

# January 8, 2018

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 8, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Steve 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

Pledge of Allegiance was given to the flag.

The invocation was given by Edsel Miller.

Mayor Ferrazzano asked for the approval of the December 11, 2017 minutes. Motion was made by Tiegs, seconded by Peterson to approve the minutes as written. All voted in favor.

Mayor Ferrazzano asked for the approval of the Agenda. Daniels requested a change to item 12D to read June 30<sup>th</sup> verses February 28<sup>th</sup> so it would not have to be revisited every month. He also requested additions of 12F-Resolution 2018-6-Contract with City Official-Dave Tiegs and 14A-1-Liquor Store Hours. Mayor Ferrazzano suggested moving 10A-Appoint Council Member to 16A as it will take time and does not want to hold everything up. Motion was made by Peterson, seconded by Cooreman to approve the agenda with the mentioned corrections and additions. All voted in favor.

Mayor Ferrazzano asked if there are any conflicts of interest that need to be acknowledged? There were none indicated.

Rosemary Martin addressed the Council and requested that Peterson abstain from the vote to appoint a new council member as there are a number of applicants that are active in the recall or who have signed the petition for his recall.

Tom Morin addressed the Council. He stated that he would like to make a general comment regarding all of the appointments coming up. He does not want anyone to take offense as he appreciates the Council members and what they do, he is just wondering if they are setting a precedents that they might come to regret later. If Cooreman moves to the Mayor's spot they will have to appoint her spot as well as appointing Chukuske's spot, Daniels is filling in temporarily for the Administrator position so there will be a lot of temporaries in place which concerns him as that is not representative government. He stated that it concerns a number of community members as they will have a good number of appointed officials verses elected officials. He stated that he should not have pointed Daniels out as he is appointed to fill the need but they will have the potential of having four appointed officials on the Council. He requested the Council to give some thought to calling a special election rather than appointments.

Accepting Mayor Ferrazzano II's resignation, appoint a new Mayor, declare a vacancy on the City Council and set deadline for council seat applications were discussed. The intent is that when they do the appointments later on in the meeting they would appoint Pro Tem Cooreman as Mayor with the Council approval. If there were a general election to fill these spots it would not likely happen until May or June. If they do that and Peterson is recalled they could potentially be looking at a two member Council which would not work. He understands the concern but does not feel that it would be beneficial to do it that way. Peterson stated to be clear on it the positions that would be appointed will only be for a twelve month period for all of them. It would not be a long term appointment. If the recall election is successful, there will have to be a general election for his seat which would only leave two appointed seats. Motion was made by Tiegs, seconded by Cooreman to accept Mayor Ferrazzano's resignation effective January 9, 2018. Voting in favor: Tiegs, Cooreman and Peterson. Abstaining: Mayor Ferrazzano.

A Motor Vehicle/Driver's License summary for 2017 was presented. Peterson questioned if they collected the \$942,000 in fees and the \$51,000 was the Cities cut for the filing fees? Daniels stated that is correct. Peterson questioned if the revenues are still justified in having another person in the office and if the revenues are still capable of carrying that position and

Daniels stated that they are. Mayor Ferrazzano questioned what the MNLARS status is? Daniels stated it is still not working the way that it should. Campbell pointed out that it takes them longer to get thru a transaction as the DMV sites are doing more on their end and the state is doing less. Because of this they will not be able to process as many as quickly as they previously did as it takes longer to get thru it. Peterson stated that the customers will shop around and go to a place where they can get it done quicker. Campbell pointed out that the Marshall site currently has a three hour wait as they have more people and they operate on the same system as we do. Cooreman questioned if it is supposed to get better? Daniels stated that the State cannot go back to the old system so all they can do is work on correcting the new one.

Appointment of Sandra Nyquist to the Charter Commission was presented. Motion was made by Cooreman, seconded by Tieggs to appoint Sandra Nyquist to the Charter Commission. All voted in favor.

Plumbers license for Water's Edge, Mike's Plumbing & Heating and E.T. Cooling were presented for approval. Motion was made by Tieggs, seconded by Peterson to approve the Plumbers License on the condition that the fees are paid. All voted in favor.

Pay Equity Implementation was presented. Daniels advised that they have to submit a pay equity report to the State every three years to balance the difference between male and female. Peterson questioned if the City is within the acceptable guidelines and Daniels indicated that they are. Motion was made by Tieggs, seconded by Cooreman to implement the pay equity. All voted in favor.

There was discussion regarding the Interim Administrator per the Councils request at the December 11, 2017 meeting. Mayor Ferrazzano stated that Daniels will remain Interim Administrator for now. Peterson stated that if that is going to be the case that he would ask, because he read the paper, who the point of contact is for the City to the media? Daniels stated that it would be him or the Mayor. Peterson stated that in the paper they quoted Campbell numerous times and the article was not factual or accurate at the end. It was a front page article as a preview to the Council meeting in the Marshall Independent. He would ask that either the Mayor or the Administrator be the only point of contact to the media and to keep it that way. Grants received for Parks & Fire Department were presented. Daniels advised that there were some SHIP funds that they had to use or they would lose. They did buy a couple of benches as well as a bike service station for along the bike trail that will be put in this spring. They did get a DNR Grant for the Fire Department PPE which was a 50/50 grant for \$10,000.00 (\$5,000 City/\$5,000 DNR). Peterson thanked the Chief for taking the time to research the grants and apply for them.

A request to appoint Council representation on the EDA Board to replace Mayor Ferrazzano as a result of his resignation was presented. Mayor Ferrazzano offered the spot to Tieggs and he accepted. Motion was made by Cooreman, seconded by Peterson to appoint Tieggs to the EDA Board. All voted in favor.

Property Maintenance Code/Nuisance Ordinances were discussed. Daniels indicated that this has been brought up at other board meetings regarding this enforcement. He is wanting the Council's input as to how actively they would like it to be enforced? The downtown storage is a sore subject, however there are also a lot of other buildings being used for storage that are not targets. If they go after one they will need to go after all of them to keep the playing field even. This would also apply to the nuisance ordinances. Determining the difference between daily use and junk and where that line gets drawn is difficult. Chief Lichty addressed the Council and stated that he and previous Administrator Peterson did a walk thru downtown and addressed some signage issues and who are in violation of the ordinance as well as some other safety concerns that were in violation. They chose a few that were the worst scenarios, however there are others that could have fallen into it as well. They did a fair job of getting some things looking better but there is still work to be done. He indicated that he will once again work on them this spring. Mayor Ferrazzano expressed that he feels consistency is the most important thing and if Daniels and Lichty are looking for support of the Council they have it. The way it looks right now it does not encourage investment in our downtown buildings. Everyone needs to be on the same playing field and of the same understanding that this is going to be enforced and

if the City needs to spend money taking it to Court he feels it would be money well spent in the long run. If the property owner knows that the City will not spend the money to take it to Court then nothing will get done. Peterson stated that it is the same properties all of the time and the legal course would be the only option. He is talking about code violations not maintenance violations as the code violations are the downtown zoning violations which includes signage and windows not being covered and things like that. He does not ever recall those properties being taken to court. Daniels stated that a lot of them end up going on the Tax Forfeiture sale and the City ends up with it anyway. This is why Daniels is questioning the Council how hard they want him to go after them. Chief Lichty stated that some of the downtown ones this year just chose to pay the citation until the end of the season and just leave it the way it is. Gross pointed out that there are other options such as a criminal misdemeanor for violation of the code and state law does provide for abatements and nuisance civil action. This would be to get an order from the Court which would allow the City to go into the property, correct the issues and then those costs would be assessed to the property. However, he has seen properties that just go delinquent on their RE taxes and then you would not get that money back. You can abate a nuisance civilly which allows you to enter the property to repair the things that need to be repaired depending upon what the issue is that the property has there are different way that it can be approached if you really want to remedy the situation. Cooreman questioned if any of the properties on Main Street are in tax forfeit? Daniels stated that he is aware of one for sure that Carpenter has been working on which is the old Enderson building. Apparently the Bank sold it, however it was never transferred and now it is delinquent taxes. The City sent the bank a correction order two years ago and the City ended up correcting it and then it was never paid so it was put on the taxes. That special assessment is still on there and has not been paid. Mayor Ferrazzano stated that it will take time and every property owner is on notice that they have to comply or there will be consequences. Daniels questioned where the Council is at on the nuisance side of things as far as what is junk and what is daily operations? It was indicated that the nuisance committee was supposed to address that. Chief Lichty indicated that they had. Mayor Ferrazzano feels that they should know it when they see it as they could not come up with a definition as to what is junk and what isn't. Peterson stated that he feels that the nuisance should be an ongoing thing, not a seasonal thing.

The culvert request from Melvin Klein was discussed. Daniels stated that this is an FYI as Klein is telling him something a little different now than he did before. He does not feel that the Council needs to act on anything now as he has requested something in writing from Klein. Peterson stated that is what he suggested to Klein as well and that he contact the rest of the Council members. Tiegs indicated that Klein has called him as well, they just haven't had time to sit down and talk. Peterson stated that he personally thinks that whatever they can do to keep him happy and be a good neighbor that is what they should do. The term Peterson used to him is to request some compensation for the consideration of the pond to discharge across his property. Klein had indicated to him that he would get in touch with the other council members. He gave Peterson a number and Cooreman indicated that he had not given her a number. Mayor Ferrazzano stated that to avoid confusion he should write it down and present it to the Council as a whole and come to the Council meeting to talk about it. Giving one council member a number and not another is not the right way to handle it. Individual members are not allowed to do anything on their own it has to be the Council as a whole.

Resolution 2018-1-Acknowledging receipt and acceptance of Mayor Ferrazzano II's resignation, appointing Mayor Pro Tem Cooreman as Mayor and declaring a vacancy on the City Council was presented. Motion made by Peterson, seconded by Tiegs to approve Resolution 2018-1. All voted in favor. Gross indicated that Mayor Ferrazzano should abstain as the resolution involves him. Peterson stated that they would not have a quorum to vote if they both abstain and Gross indicated that you do have a quorum present and the majority vote would pass. Voting in favor: Tiegs and Peterson. Abstaining: Mayor Ferrazzano and Cooreman.

Resolution 2018-2-Appointment of member to the City Charter Commission was presented. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-2 appointing Sandra Nyquist to the Charter Commission. All voted in favor.

Resolution 2018-3-Amended Resolution appointing Election Judges for the 2/13/2018 Recall Election-Minimum wage change as of 1/1/2018 was presented. Daniels explained that the

minimum wage changed from \$9.50 to \$9.65 on January 1, 2018 so this resolution is an amended resolution to account for that. Motion was made by Tiegs, seconded by Cooreman to approve Resolution 2018-3. All voted in favor.

Resolution 2018-4-Granting Charter Communications, Inc a Franchise Extension through June 30, 2018 was presented. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2018-4. Mayor Ferrazzano questioned if the City has received any further information regarding this? Daniels informed that all he is aware of is that they want to raise their rates. The Council's frustration with this was discussed. All voted in favor.

Resolution 2018-5-Approving payment to Reiner Contracting Inc for work completed on the Tracy Stabilization Ponds was presented. Chris Larson with I&S gave the Council an update. He indicated that they are currently shut down until spring as of December 20, 2017. Larson is very happy with the progress that has been made. They are hoping to resume late March or early April depending on the weather. The second pay app request would be for \$916,222.03. Peterson questioned where they are at as far as completion? Larson stated that they are almost at \$1.7 million of the \$5.4 million so roughly 1/3 of the way done. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2018-5. All voted in favor.

Resolution 2018-6-Contract with City Official David Tiegs was presented. Gross stated that it was discovered thru the Liquor Store Committee that Tiegs is an employee of Breakthru Beverage and the way that he earns his wages is thru Commissions. As a result of this Tiegs will need to complete an affidavit and the Council will need to pass this Resolution. This contract does not need to be competitively bid out as the expected value is less than \$25,000.00. This is just a formality that needs to be completed by State Statute in order for the City to continue to contract thru Breakthru Beverage. This process will need to be completed yearly. Motion was made by Peterson, seconded by Cooreman to approve Resolution 2018-6. All voted in favor. Gross stated that in conjunction with that Resolution, every time the Council votes on the Municipal Accounts Payable, they will want to approve them with the exception of any Breakthru Beverage payments so that Tiegs can vote on those and then abstain from voting on the approval of the Accounts Payable portion to Breakthru Beverage. Peterson questioned if there were any in there this time and it was indicated there was not.

The consent calendar consisted of Municipal Accounts Payable, Library minutes from 11/2/2017 and MPC minutes from 10/16/2017 and 11/20/2017 was presented. Motion was made by Peterson, seconded by Cooreman to approve the consent calendar. All voted in favor.

Liquor Store License and hours were discussed. Mayor Ferrazzano stated that they discovered at the last Liquor Store Committee meeting that there were some things that they were not aware of that they will attempted to implement. Paul Kaspszak had address the Liquor Store Committee at their last meeting and presented some ideas that they could try. Sandy Lau, Liquor Store manager stated that Nanette from Olivia will be working with her to try to implement some of the suggestions. Mayor Ferrazzano feels that based on their discuss that they had regarding selling the license or relocating it should be put on hold. Peterson questioned if the ideas listed in the memo are the ideas that Kaspszak presented? Tiegs stated that that is some of them. Peterson stated that those suggestions have already been discussed, worked and re-worked. He also pointed out that there is nothing indicated on the memo regarding a monthly inventory and does not understand how you can do loss prevention without one. If product sits around and depreciates and we have a loss and its not being shown in the financials.... He does not know if a couple of changes is going to make up the \$30,000 or \$40,000 a year of losses. It would require an awful lot of changes to account for the losses. He has heard from residents that are 100% opposed to keeping it open as well as residents that would like the Council to hold a public hearing as to whether it should remain open or be closed. He does not feel that retrying things they has already done is the answer. Mayor Ferrazzano stated that he feels that it would be helpful to have Kaspszak come as he was very informative when he met with the Liquor Store Committee as he is not doing justice to the presentation they had from him. He felt that there was significant enough information presented to him that caused him to pause and want to see some of the things Kaspszak presented be implemented. Peterson questioned how far in the future will they allow this to go on? He also addressed the fact that the City has not yet purchased a cigarette license. The retail business with that type of product you really have to

keep track of things as loss prevention is key. Mayor Ferrazzano indicated that Kaspszak did say that we should not be losing money. Daniels stated that by statute there has to be a public hearing if it shows a 3 year loss which we are at. Mayor Ferrazzano suggested having Kaspszak come to speak with the public hearing to follow at the 2/12/2018 meeting.

Sandy Lau addressed the Council in regards to the Liquor Store hours. She indicated that Kaspszak suggested adjusting the winter and summer hours and possibly be open later. She stated that she could print out a report for the month of December which shows how many people came between 9 and 10 and Peterson indicated that they have already been tracking that. Mayor Ferrazzano stated that if Lau thinks it is justified to go ahead and do it. Lau indicated that January really is the worst month anyway. Mayor Ferrazzano suggested opening up at noon during the week. Cooreman questioned how early she starts getting customers? Lau stated that it could be as early as 9:00 am but you are not going to have 10 people at 9:00 am. If it were 9 or 10 pm you may have that. Mayor Ferrazzano suggested noon to 10:00 pm. Tiegs questioned what they would do for deliveries? Lau stated that they are there at eight on Wednesdays. She indicated that she could check with them to see what their schedule is. Tiegs stated that moving the Beer delivery schedule might be the biggest hurdle. Lau indicated that she will talk to them. Motion was made by Peterson, seconded by Cooreman to allow Lau to change the hours as she sees fit. All voted in favor.

Mayor appointments included:

1. City Clerk/Administrator – Shane Daniels
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 Rolling
8. Weed Inspector – Barton Meyer
9. City Forester – Barton Meyer
10. Building Inspector – Shane Daniels
11. City Assessor – Lyon County Assessor
12. Civil Defense Director – Jason Lichty

Motion was made by Peterson, seconded by Cooreman to approve the appointments. All voted in favor.

Council appointments included:

1. President Pro-Tem (1 member) – Pamela Cooreman
2. Community Ed Financial Advisory Board (1 member) – Dave Tiegs
3. Planning Commission Member (1 member) – Pamela Cooreman
4. Economic Development Authority Member (2 Members) – Dave Tiegs and Tony Peterson
5. Hospital Advisory Board (1 Member) – Pam Cooreman
6. Labor Management Committee (2 Members) – Pamela Cooreman and Dave Tiegs
7. Wheels Across the Prairie Museum (1 Member) – Dave Tiegs
8. Motor Vehicle/Drivers License Appointment – Christa Vandendriessche Marten

The Attorney Meeting Committee was discussed. Due to lack of meetings it was decided to eliminate it and form it again when the need arises. Motion was made by Cooreman, seconded by Tiegs to approve the appointments. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to establish the time and place for council meetings to be the second and fourth Monday of each month at 6:30 pm in the Council Chamber of the Municipal Building with the exception of May 28<sup>th</sup>, 2018 due to the Memorial Day Holiday. The May 28<sup>th</sup> meeting was moved to Tuesday, May 29, 2018 with the same time and place. All voted in favor.

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

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

Motion was made by Peterson, seconded by Tiegs to establish Minnwest Bank South, the 4-M Fund, Morgan Stanley Smith Barney, Bremmer Bank, State Farm, Ehler's Investment Partners and US Bank as the office municipal depositories. All voted in favor.

Mayor Ferrazzano questioned Gross if they can have the same pool of applicant to fill both Chukuske's seat that has already been advertised for and Cooreman's seat that is now empty due to her being appointed Mayor? Gross stated that the City will have to advertise for Cooreman's seat after tonight being Ferrazzano's resignation is not effective until January 9, 2018. They could use the same pool of applicant's that applied for Chukuske's seat providing they are willing to be considered for Cooreman's upcoming seat. Peterson questioned if the Charter gives a timeline as to how long it needs to be advertised and Gross indicated that it does not. It was suggested to advertise for a week and appoint at the next Council meeting. Gross explained the options that the Council has to appoint. He suggested having all of the applicants at the meeting and interview them or just review the applications and a motion gets made and that motion is voted on or they could narrow the pool down to two or three individuals and vote on those. Peterson stated that in the past it did not involve interviews, it was the Council member evaluating the applications. In his opinion, just for tonight, the Council should make the decision from someone from the list to serve in Chukuske's seat and let the others know that they will be considered for Cooreman's seat and advertise for a week. Peterson advised that they need to look farther out than just tonight. He is concerned with experience on the Council if the recall is successful as there would be very little experience left. He stated that it is obvious to him based on that logic that he would nominate Kurt Enderson to fill the seat which would afford the Council 12 months of someone with some Council experience. Mayor Ferrazzano stated that they could do it that way or everyone could give their thoughts with discussion. He acknowledged Peterson motion but would like input from all Council members. Cooreman stated that she would like to see Martin nominated as she is passionate about Tracy and its future as well as knowing the procedures. Tiegs stated that he has reviewed the applications as well as having some phone calls and for him it came down to two people – Kurt Enderson or Val Danielson. Mayor Ferrazzano stated that this decision would be much better if it were an election but understands why it is not. He also stated that he is confident that Martin would do a great job with no doubts what so ever. He has also had people visit with him that it would be a good idea to have a fresh start with people that have no connection to what is going on and agrees with that point also. That would leave Danielson, Jodi Severson and Kou Thao. Cooreman stated that Thao would be her second choice. Mayor Ferrazzano's thoughts are due to the fact that it is such a short appointment and an election in November he does not feel that it is going to be that problematic. His view is that he would error on the side of having someone fresh and new that has not been involved in aspects of what has been going on with the City. He again pointed out that Martin would do a great job but feels that would be the best approach. Cooreman stated that in light of that she would suggest Thao and Mayor Ferrazzano agreed. Peterson original motion died for a lack of a second. Motion was made by Cooreman, seconded by Tiegs to appoint Kou Thao to Chukuske's Council seat. All voted in favor.

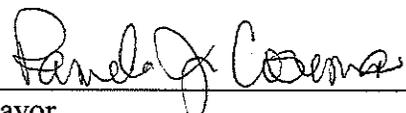
Motion was made by Peterson, seconded by Tiegs to advertise for Cooreman's Council seat for one week and appointed the night of the January 22, 2018 meeting. Daniels questioned if there should be another Pro-Tem appointed tonight and it was indicated that they cannot as Mayor Ferrazzano's resignation is not effective until January 9, 2018. It was indicated that it should be put on the January 22, 2018 meeting agenda. Peterson stated that all of the other applicants that applied for Chukuske's seat will be considered for Cooreman's seat. All voted in favor.

Mayor Ferrazzano expressed that it has been an honor for him to have served as Mayor of Tracy and is certain that the City will be fine and will move ahead and looks forward to see what Cooreman will do in the Mayor seat.

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

ATTEST:

  
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City Administrator

  
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Mayor

# January 22, 2018

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 22, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Dave Tieg and Kou Thao. 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.

Oath of Office was given by Daniels to the newly appointed Council Member Kou Thao.

Mayor Cooreman asked for the approval of the January 8, 2018 minutes. Motion was made by Tieg, seconded by Peterson to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Daniels indicated that he would like to delete 11A-Tracy Development Corporation Introduction due to the weather and added 11G-Discussion on whether to continue the work session meetings and 11H-Liquor Store hours on Super Bowl Sunday. Motion was made by Peterson, seconded by Tieg to approve the agenda as amended. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none.

Jason Lichty, Chief of Police addressed the Council and asked for any questions regarding his department head report. There were none.

Mayor Cooreman appointed Tieg as Pro Tem Mayor. Motion was made by Peterson, seconded by Thao to appoint Tieg Pro Tem Mayor. Voting in favor: Peterson, Thao and Mayor Cooreman. Abstaining: Tieg

The wage scale for the Aquatic Center was presented. Daniels stated that it was the same as last year with the exception of modifying it to accommodate for the minimum wage increase. Motion was made by Peterson, seconded by Tieg to approve the 2018 Aquatic Center wage scale. All voted in favor.

Applications for Planning Commission from Shirley Anderson and Anthony Dimmers were presented. Peterson questioned how long the terms they would be filling would go? Campbell stated that both terms will end in 2020. Motion was made by Peterson, seconded by Tieg to appoint Anderson and Dimmers to the Planning Commission with their terms expiring in 2020. All voted in favor.

There was a request from Tracy Area Chamber to waive the fee for the use of the VMC for the Prairie Women's Expo presented. Motion was made by Peterson, seconded by Tieg to waive the fee for the use of the VMC for the Prairie Women's Expo. All voted in favor.

Matt Gross, Attorney clarified the concern regarding Peterson voting on the council seat replacement in a memo included in the packet. He stated that he would be happy to address any questions that anyone has in regards to that. He indicated that if there are any personal conflicts the member should identify it and if they can't keep an open mind based on the facts that are presented they would need to abstain from voting. Peterson questioned based on that opinion and logic, if an individual supports a process that he may be named in, such as a recall process, if they support it and agree with the process and are not trying to get in the way of it, they should be able to vote on it also-correct? Gross stated that on the face of it, if that person can keep an open mind they should be able to vote unless they determine for themselves that they cannot be impartial, and then they should not vote. Peterson indicated that he was told not to vote on it because they were questioning his ability to keep an open mind. Gross again indicated that on the face of it, it is not an automatic conflict of interest. The individual themselves would have to

decide and disclose it if they could not be impartial. Peterson stated that he has no conflicts of interest. Gross stated no as long as he declares it and keeps an open mind.

Mayor Cooreman stated the Council discussed at the work session the possibility of cancelling the work sessions and only hold one if a special work session is needed. Motion was made by Tieg, seconded by Peterson to cancel the works sessions before the 2<sup>nd</sup> meetings of the month and only hold one if a special work session meeting is called. All voted in favor.

Mayor Cooreman stated that at the work session Sandy Lau, Liquor Store Manager, indicated that the Tracy Off-Sale Liquor Store will be open on Super Bowl Sunday from 11:00 am to 3:00 pm.

Resolution 2018-7-Gambling Permits for St Mary's was presented. Motion was made by Peterson, seconded by Tieg to approve Resolution 2018-7. All voted in favor.

The Consent Calendar which consisted of Municipal Account Payable-both with and without Breakthru Beverage payments, Municipal Accounts Receivable, Department Head reports and MPC minutes from December 8, 2017 was presented. Motion was made by Peterson, seconded by Tieg to approve the consent calendar excluding the Breakthru Beverage amounts. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage payments. Voting in favor: Mayor Cooreman, Tieg and Peterson. Abstaining: Tieg.

Mayor Cooreman called the public hearing for the annexation of the parcel behind the Red Rooster to order. Gross stated that the City of Tracy received a petition for the request from the Tracy Development Corporation, the City accepted the petition and the public hearing is being held pursuant to statute. The ordinance has been drafted so as long as the Council approves it, the City can annex that portion and bring it within the city limits to provide that property with services. Jim Keul, part of the Tracy Development Corporation addressed the Council and indicated that they as a group felt that it was only right to bring that parcel into the City limits so that all parcels are together and all would pay City taxes. Gross stated the Monroe Township was contacted and they did not have any objection. Keul stated that he attended the Township meeting when it was discussed and their concerns were the fact that they would be losing revenue. The Monroe Township Board thanked Keul for being there to visit with them as they have not had that in past experiences. Rosemary Martin indicated that it makes good sense to have all of that connected. The public hearing was referred back to the Council. Peterson thanked TDC for recognizing the importance of the City services and being willing to take that property into the City limits. Motion was made by Peterson, seconded by Tieg to approve Resolution 2018-8-Ordinance #364 Annexing Property to the City of Tracy. All voted in favor. Mayor Ferrazzano thanked Keul for going to the township board meeting. Keul pointed out to the Township Board that if there is a business placed there with a higher tax base it would bring the school taxes up which would also help Monroe Township on that end.

The Council discussed the appointment to fill Mayor Cooreman's seat. Mayor Cooreman indicated that it was decided at the work session that they will be appointing a committee of Tieg and Thao to do interviews of the applicants and they will bring their recommendations back to the Council by the next Council meeting. Gross suggested tabling it until the next meeting. The Council agreed to do that. Motion was made by Peterson, seconded by Tieg to appoint Thao and Tieg to the interview committee. All voted in favor.

Peterson stated that he has been approached by people and it was talked about during the work session to update the microphone equipment. He suggested putting some speakers in the back of the room so that they could hear better from the back. The second issue that has been brought to his attention was that the citizens would like to see the Council meetings streamed live on youtube. It was indicated that they are on youtube – just not streamed live. Daniels stated that they could, however it is very expensive to do. Keul addressed the Council and indicated that he has been on youtube and it is categorized so that you can pull any past meeting and watch it. He indicated that is more important than it is to be able to watch it live as long as it is posted within the next day or two. Daniels stated that they do have headsets for the people present as well.

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

ATTEST:

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City Administrator

*Renee J. Cooreman*  
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Mayor

# February 12, 2018

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 12, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Dave Tiegs and Kou Thao. 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 Thor Burntvedt.

Mayor Cooreman asked for the approval of the January 22, 2018 minutes. Peterson stated that on the second page it indicated Mayor Ferrazzano and should be Mayor Cooreman. Motion was made by Peterson, seconded by Tiegs to approve the January 22, 2018 minutes with the correction mentioned. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Motion was made by Peterson, seconded by Tiegs to approve the Agenda as written. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Paul Kaspszak, Executive Director of the MN Municipal Beverage Association addressed the Council regarding the Off-Sale Liquor Store. They are the trained association that represents Cities with Municipal Liquor Stores. The City of Tracy is a member of their organization and has asked him to come make some comments in an attempt to help Tracy with their Liquor operation. One of the things that make MMBA different is that this service is free as it is part of the City's dues and that they actively get involved in the operations. Kaspszak indicated that he has been doing this for 30 years and would like to share some of the wisdom that he has gained along the way. He originally e-mailed Daniels after seeing an article in the paper and indicated this is his second time in the last couple of months that he has been to Tracy. The first meeting was with the Tracy Liquor Committee. Nanette Serbus, who has been working with Lau, is a member of his Board of Directors and is also the Liquor Store Manager in Olivia. One of the reasons Serbus was hired was due to the fact that the Olivia Liquor Store was also in deep financial straits and was one Council meeting away from being closed. Serbus, who had been working at the store, took it over and they are now doing great. The point of this is that some of the Council may think that they have tried everything and that there is no hope anymore and the fact of the matter is that there are a lot of things left to try. In taking a look at the situation there are some serious issues that can be corrected and will take some time with inventory control, buying, purchasing, pricing and strategy across the board. This will be Nanette's third trip down, they cannot change five years in one month, however they have made some progress. There is absolutely no reason that a population of 2,000 cannot successfully support a liquor store whether it is run by the City or someone else. Kaspszak is not here to tell the Council what they want to hear, he is here to tell them what they need to hear. There have been obstacles last in the month that they have been working on to change. He indicated that the main obstacle is the fact that everyone is not on board with what they are doing, some of the board members are not on board. The manager is not totally on board with what they are talking about and proposing to do which is an issue that has slowed some progress and is a concern in moving forward. If they can turn this facility around it will benefit the citizens of the community. For this to be effective moving forward, and to deal with the people not on board, the Liquor Committee will need to become more active by meeting at least once a month and maybe twice a month in the early stages. The Manager should do a bullet point report to the City Council on a weekly basis as to what is going on, what progress has been made and what challenges there are. It does not need to be long or extravagant but it is the Council's job to have oversight. The Liquor Store needs to hold the manager accountable for implementing the changes and moving the operation forward. Kaspszak and Serbus are here to help but at the end of the day they are still going home and the daily things will need to be handled by the City. He indicated that the strategy that they have come up with at the last Liquor Store Committee meeting were to assist

the manager on a regular basis to address inventory control. They have partner Lau, Liquor Store manager up with Serbus to implement things. The floor was handed over to Serbus to discuss some of those things. When she is done Kaspszak will give an update on the wine event that was recently held and the strategy behind that.

Nanette Serbus, manager of the Olivia Liquor Store/Director on the MMB Board addressed the Council. She stated that she has made two trips to Tracy to work with Lau, one was last Tuesday and one was a few weeks prior to that. The first thing that she noticed when entering the store was the pricing. They have been working on this the last couple of weeks trying to get it where it should be. Lau has been trying to stay competitive with the Marshall store which she can't do. The Tracy Liquor Store is a store of convenience and is not a Marshall store. Lau cannot compete with the buying power that the Marshall Store has nor can she compete with the customer count that Marshall has. This is a local entity that can be profitable. Marshall is 25 miles away and Serbus closest competition is Willmar which is also 25 miles away. She tries to be price competitive with them, however she cannot match their prices. How things are being bought was discussed. Lau will need to look at possibly group purchasing, which is legal. The aesthetics of the store was another item of discussion. They may need to reset the store and make it more interesting for the customer. The beer cooler was also discussed as it is not level and does not present a good presentation. The other thing was that there are some reports that she could pull to ensure has her pricing is structured where it needs to be to achieve the gross profit that needs to be made. The state average is 25% so that is the goal. Mayor Cooreman questioned how long it took for Serbus to turn the Olivia Liquor Store around? Serbus stated that she took over management in July of 2013 at which time there were some cosmetic changes to the store. They saw a definite turnaround in 2014 in the rough amount of \$60,000 and has remained the same ever since if not more. It did not take a huge amount of time but it does take time to get the pricing structure where it needs to be and to be smarter about buying. She was doing the bullet point presentations to the City Council every week or for sure every other week and discussed things like scheduling the staff and the hours of the store. Lau has changed the Liquor Store hours and they have discussed further changes if need be. Lau is aware of how to pull the reports needed to track productivity and she does need to keep an eye on that.

Paul Kaspszak again addressed the Council. He talked about the choice of product and how that impacts the store. He specifically addressed wine and craft beer. The first wine event was held a couple of weeks ago and they had 10 people attend. It was a rushed event and did not have a lot of time to put it together which impacted the turnout. Representative from St. Michelle winery from Washington came to do it and it was done on a Wednesday, which likely was not the best night to do it. At that wine event they ended up selling a case and a half of wine which is a case and a half of wine that otherwise would not have been purchased. For future events they will look closer at the date and it was discovered that they need to look at sweeter wines. The next thing that they will be looking at is craft beer as there appears to be an interest in that. They are currently looking into doing a craft beer event with Brau Brothers out of Marshall. The benefit of doing all of this is that it also benefits the facilities hosting the events. This brings in revenues to them as well as incidental places such as gas stations. The craft beer events may turn into more of a sampling event with snacks to go with it. It is the incidental sales that add up but the events do require work. Peterson asked Kaspszak to go back to his first comment about everyone on the Council not being on board and asked him to jump into that a little deeper without calling anyone out as that does not serve any purpose. Kaspszak stated that there does not seem to be a unified effort by everyone involved and that the old way was not working, needs to be changed and there needs to be support moving forward by the community, Council and Liquor Store operation in order to make it work. Thru various channels he has gotten the impression that this is not the case. He stated that Cities get out of the Liquor Store business for one of three reasons - because the town is evaporating, there is a political agenda and a private individual wants a liquor license or the city is not keeping up to date on current trends and management is not keeping abreast of trends. This happened in Olivia and it went on and on as the Council was not willing to do anything about it. The Council did finally get rid of their manager and things turned around. Kaspszak stated that he is not saying that that is what needs to happen in Tracy and wanted to be clear about that. He is saying that they need to have a together moving forward attitude. The old ways and competing with Marshall does not work. Marshall is 20 miles away, it does exist and it is not going away but that does not mean that the City of Tracy Liquor Store can't make money. There is no reason that a Municipal operation

can't make as much money as a private operation. The only difference between the two is that the Municipal has 30 days to pay for their beer and a private business pays COD. Aside from that the wheels of the game are the same. He again stated to be clear he is not accusing anyone of anything. Peterson questioned how import location is? Kaspszak stated that location is definitely an important factor. The people that get out of the on-sale business like Tracy did, normally there is an associated shift. Either they expand or they move on to a highway. One of the challenges that cities face is the balance between highway and downtown and not wanting to move business to the highway and take away from the downtown area.

Mayor Cooreman called the Public Hearing to order regarding the Off-Sale Liquor Store and if it should continue to operate.

Rosemary Martin addressed the Council. She stated that she is a City of Tracy resident and serves on the Liquor Committee. She indicated that they are working on various events and with Brau Brothers out of Marshall and is seeing a lot of excitement from them. If they go forward with their plan Tracy will be the first Liquor Store in SW MN to offer craft beer and build your own 6 pack type of sales. She is appreciating the coordination and communication of the liquor store employees, The Caboose and Bonnie and Clyde's and has hopes of seeing a profit come next year.

Seth Schmidt, Tracy Headlight Herald asked for a report or summary as to the profit/losses for last year as well as the several years before? Daniels stated that what he currently has is the 2017 yearend information. In 2016 there was a loss of \$30,000.00 and he is certain that it was in the black in 2015. Kaspszak questioned if GASB is included in the totals and he gave a brief description of what GASB is. If it is, that does need to be taken into consideration. Schmidt asked just to be clear if the Liquor Store has lost money the last two years which is what triggered the requirement to hold this Public Hearing? It was indicated that they have to show a loss two out of the last three years and they are just trying to be proactive. Petersons stated that they have to show a loss for three years and it was indicated that it is actually 2 of the last 3 years which would include 2015, 2016 and 2017. Schmidt questioned when the last time was that the Liquor Store transferred money to the General Fund? Peterson stated that it was quite awhile ago. Daniels indicated that it was not done in 2016 or 2017. Peterson stated that it was not in 2015 either and thought the last one was in 2013. In 2014 they held onto it and paid for the roof. Tiegs questioned Gross how they need to proceed. Gross indicated that the Council may decide to pass a Resolution to hold an election so that the public can decide if they want to have the Liquor Store remain open or if it should close in regards to the off-sale. The Council is not required to do that but if they did the question would be put on the next general election ballot. Peterson questioned in order to do that do they only need 30 days to get it on the ballot? Gross stated that it would be 74 days. Tiegs stated that in light of that, they would not have to decide until closer to September. Gross stated that is correct, that the public hearing allows them to make that decision at a later date. Peterson questioned if they need to put a plan in place in lieu of the Resolution to bring it around? Kaspszak stated that tonight their only requirement was to hold the public hearing so they could just end it all tonight and move forward if they choose to. The Council could also wait until closer to the election and see where they are at with it at that time. The other option would be for the Council to take a vote tonight to make a decision on how to move forward – it is completely up to the Council. Mayor Cooreman closed the public hearing and referred it back to the Council. She stated that her feeling is that it would be silly to even consider getting out of it until they implement Kaspszak's suggestions and see where it goes. At that time they could decide if it should go to a public vote or not. The Council was in agreement of that. Gross stated that the Council does have some time to figure it out and see how the changes impact the bottom line. Peterson expressed that he does not feel that there is any urgency to lock the place up.

Daniels gave an update on the search for a new administrator. He presented a timeline that Wendell Sande had provided to him for the Council to look at. Peterson questioned if Sande is getting anymore applications? Daniels stated that he has received a few calls and e-mails but Sande himself has not indicated. Mayor Cooreman questioned when the last time Sande has communicated with them was? Daniels stated he thought it was November or December. Mayor Cooreman questioned what he is actually doing for the City? Peterson stated that the upside is that the City is not spending a lot of money on him. The other thing is that he is going

thru and grading the applications and weeding out the top 6 for the Council. Tiegs stated that the Council may need to re-address the guidelines of what they are looking for and if they are feasible. Daniels pointed out that with the degree they are asking for he feels most of them will want a six figure salary. Peterson stated that it would be nice to know how many he has received that he would consider qualified and if he is confident in them he could pull the trigger and move the time line up. Daniels felt that there is a lot of time allotted for opening, closing and reviewing the applications. Mayor Cooreman indicated that they received applications last November and those people cannot be drug out forever. Peterson questioned if Sande notified those people that he did not feel were qualified? Daniels understood that they were left in the mix. Tiegs stated that if they didn't met the criteria that they should have sent a letter to that affect. Daniels is to get ahold of Sande to verify if that has happened or not.

Denny Fultz addressed the Council in regards to the sale of the 3<sup>rd</sup> Street 4 plex and the 2 year abatement. Fultz indicated that the EDA has received an offer of \$287,500.00 and along with that would come 3 years of a 100% City tax abatement. The closing date will be on or before April 1<sup>st</sup>, 2018 and will require holding a public hearing. Peterson stated that it was a three year tax abatement, however they talked them into a two year tax abatement. Fultz questioned if they held the public hearing on March 26<sup>th</sup> if that would allow enough to reach the desired closing date of April 1<sup>st</sup>. Gross stated that it shouldn't be a problem as long as everything else is prepared. Motion was made by Peterson, seconded by Tiegs to hold a Public Hearing on March 26<sup>th</sup>, 2018 at 6:45 pm for the sale of 3<sup>rd</sup> Street 4 Plex's and a two year City tax abatement. All voted in favor.

Peterson stated that the EDA's revolving loan fund approved a loan for a downtown business in the amount of \$25,000. Fultz indicated that the process is moving forward and have not hit any glitches yet. He stated that Carpenter is getting things moving in the community.

Daniels questioned if the Council wishes to maintain the Hospital Commission Board now that the City does not have ownership of the hospital other than the \$1,000,000 fund that has been set up? There are two open spots on the board which is what prompted this question. Peterson thought that it was part of the contract that the hospital had to maintain a community board. The other requirements were driven by the Charter when the City owned the hospital. The Charter would need to be changed if it were removed. Daniels indicated that this board is not part of the Charter. Peterson stated that there is supposed to be two council members on the board. It should be up to the hospital board as far as who fills the open spots. The Council directed Daniels to advertise for the open positions. Mayor Cooreman questioned how many people are on the board. Daniels indicated that there are five members with a three year term. Mayor Cooreman asked when that board meets. Peterson indicated that it meets quarterly now but they used to meet the first Wednesday of the month.

Microphone updates were discussion. Daniels indicated that he would like to know how much the Council is interested in spending on a new system? Also if they would like to completely update the main panel in the computer room and new microphones or if they just want to replace the microphones themselves? Tiegs asked if they can just do new microphones and keep the panel that they have? Daniels stated that they can and that would be the cheaper route. Tiegs questioned if there would be a microphone at every spot? Daniels advised that it would be the same number that they currently have as it is currently maxed out at 6 total. As far as the speakers go he has been unable to locate any manuals on the old system in regards to putting an additional speaker in the back of the Council Chambers so that people can hear better back there. The newer systems do have that capability. Peterson questioned if he is understanding it correctly that it would cost around \$2,500.00 to put a whole new system in with a microphone at every seat? Daniels indicated that is correct along with the hearing assistance. Tiegs questioned if the \$2,500.00 would include microphones and everything. Daniels advised that that would include the microphones and the main unit. Peterson questioned if those funds would have to come out of the Administrative budget? Daniels indicated that it is unbudgeted for. He suggested just trying a few before changing the whole system. Tiegs pointed out that if they buy microphones and it doesn't solve the problem they won't be any farther ahead and would like Daniels to check if they could do it on a trial basis. Daniels stated that the podium microphone is the best one they have and is fairly certain that the City has a couple more of

them. They could try that first in a couple of spots. The Council agreed that would be worth trying first.

Setting the Local Board of Appeals date was discussed. Daniels stated that it conflicts with the Council meeting on the 23<sup>rd</sup> but the only two dates available would be the 16<sup>th</sup> or the 23<sup>rd</sup> of April. Tiegs questioned if they could do it on the 16<sup>th</sup> being the 23<sup>rd</sup> is a Council meeting? Campbell indicated that they could but the County would have to switch us with another City. She also stated that last year's LBA meeting fell on a Council meeting night and the Council moved the Council meeting to Tuesday. Mayor Cooreman felt it would be easier to move the Council meeting night than to make the County move the night. Campbell stated that she has spoken with Sherri Kitchenmaster, Lyon County Assessor, and she indicated that they would work with us this time, however they generally don't like to start changing things as they are working around nine other cities. Peterson stated that he feels it is better for the Council meetings to be held on their normally scheduled time rather than jumping around. He would like the City to send their appreciation to the County for changing it and letting them know our Council meeting dates so they can avoid it in the future. Campbell indicated that they are aware of our dates, however with nine cities it is difficult to accommodate everyone. Motion was made by Peterson, seconded by Thao to set the Local Board of Appeals date for April 16, 2018. All voted in favor.

The Council members certified for the Local Board of Appeals was discussed. It was indicated that Peterson and Mayor Cooreman are both certified which is all the Council needs.

Setting the Canvassing date and calling for a special meeting was discussed. Daniels indicated that February 16<sup>th</sup> would be the earliest they could do it and the latest they can do it would be February 23, 2018 and the City offices are closed on the 19<sup>th</sup>. Tiegs indicated that he is unavailable the 20<sup>th</sup> and the 21<sup>st</sup> and Peterson stated he is not going anywhere so it doesn't matter to him. Gross stated that Peterson would not be allowed to be part of the canvassing board. Motion was made by Tiegs, seconded by Thao to hold the Canvassing Meeting on February 22, 2018 at 6:00 pm. All voted in favor.

Resolution 2018-9-Approving application for a gambling permit for MN Waterfowl Assn was presented. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-9. All voted in favor.

Resolution 2018-10-Contract with City Official-Mayor Cooreman was presented. Gross stated that it is for a snow hauling contract with Cooreman Contracting. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-10. Voting in favor: Tiegs, Thao and Peterson. Abstaining: Mayor Cooreman

The Consent agenda consisted of Municipal Accounts Payable, Tracy Relief Association minutes from 11/6/2017 and 1/2/2018 and Planning Commission minutes from October 2, 2017. Motion was made by Tiegs, seconded by Peterson to approve the Consent Agenda with the exception of the Accounts Payable for Breakthru Beverage. Peterson questioned the Avera Bill and what it was for. Chief Lichty stated that it was for a blood draw. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage Accounts Payable. Voting in favor: Mayor Cooreman, Thao and Peterson. Abstaining: Tiegs.

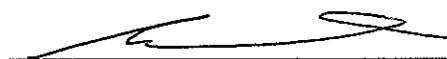
Appointing a council member to fill Mayor Cooreman's council seat was discussed. Tiegs advised that he and Thao conducted interviews and that it was not an easy decision. They basically asked four questions in an effort to try and get to know them better. Thao indicated that they would like to recommend Jeri Schons to the Council seat. Mayor Cooreman appointed Schons to the Council seat. Motion was made by Peterson, seconded by Tiegs to accept Mayor Cooreman's appointment. All voted in favor.

Peterson addressed the rumors regarding the Chief of Police and the Fire Chief and that they are completely false. He would like to urge anyone that hears those rumors to put a stop to them. He would also like to see in the future to have something come out from the City Office indicating that the rumors are false. He also indicated that there are rumors going around that he would like to get rid of Daniels. He stated that Daniels knows him well enough that if that were

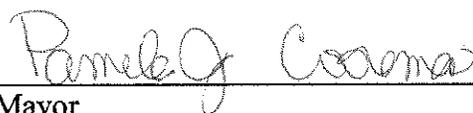
the case they would have it out. He doesn't make threats and this rumor stuff has got to stop and the community needs to be part of that. Daniels questioned what the limitations are as to what they should and should not post. Peterson stated that if it is done in good taste and just indicated that any rumors regarding so and so are false and that if you have questions about it come talk to me. The details do not need to be spelled out.

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

ATTEST:



City Administrator



Mayor

# February 26, 2018

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 26, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Dave Tiegs, Kou Thao and Jeri Schons. Also present were Shane Daniels-Public Works Director/Interim Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Oath of Office was given by Daniels to the newly appointed Council Member Jeri Schons.

Mayor Cooreman asked for the approval of the February 26, 2018 minutes. Motion was made by Tiegs, seconded by Peterson to approve the February 26, 2018 minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Daniels requested an addition of 13C-Resolution 2018-13-Support of Lyon County Opportunity Zone Application, Second Series. Motion was made by Peterson, seconded by Tiegs to approve the Agenda with the mentioned addition. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Chris Larson from I&S addressed the Council with an update on the Phase IIIA project and what the next steps will be to best allow them to be able to get in the ground in 2019. Rural Development has indicated that they will fast track approval of the PER and should receive comments within about 30 days, it should then be a quick process to get the full scope of Phase III A which would include 3<sup>rd</sup> Street as well as some side streets that was discussed last summer. All of these costs would be reimbursable once the funding package is approved by Rural Development, however the City would not be reimbursed until the first construction draw. There are three things that could be done now to help the process go smooth in the future. The first is private service televising. They know where most of them in the Phase are, however there is about 20% that will need to be verified now for design purposes. The remainder will still need to be televised to look for illegal footing drain connections or cracked service pipes as well as things that are not in compliance with city ordinances and allowing ground water into the sanitary systems. They would like to get everything televised as far ahead of construction as possible to allow people that have corrections to get them taken care of. The estimate from Empire Pipe Services is around \$33,000.00 for the televising for approximately 111 services. The next thing would be the initial design survey which is where I&S crews would go out and do the topographic survey to get existing grades and all of the surface and subsurface features that are used for their designs as well as the geotechnical investigation. The proposal for that was around \$68,000.00 to do soil borings and inform them what the subsurface conditions are. If it comes to it, and hopefully it will not during the PER phase, in the past they have had to defend their proposed payment section to Rural Development to prove that they are not being excessive with the improvements compared to what was previously there, which is what the soil borings will show. Those are the three things that are the next logical steps that they will need to take to keep things moving forward for 2019. Larson indicated that he would be happy to give a more detailed update to Thao and Schons as they are new to the Council and were not involved in the initial conversations regarding this. Mayor Cooreman questioned if there is a cap of what they can receive from Rural Development? Larson advised that there is a maximum amount of grant that you can receive on a project, which is generally about 75% which he doubts the City would be eligible for as it is reserved for the extremely poor communities. In practice they would only get about 30% as it rarely goes over that. By looking at all of Phase IIIA cost estimates, as well as sewer, water and storm, they would spread the payments out over all the phases so it does not get maxed out by the end of it and lose out on some grant money that could have been allocated. He stated that Rural Development appreciates the way that the City has went about this and when he has asked about subsequent stages, even thou that are not being requested now, they want to have a good handle on what is coming down so that they can plan for it. Peterson questioned if

the PER would cover A thru Z. Larson stated that B thru Z are a higher level and requires more planning estimates. There are also some spots in town that are good candidates for lining if funding is available and Larson would propose to include that in III A. Some of the other Phases have to be done in a certain order as they have depth and things, however if you are just going to do lining and the money is there it can be done at any time. Peterson questioned if the funding will all be RD grants and RD loans and if there will be bonds required? Larson stated there may also be RD state grants as well. He has spoken with the RD program director and was asked some very specific questions as to what they are asking for in the PER and they are working with the MN Public Facilities Authority to see if there is anything in the bonding bill as well. As far as City money and bonds goes there may be some ineligible portions as there was on Phase I, which would likely require some temporary bonding. The way the RD funds work is the City will need to pay for all of the upfront costs and they cannot make any draws on the previous expenses until the first construction draw. For a long time Phase I and the ponds were married until RD indicated that they can be split as the utilities were not going to change with the treatment site and to go ahead and do what they needed to in town which allowed Phase II to start. He indicated that what they are looking for is direction to move forward and to keep things moving. Motion was made by Peterson, seconded by Tieggs to proceed with phase IIIA to include televising, designing and geo-tech. All voted in favor. Larson indicated that he and Daniels will work on sending out a memo to the property owners so that they are not taken off guard when someone shows up at their door to do the televising. Peterson questioned when they plan to start with the televising? Larson stated that they prefer to do as much as they can in the winter as their busy time is during the summer. Tieggs questioned if the home owners need to do anything and if they need to allow them into the house? Larson stated that they do go into the home and they use a lateral launch device. This device goes thru the floor drain or on occasion they would have to pull a toilet. Daniels advised that if they do have to pull a toilet they would have plumbers doing it. They will have to set up appointments and the property owners will want to be there.

