayor Ferrazzano, MPC-T. Peterson, Administrator and Public Works-Chukuske and the EDA-Cooreman. This should be done within 30 days. Daniels indicated that he would send out a memo to the Department Heads as well as e-mailing them a current copy of the proposed budget.
Daniels stated that he will be proposing a resolution for the surplus sale at the October 23, 2017 Council meeting.

Mayor Ferrazzano stated that the public nuisances that are seen every day and nothing is happening needs to be addressed. He indicated that he would like to see that committee start meeting again and get things sorted out. There are people investing in buildings downtown, however they still see the same thing in the old bakery year after year. The nuisance committee needs to get back in gear and make things happen to improve the look of the town. Mayor Ferrazzano appointed Chukuske to spearhead it and have the committee start meeting again. Chukuske questioned if Campbell would be available to assist with that? She indicated that she would be.

The other thing that Mayor Ferrazzano addressed was the Liquor Store committee. That committee needs to start meeting again as well.

He also brought to the attention of the Council an issue regarding voting on a motion. He stated that every single time that there is a motion all council members need to audibly vote. Campbell also indicated that she would like to see the motions be made clearer. The Council does not have gismos to vote with but they can voice vote or abstain.

Mayor Ferrazzano pointed out that at the recent meetings there has been a lot of tension and would like to emphasize to everyone that the one thing that they can do for the citizens of this town is to be civil to one another. He appreciates when people comment that they maintain that civility. He understands that people get excited about particular issues and sometimes it is rightly so, however he would like to emphasize that everyone needs to remain civil toward one another. Whether it is the Council saying something or the citizens saying something, they all represent our town.

Motion was made by Chukuske, seconded by Tiegs to adjourn the meeting. All voted in favor.

Attest:

City Administrator

Mayor

October 23, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 23, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tony Peterson, Pam Cooreman, David Tiegs and Bill Chukuske. Also present were Shane Daniels-Public Works Director/Interim Administrator, Diane Campbell-Administrative Assistant and Matt Gross, City Attorney.

Pledge of Allegiance was given to the flag.

The invocation was given by Eric Natwick.

Mayor Ferrazzano asked for the approval of the October 9, 2017 work session and Council minutes. Motion was made by Tiegs, seconded by T. Peterson to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. Daniels stated that he would like to add 11E-Resolution 2017-84-Approve payment to Duininck, Inc for work completed-Payment app #6 and to change Resolution 2017-83 verbiage to say Calling for a Special Assessment Hearing verses Approving Plans and Specifications and Ordering Advertisement for bids and to change 9D to read only AFSME Negotiations. Motion was made by T. Peterson, seconded by Cooreman to approve the agenda with the changes. All voted in favor.

Rosemary Martin addressed the Council during the public comment section. She asked the Council to please review City Code 2.30 subd 2 and relate it to the article in the Tracy paper last week regarding the article written about T. Peterson and Chukuske. One thing that she learned from the paper was that T. Peterson and Chukuske do not regard the City Code or the Charter but put more weight on their own words. On October 10, 2016, as well as an instance on January 28, 2013 where the same process took place, there was discussion regarding Kurt Enderson being awarded a quote to paint the fire truck. It was immediately identified as a conflict of interest and Mr. Gross 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 to approve it. It was also indicated by Mr. Gross that it would require a resolution to be passed and before Mr. Enderson could be paid he would have to submit a notarized affidavit. At the October 9, 2017 meeting Mr. Gross indicated that if the insurance contract had already been contracted than it would have already been in place when the proposed budget was approved he would not have had to identify it at that time. If this is true, when was it voted on by the Council to enter into the contract for the insurance with Mr. Chukuske? Please provide a date to me when that took place. Also – could you please provide me with a copy of the resolution and affidavit that should have been filed for not only going into 2018 but also for the year 2017. This conflict should have been addressed in January when Chukuske took his oath and the documents drawn up then.... Were they drawn up? And if not what are the repercussions for not following the same process and following our city code will be imposed? She stated that Gross should site Chukuske with a Gross Misdemeanor if this is found to be an infraction. For

Chukuske to not abstain from voting regarding the vacation of a portion of 6th Street East being the owner of the property adjacent to the street being vacated by using any excuse erodes confidence in him as a City Council member plain and simple. Another thing they learned from the article in the paper is that neither Chukuske or T. Peterson had any intention of allowing Madonna Peterson to be successful as the City Administrator. She stated that the recall petition is verified and certified and this happened as a result of years of violating our City Code. T. Peterson received a copy of the petition and by the middle of the next morning his employer and his family members were calling people that had signed the petition to intimidate them for signing it. Shame. She asked T. Peterson for once in his life to do the right thing and resign and do not cause any further strife in this community by screaming and kicking. Another thing that was learned from the article was that T. Peterson indicated that the City has weak leadership. Martin indicated that they have the backs of Cooreman, Tiegs and Mayor Ferrazzano. She asked for Mayor Ferrazzano to sanction, censor and call to order whenever and however that need arises. The City needs the rest of the Council members to follow the City Codes and City Charter to start the much needed healing process for our City to thrive.

Mayor Ferrazzano asked to move 9H-Request approval for access road easement for solar garden up on the agenda so that Catania is allowed to leave. Catania indicated that the construction for the solar gardens will start early November pending the signing of the Easement. They can put their road into the site and start the fence work with a goal of putting in modules in early December. Motion was made by Chukuske, seconded by Tiegs to enter into an easement agreement. All voted in favor.

Mayor Ferrazzano called the public hearing to amend ordinance 6.13 section 2-water line maintenance to order. Daniels indicated that about 5 or 6 years ago there was an ordinance that added to the surcharge which enabled the City to take responsibility to maintain a portion of the service line from the water main to the curb stop. The reason for that was due to the taps in the older mains blowing out because of the age of the infrastructure. This ordinance change is to help keep the costs down for the homeowner. This change is for the City to take responsibility of maintaining the curb stop itself in addition to the line. The verbiage would change from "up to" the curb stop to "including" the curb stop. There were no comments from the public and it was referred back to the Council. T. Peterson stated, just to make it clear, they are adding the curb stop as part of the City's responsibility where it was previously the home owner's responsibility. Motion was made by T. Peterson, seconded by Cooreman to amend the ordinance 6.13 Section. All voted in favor.

Mayor Ferrazzano called the public hearing to obtain subsequent rural development funding for proposed stabilization ponds to order. Daniels stated that this is a check box that needs to be filled for possible funding that may be coming up for Phase I, Phase II and possible Phase III. It may not be needed but it is a step they need to do if they want to take advantage of subsequent funding from Rural Development. There were no comments from the public and it was referred back to the Council. Motion was made by Tiegs, seconded by Chukuske to check the box to continue on with Rural Development funding. All voted in favor.

Mayor Ferrazzano stated that Sande was present at the work session meeting to discuss the administrator position. Sande had indicated that there were 13 applications and with his background and expertise he did not deem any of the applications to be qualified. His recommendation to the Council was to re-open the position, advertise in different spots that he has access to, rewrite the job description and keep it open for 90 days. The contract has been reviewed by Gross and looks fine as the services he is providing is well worth the small expense as it is a valuable resource to have. Sande also indicated that he would give the Council recommendations if they would like an interim City Administrator to help, which Mayor Ferrazzano is sure that Daniels would appreciate. Sande will get back with them in the next couple of days whether or not he was able to locate someone that would be willing to help. He has placed interims before and most of the time it is someone that is a retired City Administrator. Mayor Ferrazzano asked if there is a motion to enter into an agreement with Sande? T. Peterson stated he would make that motion and Tiegs seconded it. All voted in favor.

Mayor Ferrazzano indicated that the special assessment committee is going to meet Wednesday at 8:00 am in the Council Chambers to come up with suggestions for the special assessments for the projects that are going on.

Motion was made by Chukuske, seconded by Cooreman to appoint Jon Wendorff to the Cemetery Board. All voted in favor.

Motion was made by T. Peterson, seconded by Tiegs to hold a closed meeting after the regular council meeting to discuss AFSME Labor negotiations. All voted in favor.

Mayor Ferrazzano indicated that he would like the "closed meeting" portion of the agenda removed unless there is actually a closed meeting. It was a specific headline so even if they didn't have one people assumed they did. He also stated that the agenda should include a portion to identify conflict of interest right after the approval of the agenda. The Council was in agreement of that.

Motion was made by T. Peterson, seconded by Chukuske to waive the fee for the use of the MPC for the Lion's Club to hold a soup supper on November 25, 2017. All voted in favor.

Motion was made by Cooreman, seconded by T. Peterson to waive the fee for the use of the VMC for the 50th anniversary of the Tracy Tornado. All voted in favor.

The City surplus sale was discussed. Daniels explained that there will be an ad in the paper for the next two weeks. It will not list everything it will just refer them to the City website as well as a list at city hall for review. There will be pictures on the website so that the public knows what they are bidding on. The sealed bid opening will be held on November 10, 2017. The sealed bids should be turned into City Hall with the item that they are bidding on noted on the front of the envelope. Mayor Ferrazzano stated that anything that does not sell should go to good will and what they do not want can be thrown away or disposed of.

The recall petition and special election was discussed. Mayor Ferrazzano stated that they had a discussion with Gross regarding this at the working session. The procedure does not include a mini-trial as to what is going on. It has been certified by the Clerk and the Council just needs to pass a resolution setting a date for the election. Gross stated that there is a legal memorandum included in the Agenda packet if the public would like to review it which provides more clarification as to the procedure and why the City is doing what it is doing. Gross stated that it is a two-step process – once the petition is received the City Clerk takes an objective view of the petition and validates that it has the required number of signatures and that they are registered voters. He also looks at the grounds of the petition – not whether they are true, just that they amount to misfeasance or malfeasance which is defined in the state statute. Based upon these findings the City Clerk determines if the petition is sufficient, which he has, and it is then sent on for the Council to pass the resolution to hold the special recall election which is what is in front of the Council tonight. The Charter is very clear on this process so once the petition is deemed sufficient, which it has, then the Council is required to pass the resolution to set the election. The election will occur on February 13, 2018 which is the most current date that the Council can hold it per election laws. Gross indicated that the City Charter is somewhat out dated in regards to complying with election laws as state law provides that special elections can only be held on certain dates throughout the year. He indicated that there does not need to be any fact finding as to whether the allegations are true or not, all it has to include is that the grounds amounts to malfeasance or misfeasance at that level of conduct. He stated that the Council does not have to hear testimony and Mayor Ferrazzano pointed out that not only do they not have to but they can't. Tiegs questioned if they would run normal election hours or if they set specific hours? Gross stated that the City staff will work with the County Auditor to comply with the election laws regarding that. Gross stated that in addition to that, Councilmen Peterson, the subject of the petition, will be allowed to submit a 500 word letter to address the allegations and the petitions which will be included with the notice of the publication which is required by the Charter.

Mayor Ferrazzano asked if they have a motion to adopt Resolution 2017-82-Hold a Special Recall Election. T. Peterson indicated that he would make that motion and Tiegs seconded it. Mayor Ferrazzano questioned if T. Peterson could make the motion and indicated that he would just as soon not have T. Peterson involved. Cooreman indicated that should would make the motion and Tiegs seconded it. Voting in favor of the motion were: Cooreman, Tiegs, Ferrazzano, Chukuske. Abstaining: T. Peterson. Motion carried.

Calling for a Public Hearing for the 2017 Infrastructure Improvement Phase I was discussed. Mayor Ferrazzano asked if they have a motion to set the Public Hearing for November 13, 2017 at 6:45? Cooreman indicated that she would make that motion, seconded by T. Peterson. All voted in favor.

Resolution 2017-81-Declaring Property No Longer Needed for Public Purpose was presented. T. Peterson made a motion to approve the resolution, seconded by Tiegs. All voted in favor.

Resolution 2017-83-Calling for a Special Assessment Hearing for Phase I was presented. Tiegs indicated that he would make a motion and it was seconded by T. Peterson. All voted in favor.

Resolution 2017-84-Approving Payment to Duininck, Inc for Work Completed was presented. Tiegs made a motion to approve it and T. Peterson seconded it. All voted in favor.

The consent calendar consisted of the Municipal Accounts Payable, Municipal Accounts Receivable, Department Head Reports and the approval of MPC Minutes from 9/18/2017. T. Peterson moved for the approval of the consent calendar and was seconded by Tiegs. All voted in favor.

Mayor Ferrazzano indicated that he has been contacted by Khou Lor from PUSH and he believes that the organization has used some office space at City Hall and they would like to be able to utilize it a lot more. Lor was wondering if there was a way that they could use it at a reduced rate. PUSH is the organization that is looking into purchasing the old Tracy Floral building for the Hmong Cultural Center and interaction with the public to do community things. Until they secure a permanent place they would like to be able to use the office space that the City has here, specifically the old council chambers. Daniels advised that the one upstairs is already rented out by the Mason's. T. Peterson stated that the Dining Area would be big enough. What Mayor Ferrazzano would like to do is to waive the fee for them to use it as they are looking at investing in the City of Tracy by potentially buying Tracy Floral. T. Peterson made a motion, seconded by Cooreman to waive the fee and allow PUSH to use the facilities that they have that are available. Mayor Ferrazzano stated that they have a motion to use not the old Council Chamber but the other side. Cooreman questioned if the Masons are being charged? Mayor Ferrazzano indicated that they are as they signed a lease. Chukuske stated that Cooreman makes a good point that the Council had agreed that they were not going to waive fees. There have been other groups in here asking to waive fees that have been denied. It was his understanding that the Council agreed they were not going to do that and they are once again doing it. Mayor Ferrazzano stated understands that, but until PUSH gets a permanent place and having them invest in the community with their organization he feels it is a plus and anything the Council can do to give them incentive would be good. Chukuske indicated that this has nothing to do with a specific person or anything but does not want them singled out. The Council has had the discussion in the past that they are not going to waive fees. Mayor Ferrazzano questioned what they charge the Masons and it was indicated that it is $500.00 a year. T. Peterson stated that it is minimal and that the Masons approached the Council when it first started and that they were willing to pay. He pointed out the other difference is that the Masons remodeled that room to suit them as they have their ritual items up there. Voting in favor: Cooreman, Tiegs, T. Peterson, Mayor Ferrazzano. Voting against: Chukuske. Motion passed.

Mayor Ferrazzano discussed the possibility of opening up the gym to the public as winter is approaching. He indicated that the Council has discussed this before and the problem was due to staffing and possibly insurance. He does feel that they need to look into opening it up to the public for basketball and other things. T. Peterson felt that they should get the schools opinion as they are the ones that paid for the upkeep on the floor. Tiegs questioned what the City's insurance covers and if they will split the gym in half so that half could be basketball and the other half for something else? Mayor Ferrazzano stated he was just interested to see if there was any appetite to allow it to occur. He indicated that the insurance issue should be looked into as well as reaching out to the school to see if they would be ok with the public using it outside of their schedule.