Dale Johnson III, Fire Chief addressed the council with a department head update. He indicated that they had a lot going on last week as far as fire calls. The fire department members are currently going thru a first responder refresher course. They had a new fire member come on the first Monday in February, John Xiong. The end of the year information is complete and he and Daniels will be going thru the capital improvement and get that up to date in the next couple of weeks.

Jason Lichty, Chief of Police addressed the council and asked for any questions regarding his department head memo. There were none.

Val Quist, Librarian addressed the council with her department head report. She indicated that she has been working on her annual report. They report everything from circulation to attendance at programs and all their financial data which will go before the Library Board this week. They have a program coming up on March 26<sup>th</sup> which is an antiques appraisal program and will be having a sign up for that. As a result of that she will not be present for the March 26<sup>th</sup> Council meeting but the Council will still receive a written report from her. She also discussed the Plum Creek Joint Powers Agreement which is something that she has been trying to get updated as the last one was done in 2001. The Council did approve this agreement a little over a year ago and some of the Councils and Counties have suggested changes and are now hoping to get the new one approved. This agreement is basically between all of the Counties, Cities and Library Boards that are in the Plum Creek Library system. There is roughly 20 Libraries in the system and a couple of those have branches as well. They share materials and resources as well as doing collective purchasing, advocating and sharing programming and collections. The two main things that Quist feels are important is the shared library system, which is their catalog that is used by everyone, and the delivery system which consists of shared items twice a week. It is her recommendation that the Council approves the Agreement and anticipates that the Library Board will approve it as well this week. Peterson questioned if Quist has any concerns within the agreement and she indicated that she does not. She has gone thru it several times and they had a committee of Librarians organize it and she is confident that they

did a really good job putting it together. Cooreman questioned if she would like an approval from them tonight or if they should wait until the Library Board approves it. Quist indicated that all of the different Boards, Counties and Councils have to do it individually so the Library Board does not have to approve it before the Council does. She is recommending it to the Council as well as the Library Board that it is approved. She also advised that Lyon County has already approved it. Motion was made by Tiegs, seconded by Schons to approve the Plum Creek Joint Powers Agreement. All voted in favor.

Jeff Carpenter, EDA Director addressed the Council with his department head report. He indicated that the sale of the 3<sup>rd</sup> Street townhomes will be voted on and once it goes thru it will generate roughly \$195,000.00. He indicated that it will be nice to have this money for use on several other projects. This will hopefully all be finalized by the end of March. He stated that he has been working with DEED in regards to the Masonic Building to get some paperwork pieces finalized. The Lewis Drug grand opening went smoothly and has been very busy. The groundwork for the Hospice House is complete and they are holding a capital campaign in May or June to raise \$100,000.00 in order to start. Carpenter is working with the Tracy Development Corp to get the Red Rooster site sold. The Demo Loan program will be coming up in the spring and there has already been one applicant. This program is to assist with about 75% of demolition costs which is good as there are many properties in town that will need to be demolished. He did a housing study on his own just by going up and down the streets and confirmed the need for this as there are structures that cannot just sit there. The Community Cultural Center is something that he believes will take shape this year. He is aware of a party that would like to come to Tracy and make a presentation to the Council sometime in March or April. The Lights and Beyond building was purchased by a group out of Marshall and Nicolette with the help of the EDA. The Lights and Beyond store will be re-opened in about two weeks. There are several other things that will be going on downtown that can be reported on at the next Council meeting.

Shane Daniels, Public Works Director/Interim Administrator gave a department head update. He indicated that he has been doing maintenance at the shop. He had a short meeting with MN Energy regarding the regulator stations around town which will be removed this summer. There are four small ones with one that will be left which is the new one they put up by the elevator. The ones on the corner of Center Street and Hwy 14, 6<sup>th</sup> Street and the one in the alley by the Fire Hall will all be removed. He is working with Shannon Benson on getting lifeguards for the Aquatic Center trained. There was an airport meeting held today to review the Master Plan which the Council will see in the next Council meeting packet. They will be repairing Well #6 and it will hopefully working by next week or so. They have been moving a lot of snow the last couple of days as well as working on year end reports. Peterson thanked Daniels and his crew for the great work they have done on the snow removal. Mayor Cooreman questioned if Shannon Benson should be trained in lifeguarding so that she would be able to fill in when they are shorthanded? She stated that most managers are able to fill in when employees are absent and feels that this should not be an exception. Daniels indicated that he could run it by Benson and that the assistant manager would have to step into her role if she is doing lifeguarding duties.

The search for the new City Administrator was discussed. Daniels indicated that there was a memo from Wendell Sande in the packet as well as a timeline. Schons stated that at the last Council meeting it was discussed to look at possibly changing the qualifications that had been set for this position and questioned if that is something that they should look at doing? Tiegs questioned if they have a copy of those guidelines and Daniels indicated that he had looked on line for it and was unable to locate it. Schons advised that now would be the time to do that if they are looking at re-advertising in April. Daniels stated that there are 5-7 applications that they currently have. Schons indicated that those 5-7 could require \$100,000 plus salary as a result of those qualifications. Daniels advised that Sande's ad had been re-vamped at one point. Tiegs indicated that Sande should send the new one out for them to review prior to it being re-

advertised. Peterson questioned if they had any information as to if Sande had reached out to the previous applicants informing them that they were not being considered? Daniels indicated that he would check into that as well. Mayor Cooreman questioned what the City is actually paying Sande to do? Daniels indicated that he was being paid for advertising, travel, lodging and per diem. Tiegs stated that Sande's costs are minimal. Mayor Cooreman stated that she is still questioning what Sande is actually doing for them and it was indicated that he is weeding out and putting a professional eye on the applications. Mayor Cooreman questioned if they need to act on this item tonight? Daniels stated that they could table it and wait on these items until he can get more information from Sande if they would like. Peterson questioned how that time line fits into Daniels schedule? He stated that with Burch coming back next week that will elevate some of the burden. Peterson advised Daniels to let the Council know if he feels an interim would help and he indicated that he would.

Dale Johnson III, Fire Chief addressed the Council regarding the Fire Department Rural Contracts. He stated that around the first of the year the City sends out Rural Contracts to all the townships involved for them to agree to and sign. Johnson, Daniels and Campbell had met to review the contract and determine what dollar figure to use. Back in 2012 the League of MN Cities had sent out a formula for rural township contracts which the Council at that time indicated that they would like the Fire Department to implement and the Fire Department did. They came up with a rate, set up a ten year plan and presented to the Council. The Council did decide at that time to move forward with that plan. A few years later there was a minor conflict and the council decided that they and the City Administrator were going to take over the contracts portion of it. The spreadsheet in front of the Council tonight was what was done in the past and what should be as well as the future. They are currently behind what they should be charging and how they will get to what they agreed upon in 2012 is up to the Council. Schons questioned if it was mandated when the League came out with it in 2011? Chief Johnson stated that is correct, it was a recommendation as the City was billing something without a fee schedule or a formula as to how they arrived at their billing. Schons questioned if there could be a big discrepancy from City to City if this recommendation is not followed and Chief Johnson indicated that there could have been. A group of Fire Chiefs within the County had looked at it and some changes were made to the formula putting a cap on of \$644.00. This was stretched out over 12 years to get everyone from where they were at to this cap and was agreed upon to have a 15% increase each year until they reach it. Once the cap was reached it would level off to just a cost of living increase or a 1% to 3% increase per year. That was the intention back in 2012. Schons stated that what they are looking at is that the townships pay the City to provide the fire services and the city taxpayers pay the City for fire services and by looking at the graph it appears that the City taxpayers are pulling a large percentage of the cost. Chief Johnson stated that historically approximately 60% of their calls are to rural properties and only 20% of the Fire Departments budget consists of rural township taxes. These are two separate sets of needs. If the Fire Department gets called out to a property in the City of Tracy he will need two trucks and will hook up to the fire hydrants, however if they are fighting a fire that is a rural property they would have to haul the water. About 90% of the time that water is coming from the fire hydrants from the water tower. A corn field fire would be handled differently than a house fire in town and the fire truck used would be different as well. The City taxpayers are paying for a large amount of the equipment that would not need to be used in town, but is protecting the rural community. Schons indicated that the rural community is a vital part of the city community, however what the League is attempting to do is to try and even it out a little more so that the City taxpayers were not carrying so much of the load versus the rural community. Chief Johnson stated that the issue in 2012 was that the amount of testing and training requirements and the amount of dollars that the City was putting into the Fire Department was to help disburse it out and cover some of the costs needed to run a Fire Department. The residents will want firemen whether it is in town or out of town. The theory was to assist in generating revenues to help manage the Fire Department as well as doing it in a safe manner. He discussed the various

equipment that is needed as well as the protection that is needed for the firefighters. It is a safety net to have a third party come in and inspect the equipment/airpacks that they have to ensure that it is safe and working properly. The company that comes to inspect the trucks is usually there for three days which does not include the engine itself, it would just be the pump on the truck. Every valve, switch and control is inspected and it is required to pass a pump test. This ensures that it will not break down during a fire, but also lowers the ISO rating which helps lower everyone's insurance premium. Schons stated that this is a touchy subject but when you are talking a per section rate that is not farm land should it be the same rate? Chief Johnson explained that it is per section rate regardless of what the land it being used for. When the evaluation was done all of the valuation of the farm land was taken out which brought the rate down to where it is. Schons stated that she is asking these questions so that she, as well as the people watching, can understand how it all works. When people hear that there will potentially be an increase in the rate to provide fire services they will go and watch this recording and she would like them to have the background needed to understand why the decision they are making was made. Chief Johnson stated that six years ago, when this was taken away from the fire chief to be handled by the City, it was decided that they would go off of this schedule and that is what would be charged. There have been a lot of changes in the last five or six years and it ultimately falls back on the Council, not him. Schons pointed out that it was the 2012 Council that adopted this schedule so the only thing that the current Council needs to decide on is if they want to continue with this schedule as is despite the fact that they are off schedule or if they would like to try catch up in a slower manner. The schedule itself has already been determined by a previous Council so it is up to them if they would like to go against that or not. Chief Johnson stated that the only other option that they would have is to open it back up and re-do the formula, however that is not what he is asking the Council to do. He pointed out that the original formula was arrived on by the League of MN Cities and the Township Association sitting down together to formulate it. It was not just the League, who represents municipalities, it also included the townships. Peterson questioned how they fell behind and Chief Johnson stated that one of the departments transposed two of the numbers and not enough was billed out. It was indicated at the Fire Chiefs meeting, which Tracy hosted last year, there are roughly 54 departments that are currently using this formula or something very comparable. It ultimately comes down to the fact that it is an expensive operation to run and short of cutting corners on life safety for the people that they are protecting and the firefighters that are providing the protection this is what has to be done. They train on every tool in the rescue truck three or four times a year and every time they put them away they hope they never have to take them out again until the next training, but when they need them they have to work. Peterson questioned if the rate for the last calendar year of \$338.00 per section was collected? Chief Johnson stated that last year's premiums were all collected. Daniels stated that Amiret Township has the highest number of sections of 35 so to go from the \$338.00 per section to \$447.00 they would be looking at a difference of \$3,815.00 which would be the hardest hit the townships would take. Tiegs questioned if anything would change until 2019? Chief Johnson stated that the contract that they are currently sending out would be from May 1, 2018 thru April 30, 2019. In 2012 it was decided that the townships need to have the contract and payment returned to the City by May 1 and at the first Council meeting in May the Administrator, Mayor and Fire Chief would sign them and mail one copy back with a letter of intent explaining what the next years rates would be as well as when the budget meeting would be for anyone that would wants to come and voice their concerns, thoughts or issues that they may have. Schons stated that she has a concern with such a large jump going from \$338.00 to \$447.00, which is roughly a 32% increase as a result of the City missing an increase in the schedule. Chief Johnson agreed that the 32% is a large number. Schons stated that this was a Council/Administrator issue and does not agree with such a large increase as a result of a City error when there was a change in Administrator's. She would rather see it extended out another year to 2021 and stay with a 15% increase. She would also like to see the township's cost increase up past the 20% for the service rather than having

the City taxpayers picking up the bulk of the cost. She would hope that the townships would understand the reasoning for this as well as wanting to maintain the quality of Fire Department that the City currently has. Chief Johnson stated that the Council needs to decide on the quality of department they want as well as what the Council wants the Fire Department to do. His budget and capital improvement requests as far as what they want and expect from the Fire Department needs to be reflected in what the rates should be increased. Peterson questioned Schons what she was thinking for a number? Schons stated that a 15% increase would take it up to \$389.00 per section which would be on track if they take it out an additional year. Chief Johnson pointed out that the other Fire Departments all agreed that they would stay on track with the original schedule so that they would not be competing against each other. If the Council does go with the \$389.00 per section it should be stated that they will not be adding sections or taking sections away from other Fire Departments that are in an unreasonable response area because they can get it cheaper. Schons questioned if that would be a Council decision to add sections? Chief Johnson indicated that in the past it was the decision of the Fire Chief, he just doesn't want to see Tracy being 20% behind a neighboring department that is already on a the border line and have them want to be on the Tracy service because of it. Tiegs stated that the City can dictate that and should not allow that to happen. Chief Johnson advised that he would like to see a resolution passed by the Council for the remainder of the schedule so that it is etched in stone as to how they will move forward with it. Peterson stated that way all of the complaining would come back to the Council and not the Fire Chief. Chief Johnson suggested that if the Council decides to do more than the 15% increase that they should consider having a special meeting to explain to the townships what is going on. In years past the contracts were picked up at the Fire Hall and they did a tour to show them where their dollars were going. He also stated that in 2007 they purchased 15 air packs and 32 bottles for \$36,000.00 and they budgeted \$50,000.00 to replace them in 10 years. They replaced the air packs 11 years later and went from 15 air packs to 13 air packs and down to 24 bottles and it was \$98,000.00 so in five years time they almost tripled in cost. Schons stated that she is not opposed to a meeting because it educates people and helps them to understand the costs. Chief Johnson stated that the township budget meetings are in March so the contracts need to hit the mail sooner rather than later. It was reiterated that last year's contract should have been for \$389.00 and it was at \$338.00 so they did pay the same amount for both 2015 and 2016 which is what put it behind. Motion was made by Schons to go up to \$389.00 to get back on schedule and pushing it out by a year with the understanding that they are not doing this to stay below other Fire Departments and stealing sections from them. Daniels questioned if the Council would like to revise the schedule to reflect the change and have a Resolution be passed at the next meeting? Schons questioned when they will need to get the contracts out? Daniels stated that they can go out now as they will now have a rate but feels that they should give a corrected schedule to the townships so they will know what to expect in the future. Chief Johnson advised that they will have time for that later, they just need to get the contracts out for this year and include the new schedule with the letter of intent that will go out in May. They could hold the meeting at that time as well either at City Hall or at the Fire Department. Schons made another motion that they set the rate at \$389.00 per section. Chief Johnson indicated that they will have to stay at the \$338.00 this year as there was no letter of intent sent out last May indicating that it would increase. Peterson inquired if the townships were given a copy of the projected rate in 2012 and it was indicated that they were as well as a power point presentation and the formulas. Tiegs seconded Schons motion. All voted in favor.

A Liability Coverage Waiver from the League of MN Cities was presented. Daniels advised that this is an annual thing to waive the statutory tort liability limits. Motion was made by Peterson, seconded by Tiegs to waive the liability coverage. All voted in favor.

A cigarette license for the Tracy Liquor Store was presented. Daniels stated that in December the Council did not approve it as they were uncertain of the future of the Liquor store and wanted

confirmation from the Council as to whether or not they now wanted to approve it as the Liquor Store will remain open for now. Peterson questioned if there have been complaints from patrons not being able to buy them and Daniels indicated that he is unaware of any. Mayor Cooreman indicated that it is a nominal fee of \$150.00 and wondered if there was much revenue generated from it. Daniels stated that the City does not make much from the sale of cigarettes. Left over inventory and the fact that they can't sell it without a license was discussed. Schons questioned if Sandy Lau, Liquor Store Manager was in favor of the license and Daniels stated that she has not indicated one way or the other. Schons stated that for \$150.00 a year, which is only \$12.50 a month, she feels that it would be beneficial. Peterson stated that he is not opposed to that as long as the bottom line is favorable. Motion was made by Schons, seconded by Peterson to purchase the cigarette license for the Tracy Liquor Store with appropriate pricing of them. All voted in favor.

Resolution 2018-11-Canvassing the Special Election from February 13, 2018 was presented. Motion was made by Tiegs, seconded by Thao to approve Resolution 2018-1. All voted in favor.

Resolution 2018-12-Approving payment to Duininck Inc for work completed on 2017 Phase I Infrastructure Improvements was presented. Chris Larson from I&S stated that this was just catchup as they have not done any recent work. They could not be paid until the change orders had been formally approved. One of the change orders was for Center Street as they ran into some poor soils and an extra foot was cut out and replaced with sand which the County has agreed to pay for but it is being ran thru this contract of approximately \$74,000.00. The second one was for the removal of some debris which was found under Hollett Street and needed to be hauled out. The bulk of it was for the sewer and water extension for the Hospice House which will be assessable back to the property owners. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-12. All voted in favor.

Resolution 2018-13 regarding Opportunity Zones was presented. Jeff Carpenter EDA Director explained that he has been working with Lyon County regarding these opportunity zones. The information regarding this can be found on the DEED website under opportunity zones. There were some tax laws that were changed back in December thru President Trump which allows investors to invest in low to middle income areas. He would have to locate the investors himself that would be willing to invest. There are over 400 tracts in the State of Minnesota that are ranked. Of these tracts 250 of them are ranked the lowest. Tracy and a portion of the City of Marshall are the only two places in Lyon County that hit that mark. The resolution is just for proof that the Council knows about it as well as the EDA Board. This needs to be applied for so Carpenter will be applying with the Lyon County Commissioners as well as the Marshall EDA. This can be very lucrative for investors as far as tax breaks go. This can be used for housing as well as the redevelopment of downtown districts and things of that nature whether it is apartments or businesses. There is no guarantee that the City will get this as Governor Dayton will read them all and pick out 123 tracts. If he picks the lowest ones Tracy would be included in that as one of the tracts is directly on the City of Tracy. Tiegs questioned if they would be able to pick and choose who gets the grant? Carpenter stated this would not be a grant and that he would have to locate the investors. If Tracy is selected he would attend a meeting in April where he could visit with investors and give them his pitch on Tracy. He indicated that he will send all of the information that he has to the Council members. Peterson questioned if there is a cost for the Council to do this and Carpenter indicated there would be zero cost. He does believe that this is critical and was happy to hear that it was not restricted to residential. The criteria of the investors were briefly discussed. The Resolution is just to prove that it exists and that the Council approves of him pursuing it. He has already spoken to one interested investor. He will be getting sponsors from around the City such as Chad Anderson, TAHS Principal and business owners around town that are in support of it and proves that the City of Tracy is serious about it. Motion was made by Peterson, seconded by Thao to approve Resolution 2018-13 to support Lyon County's Opportunity Zone Application. All voted in favor.

The consent calendar consisted of Accounts Payable – both with and without Breakthru Beverage, Municipal Accounts Receivable, Department Head reports and MPC Minutes from January 15, 2018. Motion was made by Peterson, seconded by Tiegs to approve the consent calendar with the exception of Breakthru Beverage payables. All voted in favor. Motion was made by Peterson, seconded by Schons to approve the Accounts payable for Breakthru Beverage. All voted in favor.

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

ATTEST:



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City Administrator



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Mayor

# March 12, 2018

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 12, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Dave Tiegs, Kou Thao and Jeri Schons. Also present were Shane Daniels-Public Works Director/Interim Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Cooreman asked for the approval of the February 26, 2018 minutes. Peterson indicated that there was a typo on page seven. Motion was made by Peterson, seconded by Tiegs to approve the February 26, 2018 minutes with the correction as written. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Daniels requested an addition of 10J-Liability Coverage Waiver Correction, 10K-Temporary Off Site on-sale License for the Tracy Liquor Store and 12A-Resolution 2018-15-Authorization to execute MN Dept of Transportation Grant Agreement for the Airport Improvement Project. Motion was made by Peterson, seconded by Schons to approve the Agenda with the mentioned additions. All voted in favor.

Daniels indicated that the Planning Commission has 2 openings and that they have received one application from Rhonda Fredericks. Motion was made by Schons, seconded by Tiegs to appoint Rhonda Fredericks to the Planning Commission. All voted in favor.

The EDA Board has one opening and applications were received from Tom Morin, David Algyer and Rosemary Martin. Peterson stated that in the past those currently serving are given first opportunity to continue on the Board and that Morin is currently serving on the EDA Board. Motion was made by Peterson, seconded by Schons to appoint Morin to another term on the EDA Board. All voted in favor.

The Police Commission has one opening with an application received from Bill Tauer. Motion was made by Tiegs, seconded by Peterson to appoint Tauer to the Police Commission. All voted in favor.

The HRA Board has one opening with an application received from Claire Hannasch. Motion was made by Tiegs, seconded by Thao to appoint Hannasch to the HRA Board. All voted in favor.

The Aquatic Center Board has 2 openings with applications received from Greg Carlson and Ann Struchen. Motion was made by Tiegs, seconded by Schons to appoint Carlson and Struchen to the Aquatic Center Board. All voted in favor.

The Library Board has two openings with applications received from Becky Averill, Sandra Stobb and Vicki Streifel. Peterson stated that he spoke with the Library Board president and their policy is the same as the EDA Board's policy. Motion was made by Peterson, seconded by Tiegs to appoint Stobb and Streifel to the Library Board. All voted in favor.

The MPC Board has 3 openings with one application received from Becky Averill. Motion was made by Peterson, seconded by Tiegs to appoint Averill to the MPC Board. All voted in favor.

A Private Bottle Club License for the Tracy Eagles Club was presented. Motion was made by Tiegs, seconded by Schons to approve the license providing all of the fees and paperwork are in place. All voted in favor.

A Setup License for Tracy Lanes was presented. Motion was made by Peterson, seconded by Tiegs to approve the license providing all of the fees and paperwork are in place. All voted in favor.

Dave Algyer had presented a request to Daniels for the use of the office at the A and D building at the Airport for ground flight instruction. Daniels stated that he had attached a memo in the agenda packet with his opinion regarding that for the Council to review. Peterson questioned Algyer if he was aware of the requirements of a Commercial Operators License from MnDOT Aeronautics and Algyer stated that he is currently in the process of getting it. Mayor Cooreman indicated that it was brought to their attention that in order to allow him to use it that the City would have to pay back the funds that they have received for that portion of the building. Daniels advised that is correct because it would then no longer be used for public use. He also stated that what most airports do is to have them lease land and put their own flight instruction building up. The other option would be to build a new A and D Building in the future and then use the old A and D Building for purposes such as flight instruction. For what the City currently has the State does not advise allowing it with the current office space. Peterson questioned if that would not stop someone from doing pre-briefing and de-briefing in the A and D building and Daniels stated that flight planning is allowed. Daniels advised that the State's biggest concern was that when they looked into Licensure none were found with a current license operating out of Tracy. That would then become a liability to the City of Tracy Airport because one of the requirements for licensing is to have insurance and bonding. The State had more concern with that then they did the funding. Peterson questioned if that came from MnDOT Aviation and it was indicated that it had. Daniels stated that he had talked to them as to why the office is in there and he was informed that they are typically put in there for a manager. Daniels mainly works out of the shop as the Airport does not have internet services. Daniels suggested just removing the office and just leaving the desk there so there is more room to work. He also advised that it would not cost much to do it as there are no low bearing walls there. Algyer questioned if they could just use the lobby for his flight instruction and it was indicated that he could as long as everything is cleaned out when he is done. Along with that Algyer will need to have his licensure that the State requires. Algyer stated that he will share the space as spraying season will be tight. Peterson stated that there will have to be cooperation from both parties. Daniels questioned if the Council would like to refer what to do with the office back to the Airport Board and it was indicated that it should be. Putting furniture in the A and D Office was also discussed and Daniels pointed out that it is not a nice space to put furniture in. Daniels suggested extending the utility room into the office and just have a closet to house a computer in as well as opening the room up to just short of where the sink is. That would leave a desk there as well as a little lobby to use for flight planning and things like that, however this space could not be solely used for personal use. A motion was made by Peterson, seconded by Schons to refer the issue of the office and furniture back to the Airport Commission. All voted in favor.

A request from the School Health Fair to donate daily pool passes was discussed. Daniels stated that Shannon Gossen from SWHHS does an annual health fair at the school and are looking for door prizes to give out to the kids. They are inquiring to see if the City would be interest in donating 3 to 5 daily pool passes to distribute at this event. Motion was made by Schons, seconded by Tiegs to donate 5 daily pool passes. All voted in favor.

The citywide spring cleanup day was discussed. Daniels proposed holding it on May 19, 2018 which is close to the same time frame that it was held last year. He also indicated that he would like to set the date soon as there are a lot of surrounding cities that have a cleanup day around the same time which makes it difficult to get dumpsters. Tiegs questioned how many dumpsters were used last fall? Daniels indicated that they got three but feels that they could go down to two as they have never filled more than one and a half. He also advised that the biggest issue is mattresses as last year they got wet and the landfill will not take wet mattress as they are considered waste. They charge \$25.00 to dispose of wet, if they are brought in dry they are \$7.00 per mattress. Tiegs questioned if box springs are included in the same category and Daniels stated that he would check into that. He does feel that there should be some kind of charge placed on them as it cost the city \$180.00 for mattress disposal last year. Last year they priced things so that the resident would pay half and the City would pay the other half as a service. Tiegs questioned if they should still do the first item free as this does encourage residents to get rid of stuff. Daniels stated that this is not a money maker but does get rid of a lot of junk and garbage around town. He also advised that they have been using some of the surcharge money to fund it which is the compost budget. He has been advised to avoid accepting paint and to instruct them to bring it directly to the Recycling office in Marshall. It is

mainly TV's that people bring. It was suggested to include mattresses under large item/furniture and it was indicated that they could certainly put it there. Mayor Cooreman questioned when the tire recycling business in town will be available? Daniels stated that the hearing period is 30 days which was in January so it has to be getting close. Last year he took the tires straight to the landfill and was charged by the pound. This new business has a contract with the landfill so what would happen is the City would pay the Landfill and then this business would come and pick them up. It was pointed out that the mattresses and box springs will be treated as two separate items as the City has to pay for them as separate items. Daniels stated that if the Council would just approve the date so that he can get the dumpsters, they can discuss chargers at a later time. Motion was made by Schons, seconded by Tiegs to set the spring citywide cleanup for May 19, 2018. All voted in favor.

Chief Lichty addressed the council regarding the vacancy created due to the resignation of Officer Nicole Gehrke. He stated that the Police Commission met this morning and is recommending moving Officer Dustin Demuth from part-time badge number 233 to a full time badge number 231. They are also recommending that they replace the part-time officer with the hiring process as soon as possible. Motion was made by Peterson, seconded by Tiegs to hire Officer Demuth full time and to replace the part-time officer. All voted in favor. Daniels advised that at the Airport Commission meeting there was a discussion to put planking on the west side of the hangers. In his research he was unable to find the planking that was discussed unless it has a really goofy name. Peterson indicated that they likely don't make it anymore as he has not seen it in a very long time. Daniels stated that there is no base as it is just black dirt. He is wondering if that is something that they want to dig out so that they would at least have a base under it? When they were removing snow last weekend they were sinking into it as well and then you have to back drag it because it freezes. Tiegs questioned if it is just the one end and Daniels indicated that it is as of right now. Daniels stated that they are in the process of eviction on one of the renters on the East side. He stated that has talked to two people that would like to rent at the airport. He also stated that props don't like gravel so they will need to do something to hold the gravel down. The base would be the first step and once that is done they could look at putting pavement in there any time after that. Tiegs questioned if there are funds available or set aside for this? Daniels stated that they don't have a lot going on with the Master Plan right now for maintenance and operations so they could get about 75% of it out of the M&O Grant for the gravel as it is a use it or lose it. Peterson indicated that this has been an issue for some time and it needs to be done to protect that asset and make it assessable for people willing to pay rent. The grant money is based on the City being able to maintain 10 airplanes at the Airport so it would be an investment. Daniels stated that he would look into costs for asphalt as well. Daniels stated that he will put the base in as soon as the frost is out of the ground and will hopefully be able to pave it sometime soon in the future. He indicated that it would be roughly a 40 X 200 foot area. Schons questioned if this would be a short term fix? Daniels stated that the base will have to be there regardless as that way when the City is ready to put asphalt out there it will be ready to go. Motion was made by Tiegs, seconded by Schons to do the base on the west side of the hangers at the airport. All voted in favor.

Daniels gave an update on the Administrator's position. Sande will look at the applicants and weed it down for the Council and two citizens to do interviews. Tiegs indicated that Sande made it sound like there maybe a couple potential candidates worth interviewing and wondered if Daniels had any further information? Daniels stated that what he received was what was forwarded to the Council which wasn't much. Peterson stated that for discussion only, it is possible for the entire Council to do the interviews in a closed session, it does not have to be public. Daniels stated that it would not be public until they get to their top three. Peterson stated that it does not have to be public at any time. Mayor Cooreman questioned if Sande would be bringing them the top six? Daniels advised that Sande indicated that he expected to complete reviews of all applications that he had on file this week. In addition, he will conduct telephone interviews of selected candidates. By March 19<sup>th</sup> he will have a recommendation for the Council regarding potential interviews from amongst the candidates he currently has. Peterson stated that the first time around with the hiring process they formed a community committee that narrowed it down to five and it was then narrowed down to three and those three were interviewed in a public format and the Council picked from there. He stated that it can be done that way again, there is no right or wrong way. He also indicated that if it is a group interview it does not benefit the applicants at all as they are listening and responding based on

what the other candidates are saying and not responding how they would have if it were an individual interview. They tend to second guess themselves so you really don't get an accurate interview. Schons stated that she also prefers interviewing one at a time as it then becomes more of a conversation versus these are the questions and they just answer those questions. This would give you a better feel for who you are hiring. She also feels that the Council needs to take the bull by the horns and they need to be the ones to meet with them. Tiegs pointed out if Sande only has three people it could come down to doing one interview and being done. Mayor Cooreman stated that she is also in favor of the one on one interviews. Schons questioned if they would be opening the application process up again as the previous timeline indicated that they would be in April. Daniels stated that Sande has not indicated one way or the other and that it would be open until filled. Mayor Cooreman stated that the longer they wait they may be losing good applicants with it being such a long process. Tiegs pointed out that they will know more on March 19<sup>th</sup> when Sande gets back to them. Schons questioned if they could make a motion today that when the Council hears from Sande on the 19<sup>th</sup> they could set up the interviews with the Council. That way they would not have to wait until March 26<sup>th</sup> to make the motion and it would allow them to move forward quicker. Daniels questioned if they want to schedule a meeting? It was indicated that they probably could not schedule a meeting it would need to be a motion allowing the Council to do a closed session interview process and call a special meeting. Motion was made by Schons, seconded by Tiegs that the Council will meet with the applicants one on one after they hear back from Sande on March 19<sup>th</sup> and will set a closed meeting date at that time. All voted in favor.

Daniels presented the Liability Coverage Waiver to the Council for a correction. He stated that he misheard the insurance agent and thought that he indicated that we waive this liability coverage when in fact they do not and the wrong box was checked. He would like to have this corrected by the Council voting to not waive the liability coverage so that he can get the correct paperwork out. Peterson questioned if that was done at the last meeting by resolution and it was indicated that it was not, it was just a motion. Motion was made by Peterson, seconded by Thao not to waive the Liability Coverage to the League of MN Cities. All voted in favor.

The Liquor Store Committee is suggesting to hold a wine tasting at the Women's Expo which would require a temporary off-site license to sell wine at this event contingent on the state liquor laws. Peterson stated that he would make that motion and was seconded by Schons. Peterson questioned if it would be City employees that would be doing the selling and it was indicated that it would be. Schons stated that if they do it similar to the beer tent then it could be volunteers. Campbell pointed out that the state laws will have to be looked into and would be contingent on that. All voted in favor of the motion.

Resolution 2018-15-Authorization to execute MN Department of Transportation Agreement for Airport Improvement Excluding Land Acquisition was presented. Daniels stated that this is in regards to the Master Plan and that the Council did sign for this a year ago and they now need a resolution signed to join this agreement thru MnDOT in order to receive the grant money for the Master Plan. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-15. All voted in favor.

The consent agenda consisted of Municipal Accounts Payable with and without Breakthru Beverage and Library minutes from December 2, 2017. Motion was made by Dave Tiegs, seconded by Peterson to approve the consent agenda without Breakthru Beverage payables. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage Accounts Payable. All voted in favor.

Peterson stated that he had a couple of residents approach him regarding placing pictures of influential Tracy residents or people that have had a significant impact on the City in the hall way of City Hall. This would be at no cost to the tax payers as the families would donate them. Schons questioned how the decision would be in regards to whose picture could be placed there to ensure that there would not be anyone left out that should be there or people there that maybe shouldn't be? Peterson stated that he did not question what their plan was in reference to that. Mayor Cooreman stated that if they just let residents do it at will they could end up with a lot of them. Schons clarified that she is not against the idea of it, she would just like there to be some guidelines in place for it. Peterson suggested having the Council approve them on an individual

basis and Schons questioned what that decision would be based on? She also pointed out that it should not be a popularity contest and should be justified by the contributions that individual has made to the City. Peterson stated that they could implement a hard and fast rule today that may not even apply a year from now. Schons suggested forming another committee to come up with some guidelines even if it is only that when it is brought to the Council the credentials need to be in writing. Peterson stated he would refer that back to the residents that approached him on it. Campbell suggested contacting the high school to get their guidelines and requirements for their "Wall of Fame" and it was stated it would be a good starting point. Schons pointed out that there should be an official request from the group of people wanting this. Peterson is to bring the information back to them.

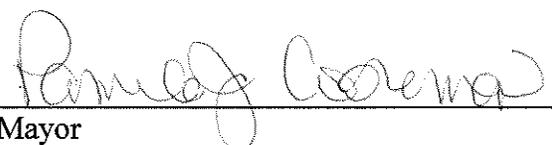
Daniels advised that he spoke to Shannon Benson, pool manager regarding Mayor Cooreman's request that she get certified in life guard training so that she would be able to step in when they are shorthanded. She indicated that there will not be a shortage of guards this year as they have 11 new wanting to certify and 7 that will be returning and will be doing re-certifications and 4 that are coming back that are already certified. That puts 22 guards on staff as opposed to 17-18 that they had last year. Schons questioned if they are all college kids that will be leaving in early August? Daniels will check into that as he is uncertain. Mayor Cooreman stated that she was at the SW Regional meeting and spoke with several City officials that were there and they informed her that their Pool Managers are all certified and that none of their pools are profitable. Schons questioned who the assistant managers are and Daniels advised that there are two and that they are not certified either. Mayor Cooreman stated that she feels that atleast one of them should be so that they could jump in and help if need be. Daniels informed that the manager cannot be in the water. Schons feels that now would be a good time to add on the expectations of being certified as a lift guard for the assistant managers. She would not want to lose Benson as manager by making this an expectation of her but they could require it of the assistant managers. Daniels stated that as of right now they do not have the assistant managers hired yet and it was again pointed out that this would be the perfect time to make that additional requirement. Daniels suggested bringing it to the Aquatic Center Board. Closing it early is not fair to the kids or patrons that are coming from a distance. Daniels will bring it to the Aquatic Center Board for discussion.

Peterson thanked Daniels and his crew for the great job of getting the snow removed after the snow storm on Saturday.

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

ATTEST:

  
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 City Administrator

  
 \_\_\_\_\_  
 Mayor

# March 26, 2018

649

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 26, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Dave Tiegs and Kou Thao. Also present were Shane Daniels-Public Works Director/Interim Administrator and Diane Campbell-Administrative Assistant. Member absent: Jeri Schons

Pledge of Allegiance was given to the flag.

The invocation was given by Nick Scutari.

Mayor Cooreman asked for the approval of the March 12, 2018 minutes. Peterson indicated that there were a couple of typos. On page 4, the 16<sup>th</sup> line down the word assessable should be accessible. We are not taxing it, we are trying to get airplanes in and out. The other one was where the consent calendar was discussed, the word Breakthru is typed Breadthru. Motion was made by Peterson, seconded by Tiegs to approve the March 12, 2018 minutes with the corrections. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Motion was made by Tiegs, seconded by Peterson to approve the agenda as written. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Sandy Lau, Liquor Store Manager addressed the Council with her department head report. She stated that she had been approached by a committee member of the Women's Expo inquiring if they would be able to serve wine and mimosas at the Expo event from 10:00 am to 2:00 pm. She stated that Daniels and Campbell were looking into it and that Daniels will need to check to see if the City's insurance would cover it. Daniels stated that the insurance company does have all of the information that they need and they will be getting back to him in the morning. He believes that is the last piece of the puzzle. Lau advised that she now has Brau Brothers beer available in the store and will be doing samplings sometime in April. Mayor Cooreman questioned what the date of the Women's Expo is and it was indicated that it is April 14<sup>th</sup>. She also questioned if the Council needs to do anything further and Tiegs advised that they have already approved it. Campbell stated that once the insurance company verifies that the insurance is taken care of the City will still need to obtain a license from the State. They do require a 30 day notice but they have allowed a shorter term notice in the past. She is hoping the State will allow it again. Mayor Cooreman pointed out that the Liquor Store sales appear to be up somewhat. Lau stated that when she does her daily printout she noticed that it is usually around 25 or 26 percent. Mayor Cooreman also pointed out that she did not realize that the cigarettes being sold at the Liquor Store are just on a shelf and not in a machine and questioned if they are inventoried before each shift? Lau advised that she counts them and that currently they only have roughly 10 packs on hand.

Jeff Carpenter, EDA Director addressed the Council with his department head report. He welcomed the Council members to stop into his office to view any of the projects he has going on. The sale of the 3<sup>rd</sup> Street East apartments is in the process and the public hearing is on the agenda. Once the commissions are paid and the payoff is taken care of, which is around \$72,000.00, they should net close to \$200,000.00. The Economic Reserve is sitting right around \$105,000.00 so with this revenue they should be sitting right around the \$300,000.00 mark. This will be good news when it comes down to what they will be able to do in regards to the housing issue. He has been working closely with Jeff Gladis, who is with United Community Action and is assisting him with doing another housing study. Carpenter indicated that Lights and Beyond are just waiting to get their inventory in and then they will be ready to open. Sarah Willhite has opened her pet grooming business downtown and is very busy. He also advised that he should know in a couple of months what several other buildings downtown will be used for.

Daniels addressed the Council with his department head report. He stated that they will be having an Aquatic Center meeting tomorrow, March 27<sup>th</sup> at which time he will have more details regarding the operation of the pool for the 2018 season. Shannon Benson is suggesting holding swimming lessons in the evening on Tuesdays and Thursdays rather than on Wednesdays for the first session due to the 4<sup>th</sup> of July holiday. He advised that this is an attempt to assist the students in retaining memory of what they learned as doing it once a week it is often forgotten. They will be conducting interviews on Friday morning for the front desk attendants as well as the assistant managers.

Daniels also thanked the residents for their cooperation in regards to the snow removal and requested residents to use off street parking during the time period that the snow is being removed.

The transfer of Airport Entitlement Funds to the City of Hutchinson Airport was discussed. Daniels advised that this was brought up at the Airport Board meeting and that they recommended that the Council move forward with it. Being the City is still working on its Master Plan it would be unable to use the funds this year and if the City does not use the funds they will lose them. By transferring \$150,000.00 of the City of Tracy's airport entitlement funds to the City of Hutchinson Airport they could use it and then return it to Tracy next year so we would have it to use for our projects. By doing this we would not lose our funding and it would then still be available for use when it is needed. This has been done in the past to other Cities and Tracy will need to start requesting those funds be returned. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-17. All voted in favor.

Daniels advised that he has not heard back from Wendell Sande in regards to the applications for the City Administrator position. He also indicated that he had spoken with Matt Gross, City Attorney as well as the League of MN Cities regarding the closed session to interview applicants. It was indicated to him that the Council cannot do that as it is a violation of the open meeting law. The only time it can be closed is if it is an employee review. Being the candidate would not be an employee at the time it would not be allowed. If it is less than a quorum of the Council members and the Administrator, for instance, it would be allowed. Peterson questioned if it would be allowed to have two council members interview one day and the other two the next day and it was indicated that it would depend on how far the applicant is traveling. Other than that it should not be a problem. Peterson stated that once the interviews were conducted they would hold a closed meeting for the Council to deliberate and make the decision on who they are going to offer the position to – is that permissible? Daniels stated that he would look into that. Peterson commented that it may not be the best idea for Daniels to interview someone that will ultimately end up being his superior. Daniels stated that that is completely up to the Council as far as what they want to do. Peterson stated that he does not want to exclude Daniels from the process and that they value his opinion but feel it may make it awkward to have him there. Peterson questioned if Daniels has heard where Sande is at with it and how many applicants he has received and Daniels advised that he has not. Mayor Cooreman stated that Sande had called her about two weeks ago and indicated to her that he thought he had received enough applicants and indicated that they would not necessarily need to continue advertising. She told him that if he feels that there are enough and the Council is not comfortable with what he is bringing to them that they could re-advertise at that time. She directed him to stop advertising; however since then he has not provided the applications to her. She feels that Jeff Carpenter, EDA Director, should be on the committee for hiring and her other thought was that it would make good sense for the Council to actually see the applications that Sande has received – rejected or not – so that the Council can see what they have to offer. Tiegs pointed out that that could not hurt anything and that those applications should be available to the Council. Tiegs questioned if Mayor Cooreman will contact Sande to obtain them and she indicated that she would. Peterson stated that he has mixed emotions about that as they have Sande involved to remove any bias and to put a professional eye on them. He feels that if the Council goes back over them after Sande has already sorted them they are just second guessing the person that they hired to do it. Mayor Cooreman stated that she feels that he may be looking at them one way and the Council may look at it totally different.

Mayor Cooreman called the Public Hearing for the proposed property tax abatement for the 3<sup>rd</sup> Street apartments to order. Carpenter stated that Luann Hansen is present to answer any

questions the Council may have and he is also willing to answer any questions that he can. Peterson advised that this is for the sale of 3<sup>rd</sup> Street properties and the abatement goes along with it and that is the purpose of this public hearing. He indicated that they have it covered both ways. With no one from the public wanting to speak, Mayor Cooreman closed the public hearing. Motion was made by Peterson, seconded by Thao to approve Resolution 2018-17 granting a property tax abatement for the 3<sup>rd</sup> Street apartments. All voted in favor.

Discussion regarding the applications for the Administrator position continued. Tieg questioned if Mayor Cooreman would like to see them just for curiosity purposes? He also pointed out that the criteria that the Council was looking for was set out to Sande. Mayor Cooreman stated that that is true; however it was changed half way thru. Peterson stated that they changed the timeline, not the criteria. Mayor Cooreman understood that they also changed the education criteria and the experience and it was indicated that it was talked about but was never officially changed. Mayor Cooreman stated that she does not want to undermine Sande; however he may view the applications differently than they would. Peterson pointed out that Sande sent out the questionnaires to the Council for recommendations and they gave him a pretty clear idea of what they were looking for and what their priorities are. He feels that they would just be back peddling if they started going thru the applications themselves. If the Council wants to look at them just to look at them that is one thing, but it shouldn't change the outcome. He indicated when Mike Votca was hired by the time they got done second guessing themselves and setting up the interviews the ones they wanted to interview were no longer available as they took another job. The way this is going that is another log on the fire and some may or may not show up. Mayor Cooreman pointed out that they are wasting time as it is waiting for Sande to get back to them. Peterson commented that the last advertisement that he seen was that the position is open until filled. He also commented that we are not spending anything on advertising as Sande hasn't sent us any bills. Daniels advised that he has sent a bill, which was right around \$500.00, and it has been paid. Peterson stated that would be a good reason to contact him and request him to get the City some names. He also feels that it is a likely possibility that Sande had contacted some applicants and they had already accepted another job as Tracy is not the only one looking for a City Administrator. Mayor Cooreman expressed that a simple e-mail from Sande explaining what was happening would have been beneficial. Peterson indicated that he feels he has been out of the loop since it was put in Sande's lap. Daniels advised that with the exception of the e-mails he supplied the Council with at the last meeting he has not heard from him. Tieg indicated that he feels they should contact him and see where they are at.

The Consent Calendar consisted of Municipal Accounts Payable with and without Breakthru Beverage, Municipal Accounts Receivable and the Department Head reports. Motion was made by Tieg, seconded by Thao to approve the Municipal Accounts Payable without Breakthru Beverage. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage Accounts Payable. All voted in favor. Motion was made by Peterson, seconded by Tieg to approve the Municipal Accounts Receivable. All voted in favor. Motion was made by Tieg, seconded by Thao to approve the Department Head Reports. All voted in favor.

The "Wall of Fame" was discussed. Daniels indicated that there is information included in the packet in regards to what other cities have established as requirements as well as information from the Tracy Area High School and their requirements. Peterson requested Daniels to get him a hard copy of them and that he would give it to the parties that suggested it and see where they go with it.

The spring citywide cleanup prices were discussed. At the last Council meeting it was questioned if mattresses and box springs would be treated as one item or two. Daniels advised that they will be treated as two separate items and will be charged individually. Motion was made by Tieg, seconded by Thao to approve the prices set for spring cleanup day. All voted in favor.

Daniels informed that there will be a pool committee meeting tomorrow March 27, 2018 and will know more after that meeting in regards to the aquatic center information.

Peterson questioned where the City is at in regards to the annexation of the property behind the Red Rooster? Campbell informed that they have to notify all of the surrounding property owners again, which has to be 30 days prior to the public hearing. Matt Gross, City Attorney indicated to Daniels that the earliest they could hold the public hearing would be May 7, 2018. Once the public hearing is held and approved it will need to be recorded with the Lyon County Recorder's Office and the new ordinance will need to be published in the paper. Motion was made by Peterson, seconded by Thao to set the public hearing for the annexation of the property to the north of the Red Rooster for May 14, 2018 at 6:45 pm. All voted in favor.

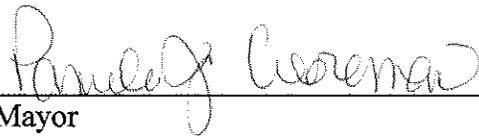
Mayor Cooreman advised that she received two letters from citizens and would like those citizens to know that she is checking into him.

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

ATTEST:



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



\_\_\_\_\_  
Mayor

# April 9, 2018

653

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 9, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Dave Tiegs, Jeri Schons and Kou Thao. Also present were Shane Daniels-Public Works Director/Interim Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

The invocation was given by Dave Erickson.

Mayor Cooreman asked for the approval of the March 26, 2018 minutes. Motion was made by Peterson, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Daniels stated that he would like to add 9A-Chief Lichty update on Officer Hiring. Motion was made by Tiegs, seconded by Peterson to approve the agenda with the above mentioned addition. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Chief Lichty addressed the Council in regards to the open part-time officer position. He indicated that they only received two applications and one of the two would not qualify until June. He is proposing postponing the hiring process until after this year's class of graduates graduate in May and do the hiring process in June. The Council was in agreement of that.

Daniels addressed the Council regarding a Petition for Local Improvements for James Pawleski. He advised that Pawleski is looking to replace the sewer as it is in violation because of the poor condition of his pipe due to tree roots. The process of this is that the property owner has to submit the petition, the Council approves or denies the petition and then there would be a written contract drafted to establish the interest and things like that. Peterson questioned Daniels if they have the sump pump interceptor on it and Daniels advised that Pawleski was going to do it all at the same time. Motion was made by Peterson, seconded by Thao to approve the request. All voted in favor.

Shane and Jen Olivier from 549 4<sup>th</sup> Street addressed the Council regarding a snow removal fine. They indicated that two hours after the snow had quit falling they decided to move the snow off of the street themselves as the City had not done it. They cleared the snow from Emory Street to their alley from the Center of the road to the curb. The pictures that were included in the agenda packet clearly show that there was not a line from a plow blade. The ticket was for blocking snow removal and they do not believe that they did that. Shane also indicated that they are aware that they are not supposed to park on 4<sup>th</sup> Street and would not have taken the measures that they did if it had not been two hours after the snow ceased. They indicated that they have three vehicles with only two places to park. Schons questioned if these types of issues are usually brought to the City Council and not handled like any other ticket with the courts? As a city they set the ordinance and expect the Police Chief to enforce it; however if someone wants to contest it she does not feel that the City Council wants to get in the middle of it. Daniels advised that the Council is the appeal board. In the past the Administrator would take all of the heat for it and the Council did not want that. The Council has directed the Administrator to bring it to the Council and have them deal with it instead. Peterson questioned the Oliviers if they had any other violations for their vehicles? Shane stated that there was one several years ago involving his father in law. Normally they do not leave their vehicles on the street. Jennifer stated that with the ground thawing she does not want to park on what grass she has managed to grow. Tiegs pointed out that he does not want to set precedence where people are out cleaning off the

roads. If Olivier is out on the road cleaning it off and he were to be hit by a car who would be liable? Shane stated that he would be if it were his property and Tiegs stated that the road is not his property. Tiegs does not want to see everyone on the road trying to clear it themselves just because they want it done before the City workers have a chance to get out there. Chief Lichty advised that the announcement that was put out was no parking on the street from 12:00 am to 6:00 am and they can't be any clearer than that. Even if Olivier blew out the entire block the snow plow still needs to slow down and go around those vehicles and this slows up their process. Schons stated that the Council can all empathize with them; however she has a concern that they would be setting precedence that would make it difficult to follow and where would they draw that line. Shane questioned how many people have come before the council requesting a snow removal fine be waived? Peterson advised that it used to be common. Not necessarily to the Council level as the Administrator previously dealt with it. This is the first one he has seen at the Council level. Shane stated that they would not be before the Council if they did not feel that the ticket was unjustified. His biggest argument was that the snow had quit for 2 hours and no one had plowed the street yet. Schons pointed out that the ordinance does not state a time frame or number of hours that the snow needs to be cleared by. Shane stated that they are aware of the law and the only reason that he did the work himself was so that he would not get ticketed. He does not feel that they slowed the snow plowing process up at all. He reiterated that they do not feel that they did anything to justify the ticket. Mayor Cooreman stated that she does not want residents thinking that if they clean the street themselves that they would be able to park on it. Tiegs stated that he would be willing to forgive it this time but the Council is putting the whole city on notice that this is a one-time deal and the Council won't be willing to waive any future tickets. Motion was made by Tiegs, seconded by Peterson to forgive the fine but it is a one-time only situation. Voting in favor was: Tiegs, Peterson and Thao. Opposed: Mayor Cooreman and Schons. Motion carried.

Setting up an interview committee for the City Administrator position was discussed. Mayor Cooreman recommended putting Jeff Carpenter, Schons, Mayor Cooreman and Daniels on the interviewing committee. She does feel that Daniels has a lot to offer even though Peterson indicated that he did not feel that he should be on it. Schons stated that she feels that when someone has walked in the shoes, even if it is temporary, that they have insight to the job and having to then report to that person is not that difficult. She has been involved in CEO interviews knowing that whoever was chosen would be her boss and it worked out just fine. She also indicated that Daniels would bring a knowledge base that not a lot of other people would have. Peterson stated that he would like to see a member of the public on the committee such as Tom Morin. Schons stated that she does not question that Morin would do a good job but wondered if it would be fair to just chose Morin when there are likely others that would like to serve as well. Mayor Cooreman pointed out that they would then have to advertise and it would delay the whole process. Tiegs questioned who they even have to interview? Mayor Cooreman advised that Wendell Sande had e-mailed her and when she e-mailed him back roughly five days ago Sande stated that he would e-mail the 6 applicants that he had it narrowed down to as well as all of the other applications that he had received. He was supposed to have sent them directly to Daniels and as of this afternoon they had not received them. Daniels advised that he checked his e-mail as they speak and has not received anything. Schons questioned if they have any unpaid bills that they could use to hold over Sande's head? Daniels stated that Sande has already been paid for everything that has been submitted. Peterson expressed that the communication with Sande has not been good and he has sat on the applications for so long that he is likely discovering that some of the applicants are no longer available. Schons expressed that if that is the case that Sande should have just told Mayor Cooreman that. Mayor Cooreman advised that the Council was going to set up the interviews, not Sande so that should not have even been occurring. Peterson stated that once Sande narrowed it down to the best three that he was going

to contact the applicants to see if they were still available or not. If they were not Sande should have informed the Council of that. It was indicated that Mayor Cooreman and Daniels are to contact Sande tomorrow and see what they can find out. Daniels questioned if the Council had made a decision on the interview committee? Schons stated that she agrees with Mayor Cooreman and does not want to have to advertise for a member of the public as it will just delay the process. Motion was made by Schons, seconded by Thao to move forward with putting Schons, Mayor Cooreman, Jeff Carpenter and Daniels on the interview committee. That way once they receive the applications they can move forward with getting an administrator hired. That position is to key and should not be left vacant any longer than it already has. All voted in favor.

Daniels asked for an Airport Commission recommendation from the Council. He advised that David Algyer is looking at doing a flight school and does need approval from the City to process his license. The Airport Board met this morning and they are in favor of letting him use the facilities as long as the A & D building remains open for transients and other pilots use and that he has the proper licensure from state, federal and city. The Council will need to decide to allow it or not allow it for flight school. Motion was made by Peterson, seconded by Schons to draft a letter authorizing the use of the airport for his flight school training. Peterson questioned if Daniels could expedite the letter so Algyer could have it by noon tomorrow and Daniels stated that he would do that. All voted in favor.

Resolution 2018-18 Accepting a Grant to the Tracy Public Library was presented. Peterson questioned if it was a 50/50 grant and it was indicated that it is just a straight grant. Motion was made by Peterson, seconded by Tieg to approve Resolution 2018-18. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable – with and without Breakthru Beverage, MPC Board minutes from February 20, 2018 and Planning Commission minutes from February 5, 2018. Motion was made by Peterson, seconded by Tieg to approve the Accounts Payable without Breakthru Beverage. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Accounts Payable for Breakthru Beverage. All voted in favor. Motion was made by Schons, seconded by Thao to approve the MPC Board minutes from February 20, 2018. All voted in favor. Motion was made by Peterson, seconded by Schons to approve the Planning Commission minutes from February 5, 2018. All voted in favor.

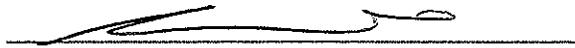
Daniels stated that he put a memo together for the “Wall of Fame” based on the previous meeting. His recommendation is that there should be an assigned committee established to recommend the policy and criteria for Council approval. Once that is in place there should be an anonymous committee established to make the yearly selections from the nominees. Daniels is looking for direction from the Council as to how they would like to proceed. Peterson stated that he did not receive the hard copies to forward on to the individual that approached him. He indicated that one of the things that they talked about was that they do not like the name “Wall of Fame” and he informed the Council that that is why these citizens need to bring their recommendations and plan of action to the Council. Daniels questioned if the Council’s plan is to establish a committee to come forward and request it to be adopted? Peterson stated that it would be something along that line. Schons questioned if it would just be a group of citizens bringing it forward? Peterson stated that they would gather information and make a formal request to the Council. Daniels pointed out that his understanding is that these citizens will make up the policy and refer it back to the Council without the Council knowing who they are? Peterson stated that what the citizens would like to see and what the Council has to do in order to see it thru could be two different things. Peterson stated that there is no sense in deciding for them what they want without their initial input.

Tiegs questioned how the underground video guys are doing and how far they have gotten. Daniels advised that they have not gotten far as they can't paint the roads when they are wet. They are however, getting a lot from their lateral launch. He feels that they have gotten all of the downtown buildings done and the housing will depend on the condition of the pipes. The weather forecast is not looking too good for next week.

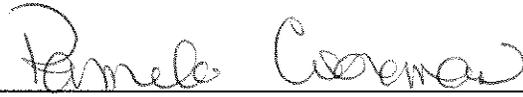
Peterson stated that he had a resident question if there is a better place to put the snow out of the alley on 2<sup>nd</sup> Street by the Velta Memorial? Daniels questioned if it was the place just south of the memorial and it was indicated that it was. Daniels indicated that they would take care of it.

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

Attest:



City Administrator



Mayor

# April 23, 2018

657

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 23, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Dave Tiegs, Jeri Schons and Kou Thao. Also present were Shane Daniels-Public Works Director/Interim Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

The invocation was given by Eric Natwick.

Mayor Cooreman asked for the approval of the April 9, 2018 minutes. Motion was made by Peterson, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Daniels stated that he would like to add 10D- State Street Surface Improvement as well as Resolution 2018-20 ordering the feasibility study and 2018-21 calling for the hearing on May 14, 2018 at 7:00 pm. Motion was made by Peterson, seconded by Schons to approve the agenda as amended. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Val Quist, Librarian gave her department head report. She advised that they have received the money from the Hyland Estate and the documentation has been sent into the State. They received word late last week that the documentation has been approved. The agreement will need to be signed which is in the Council packet tonight. She will send it in once it has been signed and they will then be able to move forward. There was a donation policy included in the Council packet that the Library Board approved at their April meeting. This reflects what the Board decided 5 or 6 years ago in regards to how they would like donated funds to be used. This is the same procedure that they have been following; however there has never been an actual policy in place. With staff changes, Board member changes and things like that, if there is not a written policy in place it would be difficult for people to know what they are supposed to do. She indicated that they had a great turnout for their Antique Appraisal event. She also commented that it will be nice to be able to hold events like this in their basement. They had to reschedule their music program that was set the day of the blizzard and has now been set for May 19, 2018. Peterson questioned if the policy requires any Council action? Quist did not believe so as it was previously approved.

Chief Licthy addressed the Council with his department head report. He indicated that it has been fairly quiet due to the weather as it has been cold and snowy. He was approached about doing another pigeon shoot the end of May as they seem to be starting to congregate downtown again. They will be doing a mock accident on May 2, 2018 at the High School which is geared to leave an impression with the youth prior to prom. He also stated that on behalf of Officer Hanson, National Night Out is looking for volunteers to help. He believes that they will be meeting on May 3, 2018, however several of them will not be available that day so he will be rescheduling for May 10, 2018 which is a Thursday evening at the Council Chambers. It takes a good group of people to pull it off and would appreciate any volunteers.

Jeff Carpenter, EDA Director addressed the Council with his department head report. He indicated that by looking thru the CDBG contracts that were signed the fee assessments do not reflect the fee that the City adopted on their fee schedule. The Council will need to decide if they want to re-do all of the contracts, which would be a huge waste of time, or honor the contract amount that is in place. He has received approval for this on the EDA Board but will still need to go thru the Council eventually. The sale of the Eastview 3<sup>rd</sup> Street townhomes is now complete and they have received a check for \$198,000.00 minus the \$4,600.00 that it cost them to write out the checks for the deposits that needed to be given to the new owners. They then came out just shy of \$194,000.00 which put the Economic Reserve amount right at \$300,000.00. This is a large amount and a lot of it will go towards housing as there is a definite

need for that. There will be more plans regarding that coming thru the City Council. These will be plans put in place where people will want to live in Tracy and we have to have places for them to live. He indicated that he has many people coming into his office wanting to talk about housing. It appears that the Council, the EDA Board and the community are all on the same page regarding this and moving in the same direction. He stated that Rosemary Martin is doing the right thing with the apartments that she is going to be opening up. It is a small one but it is a step in the right direction. She has indicated that she will be having an open house in a couple of months and there can be a lot of things like that that does not cost tons of money. The Demo loan program was discussed and the fact that they will not be able to save a lot of the houses in town. The best thing for them to do is to get rid of those houses. He wanted to talk about the Hmong Community and the Cultural Center meeting but due to the meeting being continually postponed due to weather he is unable to do that.

Daniels gave his department head report. He stated that due to the weather south of town there have been a lot of corn stocks that plugged everything up. He advised that those issues have now been corrected.

Donald and Carolyn Engelkes have requested that the City purchase the land that the City has an easement on to the north of the compost site road. It is located right before it gets into the main open area where the compost site is. It was an easement that the City secured last year and now Engelkes are paying taxes on land that they technically do not have access to as a result. They would now like to sell it to the City rather than having an easement there for a sale price of \$5,000.00. Lyon County currently has the land valued at \$21,000.00 on 2.67 acres. Peterson questioned if the City could make use of it? Daniels stated that they could however a small portion of it is creek. Peterson questioned if there is a need for a Public Hearing and Daniels indicated that there is not. Peterson expressed that if the City can use it that it would be better than dealing with an easement providing the City Attorney doesn't have any objections. Mayor Cooreman questioned if it is something that the City could use. Daniels stated that some of it is already being used as a road and a quarter of it is dirt. Peterson pointed out that the City is already maintaining it so that would not be an issue. Motion was made by Peterson, seconded by Schons to purchase the property for \$5,000.00 providing the City Attorney has no objections. All voted in favor.

A request from the prom committee for the Council to donate 6 daily pool passes was presented. Daniels informed that this is similar to what the Council did for the Health Fair. Motion was made by Peterson, seconded by Tieggs to donate 6 daily pool passes to the prom committee. Peterson stated that it could be charged out as advertising and it may result in someone purchasing a season pass and it would then be worth the investment. All voted in favor.

An aerial spraying lease agreement price change was discussed. Daniels informed the Council that this was discussed at the last Airport Board meeting. The spraying lease dollar amount has not been addressed in a very long time and likely not ever increased from the current \$500.00. The Airport Board is recommending increasing it to \$750.00. They use it for roughly a month and a half from mid-July to the end of August. They do use the water out there and the City then sends them a bill. Tieggs questioned if they have ran it by the people that it impacts and Daniels informed that he has not. Peterson did not feel that it would be unexpected for them to see a raise as it has been quite a while. Daniels stated that it was likely in 2010 as Audrey Koopman was still with the City at the time. Motion was made by Peterson, seconded by Thao to increase the Aerial spraying lease charge from \$500.00 to \$750.00. All voted in favor.

Chris Larson with I & S addressed the Council regarding State Street Surface Improvement. He indicated that Daniels questioned him about State Street between 4<sup>th</sup> Street East and 3<sup>rd</sup> Street East. The previous project stopped at 4<sup>th</sup> Street East and State Street. It is in pretty rough shape west of 4th Street East. They took a look at their Master Plan for phase 3 and there are no planned sewer or water improvements. This is good as they would not want to put a lot of money into the street if there are utility improvements. There is only storm sewer within that corridor and according to their records it appears to be a 1994 concrete pipe. There does not appear to be any blockages or capacity issues which would mean that there does not need to be any utility work. Duinick will be in town this spring to do the final lift on Phase I, do the paving for 5<sup>th</sup> Street East for the Hospice House and it is his understanding that they will also be doing an overlay on the parking lot directly south of this project. They would likely be the most

competitive as the 5<sup>th</sup> Street East extension was added to the Phase I contract by change order. That property petitioned for that project was the City Attorney's opinion that it would be ok to have it added to the overall bigger project that was competitively bid rather than getting quotes. They have not heard back from the City Attorney; however it is their assumption that it would be ok to do the same thing on this one as well. If the City will not assess for any of these costs it would not matter and they would not have to do any resolutions. However, if the costs will be assessed the Council would then want to pass the resolutions that have been presented. For fixes they feel that they should mill off all of the blacktop and do what is called a roll test. This is done on new construction as well by loading up a dump truck and driving over it to see if it is flexing. If they find any soft spots the based would be fixed at that time. While the pavement is up they would also suggest installing drain tile along the curb line and tapping that into the catch basins to try and lengthen the life of the road. They are using the bid prices from Duinick, which they would have to agree to. They are projecting between \$55,000.00 and \$60,000.00 if the entire base will need to be removed. The hope is that most of the base is good but they will have to make that call at that time. The Duinick completion date for Phase I is set for June 30<sup>th</sup>. They were supposed to do a walk thru today for Phase I to see what the punch list is as it was postponed last week due to weather and there is still too much snow to do it today. The meeting will likely take place early May and he does not expect them to do any paving prior to that. If they can get it pushed thru by mid-May it should fit into Duinick's schedule. What Larson needs to happen tonight is for the Council to pass the resolution for the Feasibility Study and a resolution to set the improvement hearing for the next meeting. At that point the City could actually enter into an agreement to complete the work. Larson advised that if they pass the resolutions and at the next meeting it was decided that they did not want to do it or they wanted to do it a different way they would still be able to do that. The Council would not be committing to do the work yet. This is not the usual way of doing this; however the City could take advantage of Duinick being they would already have the equipment in town. Peterson questioned if they would also be considering putting the interceptors in for sump pumps? Larson stated that they looked at it and according to the sump pump records two of the properties are already permanently connected to storm. If he remembers correctly they front 4<sup>th</sup> and 3<sup>rd</sup> Street so he assumes that they connect that direction and there was another one that did not have a sump pump. They have been providing services whether they have a sump pump or not. Properties that do not have a sump pump will likely have their basement flood and it then goes down the floor drain and ends up in the sanitary. Larson advised that they do plan on adding them where appropriate. He also indicated that there is a catch basin on the corner and can be tapped right into that anyway. Peterson stated that he just did not want it to get forgotten. Daniels stated that it was one of the homeowners in that area that asked if there was something that the City could do and the other one was the ambulance as it is rough going over the rumble strips with their patients. Peterson questioned if they have sufficient funds and Daniels advised that they would for whatever is not assessed. He also stated that the County did give the City \$28,000.00 last year. There is a little bit of money from that for road and transportation improvements. Larson questioned if that would be citywide and it was indicated that it would be. Mayor Cooreman questioned how bad the road is from 4<sup>th</sup> St E to 5<sup>th</sup> St E. Daniels stated that that is newer. Mayor Cooreman stated that she had someone at O'Brien Court the other day indicate that they about broke their neck walking across to the eye doctor. Peterson stated that it was likely the O'Brien parking lot and not the road. Daniels stated that the EDA is actually looking at doing that lot when they do the Hospice House road which is why they are looking at this now as they will be right there. Motion was made by Schons, seconded by Peterson to approve Resolution 2018-20 for the feasibility study. All voted in favor. Motion was made by Schons, seconded by Peterson to approve Resolution 2018-21 to set the Improvement Hearing for May 14, 2018 at 7:00 pm. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-19-Accepting a Donation to the Tracy Public Library. All voted in favor.

The consent agenda consisted of Municipal Accounts Payable, with and without Breakthru Beverage, Municipal Accounts Receivable, Department Heads, Charter minutes from 10/30/2017, 3/7/2018 and 3/27/2018, MPC minutes from 3/19/2018 and Airport minutes from 2/5/2018. Motion was made by Tiegs, seconded by Peterson to approve the Accounts Payable without Breakthru Beverage. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage Accounts Payable. All voted in favor. Motion was

made Tiegs, seconded by Thao to approve Accounts Receivable, Department Head Reports, Charter minutes, MPC minutes and the Airport minutes. Schons stated that after reading thru the Charter minutes she noticed that a Council list of items that they wanted the Charter to look at was mentioned several times. She questioned if the Charter has received that list yet and what it contains. Daniels indicated that that was just ideas that were thrown out at one of the Council meetings for the charter to look at. Schons stated that she was not on the Council at the time so she is unaware of what was all on the list and wondered if it could be found in the minutes? Peterson stated that if he remembers correctly the Council will not take action on anything until they have a chance to go thru it and make all of their changes. Rosemary Martin, Chairman of the Charter Commission addressed the Council and explained that they will want to do it all in one action as there are notifications that need to take place and things like that. Peterson stated that in lieu of a list he would suggest that they go thru it item by item and update what needs updating. If something isn't current in regards to what is currently being done, it will need to be updated. Martin advised that the first thing that they did was to have the City Attorney go thru it and identify anything that needed to be addressed in regards to Statutory Standards. The second thing that they were going to address was the by-laws as well as some items that were suggested to them for review. Schons stated that she was confused reading thru the minutes and questioned with all of the different boards and committees which ones are regulated by Statute and which ones aren't. She knows that from reading it that each board or committee has their own by-laws that they need to follow; however who decides which ones are governing boards or just advisory boards? She did see the words interchanged several times. When she thinks of the project that the Charter has in front of them it is overwhelming and would not even know where to start. Martin advised that the League of MN Cities did come and did a presentation for them. The recommendations that were given to them were the by-laws and to work closely with the City Attorney to assist them in getting things cleaned up. There are a couple other items that they are looking at which includes the size of the Council and term limits. Schons questioned if the Charter will then make recommendations to the Council for their approval? Martin advised that they would on certain things as some things are governed that way, some things can be handled at the charter level and some things need to go to a public vote. She is unsure off of the top of her head which ones those are. Martin pointed out that the size of the Council would have to go thru a public vote. Schons stated that she is noticing that it is difficult getting people to volunteer to be on these boards and committees and remembers discussion regarding the hospital board. She did pull the agreement from when Sanford bought the hospital and she personally feels that that board could be removed from the City's list of boards. Sanford will create their own advisory board to consist of members of the Tracy community and surrounding regions. The makeup would remain close to the same; however it would not be the City's responsibility to maintain it. Sanford would likely want City Council representation as the Hospital is a big asset to the City. Peterson stated that there was an unspoken agreement in regards to that and that there would be a Council representative attending those meetings to be able to bring them updates and things like that. Schons stated that she was wondering how much of that runs thru the Charter. She also addressed the need for the Cemetery Board now that the City has a cemetery manager. She questioned how many layers of government that the City needs for a city cemetery. She feels that they may need to regroup and analyze how many of the boards/committees are really necessary. Martin advised that each board is governed by their own set of by-laws; however there can be recommendations from the Charter as to how those by-laws are written and maintained. She also advised that each committee or board is governed by their own set of by-laws and there can be recommendations by the Charter to the Council on areas that they would like the Council to look at changing. Schons questioned if it is the Charter that determines if the city needs a cemetery committee? Martin expressed that each board or committee is set up by the Charter and from there the Charter needs to follow the City code on how they adapt the by-laws. Schons questioned if the Charter would then make the determination if the City needs a Cemetery Board and Martin indicated that is correct. Peterson stated that it would help immensely if they would get the minutes timelier than they did. Martin explained Campbell does not do those minutes, however they are available. Peterson stated that all of the committee's run their minutes thru the Council and these should be as well. Martin stated that they can do that going forward and that it was brought up at the last meeting to do that. All voted in favor.

Tiegs questioned if everything is set for the spring cleanup? Daniels stated that they are looking for volunteers and aside from that everything is ready to go. At this point he is just

hoping for good weather and volunteers and would appreciate anyone from the public that would be willing to donate their time. The date has been set for May 19<sup>th</sup> from 9:00 am to 4:00 pm and will be held in the Liquor Store parking lot. Schons questioned who the public would contact and Daniels advised that it would be City Hall. Campbell advised that as of right now it is an empty volunteer list. Daniels stated that it is not difficult work and busy periods go in spurts. He also stated that they will occasionally have residents that are handicapped or unable to get items out of their house and volunteers have gone over and helped them get the items to the site.

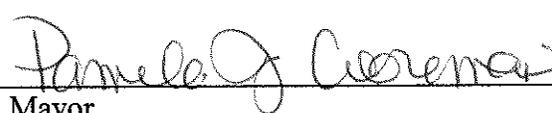
Daniels gave an update regarding the Administrator search. They will be doing interviews starting tomorrow, Wednesday and Thursday. Peterson questioned if it is the intent of that group to narrow it down to two or three and then to let the Council know who they are? This would give the rest of the council time to look them over prior to the final interviews. Daniels stated that he is not aware of a definite decision being made regarding that. Schons advised that she thinks that as they interview if there are two or three candidates that jump out as the top ones they would then bring them forward. If there is just one candidate that jumps forward they may just bring that one person forward. She feels that it should be at least two candidates so if one turns it down they could go to the second choice. Peterson stated that that would give the rest of the council a chance to look them over so that a decision is not being made solely on the opinion of the interview committee. Daniels feels that three would be the maximum amount that they would want to bring forward to a public interview.

Daniels advised the Council that the MPC is looking at doing breakfast Saturday mornings. This really is not a Council vote to do it; Daniels is just making the Council aware of it. Peterson questioned if it would be a regularly scheduled event and Daniels advised that it would be and that it would likely be two Saturday's a month. They are unsure at this point which Saturday's it will be but once it is figured out it will be the same two every month. Kalas was going to talk to the men that usually come and see what their suggestions are. Peterson stated that he would be in support of that.

Peterson stated that now that they are done shoveling snow and there are sump pumps running he was looking for clarification as to what can and cannot be done. His understanding is that you cannot run it across the sidewalk or discharge it across an alley and Daniels advised that is correct. He questioned if there is anything written in the code as to whether you could point it at your neighbor's yard and Daniels advised that there really isn't. With that said Peterson is asking that residents keep these rules in mind. Peterson also commented that Shane and his boys have done a great job keeping the roads cleared this summer. Motion was made by Tiegs, seconded by Peterson to adjourn the meeting. All voted in favor.

ATTEST:

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

  
\_\_\_\_\_  
Mayor

# May 14, 2018

662

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 14, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons and Kou Thao. Also present were Shane Daniels-Public Works Director/Interim Administrator, Diane Campbell-Administrative Assistant and City Attorney Matt Gross. Council member absent: Dave Tiegs

Pledge of Allegiance was given to the flag.

The invocation was given by Eric Natwick.

Mayor Cooreman asked for the approval of the April 23, 2018 minutes. Peterson indicated that CEBG should be CDBG. Motion was made by Peterson, seconded by Thao to approve the minutes as amended. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Motion was made by Peterson, seconded by Schons to approve the agenda as written. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Daniels gave an update on the Liquor Store. The Liquor Store committee asked that Sandy Lau, Liquor Store manager, provide more updates in an attempt to keep the Council informed as to what is going on at the Liquor Store. Included in that is an update on the profit and loss, which is doing much better than last year but still on the wrong side of the zero. Brau Brothers did a beer sampling event on May 11, 2018 from 4:30 to 6:00. The Liquor Store also generated \$189.00 in sales at the Prairie Women's Expo, which was a wash when you take the expenses into account. Lau, Tiegs and Paul Kaspzszak, with MN Municipal Beverage Association have been working on the computer system to get their inventory and things up to date. Schons pointed out that year to date shows that it is in the negative a little over \$3,000.00; however last year at this time it was in the negative over \$21,000.00. This is a little over an \$18,000.00 turn around so things are definitely looking up. She indicated that she encourages residents to shop local to keep businesses open. They may have to pay a little more for the conveniences; however it will help to keep the City moving forward. Schons pointed out that improving by \$18,000.00 in one quarter is a step in the right direction.

Matt Gross addressed the proposed Rural Fire Contract amount from Monroe Township. The original amount of the contract was \$12,837.00 which is \$389.00 per section. Monroe Township is proposing to reduce the contract price to \$11,265.54 which is \$341.38 per section. This would be up to the Council whether or not they want to accept that amount. This would be different from what all of the other townships are paying that the City has Fire Agreements with. It would be a lower rate and his concern is that if the City accepts the proposed amount that the other township will want to negotiate that rate as well. This would cause the City to have to piece meal it every time verses having a flat rate across the board. He is recommending that the Council maintain the original number that the Council previously agreed upon. He also advised that if the Council and Monroe Township do not come to an agreement and sign the contract, the Fire Department would still be able to respond to a fire; however they would have to be billed on an individual rate based on the City's fire call fees, which is around \$750.00 per call. Gross stated that upon reviewing the City Code, in order to enforce that the City would need to pass an ordinance authorizing them to charge fees to the individuals/properties receiving fire services. Without it the City would not be able to certify delinquent fire charges on the tax statements. With that said Gross is advising the Council to call for a public hearing and to pass the ordinance regardless of what is decided in regards to Monroe Township. This would allow the City to recoup payment in the event that the property owner does not pay for the service. Schons stated that she went back to the minutes when these rates were set and what she is wondering is if anyone from Monroe Township tried to contact the City to discuss this? The Council had indicated when the rates were set that if Townships had concerns or questions to bring them forward. Daniels stated that he was not aware of any contact. Schons feels that it was pretty

straight forward with what the Attorney's recommendation is and what the Council has previously approved. All of the townships that have a contract with the City of Tracy have already received a one year break due to miscommunication and only jumping it to \$389.00 per section versus \$447.00 and extending the contract out by a year. She feels that the Council has done due diligence to be fair. She would hate to lose Monroe Township from using Tracy fire services and does not feel that would benefit the residents of that township as we are clearly the closest fire department to the majority of that township. Tracy has an excellent Fire Department and does not know why they would not want to utilize it. Due diligence was done when setting the schedule back in 2012 as it was a recommendation from the League of MN Cities and the Township Association as well as Lyon County Fire Chiefs. Schons recommended that the Council stay with the schedule that was agreed upon and return Monroe Township's check with the understanding that they can sign the contract for the same amount that the other townships agreed to or it would be open for them to go to a different service. She does not want to have a different agreement for every township the City services and that it should be across the board. She believes that it was indicated that the Council would pass a resolution, which she does not believe happened. Peterson stated that they were going to do a resolution after the contracts came in. The section rate was set by Council vote and the contracts were sent out to the Townships. Motion was made by Peterson echoing what Schons explained, returning Monroe Township's check indicating that their counter offer was rejected and explain that until a contract is signed they are not contracted thru the City of Tracy's Fire Department and would be billed accordingly. There is still a billing for mutual aid in the fee schedule so the fire department would have something to go by. Gross advised that if the City does not agree to Monroe Township terms they are not obligated to respond to any fires; however they could choose to do so and bill them accordingly. Schons stated that she wants that fee to be higher so that it is not to the townships benefit to not sign a contract. Daniels stated that Dale Johnson III, Fire Chief did talk to them regarding the number of sections as a result of the property that was annexed in to the City limits. Schons seconded Peterson's motion. All voted in favor.

David Spencer addressed the Council. He indicated that he worked at City Hall for 35 years and they also had problems when assessing property owners. An example of this is a car fire that took place in Tracy to a car not from the area. The Fire Department put the fire out and the vehicle owner left and never paid for the fire service. Spencer indicated that state law allows them cross counties with that assessment and charge the person on his property if they can be located. Gross indicated that the City would have to have an ordinance allowing them to do it.

Mayor Cooreman opened the Public Hearing for the correction of the Annexation of the Red Rooster parcel now owned by TDC. No one from the public was present to comment and the hearing was closed.

Chris Larson with I&S addressed the Council regarding the feasibility study for the proposed State Street Improvements. In order to go thru the Statute 429 process for the State Street improvements they prepared a feasibility study, which is only one block so it is very brief overview of what needs to be done. The only utility within the project area is storm sewer which is relatively new, concrete is in good shape, there is no sewer or water so the improvements would be limited to the street section. What they are proposing to do is to have Duininck do the work when they are in town for other projects. They did provide some proposed prices all of which are under unit prices or competitively bid as Phase I Project. He did speak with the City Attorney and he feels that they meet the requirements of being competitively bid. Larson is thankful that they received better unit prices as it is such a large scale project. The total project cost is estimated to be \$65,000.00. The potential assessments were calculated based on the current City policy. Just to note there are four properties that front this segment and three of them would be classified as corner lots which is what the asterisks mean on the memo. Their footage will be reduced so the table on the second page indicates what their assessments would be if they follow the current policy. If the Council would like to move forward tonight they would pass a resolution receiving the feasibility study and then pass a resolution ordering the improvement and approving change order #9. The wording of the resolution and being it is part of the Phase I contract and RD having to weigh in, the wording in the resolution is contingent on their approval. Once the Council signs off on it Daniels can get the appropriate signatures. At that point they can complete the remainder of the 429 assessment process which would include the assessment hearing. The Council would want to get that done in November so that the

assessments could be placed on the 2019 tax statements. Larson indicated that they also proposed the addition of subsurface drainage tile along the curb. With the curb already in place they would place it just inside of the curb and outlet it to the catch basins on the west end on 3<sup>rd</sup> Street East which will help lengthen the life of the road. Daniels questioned if the \$65,000.00 would only be if the base needed to be replaced and Larson indicated that is correct. What they will do is remove the blacktop and then a roll test would be done. This is the same thing that is done on new construction to identify any soft spots. He assumes that there will be a few and if there are they will remove and replace the base. The \$65,000.00 assumes that the entire base will need to be removed and replaced. Larson is hoping that it will be substantially less than the \$65,000.00. Peterson questioned if that is all part of the inclusion on the proposed assessments and Larson indicated that it is. Larson stated that with only four properties affected he did not do a power point and instead just printed it out. He also indicated that they will be thickening that section up as it is the route out to the emergency room. They will use the same section that was used on 4<sup>th</sup> Street E with the additional oversizing that will be taken out of the assessable amount. The City will then pay for the extra thickness and the residents will pay what a typical street would cost in an assessment.

The Rural Fire Contracts from the various townships with the exception of Monroe Township was presented. Peterson questioned if all of the remainder of the townships are in and paid and it was indicated that they are. Motion was made by Peterson, seconded by Thao to approve all of the Rural Fire Contracts that were received on time and properly paid for. All voted in favor.

Daniels gave an update on the Administrator search. He advised that they will be doing interviews on Thursday, May 17, 2018. They will be interviewing the two finalists starting at 5:00 in the Council Chambers. Peterson questioned if the interview would be done by the full Council and it was indicated that it would be. Daniels stated that the Council would want to call the Special meeting tonight so that it could be properly posted. Motion was made by Peterson, seconded by Schons to call for a Special Council meeting on May 17, 2018 commencing at 5:00 pm to conduct interviews for the City Administrator position. All voted in favor.

Holding another pigeon shoot was discussed. Daniels indicated that the last year when there was a pigeon shoot the Council approved it prior to carrying that event out. He asked for any input the Council had in regards to holding another one. This would be for a downtown pigeon reduction. Motion was made by Peterson, seconded by Schons to allow Chief Lichty to conduct any necessary control of the pigeon population of the downtown area. Daniels questioned if this is something that they would like to be placed on the agenda every time so that the Council is aware of it? He indicated that Chief Lichty did two shoots last year, one being about two weeks prior to Labor Day. Peterson stated that unless another Council member has an objection he suggests that they leave it up to Chief Lichty's discretion. Motion was made by Peterson, seconded by Schons to leave it up to Chief Lichty's discretion. All voted in favor.

There was a request from Scott Thoma to donate a pool pass for the Tornado Anniversary silent auction presented. Daniels advised that on the previous requests the Council approved daily passes. Schons questioned what the cost of a season pass is and it was indicated that it is \$150.00 for a resident. Schons questioned if the City still offers the punch cards. Daniels advised that they do and that it is 10 punches for \$40.00. Schons would prefer the City donate a punch card verses a daily pass. That way whoever bids on them can spread them out however they would like throughout the summer. Cooreman agreed with that as residence lost their lives in the tornado and would be a nice way of recognizing them. Shirley Anderson questioned the Council as to who benefits from the donation and it was indicated that the proceeds would go towards a scholarship in memory of the nine residents that lost their lives. Motion was made by Schons, seconded by Peterson to donate two punch cards valued at \$40.00 each to the silent auction. All voted in favor.

A temporary dance permit from Bonnie & Clydes was presented. Motion was made by Schons, seconded by Peterson to approve the dance permit for June 21, 2018. All voted in favor.

Mayor Cooreman opened the Public Hearing for State Street Surface Improvement at 7:00 pm. David Spencer addressed the Council and indicated that he was the resident that visited with Daniels about having something done there. It is long overdue and thanked the Council for

moving forward with it. This was supposed to have been done 12 years ago when they wanted to dig up the whole road, which would not have been a good decision to ruin a 9 ton base in his mind. The thing that caught his attention was that they were talking about putting drainage in on both sides of the curb which Larson confirmed that it would only be on the inside, which would be the street side of each curb. Spencer again thanked the Council for moving forward with it and the costs now compared to 12 years ago are much more favorable. Mayor Cooreman closed the Public Hearing.

Rosemary Martin, Chairman of the City Charter Board addressed the Council in regards to proposed change recommendations from the Charter Board. The recommendations included:

1. The City Council shall be composed of a Mayor and six (6) councilpersons who as qualified electors shall be elected at large. The Mayor and each Councilperson shall be elected for a term of four (4) years and until his/her successor is elected and qualifies. No Mayor or Councilperson shall serve for more than three (3) consecutive terms to equal twelve (12) years. One calendar year hiatus shall be required after serving twelve (12) years.
2. OR The City Council shall be composed of a Mayor and six (6) councilpersons who as qualified electors shall be composed of a Mayor and six Councilpersons who as qualified electors shall be elected at large.
3. AND OR TO INCLUDE: No Mayor or Council person shall serve for more than 3 consecutive terms to equal 12 years. A one calendar year hiatus shall be required after serving 12 years.

Schons stated that in the minutes from the last meeting Martin had indicated that the Charter Board would be bringing all recommendations at one time and questioned if this would be all of them? Martin advised that all recommendations will be done at the end of the year so it would be one legal fee. This is one that needs to be done immediately, which will also be finalized at the end of the year for publications and legal issues such as this. This particular item needs to be addressed now to be in line with election requirements coming up in November. Schons also question the terms proposed. To use herself as an example: If you can do three consecutive terms equaling twelve years – she has been appointed one year therefore would she only be allowed to run for two terms? If she ran for a third term it would put her over the 12 consecutive years and put her at 13 years. Martin indicated that the recommendation is 12 total. Schons questioned if she would be able to run for a third term? Gross stated that it does indicate 12 years and that the length of service is written in number of terms. Martin advised that the Board really struggled with that. Schons was trying to figure out how the verbiage could be changed such as three consecutive terms or until the third elected term was completed? Martin explained that is why the recommendations are separated out so that just one part of it could be approved. The first recommendation is both together, the second and third recommendation is split apart. She also stated that the Charter Board did unanimously agree on these recommendations. Peterson stated in regards to the term limits it used to be that you could serve as Councilmember and then Mayor and then the clock would restart when you would go back to being a Councilmember due to the seat change. He questioned if it could be made clearer for the councilmembers coming down the road that changing seats does not start the 12 year clock over again? Martin advised that the current verbiage does not restart the clock. It was interpreted as such by the previous City Attorney but that is not their current understanding of it. Peterson advised that for that reason he would like to see verbiage clearer than it currently is.

Gross advised that the way that the Charter Commission operates to affect the amendment, they are proceeding with their recommendation to the City Council and now the City Council has to hold a public hearing on the proposal. There would then be a month, between 2 and 4 weeks after the public hearing, to vote on the three proposals. You could vote on any one of them or all of them; however the Council vote would have to be unanimous for it to pass. It would then be placed on the ballot to be voted on by the voters. Martin also explained that the Charter Commission does stand clear on how they feel about these recommendations. If the Council

does not pass it unanimously the Charter Commission is prepared to take it to a petition in an attempt to move forward with it. Schons questioned if Martin is telling her that the Charter Commission, which is appointed by the Mayor and Councilmembers, has more authority than the Council themselves? Martin stated that they are asking that these recommendations move forward to a vote as they feel that the voters should be the ones to make that decision. Schons questioned if the Charter Commission has intentions of going over the head of the Council? Martin indicated that they would as the Charter Commission feels very strongly about getting it to a vote. Gross advised that they can amend or change the Charter three different ways. These are by petition of the voters, amendment by the Council itself passing an ordinance or a proposal by the Charter Commission to the City Council, which would then need to be a unanimous vote to pass it. The petition would need to be done by at least 5% of the eligible voters so it would not be the Charter Commission itself, it would be the registered voters. Peterson questioned what the cheapest way would be of getting this to the voters? Would it be cheaper to let the Charter Commission go out and collect a petition, as that would not require a public hearing? Gross indicated that it would be and Peterson stated he is all for that then. Martin stated that they could do that; however her next question then would be if they would want to separate it out into three different petitions? Gross stated that the petition can be based upon whatever the petitioners want included. If they proceed with the way that the recommendations are written right now it would be three different questions for the voters. Schons questioned what the three questions were? One is the number of Council members, one is the term limits, what is the third? Gross pointed out that the third one is a combination of the two. Gross explained that the Charter Commission has presented their recommendations to the Council so the procedure would need to be followed with going forward with the public hearing on the three recommendations as presented. Martin indicated that she would like to go back to Peterson's question and how it would be handled if the Charter Commission does decide to petition it? Gross stated what they might want to do is withdraw the recommendations prior to the public hearing. Peterson questioned if the Council makes the motion to not accept their recommendations would they still need to go thru with holding the Public Hearing? Gross stated that they would still need to hold the public hearing as the Statute does not provide the Council any authority to reject it. The statute reads that within one month of receiving a recommendation to amend the City Charter, the City must publish a notice of a Public Hearing. Mayor Cooremen questioned if that would still need to be done if Martin retracts it? Gross stated that it would not if it is retracted and Martin would have to go back to the Charter Commission. Martin expressed that the Charter Commission is very clear about it. The number of signatures needed for the petition was discussed. Martin pointed out that it would have to be registered voters that voted in the last election. She questioned if that would take them right to the ballot and Gross indicated that is correct. Daniels indicated that it would be roughly 52 voters that would need to sign the petition based on the registered voters at the recall election. Gross pointed out that it would be 5% of the total votes cast at the previous state general election. Schons questioned if they were going with the same number that was needed for the recall election? Martin stated that would be  $\frac{1}{4}$  of 130 because the recall was 20%. That would end up being around 33 or 34 voters. Schons stated she has some concerns going the route of a petition and if that would be the professional way to go about getting something on the ballot. She is uncomfortable sending that kind of a message to not just Tracy's community but the neighboring communities as well. She agrees that it may be the cheapest way; however she does not feel that it is the more professional way to go. Schons questioned if they will need a public hearing whether they agree to it or not? Gross stated that once the recommendation has been presented the Council would need to set a Notice of Public Hearing on the proposed items. Martin pointed out that that would give the people of the community an opportunity to speak as well. Shirley Anderson, Charter Commission member addressed the Council. She added that there are nine members on the Charter Commission and they unanimously voted for this and every one of them indicated that if each of them could get 10 people to sign a petition they would. They feel that the Council does need more diversity on the Council. The Commission really wants it so the City can move forward and for everyone to have more input. Martin pointed out that it would be for better representation, more diversity and to encourage more interest in running for City Council. Schons stated that she understands where they are coming from and the main thing is to get it to the people. The nine people on the Charter may feel strongly about that; however there may be nine other people that don't agree with it. Anderson pointed out that that is why it is so important to get it to the voters. Schons indicated that she is fine with it going to the voters; her concern is to see if the verbiage could be changed regarding

the term limits. Being she was appointed she could only do nine years and could not run a third term and Thao could not either. This would discourage people from being appointed as that would remove 4 years of a term away for one year of appointment. Martin questioned Gross if it should say 12 elected years? Gross indicated that should satisfy it. Peterson questioned if the Charter Commission can bring a new recommendation back to the Council with the change of verbiage after the fact? Gross stated that the Charter Commission would need to revise their recommendation. Martin questioned if they would still have the amount of time needed to have it placed on the ballot? Gross stated that the Council can approve the recommendations with it being contingent on the Charter Commission revising the language as discussed at this Council meeting. Martin indicated that she could do that as the Charter Commission will be meeting on Wednesday and they could have it back for the May 29, 2018 Council meeting. Gross informed that the Council has up to a month to publish the Notice of Public Hearing which would give them ample time. He advised that it can either be withdrawn or contingency of the revision at the next Council meeting. The Council could then include the revised proposed amendments and call for a public hearing. Martin pointed out that they were not trying to go over anyone's head and Schons indicated it was just how it was coming across. Martin apologized and stated that certainly was not the intention. Schons also pointed out that she does not know if the rest of the Council felt that way or not, it may have just been her. Martin expressed that she just wanted the Council to know how passionate the Charter Commission is about it. Anderson stated that the contingency that Gross mentioned could definitely be a resolution if it is a contingency the Council could move forward with calling for a public hearing and there would be no delay. Martin stated that she understands the change to be 12 elected years rather than 12 consecutive years? Schons stated that it should be consecutive elected years. Gross asked Martin to forward the final draft to him so that he can review it and approve it. Martin indicated that she would do that around noon on Wednesday. Mayor Cooreman questioned if it is necessary to go thru Gross if all they are doing is adding a word to it? Martin stated that it would be a good safeguard and Gross informed that it would not take him long to look it over. Peterson stated that if they are going to come back with a second recommendation, ballot initiative would be simpler if they just included the last two recommendations rather than lumping it all into one as an option. He feels that it would just confuse the voters. Bringing it down to one question regarding the size of the Council and one question regarding the term limits would be much cleaner and less confusing. This would also give the voter the ability to vote one way on one question and another way on the other question if they so choose. Martin agreed with that.