Motion was made by Chukuske, seconded by T. Peterson to adjourn to a closed session. All voted in favor.

ATTEST:

City Administrator

Pamela J. Cooreman

Mayor

November 13, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 13, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Ferrazzano, Tony Peterson, Pam Cooreman, and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator, Diane Campbell-Administrative Assistant and Matt Gross, City Attorney. Member Absent: Bill Chukuske.

Pledge of Allegiance was given to the flag.

The invocation was given by Homer Dobson.

Mayor Ferrazzano asked for the approval of the minutes from the work session and regular meeting from 10/23/2017. Motion was made by Peterson, seconded by Cooreman to approve the minutes. All voted in favor.

Mayor Ferrazzano indicated that he would like to read a letter as well as share some comments that he would like to make. He indicated that the letter was given to him by Bill Chukuske yesterday and that he would like Mayor Ferrazzano to read it at this meeting. The letter was dated Sunday, November 12, 2017 and reads as follows:

Dear Mayor and Council:

In November of 2016 418 tax paying Tracy Citizens voted for me in the election for City Council. They did this for a reason as they were not happy with the way the council at that time was managing the city.

Since January 1, 2017 I along with fellow council member Tony Peterson have received nothing but negative attacks by a certain group of negative citizens. They have called us bullies, they should look in the mirror! Every time we have questioned something we have been accused of being "Bullies" and picking on people. Since when does asking a city employee for information and giving advice or asking for someone to check into something become bullying and telling an employee what to do.

It is obvious to me that someone from within the city employment is feeding information to these negative people. The city of Tracy will never move forward and grow in a positive manner with negative people always trying to undermine the city council.

Unfortunately, the 418 citizens who voted for me have not been willing to come to the council meetings and make their voices heard. I have asked several who privately tell me, hang in there, don't give up, why they do not come to the meetings and express their feelings. They are afraid of the same negative abuse and bulling from this select group of people in our city. I am not going to name names as everyone in town who attends or watches the council meetings or reads the local news knows who these negative bullies are!
Mayor you can do something about this by removing the Public Comment from the council agenda. It has proven to be nothing more than a negative feeding platform.

The city council job is part time and thankless at best. I am stealing the statement Madonna made on the post-it note she left, "I can no longer work under these circumstances!"

Mayor and fellow council members I am way too busy and have way too many important things to deal with in my life than all of these negative, petty, and anti-productive actions of these people.

Until positive, tax paying citizens, come to the city council meetings and tell these few negative people to sit down and be quiet this city will go nowhere!

Mayor and fellow council members I hereby resign my position as a Tracy City Council Member.

Sincerely,
Bill Chukuske

Mayor Ferrazzano indicated that the comments that he has, and he is hopeful that everyone affords him the opportunity to make the comments, is that he has been involved in City government for close to 18 years in this City. This is his 11th year as Mayor and he was a councilman for 6 years and he can say that the last couple of months, having to come to council meeting have not been a fun prospect. He never anticipated that every meeting would be good but it has been difficult to say the least. Within the past 60 days there have been 2 resignations and one recall petition. The City does not need him to tell them that the view of our City is one of dysfunction and what he would like to do is to put an end to it now. The City needs to move forward. They have the recall petition in February and whatever the voters decide is what they decide. What does need to happen is to get past all of the negativity that has been feed all over the place. We have a major paper, compared to Tracy's paper, up the street that likes to put a lot of bad things regarding our City in it and it needs to stop. Mayor Ferrazzano indicated that he gets phone calls constantly from people saying that they don't understand how a commission is running this way or why a city employee is doing that or they don't like what this councilperson is doing or that councilperson and it has to stop. The City has reached a tipping point where it can no longer continue. He hopes that everyone in this room and everyone that is watching on television recognizes that fact. He would like to lay out some things that he would like to see happen at council meetings. He does not want to get rid of the public comment period as he does see the value in it, however he would like to remind people that it will not be used to run other people down. If there are specific issues that someone would like addressed that is fine. What they have seen lately are personal attacks against specific people and he personally does not appreciate that. He is trying to be as civil as possible and hopes that others will be as well. He understands that there will be differences of opinions on certain issues, however the public comment period is meant to bring up issues and not for personal attacks against people. He stated there are a couple other things that he would like to bring up and the Council can agree or disagree. In terms of when they receive the agenda on Thursday which is the same time that the public receives it, he would like to suggest that the Council only receives the agenda on Thursday, looks at it, indicates if they have any issues with it and if there are none it would then go on the public website on Friday. The other thing is there is this outstanding issue that if there are public comments that it is on the following agenda to respond to questions that were asked. He stated that if they are general questions that are not directed at an individual council member he would have no problem answering those questions. This would include questions like how much will my pool pass be not individual questions like the one directed at Chukuske. If there are individual questions addressed to a council member he would like to leave it up to that particular council member to decide if they want to answer that question or not. If they choose to fine, if they don't then they will not be answering it. Mayor Ferrazzano indicated that he does not want to take too much time as there is a public hearing coming up, however, for what it is worth, someone who has spent the majority of his time living in this city in public service, he beseeches everyone that when they come up to talk and when they talk about our town, to be cognizant of the fact that the perception of our town is now. He understands that people have their best interests at heart and is not questioning why people do what they do, however the way that they are going about doing it is not helpful. He is hopeful that from today on they can move forward. He indicated that he does not want Chukuske to resign but that is what he has opted to do. He does not want to see another 60 days like the last 60 days with 2 resignations and a recall. All that does is show that they can't work together and he does not want that perception any longer. In the past it has been said that he may mollycoddle people and that he is not a strong leader because he would like people to be able to have the liberty to do their jobs without being spied on and supervised and having people looking over their shoulder. This also applies to council members. From tonight everyone has to work together and they have to get rid of the negativity as it is doing nothing but dragging the town down.

The public hearing for the final assessments for the 2017 Infrastructure Improvement Project was called to order. Chris Larson with I & S addressed the Council. Mayor Ferrazzano interrupted and indicated that there were items on the agenda that need to be addressed first.

Mayor Ferrazzano asked for the approval of the agenda. He indicated that in the absence of Chukuske they could remove 10J-Employee Health Insurance Plan Recommendation-PEIP. Daniels requested to add 8A-1-Letter from Duane Berry and 8A-2-Letter from Elaine Fischer, 10I-to include David and Lori Scott, and Tony & Brenda Rolling and 12F-Resolution 2017-90 Approval of a Committee Member Code of Conduct. Motion was made by Peterson, seconded by Cooreman to approve the agenda as amended. All voted in favor.

Larson gave an overview of what the project consisted of which included utilities, street improvements, storm sewer, water mains and sanitary improvements. There was a brief slide show of the various streets affected given. He indicated that service stubs were provided to every property and if the services were already going to the main they were hooked up. Some residents will have to reroute their services to remove them from the mains that were going thru private property. The total project cost was approximately 3.9 million, there was a bond for 2.66 million, GO Improvement Bond which requires 20% percentage of the costs be assessed which was the target total assessment that the City used for assessments and the total amount assessed was calculated to be $532,630.00. Of that, City property will be assessed approximately $120,000.00. There are three parks, one of which is actually 2 parcels but were treated as if they were multiple properties. An example of this would be Werner Park on the South side of E Hollett is the equivalent of several lots wide so it was treated as multiple lots which is why they carry a heavier assessment. The remainder of the assessment costs was split evenly amongst all benefited properties. The resulting assessment excluding the city properties are $5,435.00 per property.