Rosemary Martin addressed the Council regarding 324 South Street. She stated that as it currently exists one spot at the end of it is already a parking spot for her tenant. The reason that she is requesting two is that it would ensure that residents would be off of the street in the winter time during snow emergencies. She pointed out that the back lot does need a lot of attention and it would make more sense for her to reseed and mow all of it. Schons questioned if Martin would consider just purchasing it? Martin stated that she has expressed to Daniels that she would consider purchasing the whole thing but will start with just this parcel of land. Mayor Cooreman indicated that she received a phone call concerned about the City swapping mowing for use of property and that they were not opposed to Martin parking there for the snow emergency part of it. Martin pointed out that she would like to put signs up that indicated that it is private parking. She would be unable to do that if there is not an agreement in place. Daniels indicated that she would not be able to do that anyway on public land as it would still be City owned. Currently everyone back there uses it for parking. Martin stated that she did go around and talk to her neighbors and none of them have an issue with it. Peterson question Martin if there is a place at Country View for them to park? She indicated that she would not ask someone to walk that far. There is one spot there currently and she could ask them to double up as she owns the strip of property all the way up. Schons questioned if there is room on her property for two and Martin indicated that there is at the end. Schons expressed that she does not know if she is comfortable opening this up and setting it as precedence by trading one thing for another. She would prefer to see the City sell it to her verses trading services for it. Martin stated that she would certainly be willing to do that. Schons expressed doing it that way would be very cut and dry, it would go back on the tax rolls and Martin would be able to put her signs up. A document would need to be drafted and a price would have to be agreed upon. Daniels pointed out that the Liquor Store patio parcel runs from South Street all the way back to the power pole on the corner. That narrow strip is 25', which is likely the size of the building as

everything downtown was 25' lots. If the City were to sell it they would have to decide where they want the split at as the City would likely want to keep access next to the Liquor Store to access the patio lot. Martin suggested a 5' or 10' buffer. Peterson questioned Daniels how that would affect the City in regards to snow removal and who would pay for the snow removal? As you start eliminating City land where are you going to push the snow? Daniels advised that currently everything from the Liquor Store gets pushed to the southwest. They generally don't push snow on the piece Martin is referencing as there is always someone parked there. From the back lot line of the alley to the sidewalk it is approximately 80' which would be right up to the sidewalk. Most of the time from the alley to South Street would get pushed to South Street. Peterson questioned if Daniels takes care of the private parking behind the buildings there as well? Daniels advised that they do take care of some of it. There is an alley easement thru there that conflicts with what the County shows on their mapping. With that said they have also done that with the lots behind there so as far as what is private and what is not he is unsure. Martin indicated that they would have their own snow removed as there is plenty of room to go south with theirs. Schons suggested splitting it 12.5' each the long way of the lot. That would give Martin 12.5' which would be adequate for a car to park and would allow two vehicles to park there. Martin advised that there is room for two right at the end and the reason that she was pursuing this was due to the awful winter/spring that we just had. This would also allow the street crews to get thru without any problems. Daniels put the Lyon County mapping up on the screen for everyone to see what they are looking at. Possibilities of where the split would take place was shown and discussed. Martin indicated that she understood her property line to be different than what is being shown. She suggested that the City sell the back part of the Liquor store patio parcel to her. Peterson stated that is a 25' parcel as well and there should be room for two vehicles side by side right behind her building. Schons pointed out that there is not because of the alley line. Martin questioned the Council if they would be willing to sell the back part of the LS Patio parcel as it would not be of any use to anyone other than her. Peterson indicated that it gets pretty congested back there Box Car Day weekend and Martin stated that the whole thing gets congested that weekend. Schons stated that if Martin owns it she would then be able to put a sign or rope up to prevent people from parking there. Mayor Cooreman stated that she feels it would be better to just split the lot like Schons suggested. She also stated that she is confused as to why Martin would only want the back part as in the winter time it would be difficult. Daniels pointed out that she would then need a buffer for the snow. Schons questioned how much of a buffer she would need for parking and snow? Daniels stated that it would depend on the winter/spring. Peterson suggested that Martin sit down and figure out exactly what she wants and bring it back to the Council. Schons suggested tabling this until the next meeting to allow Martin to look at it and figure out how much property she would like.

Resolution 2018-22-Ordinance repealing Ordinance No 364 and annexing property to the City was presented. Motion was made by Peterson, seconded by Thao to approve Resolution 2018-22. All voted in favor.

Resolution 2018-23-Receiving Feasibility Report for State Street Improvements was presented. Motion was made by Peterson, seconded by Schons to approve Resolution 2018-23. All voted in favor.

Resolution 2018-24-Approving Plans & Specifications and Ordering Execution of Change Order to the 2017 Infrastructure Improvements Project was presented. Motion was made by Schons, seconded by Peterson to approve Resolution 2018-24. All voted in favor.

The consent calendar consisted of the Planning Commission minutes from April 2, 2018. Motion was made by Thao, seconded by Peterson to approve the 4/2/2018 Planning Commission minutes. All voted in favor.

Schons made a motion to waive the first reading and set a public hearing for Ordinance #366 to establish fees for Emergency Fire Protection Fire Services under Fire Service Contracts for June 25, 2018 at 6:45. Peterson seconded the motion. All voted in favor.

Daniels stated that the next step for the Tracy Fire Department rural contract rates per section for 2019 contract is \$447.00. He asked the Council if that is the rate and if they would like to stick with that and the Council stated that it is. He also questioned the Council if they would like a

resolution drafted setting these rates? Peterson stated that he thought that the plan was to get the letter out with the change and that there are two more steps after that and that those last two steps would be by resolution while it would still be under this Council. That way Daniels would have the resolution to draft the letters of intent. This would give him a chance to draw up the resolution or maybe just a council motion is needed. If that is the case it could just be done under new business for the fire contracts. Motion was made by Peterson, seconded by Schons to send out the letter of intent with the amount of \$447.00 with a notification that the following years will be steps in whatever the amount that was agreed on. All voted in favor.

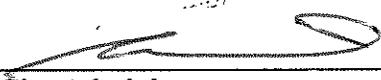
Peterson discussed parking semi-trailers in the alleys and what the rules are on it. Daniels indicated that it is not specific to semis and the biggest thing there is the weight. If it is a grain truck and the tires are squatting that is an indication that it is overweight. He stated that he noticed that there is one parked behind the building. Peterson advised that is why he brought it up as it is getting to be all around in the downtown area. He is unsure whose responsibility it is and Daniels indicated that as far as the traffic code it is the police with his help in regards to what the weight is on the various roads. Mayor Cooreman stated that it was her understanding that the police was called about this and that they were ok with it. Daniels indicated that he has not heard anything on it he just noticed it. Mayor Cooreman stated that she has talked to the neighbors and they are all ok with it. She also knows that there is a dumpster coming as she checked into that. Daniels advised that most alleys are three ton. Mayor Cooreman stated that if they are not made to take that weight then how can they take the weight of it parked to unload? Daniels indicated that there is a special section on deliveries and the provisions that apply to them. He believes that there is a set time in Chapter 7 of the City code. The other thing that he has seen is semi-trailers being used for storage which is hard to enforce. If it is empty should it have current tabs on them? Schons stated they need to enforce what is in place as they are trying to improve the City and if people are going to move here the last thing they want is to have a bunch of semi's and trailers sitting around town. She feels that they need to enforce whatever codes there are and have the Chief of Police help enforce it. Mayor Cooreman questioned if she is referring to a trailer that may be there overnight unloading? Schons questioned what loading and unloading would happen overnight that would require the truck to sit there all night. Mayor Cooreman indicated that it may have to sit there for the next truck driver to come and get it. Peterson questioned if they were referring to drop shipping? Mayor Cooreman indicated that the place that she was called about involved a semi that was getting unloaded and they had to wait for the driver to come and get the trailer. Schons indicated that she was thinking more long term.

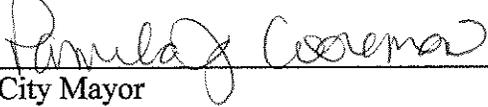
Daniels advised that anyone that would like to help on cleanup day on Saturday there is a sheet in the office to sign up. Peterson questioned if there is a reasonable crew or if it is thin yet. Campbell indicated that it is currently an empty list. Daniels stated that he has received a few verbals but that is it.

Peterson questioned what happened to the flower pots across the street and Daniels indicated that it is on Pete's list to fix as he took the turn down the approach to hard with the sweepers.

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

Attest:

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

  
 \_\_\_\_\_  
 City Mayor

# MAY 17, 2018

## SPECIAL COUNCIL MEETING

670

A Special Meeting of the Tracy City Council was called to order at 5:00 p.m., Thursday, May 17, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons and Kou Thao. Also present was Shane Daniels-Public Works Director/Interim Administrator. Member Absent: Dave Tiegs

Pledge of Allegiance was given to the flag.

Mayor Cooreman asked for the approval of the Agenda. Motion was made by Schons, seconded by Peterson to approve the agenda as written. Peterson questioned if once the interviews are done if they could go into a private session to discuss their choice and then go back to the public session with their options like they have done in the past. Mayor Cooreman indicated that was what she was thinking that they were going to do. Peterson stated that in the past they closed the public session to discuss the applicants in private; they would pick one and then went back to the public session all at the same meeting. Carpenter questioned if they wouldn't want to make the decision tonight as you can't arrange anything by e-mail as the Council would need to be together to make a decision. If the decision is made tonight they could then figure out what the next two steps are. One would be negotiating wages. Peterson pointed out that whoever is the negotiating person should have some rules as to the negotiations and what the salary should be. Schons pointed out that the negotiating would be a one on one thing until the decision is reached and it would then become public. Daniels indicated that if there is discussion that would not be public as far as the applications go, it would become a personnel issue. Schons questioned if they can publically say who the Council's number one choice would be? Peterson indicated that they would come back from the closed session and indicate to the public that the Council has chosen a candidate and whoever is designated to contact that candidate will be advised if the position was accepted or not. Once the Council knows that, the name would then be announced. The outcome of the discussion would be in regards to if they are going to take the job and when they can start. Carpenter questioned if the only news tonight would be that the Council has selected a candidate and that it will be negotiated? Peterson stated that in both instances with Gorious and Votka it was offered to them on the spot. They came from such a distance that they wanted to give them an opportunity to say yes or no right away. The agenda was amended to include a closed session. All voted in favor.

Peterson asked, as he was not part of the interview committee, if the applicants have been made aware of what the City's salary range is as well as the benefit package? Carpenter indicated that the candidates did not ask them for that. Daniels indicated that all of that information had been given to Wendell Sande and is likely that he supplied them with it. Peterson was surprised that neither one of them questioned that information. Daniels stated that in most interviews it is not something that you want to ask until the position is offered to you. Carpenter stated that he does not agree with that, from an advocates stand point, as it never bothered him if they wanted to talk about money. Peterson stated that he would ask what their salary expectations are and if they are aware of the benefit packages. Carpenter pointed out that it is an unwritten rule for applicants that they do not talk about money in their interviews and he does not agree with that. Schons questioned if they are certain that the information was given and Peterson indicated that he will ask them.

Daniels advised that the Council cannot require them to move here. Peterson questioned if there is a driving time limit? Daniels indicated that Roger Gorious contract read 10 minutes so it really would not matter; however that is still what is written in there.

Carpenter questioned if the Council has the questions that were asked at the original interviews and it was indicated that they do. Carpenter feels that they will get just as much out of the candidates by just asking them to tell the Council about themselves. Peterson questioned if they had asked the candidates if they were offered the job when they are able to start. Carpenter indicated that on the phone back and forth with various things and that he does have an idea of what it might cost for the two of them.

The first candidate interviewed was Kristopher Ambuehl.

Mayor Cooreman asked Ambuehl to tell the Council a little bit about himself.

Ambuehl stated that he has a very diverse background. He comes from owning several businesses, military experience, community involvement and Fire Department experience. He has three daughters and a wife that makes up his family. He started out with disaster and emergency management and decided to get into public administration years ago which is actually a dual degree. He started taking local government classes and it became a fit for him and was what he wanted to do. He originally graduated college with an auto body degree and started an auto body shop about 6 months out of school. It ended up developing into a multi-million dollar business. He also bought an auto parts store and ran that for a total of 11 years for three businesses. He had the auto body, towing and auto part businesses. He sold portions of the businesses and closed the salvage yard down during the Cash for Clunkers push and that really hurt the auto parts business. When he bought the business he paid 1.6 million so it was a pretty hefty chunk and he needed to come up with an exit strategy. Cash for Clunkers helped a lot of the car manufacturers but hurt a lot of the parts sales. He made the decision along with his bank to close that business and that brought him to Camp Ripley. Going back to owning the business at the strongest point he had 32 employees that worked for him and he does not take that lightly. He feels that when people work for you that you are responsible for their income, their families and their livelihood. He likes to get on a level with his co-workers where he knows what is going on with them. He feels that you can more effectively lead people that way. He does not want them to be his best friend as that would create conflicts at work; however he did have a strong relationship and still does with every employee that has ever worked for him. He has worked with multiple government contracts, insurance related contracts and governmental contracts. He left the salvage yard after the Cash for Clunkers issue and sold the body shop and the towing businesses and went to Camp Ripley and became an instructor. He had previously been in the military for nine years before he went back and he is now approaching the 20 year mark so it was easy for him to get back in. The instructor role led him down a lot of different paths. He was teaching leadership to people that out ranked him by a large margin. This is really very enlightening and is an experience in itself as a result of dealing with the different demographics and coming from different areas of the Country. He ended up getting tied in with the Croatian Forces. The State of Minnesota National Guard has Partners in Peace Mission with the Croatian Army and the US Army donating just under 1,300 vehicles to the Croatian Armed Forces. They sat for a while and had some problems as no one knew what to do with them. His supervisor, himself and a team member went over there and developed their entire training program, their maintenance program, what to stock for parts and additional stock for military parts. They set up a usage program for them as well because of their budgetary constraints to assist them. Ambuehl is currently enrolled in Upper Iowa University pursuing his Master's Degree in Public Administration; however he has not received his Bachelor's Degree as it is a unique situation. He had a couple of credits left at the end and asked if he could take some classes that are in line with his degree. The college agreed with that and he applied with the Master's Board and received permission from them to take his last two credits as his Master's level classes. He is currently in the Master's Program and just started his last 8 weeks of his 2<sup>nd</sup> course of his Master's and he will then receive his Bachelor's Degree. He will then continue on with his Master's Degree.

Peterson thanked Ambuehl for his service. He also questioned Ambuehl what makes him the best fit for Tracy? Ambuehl stated that there are a number of things. He feels that his diverse background and working with people in all levels of business from government to levels of income to status in society. He has such a diverse background and has been involved in projects from purchasing fire trucks and assuming more ground as a fire department. They recently had a township to the north of them that did not like the prices that they were being charged by another and ended up coming to them. They did not want to do it as it was kind of an odd situation. He knows currently the City of Tracy had a similar situation going on which is very interesting to him. He expressed that he has a great background with his 18 ½ years of experience on the Fire Department and having been in a leadership role. He understands the logistics and the money stand point based on where the money has to come from. It is an expensive insurance policy to run a Fire Department. He indicated at his last interview that the

Council will never have another person that will sit in this seat that will work harder than he will. He was literally forced to take vacation at his last job as he had such dedication to his job. He had an instance where, due to an unforeseen sickness with someone, and without notice his supervisor came to him and requested his help. He had another class and fortunately he was off for the weekend and he went home and worked until 1:00 or 2:00 in the morning and developed a point of instruction for the entire program, set it all up and the next day he taught it. To him that is relevance to his dedication and given the position he is in. If you don't like your work environment, that is the beginnings of a hostile work place. He stated that his leadership experience is extremely effective and he teaches it to people all over the world. He has certain things that he does when it comes to leadership. He believes in legal, ethical and compassion. Those are his standards of how he makes a decision when it comes to employees and business agreements. He reiterated that there is no one that will work harder than him.

Schons questioned if he could explain to the Council his experience with budgets and grants. Ambuehl stated that his budget experience is pretty diverse. Running different business for multiple years and starting out small, working with every aspect of the budget from accounts payable to accounts receivable to advertising. He had to as it was his money at that point. When he transitioned to the military he started dealing with Federal money. While we are not talking the same budget he has literally signed for \$22,000,000.00 worth of equipment. He understands money when it is his but he also understands money when it is someone else's. He expressed that he feels that it is important as you are making decisions here every day that impact other people's money. He is also on the Fire Department and runs financials as far as the fundraising aspects goes. They went from making very little for their relief association fund to under \$1,000 a year. He took over and every year annually they make just a little over \$12,000.00. That is all accountable and they have to keep track of everything. He also works with MN Gambling Unit all the way to City Council.

Schons questioned his experience with grants. He advised that he has worked as a team with grants on mainly Fire Department things from purchasing trucks to equipment. They did just recently apply for a grant to get all new equipment and he assisted with the decision making process and things like that. How you ask for equipment and things like that and justify the cause you have to research it and put it out for a fair bid process. They did that at Camp Ripley and he was part of a team that researched everything which involved going out to visiting sites, setting it up and asking for the money.

Mayor Cooreman questioned Ambuehl if he would like to tell the people in the audience how he plans on being involved in the City of Tracy if he is offered the job? Ambuehl stated that his goal would be to meet as many people as possible and determine what their concerns are as well as their expectations of him. He is not looking for a transient type of job and does not want to just show up Monday thru Friday and close the door and that is it. He wants to be involved in the community. He feels that reflects in a lot of things as you can see that I am a member of simple things like ducks unlimited all the way up to being a member of the Fire Department. His goal would be to be involved in every community event that he can be, however he does not want to micro-manage things. If a community head is in charge of an event he would just want to assist them. If they need his help he would like to help them, if they want him to be involved he would love to be involved. He just would not want to step on their toes. He would want to provide them with guidance and his abilities.

Schons stated that Ambuehl has told them that he has watched the Council meetings in the past and is knowledgeable of the community and a lot of the City's positives as well as the challenges. She questioned how he would set his priorities if he were offered the job? Ambuehl stated that his number one priority coming into it would be to work with all of the employees. These would be the initially impacted people by him coming into the position. He would want to sit down with them and get from them what their expectations are of him as well as what his expectations are of them. Everyone has a different leadership style and what drives them and he feels identifying that right from the start and being a part of that process and involving anyone that works with him laterally, or works for him the communication needs to be opened up immediately. Some other priorities would be the Fire Department and resourcing that. Ever since he submitted his application in December he has literally watched everything and feels that he had to do that. You can't come into a job cold and so he has watched all of the YouTube

videos and has read thru the transcripts as well as the agenda's and things like that. That alone is proof of him wanting to be involved in the community. He wants to know what the problems are and what the aspects are. He can't solve every problem on his own; however as a team you can. If he can identify how he fits in the team by meeting people and identifying the issues that is what he wants to do.

Peterson questioned Ambuehl with Tracy being a Charter City how the Administrator plays into it, what is his perception of those roles? Ambuehl stated that he feels that the Administrator's role is number one to represent the Council on a day to day basis. That person would be active in other boards and on-going things that are going on in the community. They would also manage payments and City investments and day to day operations of the various departments. A Charter based community like Tracy the Administrator would end up wearing a lot of hats. When you get into something like this you have to be very diverse. One of his backgrounds is emergency management so he looks at things like the anniversary of the tornado and these things that city government needs to be prepared for. This is where wearing various hats would help and that if something like that happens he would then step up and assist the Chief of Police and the Fire Chief with whatever he could. The day to day operations is the key to the job and solving problems immediately so that it doesn't land on the Councils lap. He would like to take care of every problem that he can at his level that is appropriate. There are certain things that need to be brought to the Council; however there are certain things that the Council doesn't have time to deal with and those are the day to day operations that the Administrator would have to tackle.

Thao questioned Ambuehl what he would consider a low point in his life and how he handled it? Ambuehl indicated that closing his business was definitely a low point in his life. He was very successful and worth a lot of money on paper and it was very very difficult. It took two years to do it. It was very stressful and even impacted his health so to speak from the stress of it. It took him several years to recover from as well as several years to build confidence again. With that said he would like to explain how he overcame it as well. He overcame it by jumping into his next career and taking charge of it. He feels that he is one of the best instructors that ever worked in that building in his job title. He excelled as fast as he could thru it and impacted Local, National, State and even Foreign relations. He always said that going back to the military was a temporary solution for him. It was the fastest way that he could make the same kind of money that he was making, or close to it, so that he could survive and it was immediate. What ended up being a temporary solution he loved and became involved in. Then he found his next thing which took him till the age of 39 to realize that he wanted to be in government but not large government such as state or federal level. He wanted to be in a community working in local government where you can walk down the street and know 80% to 90% of the people. He would like to impact people's lives directly, not on paper or from a desk 200 miles away. He wants to impact their lives and see the reward of how he helped them. Another low point was that he had to fire an employee. He indicated earlier that he does not take that lightly. He had to fire the employee because he was having problems with a drug. The employee's wife's solution to stopping him from doing that was to take away his allowance and put control on that. He started stealing by taking new things that was purchased and returning them to the local store for cash. The obvious response and the corporate level response is to just fire them immediately. That is not part of who he is or what he wanted to do. He sat the employee down and told him that he would give him a leave of absence for as long as he needs; however he would like him to go to counseling and kick the habit. If not for his career then for his family and unfortunately he did not take him up on it. The positive effect of that was that he showed his other employees compassion and that he was willing to work with them and also the authority that he will not put up with someone stealing. That was one of the hardest decisions that I had to make as he did care for him as an employee.

Schons questioned if he has finished his schooling and Ambuehl indicated that he has 8 weeks left. Schons pointed out that he does not have a lot of experience in City government and he indicated that is correct. Schons questioned if he has a mentor or who would he look to for guidance to assist him in this role? Ambuehl indicated that he does have several mentors. Some of them the interview committee may have even talked to. He has a friend that was a member of the City Council and became the president of the City Council and then he became a school board member and is currently a County Commissioner. At one point he was also a State

Representative. He was in so many levels of government until he finally found one that he was happy with. Ambuehl indicated that he does lean on him and really talks to him about various things. When Ambuehl first started his schooling he would ask him questions even regarding assignments. He explained there was a problem that occurred in the community that he lived in where the City Council made a mistake that ended awarding \$37,000.00 in a lawsuit. It actually went to the State Supreme Court where some of the things were overturned. Ambuehl indicated that he did visit with him a lot regarding this as he was involved before that and then he was above it as a State Representative while it was happening. Ambuehl would rely on him a lot for guidance as he is a personal friend. Some of the instructors that Ambuehl has worked with over the years would be another point of contact. One of the instructors that he still communicates with now works for Region 5 FEMA out of Chicago which covers this area. If there were ever a disaster or emergency in the area he would be his first point of contact. Also the current City Administrator in Little Falls would be another contact. He is young and extremely smart along with diverse experience. He came from a town a little bit smaller than Tracy and went to a town that is 8,000 people.

Peterson questioned if he were offered the job tonight when could he start? Ambuehl stated that he did check with his HR Department and does not need to put in any kind of a notice; however he does have a commitment based on some classes that he is a part of. He has let his supervisor know since December that he has been looking and he is very supportive. Ambuehl put it back to the Council and questioned when they would like him to start? He thinks that the last time they talked he had indicated end of June or early July. That could be bumped up however.

Peterson questioned Ambuehl what his salary expectations are and if anyone has talked to him about it or the benefit package? Ambuehl stated that he is aware of the benefit package and would be open to a negotiable offer. What he would like is the ability to sit down 6 months from now and have his performance gaged. This would allow them to come into a fair discussion and see where everyone is at. He would also want to ensure that Tracy is a good fit for him as well as him being a good fit for the City of Tracy.

Schons questioned how he would handle criticism from co-workers or people that he oversees? And in this job from the public? In this job he has to be very transparent. To handle criticism you have to be able to brush things off. The Council has to handle criticism day to day from the decisions that they have made. When he makes a decision he talks about legal, ethical and compassion and he believes if he follows that order of how he does things he will make the right decision every time. He will stick to his decision unless he is proven wrong as he has an open mind. Differences of opinion should be turned from criticism to an open forum of communication.

Mayor Cooreman questioned how he would keep costs down for the City of Tracy but give the essential services that are required? He stated that a lot of cities miss out on a lot of opportunities and buying power. These things need to be researched and would be a very big part of his job. He feels that his diverse background will help him help the city. The other thing would be duplication of efforts as well as ill intended purposes of purchasing things. An example of this would be purchasing name brands and taking into account the quality of the item and how long it will last. The last thing would be to just keep an eye on every dollar and know where the City is at.

Peterson stated that Ambuehl mentioned that he would like to have a 6 month evaluation and he is all for that. How does he feel about the employees and how their performance should be evaluated? Ambuehl stated that an evaluation program is absolutely necessary. The first thing that would need to be done is the direction from the Council and their expectations. He would do the same for any employee that works for him. He would ask a department head to sit down with him and develop what the expectations of their employees are. He would like to sit in on the evaluations not to tell them how to do it, but so that he knows what the expectations are as well. It also gives the employees an opportunity to display their accomplishments. He does believe that employees should be paid what they are worth which is a budgetary thing. The employees have to see what is in front of them or they will start looking for another job. Employers stick a lot of money into their employees and they are a valuable asset.

Peterson asked if he had any questions of the Council. Ambuehl stated that most of the questions that he has would be more appropriate if he were selected. The one thing that he would ask is if he is selected he would really like to sit down and discuss the expectations with the Council so that he can help accomplish them.

Ambuehl was thanked by the Council for coming.

Andrea Aukrust was the second candidate interviewed.

Mayor Cooreman asked Aukrust to start out by telling the Council a little bit about herself. She indicated that she is from New Ulm and has a Master of Arts degree in Urban Planning and a graduate certificate in Local Government Management. She also has an extensive background in budgeting and a comprehensive background in strategic planning, grant writing and compliance reporting. She has previously been an Assistant Administrator to an Economic Development Director as well as growing their family business over the last 20 years.

Peterson questioned Aukrust why she feels that she would be good for Tracy? Aukrust stated that she does have a personal connection to Tracy as her grandparents lived here and she would come here every summer and would go to the local pool, the A&W, the Red Rooster as well as her mom graduating from Tracy. As soon as the position opened she was drawn to the community. Also when she decided to go to graduate school she knew that she wanted to do something in local government and making places better to live which is what she wants to do in Tracy.

Mayor Cooreman questioned Aukrust how she plans on becoming involved in the community if she were selected? Aukrust stated that she would definitely have a meet and greet to get to know people, business owners and community leaders. She would also like to be involved in various activities and celebrations.

Schons questioned if she were offered the position what priorities she would set for herself for the first 3 months? Aukrust stated that one of the first things she would do would be to meet with all of the Council members individually and she would want to find out what their priorities are. In her first interview she talked about the fact that she feels it would be very important to do a comprehensive plan as well as utilize SMSU and MSU for little to no cost to assist. She would also utilize students to do surveys in the community to get information as well as working with SW Regional Development Commission. This would make it so that the small communities would not have to deal with the burden of cost. These are very important as there may be businesses looking to relocate in Tracy and they want to find out as much about the community as they can and a comprehensive plan would help with that.

Thao questioned Aukrust how she would handle conflict between staff members and City residents? Aukrust stated that the first thing would be listening as there are always two sides to every story. If it were staff she would look at policy and if it could result in a legal issue she would discuss it with the City Attorney or the League of MN Cities. She also possesses a certificate in conflict resolution so that would be helpful. As far as community members again it would be listening as well as looking at the City Code for guidance. Again depending on the situation she would possibly consult the City Attorney.

Schons asked Aukrust to explain what experience she has with budget and grants? She indicated that she was involved in writing a \$640,000.00 Small Cities Development Program Grant. It was a downtown revitalization grant originally and because it was a federal grant there are certain guidelines that need to be followed. Because of that they were not getting as many businesses that wanted to be involved in the program so it was expanded to citywide and amended the grant which resulted in a lot of people in the community getting involved. As far as budgeting in a federal way she had to do a lot of things with grant funds. She did amendments and things of that nature with them which is very meticulous. She does have an extensive background in the private sector as well. She knows the different steps to budgeting and is very well versed in being frugal.

Peterson questioned Aukrust what the role of a City Administrator is in a Charter City? Aukrust stated that it would be to give guidance from the Council. She would be here to help the Council which is why she would like to meet with them to find out what their priorities are and assist them to meet their goals. She would do the research and give alternatives.

Peterson questioned her that if the Council told her there is a problem and to come up with two solutions and bring it back to the Council, does she feel that it would be in the Administrators accord of expertise to give the options but indicate which option would be the best? Would you advocate for a position or just say here they are? Aukrust stated that she would come with facts and what supports the law and give alternatives and the pros and cons of each one but the decision would be up to the Council.

Mayor Cooreman questioned Aukrust why she is considering leaving her current job? Aukrust indicated that her current job is a family business and her father passed away in November. Because of that she knew that she needed a change and to use her credentials that she worked really hard to achieve. She has always been involved with City government and has always networked with people in her position when she worked for the Judicial Branch.

Thao asked Aukrust what is her biggest weakness and her biggest strength? She indicated that her biggest weakness is to leave work at work as she tends to bring it home with her and she needs to leave it at the door. Her strength is the fact that she is a people person and has really good personal communication skills and is able to talk to anyone and wear different hats depending on who she is talking to.

Schons asked Aukrust to tell them about a time when she had to fire someone. She indicated that it was for theft so it was pretty cut and dry. It was not a good situation; however the evidence was there and she is all about the facts. They did not get law enforcement involved; it was handled on their own. It was difficult as it was a long term employee. She has been involved in panel government and was involved in firing someone on that level as well.

Peterson questioned what her thoughts, process or expectations are on employee reviews? Are they important, how often would you do them? She indicated that she definitely feels that they should never wait until the end of the year to do one. She feels that they are important and if something were to happen in March you should not wait until December to discuss it. This would include pros and cons as people need to hear the good things as well.

Peterson questioned what her expectations would be if she were offered the job as far as feedback from the Council? She indicated that she would want feedback as things progressed and it would be an open door atmosphere. She would prefer things be addressed that way rather than walking into a meeting and being confronted. She will also do everything she can in getting information to the Council as far as being prepared for a meeting so that they are not blindsided either.

Mayor Cooreman questioned if she were offered the position if she would have anyone that she would have as a mentor? She stated that when she was an Administrator she met people at conferences and has stayed in touch with two City Administrators. She has also talked to a professor that she worked under for two years and she is still a professor. She does go to her for different projects as well. There are things that universities are willing to do for small communities and does not feel that people realize that.

Thao questioned what the employees that have worked for her say about her? She stated that they would say that she is research orientated. They would also say that she is a people person and that she cares about what she is doing.

Peterson questioned if she were offered the position how soon could she start? She indicated that she would need two weeks as she is already stepping back from their business.

Peterson questioned if she is aware of the salary schedule and the benefit package? She indicated that she is not familiar with the benefits package but when she applied for the position she did see the salary range. Daniels stated that it includes health, life, vacation, sick leave,

holidays and floating holidays. He also pointed out that dental is only for dependents 18 and younger. Peterson pointed out that the medical package is a pretty good deal.

Peterson questioned if she started tomorrow what would be the first thing she would do? She stated that immediately after leaving her last interview she went home and did an outline based off of what she heard from the interview committee and what their priorities are. What her priorities would link into as she would be trying to fulfill what the Council wants. After talking with Mr. Carpenter the main thing would be being pro-active and forward thinking in regards to what the City of Tracy wants and what they will support. It is very important to figure that out because if you bring in a store downtown and people are not willing to support it or you have done it all for nothing. As a rural community you have to not only sustain your population but you also have to figure out how to grow it and expand your tax base. That would definitely be one of her priorities and working together with community leaders and business owners to be proactive and forward thinking. The other thing would be the budget and to be very precise with it as they are taxpayer dollars and to do it with a thorough strategy. There are a lot of selling points to the City of Tracy – there is a K-12 Public School system right in town, Sanford Health, Nursing Home choices, a Library, an aquatic center and it is safe. There is a lot of things that can be marketed and to sell this community to potential residents and businesses.

Schons stated that Aukrust went home and made her outline and asked if when she was doing that if there were questions that she wished she had asked? Is there anything right now that she would like to ask the Council? Aukrust stated that one of the things that she questioned at her interview was what are the Council's priorities? She indicated that she was told what their top priorities are at the interview; however there was only one councilmember and the mayor present at that. Peterson stated that the bulk of his calls regard taxes and cost. His priority is to get closer to finishing the waste water treatment system and to have it done. Until it is done the opportunity for growth is limited. Aukrust stated that was on her list as well. The other thing was that you can't wait for your telecommunications people to want to upgrade, you have to get in on the broadband grants. Businesses need fast internet and you need to have the right infrastructure including the broadband and preparing for the future.

Schons indicated that one of her priorities would be, and one of the reasons why she put her name in for a council seat, is to see the re-building of trust and relationship between the City and the citizens of the town. We are here to work as a team and she would like to get that back. We are a great city with a lot of good selling points; however what was being put out there was the negatives. There may be a handful of negatives and a bushel of positives. Aukrust stated that that was on her list as well with community involvement. She would like to get younger people involved and letting them know how important it is. If people are involved in your community they are invested in the community. She would also like to encourage residents to get on the boards and commissions. The schools where she comes from does have city government leaders come into the school and talk about civic responsibility and what that all involves. Getting people invested in the community is what gets people to stay.

Aukrust stated that she felt really good about her first interview and has thought about this since then regarding the position.

The Council thanked Aukrust for coming.

Mayor Cooreman called for a closed session to discuss the interviews.

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

ATTEST:

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

  
\_\_\_\_\_  
Mayor

# MAY 29, 2018

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, May 29, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

The invocation was given by Tyson VanDerWilt.

Mayor Cooreman asked for the approval of the May 14, 2018 and May 17, 2018 minutes. Peterson indicated that TCD should be TDC in the May 14, 2018 minutes. Motion was made by Peterson, seconded by Tiegs to approve the minutes as amended. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Daniels stated that he would like to add 10F-Reiner Change Order #2, 12C-Resolution 2018-27-Approving Change Order #2 for Phase 2 Proposed Stabilization Pond System and 12D-Resolution 2018-28-Approving Work Change Directive No 7 for 2017 Phase I Infrastructure Improvements-State Street. Motion was made by Peterson, seconded by Schons to approve the Agenda with the mentioned additions. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Chief Lichty addressed the Council with his Department Head report. He included a copy of the body camera audit report that has been completed per State Statute for the first time. There were 63 public nuisance warnings issued and there will be a couple more in June. Citations will also be issued in June for those that were not corrected in May. Mayor Cooreman questioned if it is legal to skateboard at Swift Lake Park on the bike trail? Chief Lichty indicated that it is out there; however it is not in the downtown area. He stated that they have had problems in the past downtown with the skateboarders such as putting large amounts of wax on steps which creates a hazard. This has also occurred at the bank and in front of City Hall. Swift Lake is fine providing they are not damaging property or anything like that.

Valerie Quist, Librarian addressed the Council with her Department Head report. She advised that they finally have their grant agreement signed and can now officially say that they have received a grant from the MN Department of Education Library Construction Grant. Before they can move forward on anything else, the asbestos will need to be removed from the pipes. She was hoping to have that done before school was let out as she was under the impression that they would have to close for a couple of days to get it accomplished. She does not like to close the Library in the summer when there are kids who count on them to be open. When she called the Company they indicated that they would not be able to get Tracy in; however they did not feel that she would have to close as they can just seal it off. She indicated to him that in light of that they could do it whenever they would like to. She advised that they are looking at July, which will be good with the new administrator coming to have him involved from the start. The summer reading programs have started and there are a lot of events coming up.

Jeff Carpenter, EDA Director addressed the Council with his Department Head report. He has a couple of things to go along with what Chief Lichty addressed and what he has requested to be a part of. He would like to obtain the addresses to the 63 nuisances that Chief Lichty sent out and bring them to the Planning Commission in an attempt to help out with it. He also advised that as of this week he will be making out their first check for the Demo Loan program with two additional people that would like to apply. This process would be where someone would come in and ask for 75% of the amount of money that they would need to tear down a dilapidated house and would help make the City of Tracy look better. Going along with that he can advised that the EDA is very close to buying a house in town that makes the town look horrible. He is hoping that it will be bought and taken care of over the next week. All of the paper work is

done and now all they need is for the current owner to sign off on it. He stated that it was purchased for a good price along with the back taxes that the EDA will have to pay for. He has also talked to Daniels regarding the utility assessments from two or three years ago. He may be addressing the Council in a couple of weeks regarding this. The EDA Board has signed off for him to purchase this property and he would then bid out for the demolition to make it look nice. He stated that as of right now there are no solid plans for developing that area; however that could change in the near future.

Daniels addressed the Council with his Department Head report. He advised that the band shell is painted with the exception of one little spot on the outside. They will try to find some matching paint for that as it was done several years ago. They would like this to be done prior to the tornado memorial in June. He requested that the public be aware that grass clippings do not belong in the streets. They see a lot of this every year at this time and are requesting the residents to make sure that their first couple of rows next to the street are blown into the yard and not onto the street so it does not plug up the storm sewer.

Chris Larson with I&S address the Council with an update on Phase 3A, which is 3<sup>rd</sup> Street from Craig St to South St and essentially a block in each direction. They submitted the PER for that last February and a revised version with supplemental information in March. They have not received comments back yet from Rural Development and he has set a reminder for himself every couple of weeks to call and check where they are at. The last time that he called them they told him that based on recent projects they would have expected an expedited or streamline review process and because of that they are not making it a high priority on their review side. They do have until the end of July to obligate all of the funds that needs to be obligated for all projects in the state. Because of this they are prioritizing other projects that they feel need more comments back and forth and so those Cities can get working on their revisions. Rural Development feels that they won't have as much of that back and forth with Tracy's. This is a nice feeling but at the same time as a result of this they will not get comments or funding obligated until later and will leave Tracy with less time on the back end to do their surveying and getting things ready for construction in 2019. What they did in February was the Council authorized approximately \$75,000.00 of work that included some of their time to get going on the survey as well as some geotechnical investigations with soil borings and televising of sanitary services, which is underway. They will try to complete those the week of June 4<sup>th</sup>. I& S has reached the limit of what was authorized to them and in order to keep things moving he feels that if the City authorizes another \$50,000.00 of survey it would get them to when the funding will actually be obligated. Either way, the City fronts all of the design costs at which time the loans and grants are closed or it would be reimbursed at the end of the project. Larson stated that if the Council is comfortable with it they could use the additional time on the front end to continue surveying prior to the funds being formally obligated by the funding agency. In the same conversation as to why they are prioritizing things the way that they are, the RD program director indicated that they received a lot more money to obligate this year than they thought so if the City has an appetite for it they could include a few more phases in with the Phase 3A funding package. It could still be split out in separate construction contracts and the Council would not be committing to doing all of it in one summer and have the whole town ripped up. It can be phased out but they do want the funds to be spent and construction done within three years. Phase 3A could be done in 2019 construction and two more phases of construction projects that could potentially start in the fall of 2019, otherwise most of it would be 2020. The fourth phase would be a separate lining project where the information that they have from televising could be used. That would be a specialty contractor that would do that work and would be separated out into a separate construction contract. Larson stated that they predicted between \$10 and \$15 million that would be available in this funding package. The various phases were discussed. This will have to be done in a specific order and they are trying to determine how to get to the \$15 million that is available. The phases listed would make the most sense to get to that. As you may remember there is a portion of eligible costs and in-eligible costs and the street improvements that do not fall right over the utility trench are in-eligible. RD is not in the business of improving streets, they are in the business of improving utilities. Any street costs that are necessary to remove when they replace the utilities are costs they would cover. With the phases discussed there would be approximately \$4.6 million that would be in-eligible, which there are things that could be done to bring that down. Again it would be split up into four separate construction phases. Right now all he is looking for is

authorization to include that in the PER in order to request funding for it and when the time comes to sign the letter of conditions for the funding package they could be removed. If the Council does not have any interest in it they could just not do it; however the nice part about doing it now is the fact that they know the money is available up to \$10 to \$15 million. As with any of the other reconstruction projects another funding source would be special assessments. Peterson questioned if the rest of what they looked at for the entire community was around \$35 million? Larson indicated that it is. Peterson pointed out that what he is talking about is 1/3 of that and of that 1/3 70% would be covered by Rural Development and the City would have to assess or bond for the other 30%? Larson stated that they were hoping to have that number and that the RD area specialist was there today and were trying to get a jump on the underwriting; however because the City refinanced one of their bonds it raised some questions with the auditor's and he is hoping to have the grant loan split by the next meeting. The \$37 million, which was the last full number, would have included both eligible and in-eligible costs. The \$14.9 million is all RD eligible; however there is a question as to how much is RD loan over the 40 year low interest and how much is the grant. And then there is a \$4.6 million of the in-eligible which would be 100% City. Total project costs are more like \$19.5 million for all of it. Daniels displayed the colored map on the TV screen for the Council to visualize the phases. Larson explained that in phase I approximately 22% of the eligible RD costs are grant and for the ponds it is approximately 11%. He is expecting substantially more than that because we are not into the grant yet for the water main as the grants kick in once the City hits a maximum of affordability. This is based on the medium household income and 1.5% which is RD's formula for how much each household can afford for utility rates. Once you get to a total debt service per year that they say the City can afford and beyond that is what would be eligible for the grant. When they did Phase I the water was not quite getting there and he does feel that the City will have some grant eligibility on the water system side. Likely not the storm sewer but the sewer should be a pretty significant grant. Larson is hopeful that they will have a decent estimate in two weeks from RD what the loan grants would be. Again, the RD loan is a 40 year low interest loan. Tieg's questioned if Larson would see the same potential funding if they wait till the last half of it? Larson stated that it is possible; however he could never predict that. He advised that once the funding package is obligated and used within three years the interest rate would also be locked in on the front end. Larson explained that there are two "spines" that all of the other phases would branch off of. One is 3<sup>rd</sup> Street and one is Center Street. With Center Street being a County road they will be waiting on it until it gets up to the current year in the County's CIP schedule. That way all of the road costs would be covered by the County and the City's costs would just be utilities. To keep things on schedule for 2019 construction would be the additional authorization for more surveying; however the additional phases would update the PER. There is a section in there questioning what they are asking for funding which would be updated to include this. What they would do is lay out all of the proposed improvements so that they would have a road map to go forward with. Mayor Cooreman questioned what is needed in Phase I? Larson explained that it is a lot of the same, it just is not as bad and not as high of a priority. Sewer is the driver when prioritizing the phases and there are not many streets that they could tear into and not have to replace everything that is there. Peterson stated that when you are dealing with sanitary you are limiting your I&I and Larson agreed with that. Peterson questioned if what Larson is asking for is the Council's approval for another \$50,000.00 to continue surveying for the 3<sup>rd</sup> Street portion? Larson stated that is correct whether they want to pursue the additional phases or not and will allow them to stay on schedule. This would help them stay on schedule and once the funds are obligated they will have a lot of the surveying completed. If the City waits for the funding to be obligated they couldn't do much more on the project. Peterson questioned if they would only be surveying the 3<sup>rd</sup> Street portion and Larson indicated that is correct. Peterson questioned if the other thing that Larson was questioning is if the other projects should be included in this PER at no cost as the leg work has already been done? Larson stated that is correct. He also pointed out that they will have to update some exhibits and do some more detail in the narrative which they would not charge anything for. Mayor Cooreman questioned what changed from when they wanted the first \$75,000.00 to now that he is requesting another \$50,000.00? Larson stated that at that time he thought it would be enough to keep them busy until the funds got obligated; however RD is now saying that there will not be a lot of back and forth on the PER so they are not prioritizing it and will be pushing it off as long as they can to address the other ones that will require more back and forth with the community and their engineer. Larson advised that this would not be additional costs it would just be fronted before it was obligated and would be a reimbursable expense. Larson indicated

that on the second part of the PER the Council could wait until he has more grant loan information from RD if they would like as they are not under a time crunch. He also indicated that RD would be the lead and it would be them to coordinate with the State agency so that part of the equation is taken care of. There may end up being State money; however RD is the one that coordinates with the Public Facilities Authority which would be who administers the grants. Peterson questioned when they get to the percentage on the bills when more of it is grant than it is loan when would they look at our finances and our utility rates, would that be before they award this next round or would it happen down the road? Larson stated that the way that he understands it is that there is nothing mandating what the City charges for rates and that they just want to make sure that the City is charging enough. Larson explained that is what they use to determine the affordability. Daniels advised that he visited with Jeff regarding that today and that they cannot judge what the rates would need to go to. He thinks that they should let it go for one year with the current rates, which would be in July/August and see how the increase impacted things. At that point the Council could decide if they want to re-evaluate. Peterson expressed that he brought it up as an attempt to make sure that it gets looked at every year to see where they are at with it and how it balances out. The Council could get an answer when they do the audit review and Daniels indicated that based on the questions that he has asked them they would suspect that there will need to be another increase. There is no way of knowing how much to increase it unless an actual study is done. Peterson expressed that he would prefer to inch up to it than jump up to it. Tiegs questioned if Larson needs Council action today and Larson indicated that authorizing the \$50,000.00 would be appreciated. Motion was made by Peterson, seconded by Schons to go ahead and spend the extra \$50,000.00 to allow them to continue working on the surveying for the current project and to add the additions that Larson suggested to the PER. All voted in favor.

Daniels addressed the Council regarding a utility bill issue with Sam Sahlstrom and his renters. He indicated that Al Schultz had been sent to shut the water off at the curb stop at 225 E Morgan Street and the curb stop was turned back on after he left for whatever reason. Sahlstrom is claiming that the renter could have turned it back on; however Daniels expressed doubts about that. Sahlstrom is looking to have two months billing as a reimbursement and if the Council has read thru the memo's it does not add up. The other thing that he has been noticing and can't do anything with until the rest of the radio read meters are installed is to have the billing be one month behind rather than two. This could give renters less time to fall behind and for it to fall on the landlords lap in a tenant situation or on the City in a resident situation. He believes that we have roughly 60 readers that still need to be installed. Daniels suggested keeping it under their hats as a possible change in the future. Schons questioned what kind of a time frame they are looking at and Daniels indicated it would be next year. Mayor Cooreman indicated that she understands as she has experienced it herself; however she still had to pay for her tenants that left her with a bill. Daniels advised that everyone else has as well. Schons pointed out that it would once again set the wrong precedence if it were forgiven. If they do it for one they would have to do it for everyone and if that is the case why even have an ordinance. Mayor Cooreman stated that now that the deposits are mandatory that will make a big difference. Daniels informed that some of these are still pre-deposit for renters or they are just \$100.00. He also recommended that landlords add it to their damage deposit or something like that to help cover them. That would be the only way that the City could help them out as far as the utility bills go. Peterson questioned if someone walked into the office that has a remote read reader and requested to go just one month behind vs two months behind, is there a bookkeeping way of accommodating that? Daniels advised that there really isn't and that would be a mess. The electric company had done it to him where he was charged for two month on one month's bill and gave him a grace period to pay it. Aside from that he is unsure how to convert it over. Tiegs stated that they would have to give the residents a significant heads up for them to prepare for it. Peterson suggested that they could overpay on the bill for a couple of months to assist with it as well. Request died for lack of motion.

Rosemary Martin, Charter Commission Chairman addressed the Council regarding the proposed Charter change. She stated that at the last Council meeting they were directed to make changes to the wording regarding the term lengths. The Charter Commission is proposing the change from 12 consecutive years to 14 consecutive years to eliminate the possibility an appointment would bring them beyond the three terms. The recommendations are :

- 1) The City Council shall be composed of a Mayor and Six (6) Councilpersons who as qualified electors shall be composed of a Mayor and (6) Councilpersons and shall be elected at large.
- 2) A Mayor or Councilperson who has served for 14 consecutive years shall take a full calendar year absence from the City Council before being eligible to be elected at large for Mayor or Councilperson.

This should eliminate the possibility of being caught in the appointment stage and not being able to serve the full three terms. Tieg questioned what has changed in the last six years that we now need to go from five to seven? There were seven and then it went to five, what has changed that they need to go back to seven? Martin indicated that the Charter Commission feels that there is a need for more diversity and representation on the Council. Tieg questioned who is not being represented? Martin stated that they feel that there will be a better possibility of people being represented if there is a larger Council. Tieg asked how this all started? Martin advised that it was brought to the Charter by many different citizens and as a Charter they unanimously decided that it would be what they would recommend to the City Council. They feel strongly that it does need to go to a vote so that the voters can make the decision. Schons questioned if this could end up being a yoyo effect if it goes to the voters on this election and it then comes up again in two or four years? Schons questioned if it would also come thru the Charter and Martin did not think that it would have to. It could come thru as a petition; however that would be a City Attorney question. Schons advised that she was surprised at how recently it had been voted on the last time in 2011. Peterson stated that the last time it went to a vote he voted against it as there were a number of people that indicated to him that they would like it left at seven. When the actual vote was done the majority wanted to reduce it. His conversations with people have not indicated that they want it to change; as a matter of fact he has found no one that wants it to go back to seven. Mayor Cooreman stated that she has talked to people on both sides. Schons stated that she understood at the last meeting that it does really need to go to the voters. The Council can sit here and dispute it on both sides but technically it will need to go to a vote. She would prefer to just get it on the ballot and let the people speak and hopes that it does not continue coming to the Council every couple of years. She has also heard strong opinions on both sides. She would like to see the residents educated on the pros and cons so that people show up to vote and everyone needs to live the results. Schons questioned what needed to be done tonight? Martin advised that the recommendation changes would need to be taken into consideration and would need to be approved to go to the voters. Schons stated that by reading the Charter minutes and the City Attorney's comments it does not matter if it is unanimous from the City Council or not. Peterson stated that if it is unanimous from the Council it would not go to a vote, it would be just like an ordinance change. That is what happened last time and there was one person holding out on it so it had to go to a vote. If the Council 100% agrees to it there would be a public hearing on it and would just be an ordinance change. Schons questioned if one of the Councilmembers would have to vote against it in order for it to go to a vote? Peterson stated that before it can go to a vote one of them would have to make a motion to accept the recommendations. Martin is questioning that as she does believe that no matter what it would go to a vote. Peterson stated that there would still be a public hearing either way, it is just whether or not it goes on the ballot. Tieg questioned where the time length issue came from? Martin indicated that the Charter Commission just cleaned up the language. It was already in the Charter and after discussion they wanted to make sure that it was also cleaned up to bring into consideration anyone's appointment. Tieg stated that he always looks at term limits as the people voting people back into their seats. Martin stated that is already in the Charter; however there were different interpretations of it. Martin stated that was just once for Russ Stobb and Peterson advised that he was on for over 20 years. Peterson advised that it was then brought up again for Steve and the opinion of the City Attorney at that time was A) it wasn't voted on by the public and B) with changing seat the way it was written it didn't matter. Going from a Council seat to the Mayor seat and back to the Council seat you reset the clock. Martin stated that taking it back to what is being asked, if the voters turn down term limits it would then be removed from the Charter. These questions will be in two parts so that the questions can be voted on separate. Tieg questioned when this would take place or start. Martin indicated that it would be in January 2019. It was pointed out that Schons and Thao are appointed and they would not start elected until January if they win. Tieg questioned if it passes how would they get two more people on the Council? Would it have to be done by

appointment? Peterson stated that it would have to be done at the next election cycle. Tiegs questioned if they would remain a 5 person board for another 2 years and it was indicated that is correct? Schons stated that it is going to go to the voters one way or the other and she does not want it to go to a petition as it is not the professional way of doing it. She feels that as a Council they should just let it go thru as the Commissions are to work with the Council. Motion was made by Schons to accept the recommendations from the Charter Commission to increase the Council size and the term limits. She would also like to make part of her motion that it goes to the voters either way. It was indicated that it would go to the voters either way. Schons stated that it will go to a Public Hearing either way but not on the ballot either way if it is unanimous vote. She again indicated that she wants it to go on the ballot as she does not think it should be the Commission or the Council deciding, it should be the citizens. Martin agreed as she has heard different opinions from different people. Daniels questioned if they could just make a motion indicating that they want it to go straight to the voters. Schons advised that she wants her motion to show that she does want it to go to the voters. Martin pointed out that it is written by the recommendation of the Charter Commission in two separate issues concerning the Council size and the term limits so that they can be voted on separately. Peterson seconded Schons motion. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to hold a Public Hearing at the June 25<sup>th</sup>, 2018 Council meeting at 7:00 pm regarding the Council size and the term limits. All voted in favor.

Rosemary Martin addressed the Council regarding the purchase of city land. She stated that she did go and walk it off and measured it and it was 25 feet. In order to be even with that property line that is the bakery, it would be enough to put snow on and still be able to park. She is proposing to pay for the legal description and \$100.00 for the transfer of the land, which is what she paid for the last chunk of land that she purchased at Country View apartments. Tiegs questioned if this was the parcel behind the Liquor Store and it was indicated that it is a small piece of land behind the Liquor Store patio parcel. Peterson stated that he does have another option that would not require getting lawyers etc. involved. The curb that runs from John's Drug to the back of the property – if it was taken out you could angle and park at least four cars and still not be in the way of the alley. This would all be on property that she already owns and the only obstacle would be the telephone pole. If they angle park they could get a car on each side of the pole without a problem which is all the parking spots that she needs. Martin stated that she does have an upstairs and a downstairs apartment which would be a possibility of four cars, which is why she wanted to purchase the extra property. Peterson stated that she could get four cars in there if they are angled and still not be in the right of way. Martin advised that she would like to put up private parking signs. Peterson pointed out that if it is her property she would be able to do that, it would just be a matter of relocating that curb. Martin questioned if that would be a City expense? Peterson stated that it is on her property. Martin stated that there is an easement for parking with the agreement that they took part of the property to put the curb in. Daniels stated that he would have to look into it and that there is an easement going thru there. Martin stated that the easement was to accommodate everyone to be able to park. Tiegs explained that he does not want to get into the habit of selling off little chunks of property. If they start doing that everyone that owns property downtown will want to do the same thing. Peterson stated that it was the same thing as on the Living Farms property. Frank Nielsen, former City Attorney, interpreted it as there being no provisions for parking lots in central business district, which is why they did not sell that lot to Martin. If Martin angles the parking spots it should not be a problem aside from taking out the curb. Martin indicated that it is the city's curb and an easement is in place. Tiegs indicated that Daniels would have to look into that. Peterson feels that this would be the simplest solution. Schons advised that the biggest question would then be who would pay to remove the curb. Martin questioned what concerns that would create for snow removal? Peterson stated that if other business owners decide to put apartments on the second floor of their buildings and there is nowhere to park where would you put them? Martin stated that is a conversation that they need to start having to get answers to that question. Peterson stated that this is the answer, if you have property for it you can do it. If they don't have the property they will have to find a place to park during snow removal and they would have to walk. What he is suggesting would likely be the cheapest way all around and the City would not be selling land for parking lots. Daniels questioned if the Council wants to table it until the next meeting? This would give him an opportunity to round up the easement information. The Council agreed to that.

An Off-Sale Malt Liquor License for Casey's General Store was presented. Motion was made by Peterson, seconded by Thao to approve the license providing the fees are paid and the proper paperwork has been filed. All voted in favor.

Cathy Nelson and Liz Struve from Tracy Area Animal Rescue addressed the Council. Nelson indicated that she is the president of the Tracy Area Animal Rescue and Struve is the Treasurer. Nelson stated that they are proposing to develop a task force made up of TAAR, the Police Department, city residents and possibly some City Council members in an effort to address the animal neglect and abuse situation going on in the City of Tracy. Her director had sent out an e-mail a while back to the Council and they confirmed that they received it. That e-mail explained the situation as well as explaining what TAAR is and what they have done the last few years. Nelson explained that they had a situation almost 6 months ago where they had received a report of a dog that was being mistreated. When she went out to check on it she found the dog dead. It was skeletal, tied to an empty dog house. The weather condition was zero or below the previous nights. It had no food or water and it was a really bad situation. They did put that this had occurred on their Facebook page; however they did not put any pictures on there. They had over 30,000 outraged people that this was allowed to happen. What they are proposing is that they form a coalition. TAAR has gotten big enough that they would be able to help. Nelson feels that it will be a win win situation for the City of Tracy; however they do need cooperation. If there is a family that does not have enough money to buy dog food or cat food TAAR has it. They also have extra blankets, straw and extra dog houses; however they need to know about the people who need assistance. Up to this point their name has not been thrown out there as an organization that can help to make sure that the animals are not mistreated. Struve noted that they do have other communities that have contacted them when they need assistance or help to feed their pets. Other communities are quick to approach them and are used as an option for people that are having difficulty. There are not a lot of questions asked, they just want to help them to take care of their animals if money is an issue. People are often times not aware that there are laws in regard to the care of animals. The police force as well as the Council needs to be aware of what is expected as far as the treatment of animals. It is not just them that want to see the animals treated well; it is in the state statute. There are very specific recommendations in regards to what a dog house needs to consist of and the area where the animals are kept need to consist of. They have to have bedding as well as access to shade, food and water. This is the law. They are hoping that if they all work together that this could be something that is positive for the City of Tracy. Nelson again indicated that they chose not to put a picture of the dog on their Facebook page as they knew that there would be a lot of very very angry people if they had. They did want something positive to come of it and not just having people out harassing the guy that owned the dog. They also did not want them going after the City Council or the police department as that could have happened. They instead choose to reach out and try to make something positive happen and to ensure that this kind of thing does not happen again. She stated that she did show the pictures to a vegetarian and she indicated that it was horrendous. It was not one night or two nights or three nights, this dog suffered for a long time. Their organization is pretty big and they do have clout and knowledgeable people who are willing to help. They do need cooperation and need to know where the families are that could use their help. They also need to have people take it seriously when a complaint is called in as it should not be allowed and it is against the law. Struve urged the Council to go and look at the comments that were made and by people in the community as well as elsewhere. Even since then, which it has been 6 months, we are still receiving private messages from people asking what has happened and what has changed in Tracy. They would really like the opportunity to advise that they visited with the Council, these are the changes that are going to be made, and that it was a onetime thing. They don't want to be a part of an event like that continuing to happen, and without change that is exactly what will happen. Mayor Cooreman asked Struve and Nelson to inform the public where they can be found so that if the public is aware of someone that could use their assistance they know where to go? They indicated that they can be found on Facebook as Tracy Area Animal Rescue and that they also have a webpage at [tracyareanimalrescue.com](http://tracyareanimalrescue.com). This organization did start in Tracy and that name has stuck and has been a positive thing. It did start very small and last year alone it was over 300 animals that came thru and since the inception of the rescue there has been over 2,000 animals that have come thru and have been saved. They are now into South Dakota and Iowa as well as SW MN. They currently have 50 different foster homes that are willing to take animals in. These are people thru out SW MN and a little bit into Sioux Falls. There are a lot of people that are

willing to step up and help and be part of this rescue. Schons questioned what they are specifically asking the Council for. They are obviously not just in the City of Tracy and wondered what she is specifically asking of the Council? Nelson indicated that the reason for their visit tonight was because the dog was found in Tracy. Something needs to be done and they will be reaching out to other City Councils in other areas towns in an attempt to get cooperation of the Police Department. They cannot do it without the Police Department. Schons questioned if the Police Department investigated it? Nelson indicated that the Police Department indicated that the dog was gone by the time they got there. Peterson stated that there was a report filed and it has gone thru the legal processes. Schons questioned what more they would like from the City as the City did respond? Nelson advised that she felt that the City could have responded better as there was no follow up with the owner of the dog. There had been a call prior that the dog did not have food and water. She never heard anything about that being checked on again along with a lot of other loop holes thru out the whole situation and the death of the dog was the end result of it. Schons questioned if they are looking for reassurance from the Council? Nelson stated that she is looking to have this taken seriously. The fact that this is a law, animals cannot be abused, neglected, starved and left in a pen that is nothing short of cattle panels, plywood and mud on the ground. That is not good enough and there are people that will support being compassionate to animals and a police department that will follow up on it. There can be change if there is anything that they can do to help to prevent something like this from happening again they would be more than happy to do that and would like to be notified of it. She pointed out that TAAR could have helped the dog in question. If the owner was too poor they could have stuffed the dog house full of blankets and straw, put a door on it, given it food and taken it to the vet. None of what happened needed to happen. She is confident that there are more cases like that out there. This is not something that the City of Tracy wants to be involved with. There was a big uproar when there were pit bulls running around in a house unattended and that was all over the state and how no one was doing anything about it. She feels that the City of Tracy and TAAR need to be proactive and compassionate and a leader in animal welfare. They are willing to meet anytime, anywhere with some Councilmembers or representative as well as a member of the police department to establish a protocol. That way if there is a call or a bad situation TAAR can come and help so that the calls do not go unanswered. Schons questioned if they have a sample protocol that they could share with the Council? Nelson stated that they do not as Tracy is the first city they have met with. Schons pointed out that their area goes well beyond Tracy, MN. Nelson advised that when they started Jan Arvizu and her were just sitting around at the pound and that is how it started and they have grown. Apparently it is very necessary as they are getting bigger every month. Peterson questioned if they had any contact cards that they could leave with them so that people are aware of their program? She indicated that social media has been their main means of communication. Struve pointed out that they are hearing that they are getting distanced from Tracy and that is not true as a lot of their supporters are from around here. Nelson advised that just this year they have taken 7 dogs and 8 cats from Tracy. This impacts the City Council as they are saving Tracy a ton of money. If they had been in the pound it would have cost the City a substantial amount of money. Schons stated that she would like to get the public educated and social media is a good way to do it; however if someone is in town and can't remember the name the information should be available at the City Office. Nelson indicated that they have had a free spay and neutered clinic a couple of years ago. Schons again asked what she is asking of them. Nelson stated that the coalition piece of it is important and that there is City representatives involved in their effort. She stated that if there is an animal call and the conditions are not good, if the police department could just let them know that would help. Nelson questioned if it is the Council's job to come up with a job description and how things are handled for the police department? Daniels stated that it would be more the Police Commission than the Council. Peterson stated that it would be the City Administrator. Daniels indicated that it could be both. Peterson stated that the simplest would be to handle it at the lowest level which would be the Administrator and the Chief. Tiegs stated that they do not want to start micro managing things. Daniels questioned if it is something that the Council would like to have put on carousel? Schons pointed out that if they do it for one organization they will have to do it for all of them. She asked that she is not taken in a way that she does not think that their organization is important, she is just very aware of setting precedence that they do not want to set. With that said she would like to get the word out so that people know where to call. She also stated that when the new Administrator starts in June that he and the Chief of Police meet regarding this as it is a State law. The Police Department is already charged to enforce the law

and is not a requirement for the Administrator or any of the Council to tell them that. Peterson advised that they can come to the Council Chambers on June 6, 2018 to meet the new Administrator. Nelson indicated that she suspects that he may have more important things at that point in time to discuss on his first day. Peterson advised that it would not be his first day; it is just a meet and greet. Nelson thanked the Council for meeting with them and can asked what they can report back in regards to what they found out. Schons stated that they could just say that the City of Tracy will be getting a new Administrator and that he and the Chief of Police will be looking into it.

Chris Larson with I&S address the Council regarding Change Order #2 for Reiner Contracting on the pond project. He stated that there is a culvert that crosses under the County Road on the South side. It conveys water around the West side and at the very North side and underneath it is a curtain drain. This collects all of the ground water, intercepting the ground water from natural ground water as well as the existing leaking ponds. He explained that towards the very downstream end and because of the topography of the site, the curtain drain and the pipe portion gets very shallow and the surface drainage in the soil around it. In Early spring we got a bunch of snow and then it was 80 degrees so there was a ton of flow thru there. They had a bit of a wash out and the contractor didn't have all of the erosion control measures in yet. All the cleanup cost of this incident was taken care of at the contractors cost. It did get them to thinking and they now want to line the last 300' at the bottom of the trench to help armor it so it does not happen again in the future. Even if the erosion control is in place in the future, once it is all done it would be nice to have a little insurance. This change order is for \$11,576.25 and Rural Development has concurred with it so it just needs the Council approval. In the grand scheme of the whole project it works out to be about .2% of the project cost. They also have a 5% contingency on the project so they are still well within that. Tieg's pointed out if they don't do it they will end up coming back every couple of years. Larson indicated that if they get a really heavy rain or heavy snow melt it could be an issue. Motion was made by Peterson, seconded by Tieg's to approve Resolution 2018-27-Approving Change Order #2 for Phase 2 Proposed Stabilization Pond System.

Resolution 2018-25-Gambling Permit for Tracy Area Chamber of Commerce for Box Car Days was presented. Motion was made by Tieg's, seconded by Schons to approve Resolution 2018-25. All voted in favor.

Resolution 2018-28-Approving Work Change Directive No 7 for 2017 Phase I Infrastructure Improvements was presented. Larson stated that this was discussed at the last Council meeting for the State Street surface improvements. It is work change directive #7 and change order #9. This would be the mechanism that changes the contract amount to complete the work. Rural Development got back to him today as well and they concur on this as well. Larson realized that he jumped ahead on the agenda.

Resolution 2018-26-Approving Payment to Reiner Contracting for work completed on the Tracy Stabilization Ponds was presented. Larson stated this would be pay app #3 for work completed this spring so far in the amount of \$497,523.59. Motion was made by Peterson, seconded by Tieg's to approve Resolution 2018-26. All voted in favor.

Larson stated that work change directive #7 and change order #9 is to formalize the State Street work included in Phase I construction contract with Duininck, Inc. Rural Development concurred with it today. Peterson stated that it reminds him of something and questioned if they gave a bid to the EDA for the parking lot to go along with it? Larson indicated that it is a separate bid and could be done at the same time. Daniels advised that Duininck's did talk to him about it the last time they visited. Motion was made by Peterson, seconded by Schons to approve Resolution 2018-28. All voted in favor.

Larson discussed Phase I. He stated that to start with there were 32 properties that were re-routing their services to a new location. They are now down to 11 that still have done accomplished it. Based on where a plumber is working the feel that they will knock out that whole block. They know that there are a couple more in the works and they should be down to about six. There is work that Duininck can't do. Digging down and abandoning the old mains that are still in service as the private services are still hooked to them, they do not want to take

down and abandon them. They have some other minor repair punch list items to take care of and they would like to do it all in one mobilization. The last letter that they sent out to the property owners was in late April. They gave a deadline of June 15, 2018 or the City may explore other avenues to have the work completed and the cost assessed back to the property owners. Larson has been exchanging e-mails with the City Attorney and they will have a more detailed idea of how the City can go about getting this work done at the next meeting. Peterson questioned if there has been personal contact with the property owners recently? He understands the need to send letters; however it wouldn't be a bad idea to do some door knocking as well. Daniels stated that he knows of a couple that are in the last 11 that need to be done before Duinincks can continue; however they are waiting on their plumbers get them prices so that he can finish the papers before the special assessment. Peterson just wants to ensure that they are keeping contact open and doing what we can to expedite it. Larson advised that they sent the first letters out a couple of years ago and they contacted them back and it is now just a matter of having to do it. They also sent a letter to all of the licensed plumbers to remind them to try and address the ones that they have been contacted on.

The accounts payable consisted of Municipal Accounts payable, with and without Breakthru Beverage, Municipal Accounts Receivable and Charter minutes from April 12, 2018 and April 25, 2018. Motion was made by Tiegs, seconded by Thao to approve the consent calendar without Breakthru Beverage. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage accounts payable.

Daniels updated the Council on the Spring cleanup. He thanked the volunteers that helped. They filled two dumpsters, three trailer loads, a dump truck load of tires and 27 mattresses. Tiegs questioned if they will be doing another one this fall and it was indicated they would not be.

Mayor Cooreman questioned if he has heard any more back from Monroe Township? Daniels stated that he has not. Schons stated that she hope the Monroe Township residents are aware that they do not currently have a fire contract and what it can do to their insurance. It was indicated at the last meeting that it is not that the City of Tracy Fire Department will refuse to respond.

Having the Liquor Store patio open was discussed. Daniels advised that it was open for a period of time last year during the summer months and wondered if the Council wanted to do it again? Tiegs suggested checking with Sandy Lau, Liquor Store manager as he does not recall it being used much last year. Peterson stated that unless someone specifically requests it to not worry about it.

Daniels advised that the audit deadline is the end of June and they plan on being here at the next meeting.

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

Attest:



City Administrator



Mayor

**JUNE 11, 2018**

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 11, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Cooreman asked for the approval of the May 29, 2018 minutes. Motion was made by Peterson, seconded by Thao to approve the minutes in order to get to the discussion. Peterson questioned if someone from the public is talking but was not recognized by the Mayor to speak should it actually be part of the public record; especially when the individual does not come up to the podium? According to Robert's Rules of Order it is not. Mayor Cooreman questioned what he was referring to? Peterson advised that it is on the first page after Chief Lichty's department head report. Mayor Cooreman questioned if he was referring to Rosemary Martin's comment and it was indicated that he was. The part of his motion was to point this out and the proper way of doing it is to remove that portion of the minutes and he would move to strike that comment from the minutes and adjust his motion to reflect it. This would include from the point where Chief Lichty completed talking about Swift Lake Park to the end of that paragraph. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Daniels stated that he would like to add 9A-Chris Larson with I&S regarding Phase I, 10G-Wheels Across the Prairie Museum-Request Yearly Contribution of \$3,000.00, 12B-Resolution 2018-30-Approving the Election Judges for the 2018 Primary and General Elections and 13B-Approve the Tracy Library Minutes from April 5, 2018. Motion was made by Peterson, seconded by Thao to approve the agenda as amended. Peterson questioned if Resolution 2018-30 included a list of judges or just the wages? Campbell explained that what they are approving is to allow the City Administrator to certify the list of election judges to the County Auditor as well as allowing him to purchase the election supplies. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Chris Larson with I&S addressed the Council regarding Phase I. He indicated that the main thing that he wanted to discuss was the private services that still need to be re-routed. He and Daniels had a conference call this week to come up with some ideas. He does not feel that they have a solid recommendation yet. One thing that did come up was that the City is basically offering financing so if the property owner gets the plumber lined up the bill will come to the City and the City would then assess people back. He feels that they need to possibly put an expiration on that program in an effort to give people's plumbers more of a sense of urgency. He feels that it is mostly the plumbers that are holding things up and not being super aggressive in getting things lined up. He is hoping that if there is an expiration or temporary suspension on it that would be an incentive for them to get something scheduled. The plumbers are guaranteed payment as it is coming from the City verses sending the property owner a bill. Peterson questioned if it is currently set up where they have to apply for it and Larson indicated that it is. Peterson questioned if he and Matt Gross, City Attorney came up with anything where they could just say – alright it is coming up on go time and the contractors are just going to go in and do it? Daniels stated that the problem with that is if they don't have the petition signed they still have the right to fight the special assessment and appeal it. Peterson stated that it would only be for the service, not the other assessments. Because of this the City would be at some risk there with doing that. Daniels can't "finance them" as you cannot use public funding for financing. Peterson pointed out that there are 10 left and Larson indicated that it is 11 and felt that it would likely be down around 6 or 7 relatively soon. Daniels advised that there are 3 or 4 petitions that the Council has approved where the plumbers have not given them or him a dollar figure yet. You have to have a dollar figure before you can get the final approval from the Council. That would have to be signed by the Council and the property owner before it can move forward. Daniels continues to tell these people that are contacting him to get their plumber, to contact him

directly or have them get an estimate from the plumber. He stated that they are better off shooting high and have it come in lower. Peterson indicated that they just need to get it done. Peterson questioned when Duinink was planning to come and finish up the punch list? Larson stated that the current contract completion date is the end of June which they will need to get an extension for that as this is out of their control. They are on a big job in North Dakota so if they received word today that they were finished, it is not like they could be here tomorrow as they do have other commitments. They were talking early to mid-August. They want to come; however they do not want to mobilize an excavator to make the handful of repairs and then find out that the services are done and they can now abandon those. All of the old existing lines would have to stay in service. Peterson questioned if Gross gave any guidance as to what type of wording would be required on a Resolution that the Council could pass? They don't want to temporarily suspend that program but they have to have a way to get it done. That was enacted by Resolution before to allow it correct? Daniels advised that it was the State Statute. Peterson stated that you then would not want to stop it. If this is going to end the 1<sup>st</sup> of July, the numbers are not in and we are going to pave sometime in August that would require a Council Resolution in order to do that correct? Daniels pointed out that the Council would not have to approve the Resolution either. Larson questioned if he means the individual Resolutions? Daniels indicated it was and Peterson advised that is not the issue, the issue is getting it done. They need to light a fire under the plumbers and the property owners. This would maybe give the property owners leverage to light the fire. Larson indicated that if there is some concern that it is the plumbers is that don't know exactly what they are getting into so they don't want to give a price to it; however they could assume the worst case scenario. Teigs questioned if the 11 remaining have contacted plumbers? Daniels advised that all but one have according to his notes. It is the same one that did not collect their certified mail. Peterson questioned what Larson was asking of the Council? Does he want a motion to give a cutoff date so he has some tools? The bottom line is that they need to get it done. Larson indicated that would be good as they do not have a formal recommendation from Gross as far as any other tools. He also stated that he is hopeful that this will knock a few more off of the list. He was contemplating putting a list of names in the next newsletter of the people who have not become compliant yet but he does not know how that would be perceived. Mayor Cooreman stated that it isn't necessarily the property owners fault if they did what they were supposed to do by contacting the Plumber's. In that case it would be more the Plumber's fault than the property owners fault. Peterson felt that it would give the City some options to lean on the plumbers as well. He also questioned if the local plumbers don't help should they let them go outside of the community to get it done? Peterson suggested giving them a temporary permit for that project only at a reduced price. Daniels stated that the plumbing license is only \$15.00 so it isn't like it is a large fee. Peterson stated if Larson wants a motion to get things started he would make a motion to have it completed in the next 30 days or the 15<sup>th</sup> of July at the latest to be eligible for the financing. Larson pointed out that you really can't call it financing as it is a state statute, which only allows it, it does not require it. Peterson expressed that the plumbers need to know if they are holding up the project completion. The other thing is that they pay interest on the interim financing so we can't get the final loans with RD. Peterson stated that it is costing everyone while they wait for a handful of people to get the job done. Larson indicated that Matt did mention that there should be more exploration into civil suits to recover some of the damages that could be pursued. Peterson stated that he would make a motion to go to the 15<sup>th</sup> of July in an attempt to get these things done and use August as a target date with Duinink so that they don't have to come back. Schons questioned if out of town plumbers can be approached? She feels that the initial pressure should be put on the plumbers and indicate that if they are not going to do it that they will allow out of town people to come in and do it. Tiegs questioned if they would then want to change the date? Maybe have the date be July 1<sup>st</sup> so that it would allow the out of town plumbers to get it on their schedule. Especially if the Council is shooting to make sure that everything is done by August 1<sup>st</sup> so that Duinink could be back by then. Peterson stated that he feels that they could work on that after the 15<sup>th</sup> when they can see where they are at. If they still have a couple they could then decide to go after them and get it done by August 1<sup>st</sup> and they could find someone to do it. Daniels questioned if after July 1<sup>st</sup> they want to bring out of town people in and the Plumber is not license, with the first Council meeting being on the 9<sup>th</sup> what would the Council like to do about licensing? Does the Council want to do it retroactively? Peterson stated that they could just be able to do a temporary license or retroactive for that project only. Daniels requested a motion for that. Tiegs questioned Peterson what his final motion was and he indicated that was his final motion. Tiegs seconded it. All voted in favor.

Larson informed the Council that the Ponds are going well. It has slowed down since Thursday due to the rain. Peterson questioned if they are holding water and it was indicated that they are, just not the right kind. It is a big project but it is going well.

Tom Olinger with Abdu, Eick and Meyers addressed the Council with the Audit presentation. He advised that he has been working with Tracy the last several years and he will be going thru the audit findings as well as some financial information. He stated that he will be going thru the Management Letter booklet with everyone which recaps everything for them. He started with some of the findings which would include segregation of duties. It is important to know that the office is reviewing disbursements and payroll as well as a function of the Council as there is not currently the proper segregation. They have talked about having this discussed at the client seminar this year to address some of the various ways that they can implement them as well as compensating controls. The Council can look for that in the next couple of months and someone could come out and work with them in an effort to improve on the segregation of duties. He just wants to make the Council aware of their role and there are some things that he feels they can tweak and eliminate some of the risk.

The finding of the Financial Report Preparation has been consistent. Most of the Cities the size of Tracy do have them prepare their financial statements. They do have management review the financial statement before they are issued; however the Council does need to be aware that Abdu, Eick & Meyers are preparing them. This is fairly common to have happen as management just does not have knowledge of all of the GASB requirements so most cities do have them draft it. They just need to make the Council aware that they are preparing the financial statements for them.

The last finding involves Material Audit Adjustments. There were some adjustments this year with capital assets, interfund loans, and accounts receivables and due to other governments, accounts payable and debt. Overall the adjustments have continued to improve and it is important for management to review the journal entries, ask questions of them and try to continue to keep working the journal entries down so that they are recorded throughout the year. As a Council you have to get accurate information going throughout the whole year with that but it has continued to decrease over the last several years.

The Financial Position and Results of Operations were discussed. The General Fund is right around \$750,000.00, which is about 36.9% of next year's budget. Olinger takes a look at that to make sure that Tracy is falling within that 35% and 50% of what the State Auditor requires. The idea is that the fund balance at the end of the year is at its highest point. The reason for this is that the City would have just received LGA and property tax settlements and would now have 5 months of spending it down from the fund balance for cash flows until the above mentioned funds come in again in June. They do want the minimum balance to be at the 35% to 50%. As you can see on the report the overall trend balance has been increasing; however the city is at the low end of the minimum target balance that they want to see. The budget did increase slightly but has stayed pretty consistent over the last four or five years so the City just needs to continue to move the fund balance up. This year the fund balance did increase by about \$65,000.00 and was mainly based on Revenues Exceeding Budget. There were some additional state aids that came in at about \$26,000.00 as well as some additional charges for services that were over budget of around \$55,000.00 as well as some other revenues in the amount of around \$14,000.00. The Expenditures pretty much stayed on budget for the last year. There were a couple of items such as the Municipal buildings current expenditures exceeded the budget by about \$16,000.00 and Fire exceeded by about \$26,000.00. They should continue to look at edging the fund balance up so it is not hovering around the lowest point or percentage.

The Three Year Comparison of revenue was discussed. Overall revenues have stayed pretty flat for the last few years. Taxes have stayed relatively flat and are at about \$790,000.00 that was collected in taxes. Intergovernmental Revenues, which is both State, Federal and County dollars had an additional \$20,000.00 this year which is a little over \$1,000,000.00 from that funding. He again indicated that that has stayed pretty consistent over the last three years.

A comparison of General fund expenditures and transfers for the last three years was presented. For 2017 the expenditures decreased from 2016 by about \$30,000.00 since last year. Current

expenditures stayed the same and the main difference is with the capital outlays. That would be your investment back in equipment and various things like that that did decrease this last year. In regards to the peer group per capita numbers, what they do as a firm is accumulate not only information from the clients that they audit, they also get information from the State Auditor's Office to accumulate data. This is to give a base line of what other cities the size of the City Tracy is at. They do accumulate a substantial amount of data and what the peer group spends on programs. For previous years the current expenditures were at approximately eight hundred per person and the peer group last year was right around seven hundred per person. He indicated that most of them stayed pretty well in line with the others. Public safety is up and Streets and Highways are right about at the peer group average. He indicated that these are some of the comparisons that the Council can take a look at.

The Special Revenue Funds were discussed. There was not a whole lot of change with the exception of the Economic Development as there were some additional loans that were made this year that resulted in the decrease. Code Enforcement did also decrease this year due to some additional expenditures that came out of that fund. Overall there is about \$450,000.00 in the fund balance related to those funds.

The Debt Service Fund was discussed. Olinger stated that these are funds that are funded specifically out of taxes and special assessments; these are not the debt that is being paid back by water and sewer revenues. The overall cash in those funds are around \$838,000.00 and the total assets are around \$1,476,000.00. The outstanding debt for the last year was right around \$4.4 million. As he looked at the maturity dates the City does have the 2008 bonds dropping off in 2022 and the 2009 GO Improvement Bonds in 2025. What he likes to do is to map out what the next 10 years debt service principal and interest are for these funds. Principal and Interest thru 2022 are right about \$500,000.00 which means that Tracy will have to have taxes being collected and assessments to match with the \$500,000.00. The City will have their first bond dropping off in 2023 so you can see that principal dropping. He feels that what the City needs to look at for planning is that if there are projects between 2018 and 2022 that will have a tax levy or assessment it would be an additional levy that would be on top of the debt going forward. What the City would want to do is attempt to stagger it so that when bonds drop off new ones would come on for street projects and would mainly be above ground streets not the underground water and sewer. If there are projects down the road in the next five years that would be overlay and street that would need to be bonded for, it should be planned for accordingly in regards to the debt service levy. Olinger explained that there are two different levies – the General Fund levy which basically handles the operations and then there is a debt service levy which covers all of the debt payments. If there are plans of adding this there should be an increase in the Debt Levy fund to ensure that when the new debt comes on that there is the right amount of funds coming in to take care of the levy. There would be a huge spike if a debt that has the significant street improvements on it comes on at that time.

The Capital Project Funds were discussed. Olinger stated that there is a 2016 Street Project with a deficit of around \$45,000.00. The Tracy Medical Center Capital is at about \$1.5 million which is mainly to go back into improvements. The Permanent Improvement which are reserves of about \$136,000.00 as well as some different replacement funds which will total around \$300,000.00 are for various equipment that will be purchased moving forward.

The Enterprise Funds were discussed. These are funds that will be funded by various revenues coming in from these operations. The charts show the cash flows of what dollars are coming in and what dollars are going out. The O'Brien Court cash flow receipts are just over \$40,000.00 with very little disbursements. The cash balance showed that the cash did decrease last year by about \$100,000.00 mainly due to the additional capital assets that were paid for in the amount of around \$40,000.00 as well as some transfers out to cover some cash deficits in other funds. This was with the assumption that when there was enough collected in the other funds that it would reimburse the O'Brien Court cash flow. The Fifth Street Apartments were sold this past year so it reflects that the debt was paid off in the amount of \$273,000.00 and that fund was closed once the operations were completed. The Orchard Lane Townhomes cash flow was discussed. For 2017 they had the operating cost and debt payments exceed the receipts but the combination of the transfers in and being able to pay down some of the debt, as there was roughly \$30,000.00 worth of debt paid down, there was a slight cash balance of right around \$9,000.00. With this

one there are receipt coming in to pay down the debt but it is something to keep your eye on in order to continue to pay down the debt.

The Liquor Store Fund was discussed. This did have an operating loss of approximately \$21,000.00 which is the second of the third year of a three year period where State Statute requires you to have a Public Hearing. The Council indicated that they have already held the public hearing. Olinger indicated that the overall cash has been running low and is aware that the City dropped the on-sale and it should be re-evaluated to make sure that the operating income is up to where it needs to be and to get back into compliance.

The Water Utility Cash Flow was discussed. The receipts were once again below the operating costs and Debt Service. There was a big drop from \$441,000 in cash down to zero for this last year. There was \$662,000.00 that was paid of capital assets this last year as well as debt service that was refunded that was paid off this year. There was around \$200,000.00 additional debt service being paid off. He is aware that there has been discussion regarding this fund in the past about the rates and making sure there is enough to cover the USDA notes. He indicated that the Council will definitely need to continue to look at rates as there will be some significant increases. To put things into perspective the water fund is running about \$100,000.00 from operations and if you combine the water/sewer fund it is \$262,000.00 from operations. Moving forward in 2020 there will be roughly \$370,000.00 worth of debt service principal and interest payments that will be coming on in 2020 plus additional debt payments which would be another \$200,000.00. With that said the City could have pretty close to \$600,000.00 worth of debt payments coming down the road. He is aware that the Council did do some rate increases but these are some big dollars that will be coming down that will need to be funded whether it is property tax or future rates. There will be some significant funds that will be needed by 2020 when the USDA notes start kicking in. There has been conversations regarding this; however there is a pretty big gap between what the City is currently collecting and what is coming down the road. He questioned if the City has gone thru an official rate study to see what will be needed and encouraged the Council to at least try to cash flow something out so that they know where the rates need to be. It would be much easier to do it now rather than to wait until 2020 and have to double the rates just to cash flow it. This is the biggest area that the City of Tracy needs to work on as there is a lot coming down the road in both water and sewer. There is currently about \$2.4 million in the Sewer Utility Cash Balance. The Council should keep in mind that it is from the Temporary Bonds that were issued and there is unspent bond proceeds of around \$3 million that will be paid down on the Phase II project. It looks like a lot of cash but it will go quick. Currently Bonds payable are at about \$10 million and a good chunk of that will be refunded by the USDA at the end of 2019. He did talk to USDA and Phase I will have roughly \$100,000.00 in Debt Service principal and interest and about another \$260,000.00 in Phase II over a 40 year period. After this is spent there are not a whole lot of reserves in these particular funds. He again indicated that he is aware that the Council did do some rate increases recently and feels that they may want to re-evaluate where they are at. Daniels stated that it was a 25% increase. Olinger advised that they really should take a look at it as there is still quite a gap. Peterson stated that he was hoping for some feedback to see how the increase they did impacted the cash flow and if they are going to talk about doing another jump. Olinger stated that when you are talking about almost \$400,000.00 there will likely need to be another jump.

The Eastview Apartments were discussed. This has stayed pretty steady as this apartment complex has been generating some dollars and that cash has been shared to help pay for some of the other debt that is out there. This is why the cash did drop slightly.

The Refuse Collection fund was discussed. This year the receipts were slightly below operations and it is generally a break even fund. The two years before they did have a little more in receipts and the Council may want to take a look at that to make sure that it is cash flowing. Generally there is not a lot of dollars in here and if it is recycling and something that the city is willing to subsidize there would then need to be a transfer of that portion. Daniels pointed out that it was likely from when they did the citywide cleanup which was started last year and that was the fund that it came out of. Olinger advised that if it is the from the citywide cleanup and not be charged whether it is budget or transfer they should look at the general fund to make sure that they keep that cash flush if it is not going to be collected.

The Deputy Register & License cash flow was discussed. This fund has stayed pretty even although the cash has decreased consistently over the last few years.

Ratio comparisons were discussed. The overall Debt Per Capita did decrease this year and is at about \$8,000 per person. There is a significant amount of debt and Olinger wants the Council to be aware. The Debt Service Coverage at .4% is something that, in order to cash flow, needs to be at the 1.0 or 100% cash flow. This suggests that the last two years as the debt comes in that the rates have not corresponded with it which is why the reserves have been dropping. Taking a look at the assets left to depreciate, with the larger project the infrastructure is at 64%. Tracy has newer assets than cities similar in size which goes in line with the current debt that the city has. The governmental fund, which is equipment and streets and will increase as the project goes, is at about 40% and other cities are at about 55% but the underground is in good shape. He again stated that there is some urgency for the Council to take a look at the rates. He does not want it to get to a point where the City continues to spend down the reserves as the City would be in deep trouble once 2020 kicks in. He highly recommended that they do a rate study to see what it is looking like. The rate study can look at different ways whether it is base rates or usage rates to give them a good picture. Not only are they looking at making the debt service payments but they also want to make sure that they are adding to reserves so that it can continue to be maintained. The City does not want to continue limping along as there will be the need for repairs over that 40 year period to maintain it and cash flow it appropriately. The Council thanked Olinger for coming and doing the presentation.

The Fire Department annual changes to the Standard Operating Guidelines were presented. Daniels stated that the Fire Department went over the SOG's and made some changes. There were several things that were updated that have not been looked at for 8 years or so. Schons stated that by looking thru it seems to be pretty straight forward. Daniels advised that the Fire Department spent a good 8 hours or more on it. Motion was made by Schons, seconded by Thao to accept the revised Standard Operating Guidelines for the Fire Department. All voted in favor.

A Tracy Lanes On-Sale Malt Liquor License was presented to the Council for approval. Motion was made by Peterson, seconded by Tiegs to approve the license providing all of the fees are paid. All voted in favor.

A Petition for Local Improvement for Duane Hatch was presented. Daniels explained that Hatch has had some sewer issues that will need to be corrected from the 4<sup>th</sup> and Morgan project. This is a similar issue that is going on with Phase I. Hatch would like to be able to put that on as a Special Assessment. Schons questioned if that is what they had been doing for other people as well and it was indicated that it is. Peterson questioned if he ever had his sump pump interceptor put in? Has it been verified that he is hooked up? If he hasn't he should just put it in with this petition just to ensure that it is done. Daniels is to remind him of this. Motion was made by Peterson, seconded by Schons to approve the Petition for Local Improvement. All voted in favor.

Jeff Carpenter, EDA Director addressed the Council in regards to becoming a City employee verses an independent contractor. He stated that he is a 1099 contract employee for the City of Tracy and he has been asking the EDA Board that if things are going well and if it is something that the Council and the EDA Board agrees with he would like to make it a City employee as opposed to a 1099 employee as of January 1, 2019. He is unsure what the best timing for this would be – if it should have been brought up tonight, two weeks ago or a month from now. He is not asking the Council to make a decision tonight as he would like to visit with them individually. He does have some ideas that could save the City money by putting him on as a full time employee as well. An example of this would be Orchard Lanes. We pay \$500.00 a month for a property manager and he feels that he can handle those duties along with the EDA duties. He came into the EDA position green and fresh and new and he feels that he is at a point where he can handle more now. This is something that he would like the Council to take into consideration when his contract runs out which would be December 31<sup>st</sup>. He is unsure what he needs to do next in regards to this and is looking for direction from the Council. The EDA Board indicated to him that they would give him a letter of recommendation that most of them would sign. Daniels stated that he has talked to Carpenter a couple of months ago and advised

that it would be nice to know what his intent is prior to budget so that it could be budgeted accordingly if that is the direction the Council wants to take. Tiegs pointed out that it would be no different from the EDA Director being an employee before. Peterson stated that he has spoken to Carpenter as well to pick up some of the additional duties around the City Hall offices and things like that as well as to take the Deputy Clerk position off of Daniels shoulders. He feels that it would be a plus to have Carpenter and Kris Ambuehl working together and would make for a seamless situation all the way around. They could complement each other in their abilities and knowledge. Peterson expressed that he is all in favor of it. Carpenter stated that part of the reason he is pursuing this is for insurance reasons so this wouldn't need to happen until January 1<sup>st</sup> then anyway. Carpenter will be having a review the beginning of August and he could have more information at that time. He indicated that he and Daniels had visited a number of times regarding this and he just wants it to be the right timing as he didn't want to do it too early, but also didn't want to be too late. He also talked with Peterson regarding this as he did not know when something like this would need to take place. Tiegs pointed out that the best time would be before budgeting. Daniels pointed out that there would have to be a re-negotiation of wages and restructure as well. Carpenter stated that is was aware of that and that there would be things that could be added to it as well. Peterson suggested that they could hammer some of these things out at his August review. Carpenter questioned if the second meeting in August would be early enough? Daniels stated that the first meeting would be better as they would approve the preliminary budget the first meeting in September. Tiegs suggested doing a closed session after the August 13, 2018 meeting.

A Transient/Peddler's License Application from Julia Politseva with SW Advantage was presented. Campbell explained that this license is a \$100.00 for a year; however this gal will only be here for one to two weeks. Campbell's question to the Council is if they would be willing to pro-rate or if she would need to pay the full \$100.00? She indicated that she will need approval of the license as well. Mayor Cooreman questioned if Politseva would need a bond for that? Campbell stated that she has received a \$300.00 bond from her already. Tiegs questioned what she will be doing and Campbell advised that she will be selling books. She also advised that Politseva will not have the books in hand; she just takes the orders which is why the City needs the bond. Campbell stated that she did talk to the City of Marshall regarding this as she is not a US citizen and she had some concerns about that. The City of Marshall is pro-rating their fee; however their license is \$350.00 per year. Politseva did not ask that it be pro-rated, Campbell just wanted to get the Council's input on it in the event that the question is posed. Tiegs questioned if she will just be going door to door and it was indicated that she would be. Schons questioned if this has been done before and Campbell stated that to her knowledge they have never pro-rated it. Peterson questioned why there would be a yearly fee on a Transient/Peddler's license as it seems more permanent than that. By putting a time limit on it that offers an opportunity to request to have it pro-rated. He feels that the Council should give her a \$100.00 permit and leave it at that. Tiegs questioned what dates would be put on the license? Campbell stated that in the past it started the day the Council approved it and ended one year later. Tiegs stated that brings up another question – what is considered permanent with something like that? Is it a lifetime license? Peterson stated that he can see an expiration date, he just doesn't know what dates should be used. Campbell advised that they always come for the license in June when it is warmer out. Peterson questioned Chief Lichty if he is involved in this type of license at all or has any issues with it? Chief Lichty stated that all they do is ensure that they have a license if they are going door to door. If they come in and go door to door without getting the license and providing a bond he would try and shoo them out of town. Tiegs questioned Chief Lichty if he would like to see a time frame on it for his sake? Would it be better to give them a license for 30 days? Chief Lichty stated that common practice has always been that they purchase it for a year. Campbell pointed out that is how Marshall handles it as well. Motion was made by Tiegs, to issue the Transient/Peddler's License for a year but leave the rate at \$100.00. Campbell questioned if they want it a year from today or a year from January 1, 2018? Tiegs stated that he would like to see it as the calendar year which would go from January 1, 2018 to December 31, 2018. Mayor Cooreman questioned what the \$300.00 bond would protect them from? Campbell stated that she is unaware of how bonds work. Schons stated if she collects money from people and they don't get their books the City would be covered for \$300.00. Schons seconded the motion. All voted in favor.

An annual contribution request from Wheels Across the Prairie Museum for \$3,000.00 was presented. Tiegs questioned if this is an increase from last year? Daniels stated that from what he found they were paid \$2,000.00 last year. The Council also indicated last year that they plan to increase it for this year. Tiegs pointed out that the museum is trying to get more so that they can do more. Tiegs questioned if these types of things are the first to be cut at budget time and Daniels stated that it is. Tiegs questioned if it is just a matter of getting it in so that when they start working on the budget they know what the museum will be looking for? Daniels advised that the \$3,000.00 was already budgeted for. Peterson questioned if that has already been disbursed and it was indicated that it has not. Motion was made by Peterson, seconded by Tiegs to give the Wheels Across the Prairie Museum \$3,000.00 in the 2018 calendar year. All voted in favor.

Resolution 2018-29-Extending Franchise Agreement to December 31, 2018 was presented. Schons asked to be educated on this subject and why the Council continues to extend this. Tiegs stated that they do not have any choice. Mayor Cooreman advised that if they do the people in town will not have competition. She also stated that this has been going on for years. Peterson indicated that they are not any closer to resolving it than they were two years ago. Tiegs stated that these extensions are their franchise agreements and no one has ever pushed the issue. The City of Tracy is not big enough to push it so it would have to be the metro area to correct it. Peterson stated that if they did not do it, they would still be here. He does not feel that they would come and pull their equipment out of the community as they currently don't have a franchise agreement. Mayor Cooreman questioned if they have an agreement with Marshall and all of the other towns? Peterson advised that they are all in the same boat that the City of Tracy is in. He also stated that he would like to see no action taken on it as he does not feel that anything would change. He feels that they are wasting time and paper. Mayor Cooreman questioned if the City gets a kick back from them being here and Daniels indicated that they do not. Peterson advised that a lot of the franchise fees were to help with the equipment. Schons stated that she does not want the residents to be punished as a result of the Council not passing a resolution when it only takes them a matter of 5 seconds to do it. Motion was made by Schons, seconded by Thao to approve Resolution 2018-29 to extend the Franchise Agreement to December 31, 2018. Voting in favor: Schons, Thao, Mayor Cooreman and Tiegs. Opposed: Peterson. Motion carried.

Resolution 2018-30-Approving Election Judges for 2018 Primary and General Election was presented. Campbell pointed out that this resolution does set the Election Judges salaries as well. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-30. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable-with and without Breakthru Beverage and Tracy Public Library Minutes from April 5, 2018. Motion was made by Tiegs, seconded by Thao to approve the Accounts Payable without Breakthru Beverage. Peterson questioned the lawyer fees and if it is still going thru Daniels as the Administrator to approve the e-mails? Daniels advised that he gets a statement on them. Peterson questioned who authorizes commissions and boards to go to the attorney and are there any controls regarding this. This month alone there is over \$400.00 in charges for e-mails on Charter questions. He pointed out that Matt Gross, City Attorney was at the Charter meetings and wondered why there needed to be e-mails. Daniels stated that he was teleconferenced at one of the Charter meetings and the rest has been done thru e-mail. He also indicated that Gross did come to the first two Charter meetings of the year but has not physically been here at the last several. Peterson pointed out that his main question is how are the e-mails being controlled? If they have a question they should come to the people responsible for paying the bill – either the Council or the Administrator – to authorize that expense. The other option would be to save up all of the questions and do it in one lump rather than paying \$75.00 for every e-mail sent. Schons expressed that she noticed that it was upwards of \$400.00 as well and agrees that it needs to go thru the Administrator. Daniels advised that he will look in his contract to see if there is anything regarding this. Tiegs pointed out that there would then be a paper trail as well from the Administrator so that he knows all of the questions being asked and to ensure that they are answered. Daniels stated that he will let Gross know that all correspondence should go thru the Administrator first. All voted in favor of the consent calendar without Breakthru Beverage. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage Accounts

Payable and the Tracy Public Library Minutes from April 5, 2018. Voting in favor: Peterson, Thao, Schons and Mayor Cooreman. Abstaining: Tieg.