Mayor Ferrazzano opened the public hearing up to the floor. Ron Coyle from 512 Center Street addressed the Council. He indicated that he has a line that will need to be replaced that goes thru a good length of his property. He indicated that he cannot afford it. He stated that he has talked to a plumber and they indicated that it would cost anywhere from $2,500 to $3,000. The plumber indicated that he was unsure when he would be able to get to it as he is booked out. Mayor Ferrazzano questioned what kind of shape it is in? Coyle indicated that he assumes it is in good shape as he did not receive a video. He stated that along with the $2,500 to $3,000 to replace the line he does have a 60' tree in his back yard which will likely be anywhere from $750.00 to $1,000.00 to remove it. The $5,435.00 assessment will be a struggle as he is having a hard time paying his real estate taxes as it is. To replace the line, remove the tree and to meet the new taxes he will need some help. Mayor Ferrazzano pointed out that the assessments are spread out and Coyle indicated that he is aware of that. His question is with the septic line and sewer line does he need to go from the front of his house all the way to the new connection or would he be allowed to have a plumber come in and go from the new connection taking his old line to meet the new city line? This is where he is unsure what he is allowed to do. Daniels stated that if everything was good to the point where it connects into the old one he could start there and take off to connect to the new one. Coyle asked if he could meet with Daniels in the next day or two to discuss it and it was indicated that he could. Daniels also indicated that he could provide a video to Coyle if he wishes. Coyle stated that the letter he received was a bit confusing as it sounded like he needs to be upfront with thousands of dollars that he does not have. He also indicated that the council needed a response by the 24th and was concerned about making that deadline which is why he was hoping to find a plumber that would be able to help him out which has fallen thru. Mayor Ferrazzano directed Coyle to meet with Daniels in the next couple of days and that will take care of it.

Tony Rolling from 572 Center Street addressed the Council. He stated that he does not have a problem paying his share of the assessment as long as it is a fair share. He stated that many of the residences on the list received new water, sewer, street and curb. The Council has coined this assessment as a hookup fee and not an assessment which is fine. In his portion alley went thru the back yard and they had to put in a $2,500 sewer to hook up with that which is part of the deal. If it is a hookup fee and I have to pay for what I hook up to then I should only be paying half of the assessment according to what the City Council has laid out. At the October 23, 2017 work session I & S indicated that there will be residences that will not be hooking up to both water and sewer and will be an issue. Two Councilmen agreed with that and indicated that it will need to be fixed. Rolling's concern is that if the next phase comes down Center Street which is where his water is and he does not want a $5,000 assessment in the back yard and the

next year have a $5,000 assessment in the front yard. If some residences are getting one hookup fee for both of them that is all that he is asking for.

Jackie Lanoue from 136 E Emory Street addressed the Council. She stated that it is her understanding that her property is not affected by this as she gets her sewer and water from a different branch. The only thing she received was a fire hydrant and a small amount of curb. She pointed out that she did not even get a new sewer line but is being charged for one. Larson indicated that that would be something that they could review closer as it appears that there was some proposed in front of her house on about half of her lot. She stated that hers comes in from the other way and Larson stated that was her utilities and questioned if they redid the street in front of her house? She indicated that they had, however her driveway is the cut off so it didn't affect her driveway but the street was. Larson stated that would be why it was included, however he would review it. Larson pointed out that after the hearing the council will act on whether they want to adopt the resolution which can be amended.

Delores Fredericks from 448 Park Street addressed the Council. She stated that her concern is that everyone is paying the same thing and questioned why she should have to pay for a water line if she didn't have one and some of them did. Daniels advised that she was assessed in 2011 for a water main. Mayor Ferrazzano indicated that they will figure it out.

Larry Lavoie from 484 Park Street addressed the Council regarding the assessments. He stated that there was a water main assessment which was $5,000 or $6,000 and now they are being hit with another assessment. He understands that you can't be fair to everybody, however how will you handle these things? He purchased this property for his son to live in and he has moved away and the property is not worth much. When you receive a $5,000 assessment that you are already paying off and you receive another $5,000 assessment it is almost as much as the property is worth. He questioned if this will be the total assessment and it was indicated that it was. He also question if there will be a comment section later in the meeting. Mayor Ferrazzano stated that there will be a public comment section.

Peter Bader from 305 Long Green Lane addressed the Council. He questioned if there was something that indicated that the City Council would pay for the plumbing charges to pay the plumber and then assess it back to the property or they pay the City with interest? Daniels stated that it would be similar to the three other petitions that will be presented later in the meeting and the same thing could be done for Bader. Daniels instructed Bader to contact him with the amount and they could go from there. Bader questioned if it could go on his taxes as an assessment and pay so much a year and Daniels indicated that it could be.

Dave Kosse from 301 Long Green Lane addressed the Council. He stated that it is nice that the assessment went down. His stated that his plumber was unable to find where they are supposed to hook up from the house to the construction zone line. He does not feel that they will be able to meet the November 24th deadline as the plumber will have to come out again and hand dig to locate it. Mayor Ferrazzano indicated that they will work with him. Kosse indicated that beyond that if Duininik comes out and straightens up the yard in the spring they will get thru it.

Seth Schmidt addressed the Council and questioned why the City park land was included in the assessment if the City taxpayers are going to be paying it anyway? He also questioned if the City would have met that 20% rule without the park land? Also, is the present assessment method that the Council came up with going to be the method that will be used for future projects? Mayor Ferrazzano indicated yes and yes and asked if that answers his two questions? Schmidt asked why the park land was included and Mayor Ferrazzano stated it was because of the issue he raised to meet the 20% which will make it more equitable for everyone. Schmidt stated in other words the taxpayers are paying a little bit more as a result and asked if that was correct? Mayor Ferrazzano stated that is correct for everybody. The message the Council received the last time was that they all should be sharing more of the burden, citywide which is what they are doing. Schmidt questioned if there are any measures planned for people that pay full assessments in 2015? Mayor Ferrazzano stated no because that they had the right to appeal it and didn't. T. Peterson stated that they can't go back. Larson advised that cost, about 11% of the total project cost, was being assessed to private property owners. Gross stated that the

Infrastructure Reserve Fund will help reduce the debt that would incur during the next project which will greatly reduce the borrowing and lower the assessments as well.

Mayor Ferrazzano stated that they have the properties that were brought up tonight marked down and they will figure something out by the next meeting.

Daniels stated that he also received two letters regarding the assessment from Duane Douglas Berry and Elaine Fischer. They read as follows:

November 10, 2017

RE: Serving Notice of Written Objection to the Proposed Assessment Roll 2017 Infrastructure Improvements for 740 2nd Street East, Tracy, MN 56175

Dear Shane,

I am appealing said assessment based on lack of City Code definition of substantial completion of said project.

To date my property does not have driveway access and grass seed planted in disturbed areas.