The land purchase proposal from Rosemary Martin was discussed. Daniels stated that he did attach a copy of the easement in the agenda packet. He advised that according to what the County has and what the easement shows there is conflicting information. The County shows the Martin lot to go all of the way back where the easement shows it as a 100' depth. It appears that most of the easement actually was not on Martin's lot and was on Bonnie & Clydes lot, Seager's two lots and the old John's RX Drug Store lot and it then jogs over. The alley is more like a Z shape than a curve. Peterson questioned if the easement affects Martin's property? Daniels stated that if you go off of that, unless it has been changed which he has not found anything that has changed, based on the easement that is written there are only two parking spaces directly behind the building. Schons indicated that the way it was put in it is cutting into Martin's property. Daniels stated that it does a little bit. Daniels pulled up the Lyon County website so it could be viewed. He stated that the way that the County has it platted out it isn't the same as it shows on the easement going all of the way back into the alley. Mayor Cooreman pointed out that the alley is currently S shaped and does not have the sharp turns. Schons stated that is why Peterson thought she would be able to park on the portion. Peterson stated that she could angle them in there. It was indicated that there will be an apartment upstairs and downstairs and Peterson pointed out that she would then not need more than two parking spots. Schons stated that she wanted four so each apartment would have two spots. Peterson advised that Martin was concerned with off street parking and winter snow removal. She does have a lot big enough by her other building that she could have them park one of their vehicles there. Daniels stated that based on the easement her lot ends before that. The biggest thing would be what is recorded and he would have to get ahold of the Lyon County Recorder to find that out. The legal that is on the hand out is not clear either. There was discussion regarding where things land on the Lyon County map that was displayed and where the lots cut off at. Mayor Cooreman questioned how many cars are in a household? Peterson stated that he goes back to the original concern of off street parking in the winter time. You can only drive one car at a time and she has other parking available at her other lots which are in a reasonable distance. If there are more than that and they are not worried about snow removal they would be able to park on the street. It is not that there is not enough room with what she has. Schons stated that she does not want to get into the business of making sure that the City can find parking for everyone. If Martin had no parking available and there was an easement she would want to try and make something work with her. Peterson expressed that there used to be a lot of people living downtown above the buildings and they managed to find places to park. At that time the need to park was not as much as it is now days because they had everything they needed downtown. There were café's and grocery stores downtown and everything was within walking distance. Schons stated that she feels it needs to be clarified as she does feel that Martin needs to be able to put up signs so that people don't park there other than her tenants. She does believe that there is room for two cars there. Peterson pointed out that if the curb is taken out she could get four there without any problem at all. Tieg suggested checking out the details to make sure where it does finish out and go from there. It was decided to leave it as unfinished business, have Daniels look into it and put it on the next agenda.

Peterson stated that he mentioned before the meeting that he has had residents voicing their opinions that they are still having to turn their volume all the way up so that they can hear the Council meetings unless they come up to the microphone. He has asked them to notify City Hall or to get ahold of him with their cable provider so that we can figure out what the problem is and to come up with a solution. Schons questioned if it had to do with the different mic's? Daniels stated that they tried a different mic with Mayor Cooreman and it did not make a difference. He feels that it is between the mic and the connection with the TV. He pointed out that the VAST TV has been cutting out the whole meeting and the other one hasn't. To Daniels that shows him that it may be the provider. It was indicated that it is the VAST connection on the right side and that Daniels should contact them. Daniels suggested that the customer call in as well.

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

ATTEST:

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

  
\_\_\_\_\_  
Mayor

## JUNE 25, 2018

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 25, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl, City Administrator, Diane Campbell-Administrative Assistant and Shane Daniels-Public Works Director

Pledge of Allegiance was given to the flag.

The Invocation was given.

Mayor Cooreman asked for the approval of the June 11, 2018 minutes. Motion was made by Peterson, seconded by Thao to approve the minutes as written. All voted in favor.

Oath of Office was given by Daniels to the newly appointed City Administrator Kris Ambuehl.

Mayor Cooreman asked for the approval of the Agenda. Ambuehl stated that he would like to add 11E-National Night Out-Request Donation to be used for the Rental of Picnic Tables and 13C-Resolution 2018-33-Approving Payment to Reiner Contracting for Work Completed on the Stabilization Ponds. Motion was made by Peterson, seconded by Tiegs to approve the agenda as amended. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Val Quist, Librarian addressed the Council with her Department Head Report. She indicated that she and a representative from the Marshall Library went to the Lyon County Commissioner meeting last week. They not only received the \$5,000.00 that they were asking for digital materials, they also gave them \$2,000.00 to use for their large print rotation that they started in December. They are hoping that if they keep an eye on the sales that they should have all new books for that next year. They talked to the Commissioners about some of the ways that they are working together and what they are doing in their individual libraries and they were asked to come back next year. Quist stated that her summer reading program is going strong with her weekly programming. She does have some special things coming up – one in July and a couple in August.

Dale Johnson III, Fire Chief addressed the Council with his Department Head Report. He stated that they just did their annual certification service and testing certification of the pump trucks. He indicated that the two newer trucks passed with minor repairs. The older truck failed horribly and that he is getting him an estimate on repairs to get the pump up and running. Training has been going well which involves a lot of different things. They did some sky warn as well as touring CHS's facilities. CHS took them thru every building that they had in town and identified every hazard, their different work spaces and what chemicals are in it. The Fire Department was then treated to a subway catered supper afterwards. He stated that there are a couple of smaller grants out there and he is looking into a bigger staffing grant which would give them some trading resources. They wrote the annual state trading grant and submitted it and they should be hearing back on that by the beginning of July. Their new jaws of life are now old enough that they had to be serviced and tested and they passed with flying colors.

Jason Lichty, Chief of Police addressed the Council with his department head report with no discussion.

Sandy Lau, Liquor Store Manager addressed the Council with her department head report. She questioned the Council if she should be open on July 4<sup>th</sup> from 11:00 am to 3:00 pm and if it is really busy she could stay longer. Tiegs stated that in the past they have left it up to Lau regarding holidays as long as she informs the Council.

Jeff Carpenter, EDA Director addressed the Council with his department head report. He stated that they have been talking about housing for nine months and there are a few things that will

start to take shape in the next few weeks. The lack of housing in Tracy is also happening in other cities, counties and states. Before you can have a house for sale you have to have something for someone to move in to. The handout shows his vision of what he would like to see on the property shown. Housing would keep people in Tracy rather than moving to Marshall. There have been people that have left Tracy due to lack of new housing and if we can keep people here by creating that he would like to see that happen. This may prompt people to upgrade and move out of their house which would mean that there are more houses available. He stated that they will hear him talk about this a lot in the future. There will be a couple of things bought by the EDA or City very soon and you have to have a place to put these things and to be desirable. When you take an empty lot that is not bringing any taxes in and add a \$100,000.00, \$200,000.00 or \$300,000.00 worth of housing it increases the tax base which is part of economic development.

Shane Daniels, Public Works Director addressed the Council with his department head report. They have been trying to keep up with mowing the grass. They did get 9 tons of pothole mix so when it quits raining they will get them filled as it has not been dry enough to get it to stick. He also stated that he has put out an ad as it is difficult to coordinate with the newspaper as far as mosquito spraying. They will be spraying throughout the summer and it will be on Nixle, Facebook as well as a few ads periodically as to when they will be doing it. They are aiming to do it this Wednesday if the weather permits after dusk.

Ambuehl stated that his first day was busy. Schons questioned what the best way to find him would be and he indicated that they should check in at the office first in the event that he is already with someone. Aside from that his door is open.

Mayor Cooreman opened the public hearing to authorize the City of Tracy to charge and collect for Emergency Fire Protection Services. Daniels advised that this is an ordinance that would allow them to tax rural property if there were a fire. Chief Johnson stated that all taxpayers that live within the city limits have contracted fire services. In 2006 the League of MN Cities sent out the first recommendation for the Council to adopt it with anyone that the city has a contract with. What it says is if there is a fire at a home within the city limits they would not pay the \$750.00, it would just be applied to his tax statement for a period of time. What this does is allows the Fire Department, being the taxing district with everyone that they contract with, to assess their taxes if there is a fire call bill. Schons questioned is it would also allow the Fire Department responded to a car accident that occurs in the city limits for that person who lives in Iowa to assess their taxes and it was indicated that it does. He advised that what the verbiage is that they are looking at he has not seen. He does know that the policy that they had in place was with anyone that they contracted with. Schons stated that was their intent when they asked Matt Gross, City Attorney, to draw it up. Chief Johnson stated that the majority of the time when you are dealing with fire fighters it is car accidents. The car owner is supposed to have insurance and the Fire Department would then be able to bill the insurance company direct. Most of them do pay; unfortunately every insurance company has a different rate schedule. Some only pay up to \$500.00 and some will pay up to \$2,000.00. This can be used to fill that gap and give the Fire Department authorization to proceed further. Daniels stated that there is a section on the resolution that describes the parties that would be affected. It reads as follows:

- A. Owners of property within the City who receive fire service.
- B. Anyone who receives fire service as a result of a motor vehicle accident or fire within the City
- C. Owners of property in towns, townships, or cities to which the City provides fire service Pursuant to a fire protection or service contract
- D. Owners of property outside the City who receive fire service

Chief Johnson again pointed out that it will fill the gap as currently it is only for the contracted area. This would mean that if you get in an accident by Minnesota and you decide not to pay it this would give Minnesota the option to submit the bill to the City of Tracy to be assessed on your tax statement. Daniels stated that the rates would then be set by the annual fee schedule. Chief Johnson advised that the fee is then set by their Bi-Regional Mutual Aid agreement. This is nothing more than the DNR set rate. There was no one from the public that spoke. Mayor Cooreman closed the public hearing. Motion was made by Peterson, seconded by Schons to approve Resolution 2018-31. All voted in favor.

Jennifer Andries and Andrea Hess from the Lyon County Historical Society addressed the Council to request support. Andries is the executive director of the Lyon County Historical Society. Hess is the president of the Lyon County Historical Society. Also present was John Marshall who is the treasurer and Neil Ingebretsen who is the vice president. Hess questioned the Council if anyone has been to the Museum recently? It was indicated that no one had. She stated that the Lyon County Museum is now in the old library building in Marshall. Their Board wanted to ensure that they had a vision for the future. Because of the three floors they had an opportunity and space available so they sat down and created a five year strategic plan. In that strategic plan they were looking at ways of bringing in interactive exhibits and creating new educational opportunities as well as working on their collections and programs and events. All of this has been accumulating over the years. The past three years have been spent working on and up to what has been presented tonight. There have been a lot of grants and preparation.

Andries explained what grants she has applied for and received to get them to this point. She stated that this has been a 5 year production in planning. She advised that when they moved to the former library they spent several months unpacking and getting the main floor and lower level set up. In about 2015 they were looking at the second floor and the Board of Directors really wanted to make sure that they were telling more contemporary history. Right now the lower level which is a pioneer era, the main floor is the early 1900's up till World War II and they are looking at post World War II till current on the second floor. They feel that contemporary history, the stories and the artifacts need to be shown and they want to dedicate the second space to that history. They also knew that they wanted to offer more audio, video and interactive exhibits. These types of exhibits are more expensive because they take more professional work and planning to do. They reached out to the Minnesota Historical Society to see how they could utilize the legacy grants to do this exhibit gallery. The Lyon County Historical Society suggested that they come up with an interpretive plan. They applied in 2015 and they received that grant. They were able to hire a professional museum firm to assist them in developing the themes of what will be presented on the second floor. That interpretive plan led to other grants, research and a lighting evaluation plans which lead to the exhibit plan that the Council has before them. They finished the exhibit plan in May and that has the different themes as far as what is going to be presented on the second floor. Included in the packet there are also some drawings that will show the layout of what the space will look like. They would like to apply for a large legacy grant in July for implementation. The total cost of the project, which is 3,300 sq feet, would be about \$450,000.00. They have been going around to all of the City Council meetings in Lyon County this past month to inform the Cities about what they have been working on, where they are at as well as asking for support of this project. The \$450,000.00 is a lot of money to ask of the legacy funding so they are putting as much of the cash match as they can on it. As of right now they have \$50,000.00 committed from Lyon County, \$2,500.00 committed from the City of Cottonwood and they have \$30,000.00 that the Lyon County Historical Society is putting in from their building fund as well as \$1,000.00 committed from the City of Lynd. They are still waiting to hear from Marshall, Ghent and Garvin as they will decide at their next Council meetings. Their hope is to get up to about \$130,000.00 to put towards the cash match for this grant. Cash matches are favorable and will put their grant application higher and their hope is to get funding.

Hess stated that what they are asking of the Council is for support. Also the way that they came up with their numbers for the City Councils is that they took the population of Lyon County and did a percentage of it. Based on the City of Tracy's population they are asking between \$3,000.00 and \$4,000.00 to apply towards this overall. All they need to know right now is the commitment because by the time the grant is actually applied for, which will be in July, they won't know if they have been awarded the grant until December of this year. Which means that implementation wouldn't actually take place until 2019 fiscal budget. If for some reason they did not receive the funds this year they would apply for it again next year so it then would not hit the budget until 2020. The goal for the Board and Andries side of things is to push hard to get it so that they can implement it in 2019. The reason for this is that in 2020 Lyon County turns 150 years old and they would love to have a large celebration with the opening of this new exhibit space. Schons questioned if they are asking for a dollar amount or just the Council indicating that they will support them? Andries stated that they would need a dollar commitment before July 20<sup>th</sup>, 2018 as that is when the grant is due. Tiegs suggested bringing it up at the next meeting so that they have a chance to look at the budget. Peterson questioned if they were

reaching out to other sources beyond Cities? Andries stated that they have applied for a US Bank Foundation grant in the amount of \$10,000.00 that they are waiting to hear on. They are also setting up meetings with businesses in Lyon County including Hy-Vee and Ralco on this Friday. In the exhibit plan one of the main themes is industries in Lyon County – one is farming and one is community. She also advised that along with asking for financial support they are also asking for support itself so that when they do get to implementation, whether it is in January of 2019 or the following year they will be seeking out more histories and artifacts for allowing each city to be represented on the second floor. Mayor Cooreman questioned if the second floor has an elevator and it was indicated that it does. Tiegs again suggested putting it on as an agenda item for the next meeting for a dollar amount with the understanding that they will support it. Andries advised that they can share these plans with family member and friends as this is public information. She also stated that with moving to the new building they are trying to make a big effort to represent all of the communities in Lyon County not only on the second floor but throughout the museum. Mayor Cooreman questioned what the museum hours are and it was indicated that they are open Monday, Tuesday, Wednesday and Friday from 10:00 am to 5:00 pm and Thursday from 10:00 am to 7:00 pm and Saturday from 10:00 am to 4:00 pm. Those hours are year round. Hess stated that they do have one more request – they do have a couple of board members that will have reached their terms this fall so if the Council knows of anyone that would like to be a part of this exciting time to let her know. Mayor Cooreman thanked them for coming.

Mayor Cooreman opened up the Public Hearing to Amend Section 2.03 of the City of Tracy Charter. Rosemary Martin, Chairman of the Charter Committee addressed the Council. She stated that the Council has the proposals in their packet. Campbell advised that the new Resolution is in front of them as an addition. Chairman Martin stated that the proposals are to change the Council from four members to six members as well as to change the term limits to straight language of 14 years so that it would also encompass any appointments to ensure that the member would get three fully elected terms. She pointed out that the Charter Commission voted for these changes to go to the Council unanimously which is a trick for 11 people and is asking that the Council pass it unanimously as well. As discussed previously it will be split into two different parts – one would address the term limits and the other the size of the Council. By doing this the voters will be able to vote on them individually.

Shirley Anderson, Charter Commission member addressed the Council. She stated that she would like to speak as a public person and respectfully ask that they all vote for this to go to the voters and allow them to make the decision.

Richard Brown addressed the Council. He stated that he does not feel that the size of the Council needs to be increased as it is fine the way that it is. He stated that he is also against the term limits proposal as he feels it is just a personal vendetta by a few people that are against certain people that have been on serving as Mayor and a Councilmembers in the past. He questioned if the 14 years would be retroactive and it was indicated that it would not. He also indicated that he feels that there are personal agenda's against people and as a citizen he is sick of the upheaval that has been taking place this past year as well as the character assassinations concerning councilmembers. They are good people. There was the extra cost of the special election and he does not feel that it is for the betterment of the community.

Mayor Cooreman closed the public hearing and opened it up for discussion of the Council. Peterson stated that he has two points that he would like to make. When the Charter first came to the Council to reduce the size from 7 to 6 he voted against doing that which is what drove it to the ballot. That decision was based on talking to a number of people that did not want it to go down. As the vote turned out the number of people that he talked to were the same numbers that voted not to reduce it, which was about 2 to 1 against them and resulted in the Council being reduced. He is a little confused as to why they would want to overturn a 2-1 majority. He is not opposed to it going to a vote as he does not believe that there will be any additional cost; however to echo Brown he feels that they need to be cognoscente of how other people feel about this. He stated that he intends to vote no on this resolution strictly to guarantee that it goes to a vote by the people. If it is voted on unanimously they could put it right in there no matter how it is written. Mayor Cooreman questioned if he will be voting no because he wants it to go to a vote and he indicated that is correct. She questioned if they all voted yes if it would then not

need to go to a vote? Peterson stated that is correct that it would not have to. Mayor Cooreman stated that she does feel that it should go to the public. Schons advised that she made a motion at the last Council meeting that they would approve to have the public hearing and that they would have it go to a public vote. She is confused as to why they would have to make the same motion again as it has already been voted on. Peterson stated that is why he is voting no because he did not think that they needed a resolution to make it go to a vote. Schons stated that her motion was that they would conduct the public hearing so that it would go to the voters no matter what. She is unsure about approving the resolution as she does not want to hear that this is a unanimous thing and it will just go into effect, she wants it voted on. She questioned if she needs to remake her motion for the resolution and it was indicated by Campbell that that was what the City Attorney gave them to do. Ambuehl questioned if this is official then and they want to push it forward even though it may not have been the right steps? This resolution is addressing every concern and it is in writing then. Mayor Cooreman stated that according to the resolution, if they voted unanimously it would not need to go to the voters. Peterson stated that if they all voted no they could still do a petition and they would still have time to get it on the ballot. Schons stated that she feels really strongly about the petitions and does not want to go that route. If it is going to go to the voters one way or another she would rather it go to the voters by way of the Council. Peterson again stated that he would be the nay vote so that it is covered both ways. Daniels stated that according to Resolution 2018-32 it indicates that "after consideration was given to the public's comments, the City Council unanimously voted to have the proposed ordinance No. 367 be submitted to the qualified voters of the City of Tracy at the next general election on November 6, 2018 pursuant to Minn Stat. 410.12, subd 4". He stated that he feels the resolution is indicating that it will be put to the voters. Ambuehl stated that as it is written if it is not unanimous it will go to a voted? It was indicated that if it is unanimous it will go to a vote. If it is not unanimous it would then need to go to a petition. Peterson stated that he is confused as to why they have two resolutions. Who wrote the first one? Campbell advised that Matt Gross, City Attorney drafted the ordinance and all that is done for the resolution is to add the resolution number at the top. She and Daniels looked at it and decided that they should check on it as they were not comfortable with the way that it was written in regards to the question. That was when Gross came back with the new resolution. Daniels stated that the way that the ordinance is written it is just one question, which would be a yes or no on everything. The Council had decided to keep the questions separate so they wanted to make sure that happened. Peterson again questioned who wrote the first 2018-32 that was sent out in their packets and then paid him to write another one. Campbell stated that the first one was drafted by Gross but the two questions were not separated, which was why Daniels contacted Gross. Tieggs stated that they should not have to pay for the second one when it was not done correctly the first time. Ambuehl indicated that he will talk to Gross about it. Schons stated that the one that is now in front of them is redundant as it has the questions broken out twice. Ambuehl questioned if there is anything else the Council doesn't like about that one? Schons indicated that where it says "Now therefore be it resolved" both of them indicate that it will appear on the ballot in the form of two separate questions. She is fine with that as that is what they asked for. She just doesn't understand why it is restated. Peterson stated that he does not like the idea of having a resolution written with a vote that hasn't even been discussed or voted on. Whether they take action on the resolution tonight or they table it until next week and have one that is written properly they should not have to hold another public hearing. Martin stated that they just need to make sure that they have enough time for it to go on the ballot. Daniels and Peterson indicated that there will be plenty of time for it to go on the ballot as they have until the end of August. Peterson stated that whatever the close out date for filing is when it would have to be presented to go on the ballot so there is plenty of time. Ambuehl questioned if every vote is against it, it would automatically go to a vote? Campbell advised that it would then have to be done by petition. If they all voted yes it would then go to a vote. Peterson stated that the way that it is written that is correct. The way that it happened last time there was no petition involved and one councilmember voted no and it went straight to the ballot without a petition. Tieggs questioned if they want to table it and make sure it is written properly? Mayor Cooreman questioned if everything is ok and it will be sent to the voters, do they want to pay him to look at it again? Peterson stated he won't vote for anything with the way it is written. The Council decided to move on with the agenda until they get to 13B and discuss it further.

A Petition of Local Improvements from Kimberly Pedersen was presented. Motion was made by Peterson, seconded by Tieggs to approve the Petition of Local Improvements. Peterson

questioned if that is both sewer and hookup? Daniels indicated that it would be just the sewer. Peterson questioned if she has a sump pump and Daniels indicated that he doesn't know that she does. Peterson requested that Daniels check into it and if she does to have it included on this petition. All voted in favor.

A request from Senior Dining for use of a storage room and to have the fee waived was presented. Peterson stated that he was approached by Kim Kalas who works for LSS, the City and is involved with Senior Dining at the MPC. LSS moved their storage out as they are reducing inventory and there is a place beneath the steps that LSS was using. The request is to allow Senior Dining to store their Christmas/Seasonal decorations in that area without paying a fee. He indicated that Senior Dining is raising money for items purchased for the center. He would like to see the fee waived. Daniels advised that rooms like that are not on the fee schedule as it is not a rentable room. Motion was made by Tiegs, seconded by Thao to allow Senior Dining to use the storage space at no cost. All voted in favor.

Jeff Carpenter, EDA Director addressed the Council regarding the sale of EDA property. The EDA and the City owns property at 58 Morgan St and 62 Morgan St. They acquired them together as the lots themselves were too small to put anything on them. There is someone within the community that would like to move a house into town, put it on a basement and put either an attached or detached two car garage on. We currently are not collecting any taxes at all on those lots and they would be putting a nice house on it. There are some lots here in town that could be for sale if people wanted them and would be given to at a very low amount of money as long as they incur all of the bills that go along with the sale such as the filing fees, any hook ups to water and sewer and anything else that needs to be done. Some of the things that have been written in there is that Carpenter will get to check to see what the house looks like before it gets moved in as well as putting a date on it. There have been too many times in the past when they have sold things to people and they just sit on it. He has looked at the house and it is a very nice house to move in. He has asked for a date of December 31, 2018 to have it placed and they will then have something on the tax rolls. This will have to go to a public hearing as any kind of sale, even though it will only be \$1, needs to have a public hearing. Motion was made by Peterson, seconded by Tiegs to set the public hearing for July 23, 2018 at 6:45pm. All voted in favor.

A request from National Night Out to make a donation for the rental of picnic tables was presented. Right now their picnic tables are becoming slim as they have had to get rid of quite a few due to old age. Tiegs questioned if these are the same picnic tables that are used for Box Car Days and it was indicated that they are. Daniels advised that a National Night Out representative came before the City Council last year and the Council agreed to guarantee them \$1,000.00 if they needed for this event. The basis was per request each time that they wanted the funds available to them. They are currently asking for the full \$1,000 for picnic table rent. The shop will get them as many tables as they can as well as moving bleachers in for that night. Peterson questioned if there is money in the budget for this and it was indicated that there is. Schons questioned how much a picnic table costs to buy if they were to buy new ones? She stated that they may be better off buying more picnic tables versus renting them. Daniels advised that for the heavy duty wood picnic tables they are around \$350.00 each. He indicated that their initial request was to take the \$1,000.00 and apply it towards picnic tables and accumulate three picnic tables a year. He stated that they already do that as he budgets some for it each year; however this year has been a really hard year on them. Every one that the City owned went south on them all in one year. They have already disposed of 6 or 7 of them. They had 7 purchased from last year but they have also gotten rid of 6 last year which is why they are down to three rentals when they used to have 12. Tiegs expressed that they will want to slowly build it up again in order to cover events like this but for now they will have to do the rentals. Daniels stated that the legs were falling off of them and to prevent any further damage or incidents they disposed of all of them that looked somewhat sketchy or if they picked them up and the boards would come off before the table would leave the ground. They have now gone to the metal frames as they last a lot longer. Motion was made by Schons, seconded by Thao to give National Night Out \$1,000.00 for this year to go towards the rental of picnic tables. All voted in favor.

Continued discussion took place on Resolution 2018-32. Mayor Cooreman questioned if the Council would like to table it until they are able to get clarification from Gross? Schons expressed that she feels that they are making it more confusing than it needs to be. The original one made more sense to her as the new one is even more confusing. She would like to see it tabled. She feels that the Council is in agreement with what they want to have happen; however the resolution is not clear. Ambuehl indicated that he will contact Gross and questioned what the Council does want it spelled out. Schons stated that in her mind she understood that it would be a request from the Charter Commission to change the two separate parts – the first being the number of the Council and the second being the term limits. When that proposal came to the Council they then would vote to put the issue on the ballot. She doesn't understand why there is a resolution as she understood the motion to be good enough. Campbell pointed out that the fact that the questions are on there twice is how it should be. Ambuehl advised that it is explaining it in the first portion what each question is and the second portion is telling you what you are agreeing to. It also indicated in the resolution that it will go to the ballot. Schons questioned if it has to be on there twice and Campbell stated that it does. Schons questioned if she made a motion to pass the resolution if it has to be unanimous to go to the voters? Peterson stated that he has never done a resolution where the Council votes before the resolution. The resolution before them indicates that they voted unanimously to approve it and they have not even voted on it yet. Daniels pointed out that that is only if the Council approves it. If it is not approved then it would not be a unanimous vote. Peterson stated that he would feel better to have the option to have one no vote on it so that it is covered both ways. Daniels stated that it may be a requirement that it has to be a unanimous vote or it wouldn't pass. Peterson stated that he would appreciate an explanation on it. To him it is very presumptive that they want it to go to the voters so it will just be assumed that it will be unanimous. Ambuehl pointed out that it is not saying that they voted unanimously on it, it is saying that after consideration given the public's comments the City unanimously voted to have the proposed ordinance be submitted. Schons stated that they did unanimously vote at the last meeting that they wanted it to go to a vote and feels that those were the comments that are being referred to in the resolution and not from the public hearing comments. Peterson stated that they now have had a public hearing with people that objected to it. Ambuehl indicated that the resolution is stating that at the last vote it was unanimous and that the Council wanted it pushed to the voters. Now, by passing the resolution it would be pushed to the voters. Schons questioned if the resolution itself would have to be passed unanimously? Peterson stated that it does if you want it to go to the voters. He would like a no vote. Schons stated that if they have a no vote then it will not go to the voters and would then have to be done by petition. Peterson stated according to this resolution that is correct. Martin addressed the Council and indicated that if what Peterson is saying is true and they have until August maybe they should table it and ask these questions of Gross for clarification. Martin stated that it is important that this goes to the voters and Peterson indicated that he has no problem with that. Peterson pointed out that it would have been different had they received the revised one last week and they had time to call him about it. Martin stated that they do have time to table it and the other thing that came back to her was that she did e-mail Gross and the clarification is that they did want the questions in two separate sections. The other part of it is that the term limits are already actually a part of the Charter. This is just clarification of that to include all of the appointments. Peterson stated that if she goes back to the history of the term limits the City Attorney and the previous Administrator stated that they are not in effect as they were not put in the Charter properly. Because of this they technically are not in there. Martin indicated that they are in the Charter and they are just clarifying it. Peterson stated that they were not voted on by the Council and they were not voted on by the public according to the research. She has the original Charter and it is definitely in there as twelve years; however what they have clarified is that there are people that are appointed that should get a go at the full twelve years following their appointments. There is no evidence in the Charter that it was ever taken out. The only evidence of changes in the Charter was when it was changed in 2011. She stated that she would forward on her communication from Gross if that would help them clarify it. Schons questioned Martin if she is continuing to communicate with him or is she going thru the Administrator? Martin advised that she just did it the one time. Ambuehl stated that he feels being that it has already been paid for once that they should be able to get clarification on it. He will ask for that and he will then forward the information to them when he receives it. This may be exactly what the Council wants; it may be just the verbiage that needs to be addressed. He stated that what he needs to ask Gross for is clarification of the whereas portion and the unanimous vote. Peterson advised that the unanimous vote would be

the question as he does not feel that is necessary for it to go to the ballot. We have had resolutions for other things that did not require a unanimous vote on it. Martin pointed out that it is an ordinance so they will want to make sure that everyone is clear on it. Peterson advised that he has voted against ordinances in the past and it did not need to be unanimous. He thinks that there are certain things that require a unanimous vote to change an ordinance without it going to a ballot and one of them was paying to hookup someone's utilities on a construction project. Ambuehl stated that he feels where it says unanimous it is the whereas which is past tense from their last vote. Peterson stated that it then should have had that date on it and it should not be addressing a public hearing that was just held. Ambuehl asked if the other question was the fact that the questions showed up twice? Peterson stated that that does make sense now. The Council agreed to table it until the next meeting.

Resolution 2018-33-Approving payment to Reiner Contracting for work completed on the Stabilization Ponds was presented. Andy Boyle with I&S Addressed the Council. He stated that Reiner is requesting \$354, 685.04 for work completed over the past month. This is less than some of the other payments due to the wet weather. With that said as of right now they are still on schedule to finish on time; however they are looking at beginning to work some Saturdays. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-33. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable-with and without Breakthru Beverage, Municipal Accounts Receivable, Planning Commission minutes from 5/7/2018 and MPC Minutes from 4/16/2018. Motion was made by Schons, seconded by Tiegs to approve the Accounts Payable without Breakthru Beverage. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the balance of the consent calendar with Breakthru Beverage. Voting in favor: Peterson, Mayor Cooreman, Thao and Schons. Abstaining: Tiegs. Tiegs suggested in the future doing the Breakthru Beverage separate and then the remainder together so that he is able to voting on the minutes and Accounts Receivable.

The land purchase proposal from Rosemary Martin was discussed. Martin advised that she did go to the County Recorder's Office regarding the easement and she is asking that this be tabled until her attorney has an opportunity to look at it. Daniels advised that he also heard back from the Recorder's Office and they gave him a whole bunch of lots and portions of lots and he would have to interpret that himself. He sent them what he had and they were unable to locate a recorded document. There was no document number on the one that Daniels provided them so they searched for it by legal. Martin stated that there is a recorded easement and it has been sent on to a real estate attorney to give her a solid interpretation. Daniels stated that all the Recorders Office knew was that it was prior to 1987 and Martin indicated that it definitely was. This will be put on the next agenda under unfinished business.

There was a discussion regarding utility rates. Daniels stated that he put it on the agenda to initiate discussion on how the Council would like to move forward with utility rate increases. Peterson questioned if they can go back and find where they are at as far as the increase in regards to the last raise in rates? Daniels stated that they could possibly take the number of months that has been completed and compare it to those months. Peterson expressed that it needs to be looked at and put on the next agenda to be walked up slower. It would be nice to see what progress was made on the last increase prior to spending \$18,000 to have someone tell them how much to raise it. He informed that spending that kind of money to inform the public that they are going to raise their bills does not set right with him. He also indicated that there is software out there that can project it as well. The League of MN Cities had a beta version for \$400 or \$500; however that may have been too long ago. Ambuehl indicated that he will check with the League and report back on it.

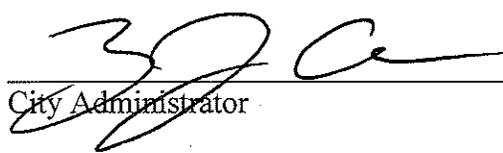
Peterson questioned if the land on the Highline Road where they are putting a Solar Garden farm should be clarified what it is zoned and what the tax base on it is. If it could be changed from ag to tax it at the rate it should be at it could generate some funds and assist in paying for some of the things the City is spending money on. Mayor Cooreman questioned if that is part of the project going on by the Airport and it was indicated that it is not. Daniels thinks that it is the same company that is initiating the project; however it is between them and the landowner. It would not involve the School or the City. Mayor Cooreman stated that when they put solar panels up in New Mexico they put them up in parking lots so that people could still park their car

under it and it then does not take up the land. Snow plowing issues that would cause was discussed.

Tiegs stated that residents are continuing to blow their grass clippings into the street. They have been asked not to do that and this might be a time to have Chief Licthy start ticketing for it. People need to be aware that at some point in time the City will need to take more drastic measures. Peterson stated that if they do it that they need to sweep up after themselves. Schons questioned how people that have just purchased property would know about the ordinance? The people that purchased the fourplex have been blowing it into the street. Does the City need to send a reminder letter out? Tiegs stated that it may be just as simple as finding out who is mowing the lawn and informing them. Schons stated that should be the owner's responsibility as they will be the one to get the fine. Peterson feels that Chukuske has likely informed them already.

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

ATTEST:

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

  
\_\_\_\_\_  
Mayor

# JULY 9, 2018

707

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 9, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl, City Administrator and Diane Campbell-Administrative Assistant. Absent: Shane Daniels-Public Works Director.

Pledge of Allegiance was given to the flag.

Mayor Cooreman asked for the approval of the June 25, 2018 minutes. Motion was made by Tiegs, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Ambuehl stated that he would like to add 13C-Tracy Relief Association Minutes from April 2, 2018 and June 4, 2018. Motion was made by Tiegs, seconded by Thao to approve the agenda as amended. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Jason Lichty, Chief of Police addressed the Council during the public comments section. He stated that he wanted to take time to do a public service announcement as well as to update the Council. They are still asking for everyone who was affected, whether it was just a little bit of water in your basement or a total catastrophe, to report the damage that was done. He asked for the public's patience as they only have one person answering the phone as there is only one phone line. Because of this it may take some time to get thru; however they can also get thru by e-mailing the form that can be found at [tracymn.org](http://tracymn.org) or on the City website. If a phone call is made and you get thru it only takes about 2 or 3 minutes to answer a few simple questions. He stated that he has seen on the news that there was a warning put out regarding scammers. There have been a couple people in town that have had phone calls claiming to be from FEMA when they are not. This is a warning to the residents to not fall prey to scammers who are looking for money upfront. Residents should use local contractors and companies that they are familiar with or have heard advertising from in the past. If you have people coming to your door looking to help make sure that they have a business card or are in attire that represents their company. Look at the vehicle that they are driving and make sure that it has markings on them that represents the company as well. As of today many residents have already reported damage and approximately 8 businesses. They have handed out over 100 Red Cross cleanup kits out of the 400 that they received. He also shared 100 of them with the Murray County Sheriff's Office and 50 more today with Lyon County. They will be continuing their dump site and to date they have hauled over 350,000 pounds of debris. This will continue this Thursday from 12:00 pm to 7:00 pm and Friday from 9:00 am to 3:00 pm. If a resident is in need of volunteers to assist in getting things out of their home and having it hauled contact Pam Cooreman who is working the volunteer hotline. The phone numbers were given for the public's information. This would be for both people that want to volunteer as well as people that need a volunteer. Chief Lichty advised that there are a couple of volunteer organizations that would like to come and assist on Thursday; however if they do not have any one pre-arranged for them to assist he will not have them come.

Chief Lichty also took time to thank several organizations including the Tracy Fire Department, Ambulance and Public Works employees. Their dedication to the City was astounding by answering the call and working long hours knowing that their own properties were flooded and what they had to go home to. That was pure dedication by these people. He also thanked Dale Johnson III and Shane Daniels for being great leaders and working hard together. The Fire Department and Public Works work very well as a team and they are the reason that Tracy still has a grocery store and a gas station. If it were not for the strong efforts of these two leaders Tracy would likely not have these two businesses in operation today. He also thanked all of the other fire departments that came and helped which included Garvin, Balaton, Marshall and Walnut Grove Fire Departments and for the Mutual Aid that they provided thru the week. He also thanked C&B Equipment for the use of their tractor, the City of Saint James which provided them with pumps, SW Sanitation who put Tracy high on their list to assist hauling the garbage

and debris, Lyon County Landfill for extending their hours, NPL out of Lakeville which assisted them during the flooding, Reker Construction from Adrian who assisted them with pumps and Midwest Contracting who also assisted them with pumps. He also thanked all of the people who donated food and water and for the working fireman, Kendall Cooreman and Lyle Noomen for their hauling and for the citizens of Tracy for being patient. He apologized for the calls that he did not get to that day as everyone's basements were flooding. This will be a long recovery and he is hopeful that the patience will continue. This was bad but it could have been a lot worse.

Mayor Cooreman stated that she would like to echo what Chief Lichty said as they all did an amazing job. She thanked the Police Department, the Fire Department and the City workers as they all did a great job as well as the citizens that stepped up to help.

Dale Johnson III, Fire Chief addressed the Council. He would like the people of Tracy and the Council to know that on Ambuehl's 7<sup>th</sup> day of employment with the City that Chief Johnson seen him at 6:45 am in down pouring rain working on a pump that was pumping sewage in full gear. He stated that he would also like to add that Chief Lichty and his crew did an amazing job as well as Public Works, the Fireman and the City Administrator. In three days the four of them spent maybe two hours together at random times and all four of them knew what the other one was doing and if there was something that needed to be done, it was done. He again pointed out that at 7:00 am to have your City Administrator standing next to a man hole trying to fix a pump was very impressive. Mayor Cooreman pointed out that Ambuehl was also in the office on the 4<sup>th</sup> of July. The audience gave a round of applause for all involved.

David Spencer addressed the Council during the public comment period. He expressed that he would like to re-iterate what Dr. Brown had stated at the previous Council meeting regarding the proposed Charter changes. He indicated that some of the things that are going around regarding the "character assassination" against Peterson and Bill Chukuske need to stop. He stated that he thought that the Council might like to know how Chukuske became the insurance agent for the City's health insurance. He indicated that if they want to blame it on someone they can blame it on him. The biggest thing that the Council needs to do is to have the Charter Commission give a basis for why they want to increase the Council size again. He feels that it is a slap in the face to the people that worked so hard to reduce it. Now they want to turn around and increase it again with no kind of a study or anything like that. He advised that not many cities have Council's as big as 7 anymore and if they do they are usually representing larger precincts throughout the city. He feels that when it was at 7 it was left over from back in the 1970's and it was finally reduced in 2011. He would like the Council and the Charter Commission to do more research regarding this.

Rosemary Martin, Chairman of the Charter Commission addressed the Council. The Commission is requesting a Council representative to attend the next Charter Commission meeting which will be held on July 25, 2018 at 10:00 am to discuss Tracy's role in the Hospital Board. She stated that the Charter Commission was working on Board by-laws at their last Charter meeting. The Library Board came with their updated recommendations, which was wonderful. They are still confused as to what Tracy's role is on the Hospital Board and would like a Council member present to figure out how to move forward as far as the Hospital Advisory Board is concerned. They are questioning if it should be removed from the Charter all together. Peterson advised that the reason that it was in the Charter was because the City used to own the hospital. The City no longer owns the hospital; however part of the agreement of the sale of the hospital was that Sanford would maintain a Hospital Advisory Board with members from all of the communities served. The City has no dog in that fight and the previous Mayor indicated that he would like to stay on it but as a citizen not as Mayor. He feels that it should be up to the Hospital to find their Board members. Mayor Cooreman informed that she was on that Board; however without having the whole background she doesn't know the answer to what Martin is asking. Schons advised that the desire is that a council member continues on the Board to stay in the know so that if the citizens had questions they would be able to speak knowledgeable about it. Peterson stated that the answer is that they should consider reducing it from two councilmembers to one. Martin informed that it would still need to be reflected in the Charter which is why they are requesting a council member attend the next Charter meeting. That way they could get the language into the Charter correctly. Schons volunteered to do it as she is an employee at the hospital and would make the most sense. Ambuehl also pointed out that the

City does have the Tracy Medical Center Trust Fund that they still manage. Schons stated that when Sanford bought the facility there was a plan laid out as to what capital projects needed to be done which is what that fund would be spent on. As the hospital does those projects they would then bring that forward to have the money disbursed to them out of that fund. Peterson pointed out that that would then be a Council decision; however it was a condition of the sale. Peterson advised that it also states that the Council would control those funds based on the request by the hospital.

Rosemary Martin stated that the Charter Commission is also requesting the Council to direct the other Boards to update their information and get that to them so that at the end of the year when they do their yearly report it can all be done as one. They are targeting October of this year to have all of the information from the Boards turned in. Ambuehl is to send a notification out to all of the boards.

The purchase of a John Deere lawn mower and a trade-in was discussed. Ambuehl advised that as part of his equipment budget he has been searching for a lawn mower and came across one that is similar to what he already has. It is used with very low hours and will be sold at a substantial discount. The total of it does fall under the amount for approval; however the starting amount is over the \$20,000.00 cutoff. For that reason he wanted to run it past the Council. They are asking \$22,000.00 but with the trade-in it would bring it down to \$13,500.00 which is a big cost savings. Motion was made by Peterson to allow Daniels to purchase the lawn mower from C&B Enterprises for \$13,500.00. Ambuehl added that it also involves the trade in of a current lawn mower so that would need to be approved as well. Peterson added that to his motion. Motion was seconded by Schons. All voted in favor.

Chris Larson with I&S addressed the Council to set a Public Hearing for Phase 3 for July 23, 2018. He stated that he heard nothing but great things following the events last week about City staff. This agenda item is one of those Rural Development boxes that needs to be checked. It is not the same as the Statute 429 process where they go into more detail. The end of the month would be when Rural Development needs to obligate their funding so they are getting down to the end. Peterson questioned when they get done with this process if they will be looking at any type of shovel in the ground until 2019? Larson stated it would be 2019 and beyond would be the goal. He stated that the Council has authorized them two different times to start working on surveying and geotech/televising. Hopefully they will get the funds obligated at the end of the month or the first week of August at which time they could actually be formally authorized to move forward with it. They would be able to be in the ground in 2019 with the first sub-phase 3. They foresee it being split into four construction contracts – the first one would be 2019, which his understanding is that the money does not need to be spent until the end of July 2021 for that. The other three contracts – one could be awarded in the fall of 2019 and the other two in 2020 and wrapping it up in early 2021. Peterson was looking more towards debt as the next bond will need to be paid off in 2020. Larson stated that other cities have structured bonds where the payments are quite a bit less the first couple of years and once other debt comes off they increase. Peterson pointed out that the Council had their hands slapped on the last audit and the amount of debt that is being carried by these projects. He stated that there is no argument that it needs to be done, they just need to keep an eye on how it will be paid for. Tiegs questioned how the surveying is going and Larson indicated that it is going well. They were only working on the first phase-3A, which are basically Third Street and one block in each direction. They are pretty much wrapped up with that. They have done what they can with doing the lateral launch from the main up services so it is a matter of getting access to the homes. Tiegs questioned if they have contacted everyone that they will need to get into their house and to go from the house out? Larson believes that they have sent letters as well as door hangers so it is just a matter of catching people. He feels that if they get things obligated the first week of August they will be in a good position for the Phase 3A to be able to get in the ground in 2019. Motion was made by Peterson to hold a public hearing on July 23, 2018 at 6:55pm. Larson stated that the notice that was published was set for 7:00. Peterson amended his motion with a time change from 6:55 to 7:00. Motion was seconded by Tiegs. All voted in favor.

Resolution 2018-32-Ordinance Amending Section 2.03 of the Charter was presented. Ambuehl stated that he received clarification from the City Attorney regarding this resolution that was presented at the previous Council meeting. He would like to have this one cancelled so that they

can approve 12C-Resolution 2018-35. That one does not indicate that it has to be unanimous and is more comfortable to read. Motion was made by Peterson, seconded by Thao to cancel Resolution 2018-32. All voted in favor.

Resolution 2018-35-Ordinance amending Section 2.03 of the Charter of the City of Tracy was presented. Schons stated that if she read it correctly it is just saying that they are going to send it to the voters again? Ambuehl stated that if this one is passed it will go to the voters and it will be put on the ballot. Motion was made by Schons, seconded by Thao to pass Resolution 2018-35 to allow it to go to the voters. Tiegs stated that he still questions why this needs to be done. Schons informed that she is not stating that she agrees with increasing it to seven; however if they don't approve this the Charter Commission feels strongly enough about it that they will then petition to have it put on the ballot anyway. She is unaware if it is a state law that you can do a petition to get around the Council, but she does not want to deal with that. Tiegs stated that he does not either and he has been questioned if they can get a petition to force it on, can they get a petition to force it off? Schons stated that is a legitimate question and her concern is that they start acting like adults and work as a community and for right now it needs to go to the voters. She had questioned what would prevent this from happening again in two years? She would like to see what they can do as far as that goes and how many times and how frequently they are allowed to do it. Peterson stated that he would like to see some sort of justification as to their request. Martin addressed the Council and advised that is not true and that it was brought forward with justification as nine people, who do not agree on a lot of things, unanimously agreed that what they need on their Council right now is diversity, which is what will keep them from running into the same problem that they ran into before with the recall. That was exactly why they did it. Nine people unanimously decided that. Peterson stated that he knows of 30 that would sign one saying they don't need it. He questioned what the justification is and Martin stated that it is so that there would be more representation from the community and less possibility of the Council becoming skewed as that was how people felt in the past. Schons stated that what Peterson is asking for are things that are factual. Peterson stated that they do need to stick to the facts and not emotions. Martin advised that the facts are that previously people felt that the City was better represented when there were six people on the Council which is the reason that they brought it forward to the Charter Commission. Peterson informed that at the time that it was decreased it was decided by a lot more people that seven was too big and five was better. That was a two to one swing. He stated that he will be voting against it no matter what as that is also how he will vote at the polls. He stated that Spencer's point was that they can't just keep beating the drum until they get their way. Martin stated that she wants to be crystal clear about the fact that nobody on the Charter Commission was assassinating the character of a Council member and that there were no names discussed. There was nothing like that and the minutes will reflect that. Peterson stated that no one said that there was. Martin pointed out that it has been stated at the podium twice that that was the reason why they are proposing it and that was not the case. It was strictly because people felt like there was a better representation before. They are very happy with the current diversity; however they want more diversity. Schons stated that is why she is saying that it needs to be put to the voters. She just wants to make sure that this does not keep coming back every two to four years. How they can make sure that doesn't happen she doesn't know and does not want to continue to pay legal fees to figure out how they can play as adults together. She does not want to see it brought back regardless of the outcome by the Charter Commission or by the public. She questioned what assurance Martin could give her that this will not happen? Martin informed that she cannot give her any assurance that it will not keep coming up. She feels that they have to let the people speak. Tiegs pointed out that they did in 2011. Martin stated that they are now speaking again to the Charter Commission and all nine of them agreed with it. Tiegs stated that he could go out tonight and find nine people against it as well. He has already had a dozen people tell him that they are against it and questioning if they can do a petition to not allow it to go to the ballot. Martin stated that she does not know the answer to that and she feels that they as voters have the right to do that. Mayor Cooreman stated that Schons indicated that it needs to go to the voters and if the majority does not agree it will not pass. She does feel that they need to let the voters speak and look into how they can prevent it from continuing to happen. Peterson questioned who is to say that if it gets on the ballot and it doesn't pass that they won't petition it again right away which would create another special election. Schons stated that she is looking at Martin as the Chairman of the Charter Commission and asking her for assurance. Martin expressed that she feels that the Charter Commission would accept it; however there may be citizens that would

not accept it. She cannot dictate what will happen beyond the Charter. Schons questioned if she could, as Chairman of the Charter, assure her that it will not come back from the Charter. Martin advised that would be up to the other eight members. Schons stated that she continues to indicate that all nine of them voted on it and she knows how strongly they feel and questioned what her gut was telling her. Martin stated that she feels that they would abide by what the voters decide; however that does not mean that other voter groups couldn't decide what they want to do. Schons agreed that she can't speak for the voters as a whole. She is just asking right now that Martin give her some assurance with moving this forward as the Chairman of the Charter Commission. Martin stated that the sole reason for this was that the Charter wanted to have diversity so that there is not another situation like the City had previously, it had nothing to do with character assassinations or personalities. The Charter minutes are there to be read. Voting in favor: Schons, Thao, Mayor Cooreman and Tiegs. Opposed: Peterson.