Elaine Fischer
Property Owner 740 2nd Street E, Tracy, MN

November 13, 2017

Dear City of Tracy, MN

This is a written objection to the amount of the assessment on parcel ID 31-104066-0 for the 2017 Infrastructure Improvement project by the affected property owner Duane Douglas Berry. It is a vacant lot assessed to have a value for taxation of $500.00. Thank you

Duane Douglas Berry
479 Morgan Street
Tracy, MN 56175

Filed with the City Clerk 11-13-17 at 12:45 pm

Fischer addressed the council stating that she cannot currently get in her driveway. Larson indicated that her driveway will be poured later this week. In response to the not being completed issue Larson stated that the project does not even have to be started in order to do the assessment hearing and that a lot of Cities do the hearing prior to construction starting. Fischer stated that she did go on the website and looked up the City Charter in regards to paying the assessment and how it works only to find out that it has been struck. Her questions and concerns was what is the City Code for paying such assessments only to find out that it is just a policy. She has never received a copy of what the policy is and found that it is just whatever the Council says at the time of the project. She expressed that that leaves a lot of the residence wondering. Mayor Ferrazzano asked if the information she received about it being done by the end of the week help her at all? Fischer indicated that it does, however she was looking for a definition of substantial completion as that may mean one thing to her and another thing to someone else. Mayor Ferrazzano stated that she should wait until the end of the week and get back with them to ensure that it is done. She stated that it will not be done as she will not be able to drive on it by the end of the week. Mayor Ferrazzano stated he is meaning that it is done more so than it is now.

Peter Bader stated that the contractors have done an excellent job, especially under the conditions that they had to work in.

Larson stated that overall he appreciates everyone that worked on the project and they were all great to work with.

Mayor Ferrazzano questioned if anyone on the Council has a conflict of interest regarding anything on the agenda? None were indicated.

Larry Lavoie addressed the council during the public comment. He indicated that he would like to address everyone – the Council, the people present and the residence listening on TV- he like many people were appalled at what he has read in the paper over the last 60 days. He stated that he did not see any T as in Team. As a City we will win as a team, we will lose as individuals not willing to be a team. He saw a lot of passion which we need to be successful however, it has to be channeled. He did not see a lot of respect as that R word is hard to come by these days. He would like to challenge everybody to be respectful. Lastly, the golden rule-treat others as you would like to be treated. He stated it is hard to imagine what the other person is going thru and when he heard Mayor Ferrazzano talk about all of the calls that he has received, he knows what that is like as he lives a very busy life. That is not consideration and he totally disagrees with a number of decisions at times but he believes that they can learn something from this and become a better town. Battles are not won in one day it happens over time. This is a great place to live and is worth fighting for, however we need to fight fair.

Jessica Lamb from 472 Emory Street addressed the Council regarding her water bill. She stated that when she received her water bill from last month it was $212.00. She called down to the City Hall and was told that the water went thru the meter and there was nothing they could do. She assumed some fluky thing happened and paid it. When she received the bill for this month it was $300+ dollars. She owns a 900 square foot house that has one bathroom and feels there is no way that they went thru 86 units of water in two months. Both residents work outside of the home for 8 hours a day and the kids are at daycare and school and they are generally not home on the weekends. She advised that they have searched up and down for a leak and was unable to find one. The water softener is not plugged in so does not run. She suspects that it has something to do with the outside spigot. They don't use it on a regular basis-it was used once all summer on September 7 which is when the water came to a stop. She stated that $500.00 is a lot when you are young with a not so great job, especially in two months. She is asking for a portion to be forgiven and if not she is asking for an extension to pay part of the $300.00 bill this month and part of it next month on top of our regular city bill. She advised that their normal use averages 3 to 7 units and usually run around $75.00 and it is back down to 3 units for the next reading. Daniels stated that he went and looked and the flow was somewhere between 250 and 290 gallons an hour for the time period between August 25th and September 9th and it ran day and night. Typically a softener doesn't run that much water, it is usually a gallon or a gallon and a half a minute and this was running around 4 gallons a minute. He stated the only conclusion he can come up with was that someone turned the outside spigot on and walked away. The water did go thru the meter-the register read it and the profile read it. He also stated that it would be up to the council to approve a credit for it. Tiegs pointed out that if the spigot had been left on there should have been a lot of standing water. Lamb stated that there was, however there was a lot of rain at that time and one of her three sump pumps drains out onto the back yard where the spigot is and being she lives on a hill her back yard is always soaking wet, especially in the summer. Because of this she did not notice anything and thought it was due to the sump pump working overtime as a result of the rain. Mayor Ferrazzano questioned if she has turned off the outside spigot so there is no water to it and it doesn't function? Lamb advised that she was not aware that she could do that. She does know that the house next to her started construction and there was a lot of concrete work and they do not have a spigot. She is not saying that is what happened but she doesn't know it didn't. Mayor Ferrazzano questioned if she has asked her neighbor and she indicated that she did. Cooreman and Tam Schons own the house next to her and she had given Cooreman permission to use the spigot at one time, however that was in July. Lamb had asked Cooreman and Schons if they had turned the valve off all the way back in July. The new owners took over shortly after that. Mayor Ferrazzano questioned Daniels if there was anything wrong with the meter and he indicated that there was not and that it is back to normal now. Daniels stated that it was just that one period which matches the register as well as the profile. Lamb again stated that if she has to pay the whole thing that is fine but she would request an extension. Mayor Ferrazzano stated that they would have her bill average

what it normally averages and she would eventually pay off the extra. Daniels pointed out that they have credited the sewer already as they knew it was outside and would not have ran thru the sewer, however the water went thru the meter so it would be up to the Council to decide how to handle it. Mayor Ferrazzano again directed Lamb to pay what she would average and eventually pay it off. Lamb indicated that she would contact City Hall in the morning to get it figured out before the 15th.

Jeff Meyer addressed the Council in regards to reducing Tae Kwon Do gym rent. He indicated that they have had a tournament in the VMC for 14 years and the rent has always been $150.00 per half of the gym. He was told by City Hall that the facility use is based on the number of hours it would be used and that if it is less than 2 hours it would be $50.00 for half of the gym and if it is over 2 hours it would be $250.00 for half of the gym. They are willing to pay $150.00 but they feel that $250.00 is too much. Motion was made by Peterson, seconded by Cooreman to reduce the fee to $150.00. All voted in favor.

Mayor Ferrazzano indicated that he was contacted by Wendell Sande regarding an Interim Administrator. Sande indicated that he does have experienced people interested in the interim position at a cost of $6,500.00 per month for 20 to 25 hours per week with meetings as needed. Sande advised that it is something that the Council should do and that there are currently 5 other cities advertising for administrators. With that said he indicated that it may be past January before the City of Tracy will have the position filled. He also stated that the position will be advertised today and that he has made initial contacts with potential candidates to discuss the opening. The Council needs to decide if that is an expense that they should undertake. Mayor Ferrazzano stated that he can see the benefit of having one however that is a large expense and does not feel that they can justify that. He questioned Daniels if he is comfortable with how things are going and his workload? Daniels stated that it is a slower time right now so it is fine, however come March or April things will start to get busier on his end. He feels it may be more important to get a part time office help to assist with yearend as Burch will be going on maternity leave. Mayor Ferrazzano stated financially speaking if they were to contract with SCSC does Daniels feel that the City could afford it? Daniels stated that he would have to look into it but felt that they would likely be over budget after the first month based off of what they were paying. Cooreman expressed that she feels that is a lot of money for 20-25 hours a week. Mayor Ferrazzano stated that he is in agreement of that. Daniels stated that if you break it down it comes to $65.00 an hour. Mayor Ferrazzano stated that before they turned the contract down he wanted to make sure that Daniels was comfortable with how things are. Daniels indicated that he is. Peterson questioned if they did hire someone if they would have the ability to perform the tasks that Daniels mentioned or would it be better to have the accounting firm do it? Daniels stated that is an option, however he has not talked to them yet. They have indicated to him that if the City needs help in any particular area they could help as they know our program. Daniels stated that as of right now Burch is cross training the other gals along with himself. Mayor Ferrazzano stated that he will let Sande know that they appreciate his efforts however, that is too much money. Daniels stated that he will have to go thru Election training and if they did hire someone he would still have to follow thru on that. Mayor Ferrazzano questioned Gross as a result of Chukuske's resignation if there is a possibility of replacing his seat at the same time as the recall election? Gross stated that they will need 74 days so it would be close. Mayor Ferrazzano questioned what the filing period for the candidates would be? He pointed out that one option would be to function as a shortened council for up to a year, however he does not think that they should. Tiegs stated that they are at 86 days as of right now and 75 days from the next Council meeting. Mayor Ferrazzano stated if they are not doing it in February he does not want to go thru the expense of another election in say May and would rather wait until November.

Rosemary Martin, City Charter Commission Chairman addressed the Council. She stated that they have had three meetings and will be having a fourth one in December to prepare their annual report with templates that they will be getting from the LMC. They did have a meeting today with the LMC which was a general overview of what a Charter Commission is all about and received a lot of good information from the meeting. They are currently working specifically on those portions of the Charter that need to become in tune with the State Statutes which they will be working with Gross on. They are trying to do it all at one time as there are fees associated with it. They are asking the Council to provide the Commission with any

recommendations of items they would like to have addressed. She stated that they have until December 8th to present those requests as that is when their next meeting will be.

A code of conduct for committee members to sign was presented for Council approval. Daniels stated that they have a code of conduct for employees however there is nothing in place for committee members. He feels this would be a good idea to keep everyone in check as far as what is expected of them. Mayor Ferrazzano stated that he does not have a problem having them, as well as the Council members, sign it. T. Peterson questioned if this would fall under the same one as the employees sign? It was indicated that it would not as they are not employees, they are volunteers. Motion was made by Cooreman, seconded by Tiegs to approve Resolution 2017-90. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to approve waiving the fee for the use of the VMC for the Chamber Halloween event. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to approve the police escort for the Chamber Parade of Lights providing it fits into the police schedule. All voted in favor.

An airport maintenance and operation grant contract was presented. Daniels explained that this contract had previously been approved between M. Peterson being the City Administrator and Daniels being appointed Interim Administrator. One half was signed and the other half was not and they needed the same signature on both documents. Resolution 2017-86 is an amended resolution to allow for Daniels to sign it. Motion made by Peterson, seconded by Tiegs to approve Resolution 2017-86. All voted in favor.

Three Petitions for Local Improvements were presented. Daniels explained that this is for the private work separate from the 2017 Infrastructure Improvement assessments. Peterson stated that he supports it but is wondering if they had an ordinance to allow it before and then it was removed from the ordinance but it can now be done because they petition for it? Daniels advised that it can only be done as a special assessment. Motion was made by Peterson, seconded by Tiegs to approve the Petitions for Local Improvement for Delores Fredericks, David and Lori Scott and Tony and Brenda Rolling. All voted in favor.

Resolution 2017-88-Approval of 2017 Delinquent Bills to be certified to County as special assessments was presented. These are for unpaid mowing and water bills. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2017-88. All voted in favor.

Lutheran Social Services site agreement for the MPC was presented. Daniels stated that the current contract is for $2,579.00 per year and the proposed contract for 2018 is only for $1,538.00 per year. This same situation occurred last year. Peterson stated that it is a source of revenue for the City and feels that they should counter offer it to the same amount as last year. Motion was made by Peterson, seconded by Tiegs to approve the agreement at the same amount as last year of $2,579.00. All voted in favor.

Request to purchase election polling pads was presented. Campbell stated that the County has received grant money to purchase new equipment for elections which will be covered 100% by the grant. There will be some left over money that the County is looking at having the bigger cities in the County purchase polling pads which would include Balaton, Marshall, Minneota, Tracy and Cottonwood. These pads would replace the paper roster that is currently used. This would allow the voter to register to vote as well as sign on as a registered voter. If the City does not choose to purchase them now there may not be grant money for them in the future. This will likely be mandatory at some point. If all of the mentioned Cities agree to be part of the purchase, two pads would be roughly $2,400.00 which has been budgeted for. The concern is every year after the initial purchase there would be a maintenance fee of roughly $800.00 per year for both pads regardless if there is an election or not. These dollar figures may change depending on how many cities agree to purchase them. Tiegs questioned if two pads are enough? Campbell indicated that she thinks it would be. Balaton, Cottonwood and Minneota are all looking at purchasing two pads as well. Marshall will likely be purchasing 15, however they are much larger than any of the other cities mentioned. Campbell also stated that she is unsure at what point it will become mandatory but has been told that it will be at some point.

Peterson also questioned if two will be enough. Campbell pointed out that the pads will be a much faster process. Peterson questioned if they would save money on the other side as they would not need the extra judge sitting at the table. Campbell advised that it will be beneficial to the County as they would then be able to just plug in to the pad and just download the new registrations so they would not be manually entered anymore. Motion was made by Tiegs, seconded by Cooreman to purchase two polling pads. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to hold a closed meeting after the regular meeting to discuss AFSME negotiations. All voted in favor.

Tracy Area Chamber is requesting a reduction for the Booze Wagon for the drawing at their annual banquet. Peterson stated that it is a raffle item that they use as a fund raiser and questioned if there isn't already a discount on bulk purchases in place? Mayor Ferrazzano questioned what they can do? Daniels stated that they are asking for a discount on the booze itself. Peterson stated that he thought there was a 10% off on a case. Motion by Peterson to offer whatever the current discount on case purchases is. Tiegs pointed out that they never buy a case they are buying bottles. Mayor Ferrazzano suggested a 10% discount on whatever they buy. Peterson amended his motion to be 10% off on whatever they purchase for the fundraiser. Cooreman seconded the motion. All voted in favor.

Resolution 2017-85-Adopt Special Assessment list for 20147 Infrastructure Improvement was presented. Mayor Ferrazzano questioned Larson if they should do that now? Larson stated that they could do it now and then do another one with only those two or three changes. Motion was made by Peterson, seconded by Tiegs to adopt Resolution 2017-85. All voted in favor.

Resolution 2017-87-Establishing a polling place location for the City of Tracy for the 2018 Calendar year was presented. Motion was made by Tiegs, seconded by Cooreman to approve Resolution 2017-87.

Resolution 2017-89-Approving Application for a Gambling Permit for the Tracy Area Chamber of Commerce was presented. Motion was made by Cooreman, seconded by Peterson to approve Resolution 2017-89. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Library minutes from 9/7/2017 and Tracy Relief Association minutes from 10/2/2017. Peterson questioned the bill for an outlet at the liquor store. Daniels stated that it was a Labor Day emergency which will be similar to what they have in the parking lot right now and will be paid for by whoever is using it. Motion was made by Peterson, seconded by Cooreman to approve the consent calendar. All voted in favor.

The questions that were asked during the October 23, 2017 public comments was presented. Gross stated that there is a memorandum that he had prepared that is available to the public to review. In regards to the health insurance contract the City entered into with Council member Chukuske because the City has less than 25 employees covered by the insurance contract it is not subject to competitive bidding requirements. As a result there is nothing that prohibits a council member from entering into that contract with the City as long as it is unanimously approved upon the Cities vote. There was not a resolution needed because the City chose not to competitively bid it. In regards to Mr. Enderson when he was a council member the City chose to bid that out which is why he had to sign the Conflict of Interest requirements and submit an affidavit before his claim was paid. The consequences for any potential violations of the City Charter and City Codes, depending upon what the violation is it could be a criminal offense. If it is a criminal offence it would have to be referred to law enforcement to be investigated and it would then be referred to the Lyon County Attorney's Office. He does not have the authority to do that as the City Attorney and similarly the Police Department would be conflicted due to the fact that they are hired by the City so it would have to occur out of the Sheriff's Department and then referred to the County Attorney's Office. It would have to be criminal in nature and follow the criminal protocol. Mayor Ferrazzano stated that Chukuske had answered one of the questions when he saw him yesterday in regards to the affidavit being filed and he had indicated that M. Peterson had went over it with him and had him sign a paper regarding the conflict of interest and it should be in his personnel file.