Resolution 2018-34-Appoint Election Judges for the Primary Election on August 14, 2018 was presented. Motion was made by Tiegs, seconded by Thao to approve Resolution 2018-34. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Planning Commission Minutes from 6/4/2018 and Tracy Relief Association Minutes from 4/2/2018 and 6/4/2018. Motion was made by Tiegs, seconded by Thao to approve the Municipal Accounts Payable without Breakthru Beverage, Planning Commission minutes and the Tracy Relief Association minutes. All voted in favor. Motion was made by Peterson, seconded by Schons to approve the Breakthru Beverage accounts payable. All voted in favor.

Rosemary Martin addressed the Council regarding an easement for an easement. She did find the easement dated December 12, 1968 which was for a municipal parking lot. Presently it is not being used as a municipal parking lot and per her legal advice the easement is not gated for that purpose. The City is not using it for its original intent; it is presently being used as an alleyway. Martin indicated that she spoke to Ambuehl and they propose that she get an easement for the blue section for parking in exchange that the City is allowed to continue to use her property that she is paying taxes on for the alleyway. Ambuehl pointed out that the easement does state that it is for municipal parking. He has talked to both the League of MN Cities as well as Matt Gross, City Attorney and they indicated that it is a messy legal and it could go one way or the other as far as if the Council wanted to fight it. Martin stated that she does not want to make this a messy deal and pointed out that she is paying taxes on property for the City to be able to use it. There is an emergency egress that runs thru there which she supports; however in return for that she would like to have a place that she can indicate that her people can park without problems of being towed. She would like to put up her own signs that indicate that that spot is for apartment renters parking only. This is the tradeoff that she is proposing. Schons stated that Martin is requesting the blue square in exchange for the City to have the right of way – is that correct? Martin advised that it would be a 99 year easement. Motion was made by Peterson to offer a conditional use easement for the blue square with the condition that if that property that it sits on is sold that the easement would no longer be valid. Martin stated that she is not interested in doing that. It has to be tit for tat as she needs to have protection for her apartment and for her people to have a place to park for the full term of the easement. Peterson indicated that he would finish his motion later. Tiegs questioned how many cars that spot would hold and Martin indicated it would hold two. She also stated that she could take her easement back and put parking in for all of it. Peterson stated that as long as the City owns the property the easement would be valid; however if that property was ever sold Martin would have the right of first refusal. He expressed that was what he was trying to say before he was interrupted when he was making his motion and then if she wanted that land at that time she could buy it rather than portion it out. Martin questioned if they would set an amount to that now and Peterson stated that they could not do that. Martin pointed out that the City is essentially getting full use of that property for nothing which she is paying the taxes on. Peterson stated that the City is paying for all of her snow removal in that alley and the City has not billed her for that property yet. Martin informed that they do the whole alley for everyone. Peterson stated that no one is being billed for that as the easements run along the same way. Martin stated that is for alley clearance; however she pays for her own snow removal as well as everyone else. Schons questioned if they could do the easement as long as that property is being used as an apartment building? Martin stated that would work for her as long as it would stay in

place if it is sold providing it's use remains as an apartment building. Mayor Cooreman stated that makes sense to her verses closing the alley. Schons stated that she is hesitant because she has had people come to her and question what they are going to do it there are more and more people that want to turn downtown buildings into apartments and if they will be giving little pieces of land for everyone to have parking? Martin stated that they would send up a big hooray because if people are going to put apartments in there and those buildings don't become green space the City should embrace that. Schons stated that what she would want that is different from this one is because of the easement. Schons questioned if Martin is saying that she will let them use a piece of property if the City lets her use theirs? Martin stated that is correct as long as that piece of property is used as apartments. Tiegs questioned if there are any easements north of that as this is an alleyway basically going straight thru. He feels that they could end up with the same issue down the road. Peterson suggested to make it simpler let them park in the municipal parking lot and they can clear that parking lot last instead of first. That would be off street parking and it is a municipal lot that everyone can use. It is only 20 steps farther than where she is trying to get parking. Martin stated that to be clear she is only interested in trading and she is hoping that they would work that out for other people as well as the City does need people to buy those buildings and to put apartments in there. Peterson stated that he thought the initial issue was off street parking for her tenants, he did not realize that it was a this for that agreement. Martin again pointed out that she is paying taxes on that property for people of the City to use. She is just asking that she be granted an easement for her to use for parking. She is hopeful that the Council would look at it for the next person that comes along and decides to put apartments in on the other side of the alley as well. She wants the Council to encourage people to do the same thing that she is doing and making something out of the buildings downtown so they don't become expensive green space. Peterson questioned if she has renters yet and Martin indicated that she does. Peterson questioned if that building is occupied and Martin stated that it will be as of this weekend for the downstairs. Peterson questioned if she has sufficient parking for the time being and Martin indicated that there is. Motion was made by Peterson to table it until they have an opportunity to investigate further. Mayor Cooreman questioned what they are investigating and Tiegs stated that they would be trying to figure out how to make it work. Schons stated that she would second that motion if it is not pushed out so far. She would like to give it a little more thought and not make a quick decision so she would like to table it with the understanding that it is not a no, just them taking time to investigate. She agrees with Martin, the more apartments that they can get in Tracy the better. The motion was seconded by Schons. All voted in favor.

The utility rates were discussed. Ambuehl stated that at the last Council meeting they asked him to look into software with the League of MN Cities. He talked to one of their IT Technicians and they indicated that they do not provide anything like that. They suggested that Ambuehl use one of their communication chat window to reach out to other cities. The events of the flood on Tuesday hit and he has not done anything further on it. Ambuehl stated that the Council also asked what the difference was and they pulled the last three months from 2017. August was \$79,928.00, September was \$89,754.00 and October was \$95,577.00. The bottom graph presented shows comparisons for 1<sup>st</sup> and 2<sup>nd</sup> quarter. For 2017 it was \$469,519.00 and for 2018 it was \$540,132.00. Ambuehl stated that it was impactful just unsure if that was what the Council was looking for. Peterson stated that it is nice to see it trending in the right direction, they just need to know how far to go. He also stated that in regards to the software there was a company that was at a League of MN meeting roughly 6 years ago that had presented software that assisted with projecting utility rates. Ambuehl advised that there is a company out of Staples that researches things like this as well for the purpose of selling the software and he is waiting to hear back from them. Peterson stated that if they could pick up a \$1,000.00 piece of software verses \$18,000.00 to have a utility rate study done he feels that it would be well worth it. He also stated that they are closing in on a year since they raised the rates and they know there was an impact. Maybe they need to look at a number to bump it up again for this year. Tiegs questioned if it was a percentage the last time? Campbell stated that it was a dollar amount on the base rate and a percentage on the usage rate. She indicated that she believed that it was a 25% increase. Tiegs asked Ambuehl to look into it so that they can see how much it went up. That way they could see how much the average water bill will go up. Peterson advised that the last one went up about \$25.00. Ambuehl questioned if the Council would like him to find software that can do forecasting as well as what the last increase was for the next meeting and it was indicated that is correct. Peterson stated that based on what he is seeing with

the numbers if they bumped it up again at half of what they did the last time they would still be going in the right direction and would not be such a large jump for anyone. They picked up roughly \$60,000.00 from the last one, which is not close to what the deficit load is but it is better than where they were at before. Ambuehl indicated that he will do some research on it.

The Solar Garden on Highline Road tax base was discussed. Ambuehl advised that on the 2020 tax statement it will switch from agricultural to commercial classification. Tiegs questioned if it is the whole chunk of land or just part of it? It was indicated that it is just half of it. Mayor Cooreman questioned if it changed for the Solar Gardens that the City has and it was indicated that it is exempt as it is City owned. She also questioned who is responsible for taking care of the weeds on the City owned Solar Garden? Peterson stated that he is unsure if that was in the lease or not. Ambuehl is to look into it and if it is in the agreement he will ask them to take care of it.

The financial support request from the Lyon County Historical Society Museum was discussed. Ambuehl stated that there currently is nothing in the budget for this; however what they are looking for is a commitment to donate from the 2019 budget. Tiegs stated that even though it is the County Museum he does not want to donate more to the County Museum than they donate to Wheels Across the Prairie. He would not even be in favor of matching it as he feels that the Tracy museum is more important than the County one as it will only be a small portion of it. Mayor Cooreman questioned what they are currently giving to Wheels Across the Prairie and it was indicated that they received \$3,000.00. Peterson stated that the County Museum was asking between \$3,000.00 and \$4,000.00; however he would not want to see any more than \$2,000.00. Tiegs pointed out that the County already budgets a good chunk of money for the Museum to start with. Mayor Cooreman questioned if they want to vote on this tonight and it was indicated that they have to as the Museum needs to know in order to apply for the grant. Motion was made by Tiegs, seconded by Thao to donate \$2,000.00 starting in 2019 to the Lyon County Historical Society Museum. All voted in favor.

Dale Johnson III, Fire Chief addressed the Council. He informed the Council that he just received the signed Monroe Township Fire Contract. They indicated that the township will have the check to Ambuehl by Friday as they don't have another meeting until Thursday night. Chief Johnson requested the Council to approve the contract so that it can be signed and put into place. Tiegs questioned if it was for the full amount and it was indicated that it was. Motion was made by Schons, seconded by Tiegs that the contract with Monroe Township is accepted in the amount of \$389.00 per section for the period thru April 30, 2019. Peterson stated that they can sign it; however it will not be effective until the check is received. All voted in favor.

Chief Johnson also addressed the Council in regards to taking the Rural Contracts back. As Fire Chief this is technically his job and he would be able to keep better track of the numbers. He would turn in the forms in a timely basis as far as when they need to be sent out from the City Office. He would facilitate keeping it all in order and providing all of the documents. Peterson questioned if he would stick with the per section rate that was agreed on and Chief Johnson stated that he would. Motion was made by Peterson, seconded by Tiegs to give the Rural Fire Contracts back to Chief Johnson. Schons questioned if any deviation from those numbers would have to come back to the Council for approval? Chief Johnson indicated that is correct and that he is just looking to be able to share information and hold meetings if he chooses to and those would be things that he would facilitate. It would also fall back on his plate as to when letters of intent go out as well as making sure that the contracts go out. Schons stated that she is in agreement with Chief Johnson taking it over; however her concern is that they continue with the transparency with the townships so that they understand what the rate is based on and what they are getting for their money and things like that. She stated that the townships have indicated that they feel like they don't have a say in what the Fire Department is going to purchase or what they feel is important for training and those types of things. These are reasons that she feels it would be good to have Chief Johnson take it over so that he can include a meeting when the contracts are given out and they would have an opportunity to see what the money was spent on. Chief Johnson informed that historically, prior to the Council taking it away from him they did have a meeting every year on the first Thursday in December. It was held at the fire station with a power point that the Council has seen, a tour of the fire station as well as all of the equipment that was purchased. He feels that the transparency was there prior to the Council taking it over.

Ambuehl stated that the townships did not understand the efficiency which he did his best to explain that to them at the meeting they had today. Chief Johnson stated that everything he does is under the direction of the Council and City Administrator so if the Council understands it and is for it, when he shows it to the townships and they have questions they should be able to come before the Council and address it with them. He indicated that this is not Chief Johnson saying I am going to charge some of them \$400.00 and others \$600.00, this is something that the Council set six or seven years ago and he would hope in this time frame and all that has happened in the last three years that everyone can agree that there was more transparency prior to it being taken away. He is always available and if someone has questions or wants to see something there are people around that could meet with them. Schons stated that she feels that if he indicates that there will be a yearly meeting with the townships it would make her feel better. Chief Johnson advised that if he is going to have a meeting because he was approved to do it, he would request that a number of the Council would be present. Schons stated that she would want them to be invited to the meeting as well. She feels that it is Chief Johnson that should explain it to the townships and develop the relationship with them again with the understanding that he is not the one that is making all of the decisions; he is only presenting it to them. Chief Johnson advised that he is running the Fire Department as a sub-business of the City as the Council is his boss. He is strictly a manager of the Fire Department. The motion was seconded by Schons. All voted in favor.

Chief Johnson stated that there is a lot going on at the Fire Hall and that there are a lot of equipment that are minor and majorly damaged due to last week's events. There are signs on some vehicles that indicate that it is out of service. Some residents saw fire trucks being pulled across town; however as of right now they are still at 100%. They do have Mutual Aid departments that could be dispatched immediately to assist until they get the equipment fixed. Everything that is broke on the equipment is in the process of being fixed; however based on where we live some of the parts are difficult to get. Things are continuing to break. Their annual hose test, which has nothing to do with last week, happened to fall on today. His Assistant Chief was there, started up the rescue pumper, pulled it out on the pad and it was not charging. Due to the water they are having alternator issues. It is intermittent and they are still using it at this point and monitoring the meter. Fortunately the truck does have an on board generator and there is a battery charger in the compartment so they should be able to make it work until they have help here. The parts are ordered and are being expedited here by tomorrow morning. Currently all three of the pump trucks have issues – one of them is a fairly large issue. They have a grass rig that is inoperable and the estimate to repair it is likely around what the truck is worth or close to it. He stated that they can rest assured that the community is not lacking in any level of service that they provide and that they are working diligently to get everything repaired.

Mayor Cooreman stated that Bob Byrnes, Mayor of Marshall, contacted her and wanted her to let everyone know that if they can be of help in any way they are more than willing to help. Chief Johnson advised that every community around Tracy has offered to help, especially fire service. He also stated that the night of the flood the company that does all of their servicing and testing saw pictures on Facebook and sent two technicians down at 8 o'clock at night to re-service their pumps to ensure that the trucks were approved for firefighting duties so that if there was a structure fire they would not be sending someone in with a truck that had potential issues. The amount of support that they received from all of the people that they work with and neighboring departments has been huge. That is just what everyone does, they all work together to help out.

Chief Johnson questioned if he needs a motion to continue to fix things or should he continue doing what he is doing? Ambuehl stated that it is operational and he would have to keep doing what he is doing. Chief Johnson informed the Council that he will be over budget as a result of this on a few line items. He advised that one pump truck pumped 96 gallons of fuel in one day. That was just one truck which does not include the tank that was on it when they started. Schons questioned if those expenses are part of what the City can turn in? Chief Johnson stated that per the Mutual Aid Agreement, all of their expenses are technically billable to the party they provided services to. This is different as the Fire Department provided a service back to the City; however depending upon what it gets for reimbursable funds they will hopefully get some reimbursement on their life safety equipment. It will likely not be 100% but it should be a majority of it. Ambuehl advised that the funding sources come from such diverse places that

they all want to wait to see if a different place pays for it first. There is a hierarchy to it and they are entering the beginning stage, which is the City's insurance. Chief Johnson pointed out that for the time being there will be some fairly large bills coming thru.

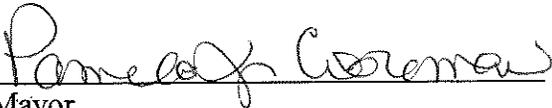
Peterson stated that he would like to personally thank Chief Johnson and his people and Shane Daniels and some of his staff for coming and putting up the flags for the 4<sup>th</sup> of July on Wednesday morning even after having put in a long night the night before.

Peterson stated that the bike path did not fare all that well but there were two issues that people were concerned about – the gravel on it and when it is scheduled to be resurfaced again. Ambuehl stated that he will talk to Daniels regarding the seal coating to see if he has anything scheduled. Peterson thought that the last time that they did it was 4 or 5 years ago.

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

ATTESTED:

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

  
\_\_\_\_\_  
Mayor

# JULY 23, 2018

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 23, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl, City Administrator, Diane Campbell-Administrative Assistant and Shane Daniels, Public Works Director.

Pledge of Allegiance was given to the flag.

Mayor Cooreman asked for the approval of the July 9, 2018 minutes. Motion was made by Peterson, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Ambuehl stated that he would like to add 10L-Set Special meeting for July 30<sup>th</sup>, 2018 for Rural Development Application and 12D- Approving payment to Reiner Contracting for work completed on Stabilization Ponds. Motion was made by Peterson, seconded by Tiegs to approve the Agenda with the amendments. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Val Quist, Librarian addressed the Council with her department head report. She advised they did get some water in the basement from the July 3<sup>rd</sup> flood and was happy that they did not have new carpet and sheetrock down there yet. She attended the Charter Commission meeting on June 27<sup>th</sup> and presented some changes that the Library Board had put together. They had about 30 people attend their program last week and the next one will be held next Monday at 6:00.

Dale Johnson III, Fire Chief addressed the Council. He indicated that the Council could see in the paper what they have been doing for the last month, especially the two weeks around the flood. As a result of the flood there has been some damage to the fire equipment. Prior to the flood and prior to Ambuehl coming on board he and his Assistant Chiefs went thru the Capital Improvement budget as well as speaking with Daniels regarding this. In the proposal they have two trucks that are scheduled to be replaced – one of them is past the time and one of them is next year. What they want to do is combine three trucks into two trucks and keeping the same amount of air pack available seats for firemen. In the original Capital Improvement there are some negatives in the next thirty years. What they did in the proposal was to pull one truck out of the Capital Improvement and replace them by doing a small lease program for five years to make it happen this year. This actually balanced out the Capital Improvement fund to where it is never in the negative. This was perfect in theory prior to a new administrator and a flood. Post flood they now have two of the three trucks that are listed on that two for three – one of them is now totaled and the other one is budgeted at approximately \$350,000.00 to replace next year. When the City bought that truck whoever was in charge at that time just put cash value insurance on it rather than replacement cost which is what they are currently putting on all of the fire truck. That truck that will cost \$350,000.00 to replace and the insurance put a value of about \$25,000.00 on it. He is speculating as he does not have all of the repair bills back that it will be in the neighborhood of \$15,000.00 or \$16,000.00 to fix it. He is questioning how you throw \$15,000.00 or \$16,000.00 at a \$25,000.00 truck that is scheduled to be replaced next year. Chief Johnson is wondering if it is ok to pursue an avenue of potentially looking at the original plan from three months ago to getting rid of three trucks and replacing them with two trucks. If not they will battle the one truck that will potentially be totaled and replace that one and then replacing the pickup that will be totaled. The fourth vehicle that they have not discussed is a pickup that they will be flirting with being totaled. Tiegs questioned why it is being totaled? Chief Johnson stated that it was due to flood damage. He indicated that they have had problems with five trucks now. One of the trucks ran fine all day and the day of the flood they drove it to a flood site and it shut off while sitting there. They checked everything over, it started up and it ran. They finished their day at the dump site and they made it to the hotel and it just shut off. They waited 30 seconds and it started right up. They can't respond to a fire call with something that keeps dying so they ran it down to Salmons. The next morning Salmon's tried to do some

testing on it and they could not find anything and told them to keep driving it. They did that and it died right in the bank parking lot. Chief Johnson stated that he is positive that it will be totaled. The other truck is the 91 pumper that had pump issues due to pumping grass, gravel and water. There are also some electronic repairs that were made on it. The third pickup had some fluids that they changed on it and is starting to have some minor electrical issues that come and go. The fifth truck that they had issues with was their main pumper. They ended up replacing the alternator and some wiring and as of right now the truck is not giving them any troubles. Chief Johnson indicated that they have two options – Option A would be the proposed budget which was going to be proposed to the Council a couple of months ago to do the three trucks for two. Option B was is to wait out the insurance game and potentially replace two of the three trucks that they were going to trade. He stated that he is positive that they will be replacing those two trucks thru the insurance because of the flood. It is just a matter of if they want to proceed and do the three for two and balance the Capital Improvement fund budget. Peterson questioned how much time he needs for the Council to give him an answer. Chief Johnson stated that the trucks have been ordered so he just needs the Council to give him a nod. Peterson stated that he has looked at all of them and the only way to be fair to the people that depend on them for their lives is to get rid of the three trucks and go to two so they know that they have something dependable. Chief Johnson advised that fire trucks right now are approximately 18 months out. The manufacturer that they would more than likely use is the manufacturer who is out of South Dakota right outside of Sioux Falls. That way if they have problems, maintenance or warranty issues they are close. The other options would be Illinois, Wisconsin and Pennsylvania that are much farther away. That manufacture told Chief Johnson that no matter what they decide to do if they know this week that they have a slot open and the manufacturer would slide them in to get one reliable truck started. The truck that they are replacing still drives. The electrical issue is on and off – sometimes it starts and sometimes it doesn't and as long as you don't shut it off it stays running at this point. They could still temporarily use it. They would be looking at February for the delivery of the truck. As far as the pickups go they have reached out to some of the DNR like they do for the water pumps and the generators. If they are doing the three for two they are not actually replacing that pickup, they would just take the check from the insurance company and apply it to the purchase of the three. If they do the two pump truck, the three for two with the two pump trucks the second pump truck would likely still hit the 18 month category for the simple fact that they can't bump two spots to get Tracy in there. They are willing to work with Tracy due to the flood to keep us at 100% in three trucks, but they would have to wait their turn for the second truck. Chief Johnson indicated that if they would like to wait to make a decision till the end of the meeting he would be willing to stick around so that they have a chance to look thru the numbers and verify everything for themselves. Peterson stated that it was time for the public hearing so he would be willing to accept Chief Johnson's offer to wait till the end of the meeting.

Mayor Cooreman opened the public hearing up for the proposed sale of real property owned by the EDA at 6:45 pm. Jeff Carpenter indicated that they will be moving in a nice house that will be placed on a basement foundation. They will also be putting a garage on it as well. It will be a local owner and he is going to take an open lot and put a house on it so that it will be on the tax rolls. Carpenter would like to see this type of thing done more and more. The sale was for \$1.00 and the City or the EDA will not be paying any of the costs that go along with it. Peterson explained, so that everyone knew what they are talking about, that the two lots are on the North side of Morgan Street. Carpenter advised that at one point the two lots were separated and one was owned by the City and one was owned by the EDA and they were having a hard time getting them transferred together. They are both now in the EDA's name so they are able to sell them together and will be big enough to put a house on. He also advised that they did put in the contract that it will need to be done by December 31, 2018 or the property will revert back to the EDA. Carpenter believes that it will be done in the next 90 days. There was no one from the public that wished to speak. Mayor Cooreman closed the public hearing and referred it back to the Council. Peterson stated that he feels it is a win win for everyone and made a motion to allow the sale of that Morgan Street property. Tiegs questioned if he would like to approve the resolution now as well? Motion was made by Peterson, seconded by Thao to approve Resolution 2018-37. All voted in favor.

Jeff Carpenter addressed the Council with his EDA department head report. There will be an advertisement on the back of the SW Peach. He started a new facebook page and believes that a

lot of them have seen it. He wants to make sure that the public knows about this page and that he will have updates posted after running it thru the EDA Board. He would like to feature various businesses or big events going on such as retirements. His recommendation would be for everyone on the board to share this page and have them follow it as there will be things on there that will draw people back to Tracy which is one of the main reasons that he created the page. The main message is that Tracy is open for business.

Ambuehl addressed the Council with his department head report. He advised that he has been very involved with the flood related issues, some emergency management and things like that. He and Chief Lichty have been attending several meetings and they have set up a long term recovery team. He indicated that Chief Lichty was the first one in the state to set it up so they are paving the way on that. Catholic Charities have come to town and are going to help residents that are in need. They did have a Lyon County Emergency Managers meeting regarding debris management. He also met with a representative from the League of MN Cities and there are a couple of things on the agenda that are in relation to that. He advised that all of the Department Heads have received their budget worksheets as well as a timeline to have it completed. He indicated that they have been doing MNLARS training and Campbell has been working hard on the election and the voting machine training is complete. He has been working with MMBA regarding the Liquor Store. Some things coming up include infrastructure response and relief with FEMA which will be on Wednesday; property visits with the EDA director as well as meeting with the League of MN Research Attorney who will be here in two weeks.

Daniels addressed the Council with his department head report. He advised that there was some vandalism that afternoon in Central Park so if anyone is questioned why the bathroom is locked that is why. They will do an assessment on it in the morning as they did not receive the call until late afternoon. Daniels thanked the Council for getting the mower approved while he was gone. He advised that it came with the wrong size deck and that Lyon County Implement made it right with him and they now have a new mower deck for it which is a foot wider than the one that was on it. Most of the stuff that they have been dealing with is the flood and its recovery. Peterson questioned how many more sewer lines need to be done to get them all finished? Daniels stated that they are down to eight. Tiegs questioned if that deadline was today and Peterson stated that he believes it was. Peterson questioned if there have been any out of state plumbers contacted? Daniels advised that one person contacted a Marshall company and they stated that it would be six to eight weeks. He also stated that any company that excavates is working on roads right now. There is another one that will potentially start this week which would bring them down to seven which still is not where they want to be. Mayor Cooreman reiterated that it is not that the property owners don't want to do it; it is that they can't get a plumber. Daniels expressed that it is more so the excavators. Peterson questioned if the fact that not all of them are connected yet what the effect would be to finish? Daniels advised that ideally they would want all of the connections made as they will have to do some spot digging to connect the old lines. He indicated that the old lines being connected cause some troubles on their system as well. It would obviously still have happened regardless if it was connected or not because it was a wide spread problem. The object is that they do not want to have to come back and have patches in the road and they want to have them done before they put the second lift on. They could get an area done but that won't help as they need to mobilize all of the equipment. Peterson questioned if there is any way that they could stub it out and cap it off on their properties? Daniels stated that they are now but it is the old mains that the houses are tied into that will need to be dug out. The service lines are there, they just need to disconnect. The stubs are all there it is just a matter of getting them hooked in. Worst case scenario they would do everything that they can and close the job out and have someone come back in to finish it; however that is not ideal either. Mayor Cooreman questioned when they wanted to do that and Daniels indicated the first or second week of August. Chris Larson from I&S stated that at this point he does not see them being ready. Even if they were ready now the contractors will not be able to just pull up stakes, they will have to have time to plan. Peterson stated that is why he was wondering as we are not the only ones affected by the weather. Larson stated that sometime in August or early September they may just have to decide to remove that part of Duinincks contract and let them finish out and wrap it into Phase III once they are done. He indicated that it is difficult to keep Duininck on the hook while they wait for these remaining ones to be done. Mayor Cooreman questioned if they are doing what the other contractors are doing fixing roads

with no time to do it? Larson indicated that he is unsure if they are too occupied with that but he is aware that they do have other big jobs that they bid out and are working on. They basically anticipated being able to close this project out in May or June and be done. Peterson questioned if there is a possibility of discussing this further at the Special Council meeting that is going to be held on July 30<sup>th</sup>? They would have better information in a week to make a decision on. Larson indicated that would work.

Mayor Cooreman opened the public hearing for Proposed Phase III Infrastructure Improvements. Larson gave a power point presentation regarding this. This hearing is a box that needs to be checked for Rural Development so there will be subsequent hearings and individual notices that will be sent out for people that are on the project and potentially assessed. This is just an overview of more detailed information that will be provided to individual property owners. The City of Tracy Phase III Improvements includes sanitary, collection water distributions, storm water conveyance and surface improvements. The impetus of the project is issues with basically all of the infrastructure, however the sanitariums come with a driving priority. The Phase II included leaking wastewater treatment ponds undersized, the sanitary by-pass structures which are illegal when trunk sanitary sewers are lined thru private property without an easement as well as significant water flow infiltration which results in surges of wastewater flow, structural deficiencies which is collapses and blockages, shared service lines and missing sanitary mains which essentially is no main in the streets. A service or two from houses will run a whole block before it can tie into a main that is on the next block down. The storm sewer is undersized, failing intakes and pipes, missing catch basins and minimal storm water retention facilities. The Phase I Improvements are substantially complete and final completion can be achieved by the final 8 services being disconnected and re-aligned. Sanitary Improvements included the removal of the illegal by-pass structures and increased capacity, re-aligning easements on public and private property, some I&I reduction as they are replacing new pipes as well as sump pump service stubs that would make permanent connects to the storm sewer system. Watermain Improvements included replacing missing mains, replacing undersized and failing mains and adding proper valving. Storm water improvements would be adding capacity of downstream system which drains nearly 40% of the City and roadway improvements. Phase II is currently under construction, new stabilization ponds system of adequate size. Remaining system issues, the I&I, the structural deficiencies, shared services, missing mains for the water systems, storm sewer, lack of retention, missing intakes and the street and sidewalks where all of these for all of these utilities are not in good condition. Phase III will be governed by the sanitary system needs. Sanitary lining is proposed where feasible and no other infrastructure needs exist. If there are storm sewer needs within that corridor a sanitary replacement is proposed. In a lot of cases lining was not feasible as it was so spotty that they would have been replacing the majority of the main anyway and was better to replace the whole segment. Larson stated that storm, water and street improvements, adding mains where they are missing to get rid of the long services that run a whole block in length and the entire street section were replaced to the existing width. This is what the cost estimate was that was submitted to Rural Development. Larson stated that he has mentioned before that there are some streets that are a lot wider than they need to be so when they get into the final design they can discuss with the Council and staff potentially narrowing some streets or possibly not putting the sidewalk back on both sides. Now would be the opportunity to change something if they wanted to or they could put it back as it was. They also have the underdrain with sump pump services, service stubs so that people can make a permanent connection for their sump pump outlet that would connect to their storm sewer system. The underdrain also helps to keep the road section dry which makes it less susceptible to frost action. The Phase III project area was discussed. This is what RD used to underwrite the funding for the project; however it is not what is being proposed as the funding package. They do know that the rest of it is coming so when they look at what the City's affordability is and how much grant and loan split should be they will know the whole thing is coming but they are not biting off the whole thing right now. Larson pointed out on the PowerPoint what they are currently proposing as Phase 3A, C, D, G, H and J. They left B as there are two spines for the improvements and things branch off from there. This is along Center Street which is a County road and is on the County's Capital Improvement plan for the year 2024 and they will be paying a significant portion of the street restoration. Larson stated that Phase K and L are the two areas of lining which would be the southern portion of Center Street and an area down by Randall and Main Streets off of Front Street as well as on Craig Street and a little bit on 4<sup>th</sup> and 3<sup>rd</sup> Street East. There will be some excavation there to make the spot repairs but for the most part it

should be trenchless activity. USDA and Rural Development establishes a maximum affordability in each community which is equal to 1 1/2% of the median household income which is how the utility rates should be set. There is nothing saying that the City has to pay for it with utility rates; however their intent is that the utility systems are self-sufficient and pay for themselves thru the utility rates. The storm sewer is loan only and the maximum RD grant amount is 75% of the project cost. They have not received the exact split as of yet in regards to what the loan grant will be. Surface restoration is in-kind which means that if the existing street section is 10" of gravel and 3" of bituminous that is what RD will pay for to be replaced. Anything that they add is a City cost. The existing street section, although they are in poor condition, the thickness is what they recommend anyway so it is not so much vertically as much as thickness that would be the City expense, it is the width. They get 10' over each utility until they reach 75% of the total street width and they will then pay 100%. All of the ineligible City costs will be approximately \$4 to \$5 million, which includes anything that is not within the 10' boarder after you reach 75% within the eligibility swath for Rural Development. The total Phase 3 they are projecting approximately \$37.6 million which includes all of the soft costs and then for the proposed it is just about \$21 million total. There are cost saving opportunities that could replace old RDL portions of the surface which would basically be the 10' swath. Except for 8<sup>th</sup> Street most of the streets within the potential project area are improvements to the streets themselves. There would be a nice new patch and then a pretty crappy surface on the outside and curb. They roughly estimated for each foot that you narrow the road you would save about \$1,000.00 per block. That doesn't seem like a lot but there would be some benefit for long term maintenance as there would be less seal coating and snow plowing and things like that. It is something that should at least be discussed but the Council certainly would not have to do it. Closing streets and restoring to a greenway with a utility easement does not pose a lot of opportunity for that but could possibly save \$50,000.00 per block. For the higher level overview they are thinking probably 4 different construction contracts over 3 to 4 years. The lining can be done anytime but then the re-construct portions would be three different one – one per year. Larson stated that they would not want to put it all on one big one because that prices out to the contractors that are huge and they have trouble getting bonded. They also don't want to do it too small because then it becomes inefficient. It is also nice to not have the entire town torn up at once. There was no one from the public that was there to speak. Mayor Cooreman closed the hearing. Peterson advised that there is no action that needs to take place and that it was just an informational meeting.

The Box Car Day on-sale licenses, dance license, carnival license and street closure request from the Tracy Chamber was presented. Motion was made by Peterson, seconded by Schons to approve the Tracy Chamber requests. Tiegs questioned if there is anything different than normal and it was indicated there is not. All voted in favor.

The Rural Service Benefit ratio was presented. Ambuehl stated that this is a standard rate across the County. He presented the Council with a map of parcels that the City of Tracy has. There is one that has changed and that is the Solar Fields by the Highline Road which is pending for next year. Motion was made by Schons, seconded by Peterson to keep the benefit ratio at 30%. All voted in favor.

A land proposal from Dru and Nicole Larson was presented. Ambuehl advised that Dru Larson visited with him in regards to the City buying a strip of land to get to the dump site from them. This is mostly to relieve them of liability from the property. Larson sent Ambuehl an e-mail requesting that the City would consider purchasing the property from them for \$5,200.00. Ambuehl stated that Larson does not want to be responsible for any of the closing costs and that he would entertain any questions that the Council may have. Mayor Cooreman asked how much of it Larson's own? Daniels advised that it was a long narrow strip along the west side of Larson's parcel of land. He also stated that the City recently purchased a parcel of land from Engelkes a few months ago. Peterson stated that before the Council acts on it he would like to have it surveyed so that they know what they would be getting as they will have to pay for it anyway. Peterson stated that he would make a motion to have it surveyed and make a decision as to purchasing it or not once they know what they are dealing with.

Frank Nielsen, former City Attorney stated that he felt that the City already owned that parcel. Peterson indicated that he thought that they did as well. He stated that it is one of the few roads

in town that the City actually owns versus having an easement. Peterson thought that was the case as well and would like to have it surveyed and get the legal description. Daniels stated that he knows that Gross had that done when they did the annexation. He is not sure which parts that they surveyed but he could try to locate a copy of it. Peterson stated that that road has been there his entire life and back to when it was a garbage dump. Ambuehl suggested finding the previous survey or have another one done to identify for certain who actually owns it. Ambuehl asked for clarification if it was done during the annexation. Peterson informed that he is uncertain how much of it was done but he knows that the south side of it was. Daniels stated that he is certain that the actual dump site has been surveyed in the past. He does not know where the records are but he does know who did it so they would be able to obtain copies of it that way. The issue was tabled until further information can be gathered.

The RFP for the City Attorney was discussed. Ambuehl advised that the contract is due January 1<sup>st</sup>, 2019 and inquired if they want to put an RFP out to set parameters and if there are any changes that the Council would like to make to the contract. Peterson stated that this contract is three or four years running so he personally would like to see in the RFP someone to do the type of work that Nielsen did where he did the prosecuting in the City. He thinks that is how the original RFP was written; however there were not any takers. He stated that things change over the years and they should do due diligence to put it out and see what they get. They could maybe save some money on services or something like that. Ambuehl indicated that he will draft one and get it to the Council.

An agreement of assessment and waiver of irregularity and appeal for Kim Pedersen was presented. Daniels advised that this is the final step in getting a sewer re-locate and a special assessment done. He indicated that the interest rate and terms were decided at the November, 2017 Council meeting. This document was drafted according to those minutes and this should be the final step for that property. Motion was made by Peterson, seconded by Tiegs to the agreement of assessment. All voted in favor.

The Extraordinary Expense Coverage loan was discussed. Ambuehl explained that the League of MN Cities has Extraordinary Expense coverage where a city can take out a loan in the amount of \$250,000.00 to cover, in Tracy's case, the flood expenses. He stated that for the first year of the loan it is at zero percent. If the Council decides that they want to take on this loan and put it into a flood account until it gets some of the money from insurance they could use this money to prevent having to dig into other accounts. He explained that after one year it would go to a 3% interest rate and they could either pay it back right away or if they do not use all of it it could be returned before the one year's time. They should see the reimbursement from insurance coverages as well as potential state and local aid before the year would expire. He stated that it is a loan and he would need approval to apply for it and at that point they could use it for anything that they wanted to that is flood related. Tiegs questioned if they would want to take out the full \$250,000.00 and Ambuehl stated that he would recommend it. He stated that they don't have to use it all; however he feels that they could use it all up pretty quickly. Tiegs questioned if they could take out \$100,000.00 now and as they see that the City needs more ask for more? Ambuehl informed that how it is laid out he feels that they could do that but would have to check on that. Tiegs stated that it is free money that can be returned if it is not used but he was just wondering. Peterson pointed out that it would just add more time to have availability to use the cash. Ambuehl stated that at that dollar amount it makes sense to just take the full amount and re-visit it in 8 months to see where they are at. Tiegs question if Ambuehl has any idea when insurance will start to reimburse funds? Ambuehl advised that it is up in the air but feels that within 3 to 6 months it should be closing with Tracy's insurance company. The Federal and State Aid will likely take place within 30 to 60 days from that. He is not making any promises, just guessing. They could get to the end of the year and have to repay the \$250,000.00 and then a decision would have to be made. Peterson stated that he feels it would be a good idea and Mayor Cooreman agreed. Motion was made by Tiegs, seconded by Thao to apply for the \$250,000.00 loan. All voted in favor.

The insurance for the Box Car Days fly-in was discussed. Ambuehl stated that the City's insurance does not cover the fly-in. He understands that the Council has reviewed this in years past. He was unable to get a quote in time for the meeting; however since this is time sensitive he provided them with an estimate from the insurance company. He could have the quote by

next Monday if the Council would like to table until the Special Council meeting. He wanted to bring it to the Council's attention and make sure that they are aware that the insurance covering the airport will cease during the time of the fly-in. Tiegs questioned if it has always been that way and it was indicated that it was. Mayor Cooreman questioned if they have ever purchased insurance for this before and Ambuehl advised that from what they can see they have not. Peterson stated that they will need to be very careful on the wording of the policy as a fly-in is polar opposite of an airshow. That is why they have not gone with it in the past as they do a good job of keeping people behind the line and off of the tarmac, whereas an airshow you have demonstrations going on and the crowd is exposed. If it doesn't cover a fly-in it would be just like our other insurance that covers the City. Ambuehl stated that this is an odd situation and he can't tell them what happened in the past. Tracy's airport insurance is not covered thru the League of MN Cities and he is not sure if it is a cost thing or what. He did reach out to the LMC and our airport is separate from the LMC insurance policy. Ambuehl stated that he would like to get a quote from the LMC based on the airport to find out if it is close. The thing that he is concerned about is overlapping coverage and then you have the insurance companies deciding for themselves who is paying for what. He feels that that could open themselves up for that situation. He would like to add it to the Special Council meeting on July 30<sup>th</sup>. Peterson stated that the pilots that are actually flying in for the breakfast would be responsible for their own airplanes unless the City of Tracy's equipment would cause them to have an incident. Ambuehl indicated that the fear is that if not for \$800.00 policy it could open themselves up to millions of dollars in liability. Mayor Cooreman questioned if someone fell down the City currently does not have coverage for that? Ambuehl stated that they currently do but would not during the fly-in for anything. All of their insurance with the airport would be completely shut down. Daniels advised that there are a lot of other Cities that do fly-ins and they should check with some of them. Tiegs stated that it is weird that they would not be covered and Ambuehl advised that is why he reached out to the LMC. Unless it is a huge dollar difference Tracy's insurance should be covered by the same company throughout. Peterson questioned who their current underwriter for the airport is? Ambuehl stated that he is unsure and will get back to them on it. He knows that it is thru an agency in Tracy. The Council tabled it until the Special Meeting on July 30<sup>th</sup>.

The Liquor Store ADA compliance was discussed. Ambuehl stated that the LMC came to Tracy as their focus this year is ADA compliance. Currently the Liquor Store does not meet all of the ADA requirements. Some of the problems include that there is not a landing pad in front of the door, the 96' wide requirement and there is no designated parking at the Liquor Store. There was a Liquor Store committee meeting prior to the Council meeting and a few options were discussed. The first one was to possibly put a parking spot out into the gravel parking lot to the west and placing a door on the west side of the building. This may be a little more cost effective than what they would potentially have to do. That would be to lower the doorway and have the ramp inside the facility so that the door itself would actually be lower. This would allow for a flat landing at the beginning and at the end of the ramp. Currently the ramp goes right up to the door and stops at the threshold. Some other things included signage that the City will need to take care of as well as a self-closing door for the restroom. There are two ways to deal with the restroom – they could either make it a non-public restroom or put a self-closing mechanism in it. Ambuehl stated that they did look at some other things around town that the City passed with the exception of a few small things that Daniels will look into for the park as well as the potential for some stripping. There are some parking spots that no longer needed to be ADA compliant in the parking lot across the street because of the one that was put on the road. They can either re-stripe it or vacate them. Peterson questioned if they should have signs as well and Daniels indicated that they should in front. Peterson stated that he was referring to the parking lot and Daniels advised that there used to be but not anymore. Ambuehl stated that the suggestion was to vacate those spots and turn them into standard parking spots and then if the City thought that they needed more they could put another spot out in front. Peterson stated that they should find a cheap sign and put it on the west side of the building, make it a non-public bathroom. Ambuehl advised that they did ask them about putting a sign in the parking lot if the gravel would meet the standards and it does. Peterson suggested that they put one on the very south corner or two on the west lot, mark them handicapped and enforce them as such. It is like any other inspection – if you work your way towards completing all of the tasks they will give you some room. Ambuehl pointed out that this is league guidance so the City is not in trouble. Daniels questioned if they want one or two spots? Peterson stated that if they are only required

to have one then just do one. Ambuehl advised that they recommended doing a spot out front of City Hall as well. Campbell questioned if the Planning Commission had already approved that and Daniels indicated that they had not. Ambuehl pointed out that the one out front was just a suggestion and to his knowledge they have not had any problems with it. They are in compliance with one. Peterson stated that if someone says that they had to drive around the block twice because there was no place to park then they could put up a sign. If it doesn't happen he wouldn't worry about it. Daniels stated that it has not been a problem, especially since the Masonic Building is gone. Schons questioned if they need to put a sign on the restroom indicating employees only? Ambuehl informed that they could either do that or put a self-closing mechanism on it. Daniels stated that all it would be is installing spring loading hinges which is pretty minimal. Ambuehl stated that the landing is the one that would be the biggest expense. Daniels advised that there would be no way of changing that without moving the floor down or the street up. Peterson questioned if the landing on the east door is angled as well thru the old bar area? Daniels stated that it would have to have some kind of angle to it but it is not steep. Peterson pointed out that if worse comes to worse rather than remodeling they could make that the entry way for handicap accessibility. Ambuehl stated that the Liquor Store committee discussed this and looked at a couple of options and they would like to go back to the LMC and to bring that portion back to the Council at a later date. The Council was in agreement of that.

Dale Johnson III and John Lanoue with Tracy Development Corp addressed the Council regarding an RFP proposal. This organization is a non-profit organization that owns the former Red Rooster property. Johnson stated that they are currently working with a developer who is very close to purchasing the property from them. The hand out that he disbursed to the Council is the potential design for a \$3.5 million dollar service station, gas station and car wash to be put on that lot. Currently they are facing two hurdles to seal the deal of TDC selling the property and them starting construction. One hurdle is something on the investors end with the feasibility study which should be resolved by the end of next week. The second hurdle is for their cash flow to work would be putting a liquor store in the gas station as it would allow them to build the building. They have asked TDC to bring the plan to the Council and to ask if the Council would at least entertain the idea of selling the Tracy Liquor Store and opening up liquor licenses to private businesses within the community. They are not necessarily looking for a sole license but to open it up to any business in the community to offer more foot traffic and sales and revenue to assist them to compensate doing a \$3.5 million dollar facility. Johnson advised that one of the things that they stressed was that they would not at any point in time want to see the current Liquor Store closed and they would be willing to entertain running it until the other facility was up and running including the staff. Johnson stated that he will entertain any questions with the exception of their names. On the plan it also shows a name – this is the company that drew the plan up and they have no information as to who the investors are either. The investors wish to remain anonymous until they have all their eggs in one basket. This could potentially be the end of next week. Tiegs questioned if the convenience store and liquor store would face Hwy 14? Johnson stated that as you are looking at it, it would be a strip mall with an automatic car wash in the back, diesel islands and they would potentially offer on road and off road diesel, gas islands in the front and there is currently a laundromat drawn in between the gas station and the car washes, a sitting area to eat as well as a place for people to stop and watch the weather channel. Mayor Cooreman questioned if Johnson knew what hours they would be open and he indicated that he did not. He indicated that part of it will be based on the feasibility study, the traffic count and the target times that they would be busy. He stated that there is a large stretch of Highway 14 between east and west of Tracy where there is nothing of this magnitude. The investors do currently operate two other facilities like this. Johnson stated that their job was to request the Council to entertain the Liquor Store which is what they have done. Peterson questioned when the investors would like an answer and Johnson indicated that it would come down to how the City would have to handle it. He is assuming that it would go to an RFP of what the City would want to do. He believes that they would entertain, if they were to get it, taking it over the first of the year. Tiegs stated that they had a Liquor Committee meeting before the Council meeting and they did discuss selling the Liquor Store License in the past and feels that the Council should at least entertain it and have them work down their lines. He does not believe that they can guarantee them that they would sell the license. It would have to be discussed and the City would have to vote on it. Johnson stated that something like this would have to go to an RFP so it could be opened up to any business owner. Ambuehl advised that

they could not limit it, for example, if they would sell the Liquor Store as long as they put a building up or something like that. Ambuehl indicated that the sale of a Liquor Store is complicated but manageable. He stated that a municipal liquor license is not something that you can sell; it is just not allowing anyone else to have a liquor store in town. Additional licenses are based on the size of the town and he would have to look into that. From his interpretation you cannot limit it to just one business owner. Peterson indicated that with Tracy's population he believes that they could have up to two licenses. Ambuehl advised that other towns the size of Tracy do have two. He also indicated that they could sell the Liquor Store inventory and equipment and the building but they cannot be tied together he does not think. Peterson questioned if they could just do a simple ordinance change. If anyone else were to sell liquor they would have to have a kitchen; however if they took that out of the ordinance that would mean that they would be out of the business anyway. Ambuehl stated that the City has complete control over what they want to do with the liquor license. He asked Johnson if they are looking for a price on the Liquor Store or a request for purchase and he indicated is what they are looking for. Johnson also stated that they would like to know if the Council is ready to entertain what they or anyone else would be willing to offer for it and putting it out for public bid. Peterson stated that they would not be able to sell the license. Ambuehl informed that with an ongoing business like that he would think that they would want to sell based on the inventory at the time of the sale. He stated that if the City liquidated the inventory right now they would not maintain any of it and they would not want to restock some of it. Tiegs advised that Sleepy Eye did this approximately one year ago and the buyer bought the entire inventory. Ambuehl advised that they can set it up so that dates never overlap and Tiegs indicated that that was what Sleepy Eye did. Johnson stated that they would close the downtown one on one day and would open for business at the other location the very next day. The investors would not want any interruption according to their proposal. Peterson stated that he does not see any reason why they would not entertain the proposal. With a \$3.5 million dollar project on Hwy 14 the tax benefit would far outweigh any potential loss of revenue. Johnson pointed out that there could also be a potential for a second one. Peterson expressed that it would just be a matter of how the RFP is worded and how it is approached. Ambuehl advised that they would not want to put too many limitations on it. If a local person would want to buy it they would need to have the same right that the investor's would on this project. The Council would have to set limitations in the RFP as to how they would want the parameters – for example whether they would want it in a specific location. They would have to touch base with the City Attorney. Tiegs questioned if they could limit it to taking in 50 RFP's but they will only select one? Ambuehl stated that he believes that they could limit the licenses but he thinks that they could only have up to two. Peterson questioned if they are talking strictly about the liquor store operation and not the building when they are referring to the RFP or are they talking about the real estate and the operation separately. Johnson stated that there is not a lot of interest in the building; however it would be up to the Council to decide if they wanted to include it or not. He stated that they would be interested in anything that is not bolted down. They would be interested in the use of the building until their facility is built which would all fall back onto how the Council wants the RFP written. Again, they are just one of many that may want this as there are other businesses in town that would be interested. Ambuehl stated that with the RFP they could put some restrictions on it as far as the building size and things like that. He stated that if there are certain parameters that the Council would like him to look up he could do that. He also advised that they do need to look at it from the business standpoint. They would be getting rid of a potential asset that would hopefully make them money at some point and they would want to maintain it being an asset. Johnson questioned Daniels what taxes would be on a \$3.5 million dollar building? Peterson stated that if they looked at Dollar General's tax bill and you could easily double it. He thinks that Dollar General's taxes were \$30,000.00 last year. Tiegs questioned if they had an estimate on how many people the whole complex would be employed? Johnson advised that he does not know at this time as a lot of it hinges on if the liquor store part comes in. Referencing the other convenience store in town this facility would have more footage so he would assume that there would be more employees than they have. It was indicated that the Liquor Store is one of the two items that the investors are waiting on and would like to know if there is a shot at getting it. Tiegs question what Ambuehl would need and how much time it would take to investigate this? Ambuehl advised that the parameters would be the biggest thing as it cannot be tailored for a specific buyer; however they could tailor it to what is best for the City. They would not be selling a business so he would assume that what is inside of the building would be one thing and the building would be another. Tiegs questioned if they want the Liquor Store Committee to get

together again in the next week to set the parameters? He suggested that the Liquor Store Committee could come with ideas to the Special Council meeting on July 30<sup>th</sup> so that they have something to work with and the Council could discuss it again. Ambuehl questioned if that would meet the investor's time frame and Johnson stated that the fact that they are entertaining it along would make them happy. When they clear their next hurdle next Friday this would be the only thing standing in the way of it happening. Ambuehl advised that he will look into the legalities as to how and if they can do it.