Daniels stated that he and Burch had sat down and went thru the budget with a fine tooth comb and discovered that there was a mistake in the life insurance portion of the health insurance budget code. Instead of taking out $3,600 for all employees for the entire year there was $3,600 taken out per employee per year which amounted to roughly $75,000.00. Along with that he made some minor adjustments within his department. It appears that the legal department is still being budgeted based on what they paid Frank Nielsen and with Gross only being present when he is needed there was savings there. Last year there were at $12,000 and so far this year they are up to $17,000 so he left $24,000 in there for next year. Based on the new numbers, which he has not heard back from all of the departments yet, they are at 4.56%. Peterson pointed out that he is concerned about spending $30,000 a year on telephones which doesn't include cell phones. Daniels will have the PD check into seeing if there is a contract with VAST or not. Peterson stated that they may need to make a new line item for the Civil Defense equipment replacement as there is nothing there. If they have a siren go down it might be smart to have an Equipment Replacement Fund. Daniels questioned if it would be a fund that would carry on and Peterson indicated yes. Daniels stated that if he has money to spare in the Police Department they could move it over without changing the levy. Peterson stated that he will get with Lichty and double check the numbers and then get back with Daniels. Daniels stated that he will have something for the next meeting regarding the budget.

Daniels gave an update on the surplus sale. He indicated that it took him roughly 4 hours to go thru all of the bids and prepare a spreadsheet. He will have a total revenue available at the next meeting. Tiegs questioned how it went and if most things were sold? Daniels stated that most everything went except the tanker. He may put the tanker on MN Bid or Craig's List to try and move it. The old brown chevy high bid was $305.00. Cooreman questioned how the Red Rooster sale went? Peterson stated that just about everything is gone.

There was discussion regarding the VMC being open to the public. Daniels stated that Tauer indicated that Wednesday evenings were really the only time that they would not be using it. The main problem would be finding volunteers. It would be held from 6:00 pm to 8:00 pm. Tiegs stated that he spoke with Tauer and Anderson and they indicated that as far as they were concerned they could open it up anytime people wanted to walk as long as there is a bench for them to change out of their street shoes. They indicated to use it all they can. Mayor Ferrazzano stated that they should do it Wednesday night from 6:00pm to 8:00 pm. Campbell pointed out that they do have people come in to walk during the day up until 3:00 regularly. She also questioned if she should place a request on the Carousel and it was indicated that she should.

Motion was made by Tiegs, seconded by Peterson to adjourn to a closed session. All voted in favor.

Attest:

City Administrator

Mayor

November 27, 2017

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 27, 2017 in the Council Chambers of the Municipal Building. The following Council members were present: Tony Peterson, Pam Cooreman, and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator and Diane Campbell-Administrative Assistant. Member Absent: Mayor Stephen Ferrazzano.

Pledge of Allegiance was given to the flag.

The invocation was given by Homer Dobson.

Pro-tem Mayor Coorman asked for the approval of the November 13, 2017 minutes. Motion was made by Peterson, seconded by Tiegs to approve the minutes as written. All voted in favor.

Pro-tem Mayor Cooreman asked for the approval of the agenda. Daniels stated that he would like to add item 10J-Property owner Petition to Municipality for Annexation by Ordinance, 10K-Set the terms for the Petitions for Improvement, 12G-Resolution 2017-97-Approve Payment to Duininck Inc-2017 Phase 1 Infrastructure Improvement and 10H-Resolution 2017-98-Approve payment to Reiner Contracting Inc for Stabilization Ponds. Motion was made by Peterson, seconded by Tiegs to approve the agenda with the additions. All voted in favor.

Pro-tem Mayor Cooreman inquired if anyone had any conflicts of interest? None were indicated.

Jackie Lanoue from 136 E Emory Street addressed the Council regarding her 2017 Infrastructure Improvement assessment during the Public Comment. She stated that she had previously objected to her portion of the Assessment and handed a map out for the Council to look at. She explained that she did not get both sewer and water as her water comes from the other way. She did however get a new street, curb and a new fire hydrant which affected about 57% of her frontage property. She is proposing that she only pay 57% of her assessment as that was the only amount of benefits that she received.

At the previous Council meeting Rosemary Martin, Chairman of the Charter Commission had asked for recommendations from the Council for items that the Council would like addressed. Peterson stated he would like to echo what Daniels said earlier at the working meeting to see non-residents be able to serve on the Airport Board, anything that is not in compliance with state statutes be looked at as well as anything outdated.

Motion was made by Peterson, seconded by Tiegs to approve Resolution 2017-95-Authorize a Library Construction Grant from MN Department of Ed. All voted in favor.

The final changes to the 2017 Infrastructure Improvement assessments were discussed. Peterson verified that they did not run services all the way up to Jackie Lanoue's house, they just did the water main out in front? Daniels stated that her water was never interrupted during the project which leads him to believe that she is tied into the house to the east which is a shared line. The water main there would serve a purpose which allows her to hook into the new water main in the front and have her own service, whether it is done now or whenever they continue on with the road in the future. As far as the sewer goes she has a fairly new line that runs east that she has been connected to. Tiegs questioned if the water line T's? Daniels stated that he feels it is T'd in with the neighbors. The houses to the North are also shared as well as Pallansch and Kruse. Cooreman questioned if it is required for her to have a separate line? Daniels stated that if for some reason the water bill became delinquent they would have no way of shutting her water off if she doesn't. Peterson stated that he is unsure if there is a misunderstanding that these assessments are hookup fees and that it was just a term used at a council meeting when they were throwing around ideas on assessments. The last thing he remembers calling them was the Infrastructure Improvement assessment verses a hookup fee. The numbers don't change the name does. The infrastructure in her neighborhood has improved and he would recommend that it does not get reduced. Daniels expressed that he does not see that road being improved going east any time soon. Peterson stated that they did the best they could do to keep it fair and meet the statutory requirements for the bonding. Daniels questioned the Council on how they wanted

to handle Rolling's on Center Street? Peterson stated that the odds of doing any work on Center Street would not be until 2024. It depends on what the City uses as a funding tool and if they can avoid using improvement bonds or the laws change and they don't' have to assess it back as a special assessment. It is a County road and the roadwork would be like 4th Street where the County paid for the asphalt work and the parcels being assessed would just be responsible for the underground work. He indicated that it is a crystal ball and to see into the future is cloudy at best. The Legislature needs to change or Cities like us will not be able to afford assessing anything for infrastructure improvements. If it is not spread out and keep it low enough the City will spend all of their time in court. Of those that made their opinion known at the public hearing, there is only one lot that has a good street on the side of it and a good curb with no utilities stubbed in, he would suggest deferring that one until the lot sells and leave the rest the same. Tiegs stated that he agrees with that. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2017-96 to defer property ID 31-104066-0 and leave the other properties at the original assessed value. Daniels questioned if they want it with or without interest? Peterson amended his motion to make it without interest. Tiegs seconded it. All voted in favor.

Motion was made by Tiegs, seconded by Peterson to approve Resolution 2017-94-Reducing Special Assessments for various forfeited parcels for mowing. Peterson questioned what the total number of parcels involved is and it was indicated that it was 5. He also stated that the reason for reducing these parcels is because it was a request from the County because of the price they set on them for the forfeiture sale and the fact that they were unaware that the City had raised their fees for mowing. The County is aware now and it is a onetime thing. All voted in favor.

Daniels stated that the vacancy on the council as a result of Councilmember Chukuske's resignation has to be filled. There will have to be an appointment by the Council as soon as possible. In Mr. Gross's memo he recommends that they advertise for two weeks for people to apply for that council seat which would fill until the first meeting in January, 2019. It would be filled at the November election for the remaining two years. Tiegs stated that if they publicize for two weeks it would have to be in by December 15th. Daniels stated that it would be an agenda item for the first meeting in January for the Council to select from the applicants. Motion was made by Tiegs, seconded by Peterson to publicize the opening starting November 29th and closing December 22, 2017. All voted in favor.

Setting the election hours for the Recall Election was discussed. Tiegs stated that he feels they should have the normal hours which would go from 7:00 am to 8:00 pm. Campbell advised that they are only required to be open from 5:00 pm to 8:00 pm. Tiegs stated that with people working etc he would prefer to have them open the normal election hours so that no one could say that they did not have an opportunity to vote. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2017-93 setting the election hours for the Recall Election from 7:00 am to 8:00 pm on February 13, 2017. All voted in favor.

Daniels addressed the Council regarding the Hanger Feasibility to be included in the Master Plan with Olsem Aerial Application Services LLC. This company does aerial spraying application and would like to do a feasibility study to include a hanger in the Master Plan for them. This is a business out of Westbrook that is looking to expand. Peterson stated that they would like to have the building built in 2018, which is a very optimistic timeline as the City cannot do anything until they get in on the CIP and get the Feasibility Study done. Tiegs questioned where the building would be built? Peterson indicated that it would be out at the Airport and would be part of the whole Master Plan Feasibility Study. Cooreman questioned if the City would pay for the Feasibility Study? Peterson stated that they would as it would be part of the Master Plan. This will make it a little more expensive but is unsure how much. Cooreman questioned what the Master Plan is? Peterson stated that it is a working document for the Airport Improvement Project. This is used by State and Federal to determine how much funding they will give the City and if we are in compliance. There are all types of things being looked at for this in order to get things started. Daniels stated that they will need to come up with a project, bring it to the FAA, have the Engineer design it and send it in for approval. Cooreman asked if the City would be the one to pay for the hanger and get reimbursed from the Company? Peterson stated that there is money out there that the City has given to other airports and money from MnDot,

however there will be an expense to the City to do it. He thought it would be around 20% or more as it will be a revenue generating building. The economic upside is that it is worth the investment as the rent will eventually offset the expense. Daniels stated that they would want a long term lease on it. Tiegs questioned if it would be a one stall? Daniels indicated that is all Olsem is asking for and with it being the size that it would be that is all they would want to do. Peterson stated that it is a neglected resource and they need to start utilizing it. Daniels advised that this has been approved by the Airport Commission and they are passing it onto the Council. Motion was made by Peterson, seconded by Tiegs to, at the Olsem's request, do a Feasibility Study and add it to the Master Plan for the Airport Agreements. All voted in favor.

Daniels advised the Council that with Chukuske's resignation they will have to appoint another councilmember to the MPC Board. Motion was made by Peterson, seconded by Tiegs to appoint Cooreman to the MPC Board. All voted in favor.

Daniels presented a Petition for Local Improvements from Ron Coyle. He indicated that this is similar to the ones that were approved at the last Council meeting. Motion was made by Peterson, seconded by Tiegs to approve Ron Coyle's Petition for Local Improvements. All voted in favor.

There was a petition to annex a parcel of land behind the Red Rooster that was presented. Peterson stated that this is a voluntary annexation and it would assist in increasing the tax base. Motion was made by Peterson, seconded by Tiegs to approve the petition and call for a public hearing on January 22, 2018 at 6:45 pm.

The terms and conditions for the Petitions for Local Improvements were discussed. Motion was made by Tiegs, seconded by Peterson to set the terms at a 5 year term at 4.4% interest rate. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to approve Resolution 2017-91acknowleging receipt and acceptance of Councilmember Chukuske's resignation and declaration of a vacancy on the City Council. All voted in favor.

Motion was made by Tiegs, seconded by Peterson to approve Resolution 2017-92-acknowledging receipt and acceptance of Terry Peterson's resignation and the declaration of a vacancy on the City Charter Commission. All voted in favor.

Motion was made by Tiegs, seconded by Peterson to approve Resolution 2017-97 approving payment to Duininck Inc for work completed on Phase 1 Infrastructure Improvement. All voted in favor.

Motion was made by Tiegs, seconded by Peterson to approve Resolution 2017-98 approving payment to Reiner Contracting Inc for work completed on the Stabilization Ponds. All voted in favor.

The Consent Calendar consisted of Municipal Accounts payable, Municipal Accounts receivable and Department Head reports. Motion was made by Tiegs, seconded by Peterson to approve the Consent Calendar. All voted in favor.

The Budget for 2018 was discussed. Daniels pointed out that they will be putting $3,500.00 for the Library into the Levy for improvements to the basement per the work session discussion. With that addition it would put the Levy just over 4%. Peterson stated that they are basically just waiting to finalize the wages. He stated that the proposed budget currently reflects a 4% wage increase. Daniels advised that it currently reflects a 3% wage increase. Peterson questioned if they don't come back and approve it by the 11th they should just certify the numbers that are there so that it does not hold anything up.

Daniels gave an update on the surplus sale. Peterson questioned if they had any takers on the tanker. Daniels stated that it was at $1,650 as of this morning on MnBid. He has had several inquiries on it and generally with bids like this they don't go up until the last 5 minutes or so. Peterson questioned if Daniels had put a minimum on it and he indicated that they did not. They

had $1,500 when it was on the surplus sale. The surplus sale generated $4,342.51. There are a few things that were thrown away or given away but there are also a few things that they may put on Craig's list such as the bagger for the lawn mower. The liquor store items are the only things that they have saved for roll over items.

The open gym at the VMC was discussed. Daniels stated that they do have three volunteers so far and wondered who would be managing this as it will take place after office hours and they will need to make sure that someone shows up. There is also a concern regarding bad weather, lining people up and who will lock and unlock the facility. Daniels stated that the PD should be around to lock it up so that would be an option. Tiegs stated to set up a volunteer schedule and indicating that if they are unable to attend, they should call in by noon so there is time to replace them or get the word out that there will not be open gym that night. Cooreman questioned if there has been any interest shown for the open gym? She feels that if they are interested in coming that they would be willing to volunteer. Campbell stated that it would depend on how many younger kids are there and how much supervision they would need. Daniels asked for clarification that this would be just for the winter months and it was indicated that they should wait and see how it goes. If it is not being utilized then they should just stop. Tiegs stated that once spring comes they could discontinue it.

Peterson stated that he has submitted his resignation for the Planning Commission effective immediately. His position is not a council appointed position so will need to be advertised for. Campbell stated that they were short by one already. Peterson thought that this was the last year of his term.

Motion was made by Tiegs, seconded by Peterson to adjourn. All voted in favor.

ATTEST:

City Administrator

Mayor