The Council discussed setting a Special Meeting for July 30<sup>th</sup>. Peterson questioned if they have to advertise all of the contents of the meeting or if they can just call for one? Ambuehl stated that they are just setting it up for review and would not be making any decisions. Daniels informed that in the past it was noted what the meeting would be about. Motion was made by Peterson, seconded by Tiegs to set a Special Meeting for July 30<sup>th</sup> to discuss the Rural Development Application, the 8 hookups that need to be done, the loan and the potential Liquor Store options at 6:30 pm. All voted in favor.

Resolution 2018-36-approving State of MN Joint Powers Agreements with the City of Tracy on behalf of its City Attorney and Police Department was presented. Motion was made by Peterson, seconded by Thao to approve Resolution 2018-36. All voted in favor.

Resolution 2018-38-Authorizing Solicitation of Contributions To Fund Events That Foster Positive Relations Between Law Enforcement and the Community was presented. It was indicated that this was for National Night Out. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-38. All voted in favor.

Resolution 2018-39-Approving Payment to Reiner Contracting for Work Completed on Stabilization Ponds was presented. Chris Larson with I&S stated that the payment request is in the amount of \$141,574.15. The previous 4 payments averaged around \$600,000.00 so based on that they can see how little work has been done. As of July 23<sup>rd</sup> they have had 19 rain days this month so far. He advised that they will be working Saturdays from here on out and hope to get things done. Peterson pointed out that the bottom line of the Resolution indicates \$14,574.15 and questioned if it was a typo. It was indicated that it was and that it should be \$141,574.15. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-39 in the amount of \$141,574.15. All voted in favor.

The Consent Calendar consisted of the Municipal Accounts Payable, with and without Breakthru Beverage and the Accounts Receivable. Motion was made by Tiegs, seconded by Thao to approve the Municipal Accounts Payable without Breakthru Beverage and the Municipal Accounts Receivable. All voted in favor. Motion was made by Peterson, seconded by Thao to approve Breakthru Beverage Municipal Accounts Payable. Voting in favor: Peterson, Mayor Cooreman, Thao and Schons. Abstaining: Tiegs. Motion passed.

Rosemary Martin addressed the Council regarding a land proposal. Ambuehl indicated that it would be to remove the curb that is currently there and putting in a drive over curb which would elevate the potential parking problem. It would also allow her to put up her private parking signs so that the general public is not parking there. He and Daniels measured it out and it was about 65 feet and they looked at the sidewalk that was put in for the municipal and they would take the two sections of the sidewalk out. The City would pay for the cost of the drive over curb which would be roughly \$600.00 for the materials and the City employees would cover the labor. The City would then get a 99 year easement for the alleyway. This proposal would solve all of their problems and parking would be up to the drive over curb. Tiegs questioned if it would start right behind the building and it was indicated that it would not. Martin stated that it would start at the sidewalk and there would still be a small area back farther. Ambuehl advised that the sidewalk where the curb would stop has a new sidewalk that can't be seen on the map that has an overhang. Schons stated that she feels that this would meet everything that Martin wanted to accomplish for tenant parking as well as the City for the easement. Motion was made by Schons to approve the removal of the curb, install a drive over curb and to accept the 99 year easement for the alleyway from Martin and that the other costs are split between the City and the property owner. Martin advised that she has talked to her attorney to see if he could do it cheaper versus

the City Attorney. Peterson seconded the motion. All voted in favor. Martin also accepted the proposal.

The utility rates were discussed. Ambuehl stated that the Council had asked about what had been done in the past and Campbell found the information. He stated that what happened was that the first thing was to decrease the surcharge from \$12.00 to \$6.00 and add a \$4.00 storm sewer surcharge. The new surcharge total went from \$12.00 to \$10.00. The second change was to increase the sewer rate by 25% and the water rate was .20¢ per unit and the sewer rate by .40¢ per unit. There was a \$2.00 surcharge that was left in place. This was done in the past and he was unsure if the Council wanted to mirror that or not. He found out today that the MN Rural Water Association is who has the forecast software. He has reached out to them but not until late in the day so he has not heard back from them. This would be provided to the City for free. Tiegs questioned if they would just look at increasing the unit again? Peterson did not feel that they would have to go up as much as they did the last time. He questioned while they are waiting if they wanted to raise it or wait until they receive the information first. He stated that he does not want it forgotten again. Tiegs questioned if they could put it on the first one in August so that they have some different scenarios. It was indicated that it would be a good idea for budgeting to have it done before. Tiegs questioned if they had it on the 13<sup>th</sup> how long they would have to wait for it to be implemented? Peterson stated that it would be 30 days as it is an ordinance change. Ambuehl and Daniels indicated that it would be done by resolution. It was also indicated that the City bills two months behind so the date that it is set it would not take effect for two months. Peterson stated that would still give him enough time to do a revenue forecast and to get the information. Tiegs suggested doing a few scenarios and have it ready by August 13<sup>th</sup>, 2018.

The weeds at the Solar Garden by Swift Lake were discussed. Daniels stated that he did have contact with the people from the Solar Garden and that they are going to take some of their fencing down and get some of the weeds cut around the facility. Based on the lease they are going to leave the City responsible for the weeds in the fields. Mayor Cooreman questioned if anyone can farm the little bit of land that is left? Daniels indicated that he disagrees with the decision to leave it all to the City as they did not farm it because they were in the way. Next year they will be farming whatever is left. The City went out of their way for them but all they would have to do is to take the disc out and level it off and spray it. Daniels advised that the lessee sprayed them all last year; however it has changed hands since then. He advised that they couldn't burn the weeds off as they are next to the solar panels.

Mayor Cooreman stated that the City is still looking for election judges for the General Election in November. Any help would be appreciated. There is training that needs to be done so the sooner the better.

Dale Johnson III, Fire Chief addressed the Council. He stated that he shared a power point with Daniels that most of the Council has seen. He stated that if they looked at the original capital improvements sheet it shows that they will start replacing trucks and finding deficits nearing \$100,000.00 and when you get to the proposed sheet, which would be before insurance, they would never hit a deficit and balance fairly well thru 2040. All of the expenses listed on there are based on the NFPA time frame for the replacement of all of the equipment shown. Peterson stated that to simplify it what he is saying is that he is going to replace one pumper and two grass rigs. Daniels stated that what they are looking at in the proposal is actually to replace the 91 pumper, the 2001 crew cab and trading in or selling off the 2004 International. The 2004 International was bought as their primary attack truck. It was stretched out to the max to put all of the rescue equipment on it. When they combined the two trucks after that and did the combination of their rescue van and their first response truck into one big truck, the 1117, which would be the international, is now their back door truck. It is longer than it should be to make alleys and connections. Peterson stated that it would be two pumpers and a pickup and Johnson indicated that it would be two pumpers and a pickup for two pumpers. Tiegs questioned if that would still meet all of the needs that the Fire Department has? Chief Johnson stated that they would still keep the same number of seats. He stated that the two pump trucks only hold two passengers, which would be replaced for two crew cab trucks, keeping the same number of seats. With all of the pump trucks getting larger per requirements and equipment, they have nothing for off road field use other than pickups as far as a pump truck. What they are looking to do is to

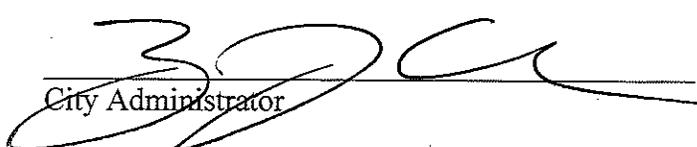
replace 1117 with a shorter bodied 4 wheel drive chassis crew cab truck that could be used in the winter time, during two fires or in a wildland setting that has a structure involved in it and any sort of vehicle stabilization. The wildland trucks come rated with a high pressure system. It comes with the same rating but with a smaller price tag. The 91 GMC Pump truck would actually place that with a mini pumper which would be a crew cab pickup chassis. By not having three big trucks and combining two big trucks and a small truck to use to pull the UTV to rural calls it could still be used to throw a drop tank and to follow the grass rigs and it allows them to leave their 1118 truck that has all of their rescue tools in town. This would free up all of their resources that are on that truck and it would still be in town and allowed to respond to calls, accidents, fire alarms, structure fires or anything like that. Chief Johnson stated that they will be eliminating a grass rig but the new truck will be able to get out there and do some off road activities. They had a tractor fire a couple of years ago and the tractor was out in some pretty rough terrain and they were out there bouncing around in pickups. They would go out there with 200 gallons of water which would spill all the way out there. They finally ended up dragging a hose out there off of a pump truck because they had no way to get out there. He stated that the other option would be to ride the insurance thing out. This truck is scheduled to be replaced next year so they would have brought it to the table then; however he does not feel that he would be doing a financial justice by spending money on a truck that they will be getting rid of in a year. He stated that he is having a hard time getting anyone that actually wants to write a quote on it due to it's age. The electrical component part can no longer be found. Ambuehl stated that he spoke to the LMC regarding the 91 GMC and one of the things that the adjuster is worried about is that they would be marrying themselves to that truck once they stick that kind of money into it. Peterson stated that he is of the opinion that that truck needs to go. Chief Johnson stated that they could replace what they have, but in the plan the 91 will go away and it would be replaced with a mini-pumper. Instead of spending \$350,000.00 they would be spending \$200,000.00. They would then need to replace the crew cab pickup and in seven years they would end up being in a deficit and having to try and figure out how to replace the next truck. Ambuehl stated that they do not have the full amount to replace that crew cab and they would have to kick in some to be able to replace it. Chief Johnson stated that the pickups are at actual cash value now, not at replacement cost. The other problem that they run into with the pickups is that when they buy a pickup they put all of the lights on and all of the wiring. By doing that it is not additionally insured on their policy. If they took it to a truck manufacturer and had them do it, it would then become part of the pickup. They are looking at whatever they feel the truck is worth the day that it was totaled. They are not looking at getting a lot of insurance help but best case scenario would be \$35,000.00. If they were to get the \$35,000.00 would they want to re-invest it back into what they have that will be replaced in a year? Peterson questioned if all three of the trucks were in the water? Chief Johnson stated that the two pumpers were that actually pumped. The big truck did not pump the day of the flood. It was used for responding to the 19 911 calls that they had that day. That truck has had some electrical issues due to driving thru water responding to calls. Schons questioned what was in his budget? Chief Johnson stated that his transfers out budget amount was on the handout and that in a perfect world three trucks for two would roughly be \$550,000.00. At that amount they will have approximately \$35,000.00 of insurance money and in a year and a half they would either have a trade-in or private sale value of approximately \$150,000.00. They would then be at \$350,000.00. If they do grants USDA will finance these trucks and USDA does have financing options as any of the companies would for municipalities. If they do the USDA there is the potential for \$25,000.00 to \$50,000.00 per truck as long as they borrow some money against that truck and keep that loan with them for at least 12 months. If he can write some grants and make some things happen they would possible be back to \$250,000.00 that they could set up on the loan program. They will have some chassis payments upon ordering the truck but they would not pay for the rest of the truck until it is completed. Ultimately in 2021 they had it figured for \$350,000.00 as by the time they received it it would be 2021 which would actually put it out a year past its service life. It would be a loan for a couple of years on both trucks and pay more than the minimum payment on the annual loan and the problem would go away within three years. The other thing that it does is that it helps to break up the purchase of equipment so that the budget is balanced at least until 2040. Schons questioned if this expense is reimbursable by either FEMA or the State due to the damage from the flood? Ambuehl stated that would be questionable. He does have a meeting with FEMA on Wednesday and he will be discussing that with them. He would assume that there would be some. Since they are forced to replace the equipment earlier than what was forecasted he feels that there would be something there for it.

He is just speculating as there is no way that he could know that until he sits down with them. Peterson questioned if all of the number were based on not receiving any money from FEMA and Chief Johnson indicated that is correct. Schons questioned what Chief Johnson needs from the Council tonight? He indicated that he just needs their thoughts. He understands that this is very short notice; however as a result of the flood they will have to do something. Whether they are fixing or replacing he would like the Council to make that decision. The chance of grants and loans in the situation that they are in will raise them up a notch or two; however filling the grants out will take some time. He would like permission to jump ahead a couple of years to replace the one truck. He does not want to stick \$10,000.00 worth of insurance money into a truck that is worth \$25,000.00 and run it for a year or two until it is replaced. They will have to decide if they want to replace the pickup that was totaled as it will eventually stop raining and things will turn brown and they will need it again. Ambuehl questioned if they are reliable and Chief Johnson stated that it is out of service and the keys are locked up. Ambuehl stated that is something that they need to react to regardless. The thing that he would caution the Council on is that there may be a time that they cannot act on anything in the event that FEMA auditors will need to look at any of this equipment. What does supersede that is the fact that they do have to have safe equipment in place. Ambuehl will let them know what he finds out on Wednesday and Chief Johnson is welcome to come with if he chooses. Peterson stated that to keep things going in the right direction he would like Ambuehl to bring the information that he receives on Wednesday to the Special Council meeting on July 30<sup>th</sup>. Ambuehl stated that it might be wise for the Council to give Chief Johnson permission to get the chassis ordered but not to commit to letting a truck go out of the facility until they know what FEMA is willing to do. Chief Johnson stated that the 91 will sit in the fire hall until March. As of right now they can still get it running as that truck holds all of the hoses for in town structure fires and it will still drive. It can still be used but not as a primary or back up attack truck. Schons questioned if that is the one that they will bump them up on the list and Chief Johnson indicated that it is. Ambuehl advised that that one is time sensitive as there are other departments that will be looking to get on that list as well. They are advancing one to two years in an attempt to not waste money on a truck that they were going to get rid of in two years anyway. Tiegs indicated that he feels that they should do it and work with FEMA. Chief Johnson asked if it is fair to ask the Council at this point if they are thinking of replacing the 91 and the pickup with the crew cab mini pumper and another pickup or are they thinking the three for two? Tiegs stated that he likes the three for two as it lowers the maintenance costs and provides them with everything that they need. Motion was made by Peterson, seconded by Tiegs that Chief Johnson orders the chassis now. Chief Johnson stated that the City does have a policy that they do formal bids and there is something now where all municipal equipment can be bought direct without going thru the bid process. The company that he is looking at informed him of this change that occurred about two years ago. There are approved companies that they can just buy something from that Chief Johnson will look into. The motion they are making would be to design a set of specs and put it out for proposals unless they can just buy direct. Ambuehl stated that he would put it on the person that told him that to provide him that information. He is aware of certain things that fall under that but he has not seen anything regarding fire trucks. Chief Johnson stated that he will have the information sent to him tonight and will have it on Ambuehl's desk in the morning. He just wants to make sure that everyone is aware that if they don't fit in the group of people that can do it they may have to step back a notch and go thru the formal RFP process. Ambuehl suggested that the motion state that as long as they fall within the parameters to go ahead and order the chassis from that manufacturer. If they don't fall in those parameters than they will need to go thru the process. Peterson amended his motion to indicate that. Tiegs seconded that. All voted in favor.

Peterson stated thanked Daniels for getting the bike path cleaned up.

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

Attest:

 City Administrator

 Mayor

# AUGUST 13, 2018

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 13, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Diane Campbell-Administrative Assistant and Shane Daniels, Public Works Director.

Pledge of Allegiance was given to the flag.

The invocation was given by Ben Bryant.

Mayor Cooreman asked for the approval of the July 23 and July 30, 2018 minutes. Motion was made by Schons, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Ambuehl stated that he would like to add 10D-Sewer Special Assessments-Petition for Improvement, 10E-Waiver of Appeal for Special Assessments and 12B-Resolution 2018-41-Approving Payment to Duininck, Inc for work completed on 2017 Phase 1 Infrastructure Improvement. Motion was made by Peterson, seconded by Schons to approve the agenda as amended. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Resolution 2018-41-Approving payment to Duininck, Inc was presented for work completed on 2017 Phase 1 Infrastructure Improvement in the amount of \$4,759.50. Andy Boyle, with I&S addressed the Council and explained the work that was done and what the payment covers. Motion was made by Peterson, seconded by Thao to approve Resolution 2018-41. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to hold a closed session following the meeting to discuss the possibility of making the EDA Director a City employee. All voted in favor.

A donation request from SW Initiative Foundation was presented. The function of this organization was explained by Carpenter, EDA Director. Motion was made by Peterson, seconded by Thao to donate \$1,000.00 to the SW Initiative Foundation to come out of the 2019 Budget. All voted in favor.

Daniels addressed the Council in regards to the purchase of a Public Works truck. The reason for this was due to the frame rusting thru on the truck that they use every day. How it would work into the budget was discussed. The prices and the options of new verse used were discussed. They could have a truck priced at \$41,000.00 delivered to the door for around \$29,000.00. Staying local, being fiscally responsible and delivery time was discussed. Motion was made by Schons, seconded by Thao that they go with the \$29,308.77 vehicle thru National Auto Fleet and to look into working it thru Salmon's to benefit a local business. The range to work thru Salmon's was set at \$30,000.00 or below. All voted in favor.

A petition for Local Improvement from Tim Swanson was presented. This is to relocate his sewer line and to have it placed on his tax statements. This is one of the 8 properties that are not yet in compliance. Motion was made by Tiegs, seconded by Thao to approve the Petition for Local Improvement for Tim Swanson. All voted in favor.

Agreements of Assessment and Waiver of Irregularity and Appeal for Tim Swanson, Delores Fredericks and Ron Coyle were presented. Daniels did get ahold of all 8 property owners. They will start re-routing this week and will hopefully finish up next week. The property owners of the waivers presented would all like to have it put on as assessments. Fredericks and Coyle did a petition last year and Swanson's was just approved. The documents presented tonight would be approval to actually have it placed on the tax statement. Motion was made by Peterson, seconded by Tiegs to approve the Agreement of Assessment and Waiver of Irregularity and Appeal for Coyle, Fredericks and Swanson. All voted in favor.

Razing the building at 157 3<sup>rd</sup> Street was discussed. It was indicated that this is the old Enderson Building. Complaints of a sewer smell were reported which allowed the Building Office and the Fire Department to enter the building. The condition of the building and the hazards that it poses were discussed. There were 3 different kinds of mold identified as well as a bearing wall that had collapsed in the basement. The upstairs hallway was tipped which correlates with the collapsed bearing wall. Evidence of unauthorized entry was discussed and indicated that there was not any. The Resolution drafted by the City Attorney was discussed which explains how the City should proceed. If the owners do not meet the requirements laid out the City would then have the ability to move forward with razing the building and assess any costs associated with it. Motion was made by Schons, seconded by Tiegs to pass Resolution 2018-40. All voted in favor. It was indicated that if there is evidence of unauthorized entry or imminent danger before the requirements are met they would have the right to take it down immediately. The Council decided to have a barricade put up around the awing to prevent traffic underneath it.

The consent agenda consisted of Municipal Accounts payable, Airport Minutes from April 9, 2018, Charter minutes from June 27, 2018 and Planning Commission Minutes from July 3, 2018. Motion was made by Tiegs, seconded by Thao to approve the Municipal Accounts Payable without Breakthru Beverage and the minutes presented. Peterson questioned if they could make the Charter minutes clearer? The length of typed minutes was discussed and was decided by the Council to do a more condensed version versus the current word for word version for all commissions, Boards and Council meetings. Thru Ambuehl's research he found that it was previously done that way due to a council decision many years ago and the LMC affirmed that it is not necessary. Motion was made by Peterson, seconded by Schons to approve the Breakthru Beverage Accounts payable. Voting in favor: Peterson, Mayor Cooreman, Thao and Schons. Abstaining: Tiegs.

The Larson land purchase was discussed. The Larson's started to receive a separate tax statement after the annexation of the Dollar General. Larson's are proposing that the City pay \$5,000.00 for the land along with the \$200.00 that he has paid in taxes for a total of \$5,200.00. They are also requesting that the City cover all closing costs associated with the sale. This would be for liability and tax reasons and it would be similar to the sale of the Engelkes property. It was expressed that the Engelkes property had value to the City where the Larson property would not. Having the taxes reduced at the Local Board of Appeals was discussed and Ambuehl is to look into whether or not that can be done and to report back.

There was a discussion regarding utility rates. Ambuehl has located a program that can be used to project utility rates on-line. The utility rate tiers were discussed and how to go about adjusting them. Daniels pointed out that tiers are difficult to budget for which is why they need to look at increased rates. Peterson suggested running different scenarios to get an idea of where the numbers would be. Ambuehl and Daniels are to work on putting together different number and scenarios.

The City Attorney RFP for 2019 was discussed. Ambuehl requested specifics from the Council that they would like to have included. Various specifics were discussed such as having an office in town and handling civil prosecution issues. Tiegs suggested including that "they would prefer" these things but not make them mandatory. Offering them an office space was discussed to help attract potential candidates. Ambuehl will add those suggestions to the RFP and submit it for approval at the next Council meeting.

The Hospital Board was discussed. Schons advised that the City is no longer required to have a board as a result of the sale of the hospital. The hospital will keep an advisory board and will find the members to serve on it. Rosemary Martin, Chairman of the Charter Commission addressed the Council and indicated that the Charter Commission is recommending that it is just suspended. Schons stated that the hospital would still like to have a representative from the City Council to serve on the hospital advisory board. The Council decided to leave Mayor Cooreman on that board until the end of her term. Removing it from the Charter all together was discussed as the City will likely never get back into the Hospital business. Motion was made by Schons, seconded by Tiegs to remove the Hospital Board from the Charter. All voted in favor.

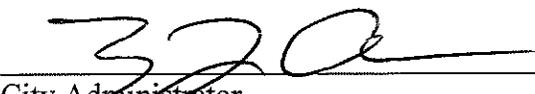
The proposed RFP for the sale of the Liquor Store Inventory and Lease was presented. All of the Council's requested criteria are included in it such as the sale of the alcohol, the lease, the building of a new structure or renovating an existing structure as well as the hiring of all existing liquor store employees at the time of the sale. Motion was made by Peterson, seconded by Tiegs to put the RFP out there and see what they get. Discussion took place regarding the price of the license and it was indicated that the price is set by the State. Ambuehl advised that he will need a closing date for the RFP as well as the date that the Council agreed to move forward with it. Motion was made by Tiegs, seconded by Peterson to advertise the RFP and set the closing date for October 1<sup>st</sup>, 2018 at 3:00 pm. All voted in favor.

Ambuehl and Peterson thanked Daniels for contacting the property owners of the 8 properties that were not in compliance and for moving it forward.

The recording of the Box Car Days Parade was discussed. Ambuehl indicated that the camera that was approved for purchase last year has now been ordered and the parade will be recorded. There was discussion about the fact that it will not be live, which was the concern last year. It was indicated that they should have it on the Cablecast within about ½ hour after the conclusion of the parade. The route of the parade was discussed.

Motion was made by Tiegs, seconded by Thao to adjourn the meeting to a closed session.

Attest:

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

  
\_\_\_\_\_  
Mayor

## AUGUST 20, 2018

732

A Special meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 20, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl, City Administrator and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Cooreman asked for the approval of the Agenda. Ambuehl stated that he would like to add 4D-Request Long Term Recovery Funding. Motion was made by Tiegs, seconded by Peterson to approve the Agenda with the addition. All voted in favor.

Resolution 2018-42-Offer the Municipal Liquor Store Inventory for Sale and to Solicit and to Advertise Request for Proposals for the Purchase of the Municipal Liquor Store Inventory and the Lease of the Municipal Store Building was presented. Ambuehl advised that this was just a formality that the City Attorney requested to be done. Motion was made by Schons, seconded by Tiegs to approve Resolution 2018-42. All voted in favor.

There was discussion on the razing of properties. Fire Chief Dale Johnson III addressed the Council and indicated that they have served eight notices to property owners regarding structural damage to their property. Three of the eight property owners have responded and have indicated their intentions of the property. He has not had any contact with the remaining five property owners. Fire Chief Johnson III indicated that he would like to follow the same procedure on these properties that the Council put in place for 157 3<sup>rd</sup> Street allowing them to make the repairs within 30 days or the building will be razed. These properties are residential homes and one building. The Council and Chief Johnson III agreed that if the property owners contact the City with a plan to get it corrected that they would work with them. Motion was made by Peterson, seconded by Thao that if Fire Chief Johnson III has not heard from the remaining 5 property owners by Wednesday that a resolution should be prepared to be presented at the next Council meeting. The inspection of vacant structures was discussed. All voted in favor of the motion.

An update on the Fire Trucks was given to the Council by Fire Chief Johnson III. If the vehicles that they believe will be totaled are, there will be three pickups and one pump truck that will be unusable. The estimates have been submitted to the Insurance Company; however the pickups do not have replacement costs as they are a lower ticket item. The International Chassis that has been approved for purchase has been quoted at \$375,000.00 rather than \$350,000.00. The company will be firming that number up and the City will also be getting a Sourcewell government discount which will hopefully bring it down to the \$365,000.00 mark.

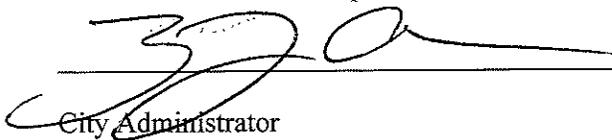
The two pickups are two door grass rigs that will both be totaled. The replacement costs budgeted for them came to \$58,994.00 each. This would be buying the chassis locally and delivered to Sioux Falls to have the flat beds put on and installing the skid units as well as making them compliant. The Fire Department would take possession of them the second week in September so they would only be going about 3 weeks without any grass rigs. Ambuehl advised that this is unheard of and they would not find them any cheaper. Fire Chief Johnson advised that they will be re-using the pumps and the tanks. Financing was discussed. Motion was made by Tiegs, seconded by Schons for Fire Chief Johnson III to purchase the two grass rigs for \$58,994.00 each. All voted in favor.

Fire Chief Johnson III stated that the motion that was made at the last meeting to replace the 2 pump trucks and the grass rig with another pump truck and a mini pumper authorized him to purchase them; however there currently is not a chassis available for the mini-pumper. They are first on the waiting list which likely will not be until the first part of the year. Fire Chief Johnson III advised that the company should have hard numbers to him by Wednesday and will present them to the Council at the next meeting. There was discussion regarding the four vehicles being replaced. Ambuehl pointed out that some of the radios were also damaged and they do have a Motorola rep coming to look at those.

Ambuehl presented a request for long term recovery funding. He explained that there is a group for this set up. They help to organize the volunteer organizations that come to town in a disaster event and assist in setting up case managers once those organizations leave. The City cannot disburse those funds; it would have to be a non-profit group. The Long Term Recovery group has set up an account and has put their personal funds into it. Ambuehl stated that it is \$1,000.00 and he is requesting that the City cover those funds as it will be benefitting the City as a whole. This group is sponsored by Homeland Security which gives them guidelines to be followed and this alleviates the City's liability. Tiegs questioned if this group would take over once the Red Cross and those types of organizations goes away? Ambuehl advised that Lutheran Social Services will send case managers to see what residents unmet needs are. These case managers will prioritize who needs help the most. The Long Term Recovery team will continue moving forward with that as it is not just in response to the flood. Because of that they may need to request funds in the future as well. This team is recommended by FEMA as well as Homeland Security to going forward. It was made clear that this team is not run by the City; they are a separate team that the City is not liable for. Peterson suggested taking the money out of the \$250,000.00 loan that the City took out so it will not affect the budget. Motion was made by Schons, seconded by Tiegs to approve giving the Tracy Long Term Recovery team \$1,000.00 to assist in covering costs associated with this group. All voted in favor.

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

ATTEST:



City Administrator



Mayor

# AUGUST 27, 2018

734

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 27, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator and Shane Daniels, Public Works Director.

Pledge of Allegiance was given to the flag.

The invocation was given by Pastor Thor.

Mayor Cooreman asked for the approval of the August 13 and August 20, 2018 minutes. Motion was made by Peterson, seconded by Tiegs to approve the minutes and to enter into discussion. Peterson pointed out that on the August 20<sup>th</sup>, 2018 Special Council meeting minutes he would like the word "each" added after \$58,994.00 for clarification. All voted in favor.

Mayor Cooreman asked for the approval of the Agenda. Schons stated that she would also like to change the closed meeting from Liquor Store discussion to an EDA Position discussion as the Liquor Store discussion is being postponed until September 24, 2018. Motion was made by Schons, seconded by Tiegs to approve the agenda as amended. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Ambuehl gave a Library report in the absence of Val Quist, Librarian. The asbestos removal at the library was completed last week and the bid process for the basement improvements will be started. It was not indicate if she had anything special going on over BCD weekend.

Jason Lichty, Police Chief addressed the Council with his department head report. He discussed a squad purchase as his squad car is scheduled to be replaced in 2019. The Ford motor company has indicated that he will have to order it prior to September 21, 2018 if they want a 2019 model. He stated that he could have bids ready for the next Council meeting if the Council would like him to. It was pointed out that this is budgeted for.

Dale Johnson III, Fire Chief addressed the Council with his department head report. He advised that he met with the Insurance Company and can have something at the next Council meeting as to how they are sitting on all of that. The firm number that he received on the pump truck is \$362,987.00 which is a Sourcewell price.

Jeff Carpenter, EDA Director addressed the Council with his department head report. He informed that the EDA now owns the whole block out in Broad Acres. The asbestos in the garage has been removed and disposed of. They are ready to do the ground prep for construction. He also indicated that Jeff Gladis would like to address the Council at the September 10, 2018 Council meeting regarding the Small Cities Grant. Carpenter also informed that there will be a survey coming out in the near future which is the first part of the Small Cities Grant application process. Carpenter handed out some flyers that will help to get the word out regarding these programs. The \$5,000.00 reward program was explained to the Council which would reward anyone that brings businesses to town with various stipulations. These are mainly flood related but it is not limited to that.

Daniels addressed the Council with his department head report. He discussed the airport and a possible resolution for the west side of the hanger. He informed the Council that all of the services have now been rerouted. Tiegs questioned if they would still be fencing off the old Enderson Building for the BCD weekend? Daniels informed that they are just going to try and secure some of the lose boards.

Ambuehl addressed the Council with a department head report from the Liquor Store. He informed that the Liquor Store sales are down about \$7,000.00 dollars from 2017. He attributes that to July 4<sup>th</sup> not being a big day this year due to the flood on July 3<sup>rd</sup>. Lau requested

Ambuehl to question the Council if she should be open on Sunday of BCD. She would like to be open on Monday from 11:00 am to 6:00 pm with the exception of the parade and on Sunday from 11:00 am to 4:00 pm. Tiegs stated that it has been left up to her in the past.

Ambuehl addressed the Council with his department head report. He informed that he has been attending a lot of meeting and dealing with flood related issues. He continues to work on the 2019 Budget and is trying to get it down initially so it will minimize the back and forth with the Council. The primary election went well. The City of Tracy did qualify for some benefits for the citizens of Tracy which will activate some Federal and State Programs. The efforts of the Fire Department going door to door as well as Chief Lichty documenting everything definitely worked and commended them for it.

Dru Larson addressed the Council regarding a land purchase proposal. He explained that in 2004 the City asked if they would be willing to give an easement that went from the corner of Hwy 14 to the corner of the dump road to enable the City to place a security camera out there. On July of 2017 he received a letter indicated that the Larson's own the tree dump road all the way up to the creek. He researched it and determined that there was not an easement recorded. He indicated that he does not want the liability or to pay taxes on the City dump road. Ambuehl confirmed that the City does not have an easement. Motion was made by Peterson, seconded by Schons to purchase the property for \$5,200.00. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to go into a closed meeting at the conclusion of the Council meeting to discuss the EDA Director position becoming a City employee. All voted in favor.

Daniels stated that the Petition for Local Improvement and Waiver of Appeal for Special Assessments will be tabled until the next meeting as they are still waiting on signatures.

The easement for 324 South Street was presented. Motion was made by Tiegs, seconded by Thao to approve the easement. All voted in favor.

Ambuehl advised that the City Attorney received a letter from First National Acceptance Company regarding 157 3<sup>rd</sup> Street (Old Enderson Building) stating that the property has been sold. Gross has certified a letter to First National advising them that due to the fact that the deed was never recorded they are still liable for that property and would be assessed for the razing if or when that happens. The person named on the QCD has also been notified by Gross via certified mail.

Resolution 2018-43-Allowing Part Time Police Officer to be accepted as a Member of Public Employees Police and Fire Plan was presented. Motion was made by Peterson, seconded by Schons to approve Resolution 2018-43. All voted in favor.

Resolution 2018-44-Approve Payment to Reiner Construction for work completed on the Tracy Stabilization Ponds was presented. Chris with I&S explained that there is a discrepancy on the payment application which he hopes to have resolved by the next Council meeting. The amount that they would like to have paid would be \$487,455.75 versus \$576,322.52. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-44 in the amount of \$487,455.75 to be signed when the Resolution is completed. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Municipal Accounts Receivable, Charter Minutes from July 25, 2018 and MPC Minutes from June 18, 2018. Motion was made by Tiegs, seconded by Thao to approve the Municipal Accounts Payable without Breakthru Beverage, the Municipal Accounts Receivable, the Charter and MPC Minutes. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Cooreman, Thao and Schons. Abstaining: Tiegs.

Ambuehl presented some different scenario's regarding the utility rates that were calculated on software called Quality on Tap. He explained the report and how he arrived at the figures listed. Peterson questioned if the base charge needs to be raised? Ambuehl advised that raising the base

charge would help with the reserves. Peterson expressed that the unit charge has to be raised; however he is wondering if they should look at increasing the connection charge or the base rate as well. The surcharges and storm sewer reserves were discussed. Motion was made by Tiegs, seconded by Peterson to raise the sewer unit charge to \$3.40 and the water unit charge to \$3.50. All voted in favor. It was indicated that this will become effective for the 2019 calendar year.

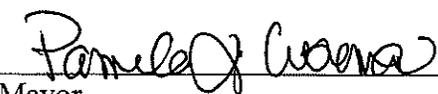
The RFP for the City Attorney for 2019 was presented. Motion was made by Peterson, seconded by Thao to approve the RFP for legal services. All voted in favor.

Resolutions to raze several hazardous buildings were presented. Resolution 2018-45 was for property located at 113 E Morgan Street. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-45. All voted in favor. Resolution 2018-46 was property located at 124 Elm Street. Motion was made by Schons, seconded by Thao to approve Resolution 2018-46. All voted in favor. Resolution 2018-47 was for property located at 249 Union Street. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-47. All voted in favor. Resolution 2018-48 was for property located at 349 6<sup>th</sup> Street. Motion was made by Schons, seconded by Thao to approve Resolution 2018-48. Fire Chief Johnson III indicated that they have been inspected by both he and Daniels and an inspection report has been served to the property owners. They have all been given 30 days to respond with a plan of action. They have not received any response from the property owners of the properties listed on the resolutions. They will start making arrangements to tear it down after 20 days and it would then be assessed to the property owner's tax statement. There are fund options thru the EDA; however the City cannot apply for it for them. All voted in favor of the motion.

Motion was made by Peterson, seconded by Schons to close this meeting and to go to a closed session to discuss the potential of making the EDA Director a city employee. All voted in favor.

ATTEST:

  
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City Administrator

  
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Mayor

## SEPTEMBER 10, 2018

737

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 10, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels, Public Works Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

The invocation was given by Pastor Nick Scutari.

Mayor Cooreman asked for the approval of the August 27, 2018 minutes. Motion was made by Tiegs, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the agenda. Ambuehl indicated that he would like to add 10A-Jason Lichty-Squad Purchase and 13B-Approve August 6, 2018 Planning Commission minutes. Motion was made by Peterson, seconded by Thao to approve the agenda as amended. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Anthony Dimmers spoke during the public comments section of the meeting. He expressed concern that the increase in the water and sewer rates at the August 27, 2018 was just a random number. He would like the Council to make better use of the TV screen so that the public can see how things like that is arrived at and what the Council is basing their decisions on.

Chief Jason Lichty addressed the Council regarding the purchase of a squad car. He advised that this is a 2019 budgeted item; however it would need to be ordered prior to September 21, 2018. He presented three bids- one from National Auto Fleet for \$32,400.00, one from Hibbing Ford for \$32,082.00 and one from Kohls-Weelborg Ford for \$32,588.00. The different packages were discussed and their differences. Chief Lichty's recommendation was to go with Kohls-Weelborg Ford. Motion was made by Schons, seconded by Thao to purchase the vehicle from Kohls-Weelborg Ford for \$32,588.00. All voted in favor.

Jeff Gladis with United Community Action Partnership addressed the Council to give an update on an application for a small cities grant. The first application is due in November and the City of Tracy would have to be accepted in order to submit a second one. He stated that the grant is meant to fix up low to moderate income homes. There will be a survey sent out to the whole community to determine what kind of interest there is in it. They would then plot them on a map to decide which areas that they would want to target for a second survey. The various funding for these grants were discussed and the percentage it would cover. Gladis indicated that these funds would be used for housing repairs such as siding, roofing, windows, furnaces, doors and things like that. He also informed that it would be a targeted area within the city limits along with a backup area. The incentives of filling out the survey were discussed. The surveys are due back by September 17, 2018; however they will take late ones as well. The income guidelines were discussed that appear on the survey. This will cover owner occupied properties, not rental properties. The targeted areas will not be known until the end of the month. Gladis informed that there is a deferred loan process that flood victims could look into if they are not covered thru insurance or Small Business Administration that can be applied for thru MN Housing.

Ambuehl indicated that he was approached by the Lions Club to see if the City would be interested in helping with some of the electricity costs for the digital sign that was put up. The City does use the sign throughout the year and the Lions Club would like the City to help support it. The electricity runs around \$600.00 per year. They would also like to use the City Office as a drop off for anyone that would like to utilize the sign. Motion was made by Peterson, seconded by Schons to donate \$600.00 a year. All voted in favor. It was indicated that it can be amended during budget time as needed.

Resolution 2018-49-Amending a portion of the Annual Fee Schedule for the calendar year 2019 was presented. This is to address the increased water and sewer rates that were approved at the August 27, 2018 Council meeting. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-49. All voted in favor.

Resolution 2018-50-Loan authorizing and providing for the incurrence of indebtedness for the purpose of providing a portion of the cost of acquiring, constructing, enlarging, improving and/or extending it's Municipality functions and services was presented. Ambuehl informed that this is in regards to the bond for Phase III which will allow them to move forward with the application process. This would be from Rural Development for a low interest loan. There was discussion as to whether anyone has heard from the State. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-50. All voted in favor.

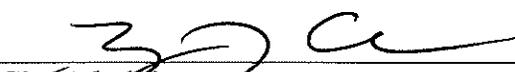
The consent calendar consisted of Municipal Accounts Payable-with and without Breakthru Beverage and Planning Commission minutes from August 6, 2018. Motion was made by Tiegs, seconded by Peterson to approve the Municipal Accounts Payable without Breakthru Beverage and the Planning Commission minutes. All voted in favor. Motion was made by Thao, seconded by Peterson to approve the Breakthru Beverage accounts payable. All voted in favor.

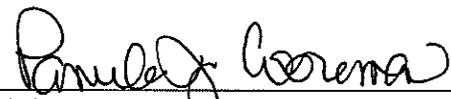
The Proposed 2019 Budget was presented to the Council. Ambuehl advised that the proposed levy will be at a 10-12% increase which will give the City a cushion in the event that there is a mistake in the proposed budget. He is hopeful to have the final levy down in the lower percentages once he has all of the hard numbers in place.

Changing the November 12, 2018 Council meeting date due to Veterans Day was discussed. Motion was made by Schons, seconded by Peterson to change the Council meeting from Monday, November 12<sup>th</sup>, 2018 to Tuesday, November 13<sup>th</sup>, 2018. All voted in favor.

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

ATTEST:

  
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City Administrator

  
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Mayor

## SEPTEMBER 24, 2018

739

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 24, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels, Public Works Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Cooreman asked for the approval of the September 10, 2018 minutes. Motion was made by Peterson, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the agenda. Ambuehl indicated that he would like to add 12D-Resolution 2018-54-Amending Resolution 2018-44 for pay app #6 to Reiner Contracting. Motion was made by Tiegs, seconded by Schons to approve the agenda as amended. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Eric Wallen, candidate for Lyon County Sheriff addressed the Council. He spoke briefly regarding his qualifications and background with the Lyon County Sheriff's Department.

Val Quist, Head Librarian addressed the Council with her department head report. She advised that Rob Knipe has resigned and that they have hired Lauri Fox to replace him as a Library Assistant.

Tam Schons, Liquor Store Manager addressed the Council with her department head report. She will be attending the regional meeting on October 18, 2018 which will be held in Marshall. Michael Friesen from MMBA will be coming to Tracy on Thursday afternoon and Friday morning to go over things with Schons. October's promotions which would be in conjunction with the Animal shelter were discussed. She advised that she has two new employees and she is working on a new Facebook page.

Jeff Carpenter, EDA Director addressed the Council with his department head report. He advised that the two houses in Broadacres will be burned down in the next couple of weeks. The survey that was sent to the residents of Tracy was discussed. The ad that will be put in the SW Peach was presented to the Council as well as the \$5,000 business reward, details and rules.

Jason Lichty, City of Police addressed the Council with his department head report. He informed the Council that the 2019 Squad car has been ordered. He also indicated that he is waiting for the bid for installment of the enforcement lighting for this vehicle.

Dale Johnson III, Fire Chief addressed the Council with his department head report. He indicated that they have been awarded \$205.00 per fireman for training. He discussed the Merit Tower in Marshall that has been put up for training which will be a money savings for them in hotel costs and things like that. He advised the Council of the houses in town that they have been practicing on and the arson investigation training that they will be doing in conjunction with it. He discussed Fire Prevent week coming up and indicated that they are putting together a training video involving "A day in the life of a fireman". The ages that will view this will be k thru 5 and the video will be roughly 15 to 20 minutes in length. Chief Johnson gave an update on the equipment damaged by the flood. He advised that they did end up with a dual wheeled chassis which does not work off-road. They have found some kits that will convert it from two to one.

Chris Larson with I&S addressed the Council regarding two resolutions on the agenda. He stated that pay app #7 to Reiner is for the ponds in the amount of \$326,730.27. The second one is to correct Resolution 2018-44 to go from \$487,455.75 to \$471,455.75.

Daniels addressed the Council with his department head update. He stated that they have been pumping water as needed, repairing road as well as doing culvert work at Swift Lake Park. Daniels informed that he has been questioned if the new ponds have any deficiencies in them with Phase I. The answer is no. The reason that they have been pumping is due to not being able to gravity by-pass which means that everything needs to be pumped. Larson pointed out that a lot of rain in an hour time would have a totally different impact on the sewer system than if it is throughout the course of a day. Larson discussed residents being in compliance and a bigger time frame they would have to get it coordinated. Contacting the railroad to mitigate the runoff as well as the County Ditch was discussed. Daniels informed the Council of the flow rates and how the rain impacted it.

Chief Johnson III addressed the Council regarding the purchase of a pump. Motion was made by Schons, seconded by Peterson to purchase an additional Fire Department pump up to \$750.00. All voted in favor.

Ambuehl addressed the Council with his department head report. He advised that he hired Peggy Zwach as the new Finance Clerk, Tammara Schons as the new Liquor Store Manager and Jan Arvizu as a Liquor Store Clerk. He informed that he, Daniels and Angela Holm from Bollig Engineering attended airport training in Brainerd which was worth the effort. The closing on the dump road took place on September 21, 2018. He discussed the funding available as a result of the flood and that they received \$121,560.83 from insurance for damaged fire equipment/trucks and PW vehicles.

Resolution 2018-51-Adopting the Proposed 2019 Levy was presented. This levy is an increase of \$23,022.00 or 10.99% from 2018 Proposed Levy. Motion was made by Peterson, seconded by Schons to approve Resolution 2018-51. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to set the Truth in Taxation date for December 10, 2018 at 6:45 with a snow date of December 17, 2018. All voted in favor.

Ambuehl presented a request from the Chamber for the City to assist them with the electricity bill at 250 S 4<sup>th</sup> Street in the amount of \$177.49. This bill was generated during Box Car Days for the carnival workers. It was discussed that this is a Chamber expense and is not a justifiable expense to the taxpayers. Motion was made by Tiegs, seconded by Peterson to decline assisting with the electrical bill as requested by the Chamber. All voted in favor.

Resolution 2018-52-Appoint Election Judges for the General Election on November 6, 2018 was presented. Motion was made by Schons, seconded by Tiegs to approve Resolution 2018-52. All voted in favor.

Resolution 2018-53-Approve payment to Reiner Contraction for pay app #7 for the stabilization ponds in the amount of \$326,730.27 was presented. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-53. All voted in favor.

Resolution 2018-54-Amending Resolution 2018-44 for pay app #6 to Reiner Construction was presented. It was pointed out that this was due to a difference in money between the contractor and the engineer. The difference went from \$487,455.75 to \$471,455.75. Motion was made by Schons, seconded by Tiegs to approve Resolution 2018-54. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable and Municipal Accounts Receivable. Motion was made by Tiegs, seconded by Thao to approve the Municipal Accounts Payable without Breakthru Beverage and the Municipal Accounts Receivable. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Mayor Cooreman, Thao and Schons. Abstaining: Tiegs.

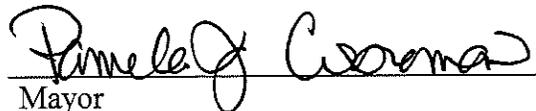
Peterson stated that there are 3 or 4 properties on Morgan St that are still running their sump pumps into the gutter and questioned if they have been notified in regards to hooking into the interceptors? Daniels advised that he would address it.

Available office space for Lutheran Social Services was discussed.

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

ATTEST:

  
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City Administrator

  
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Mayor

## OCTOBER 8, 2018

742

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 24, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels-Public Works Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Cooreman asked for the approval of the September 24, 2018 minutes. Motion was made by Thao, seconded by Schons to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the agenda. Motion was made by Tiegs, seconded by Peterson to approve the agenda as written. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Ambuehl gave an update on the Liquor Store RFP. He indicated that there were no official RFP's received. There was an extension request which was later rescinded. Ambuehl and the Liquor Store Committee's recommendation was to continue with operations as is and review again in 3 to 6 months to see where the profitability margins are at. For the second month in a row there has been a profit so things are moving in the right direction of roughly a \$13,000.00 spread from the end of June until current.

The various boards and commissions were discussed. Ambuehl advised that he would suggest the Council review the Cemetery Commission, MPC Board and the Aquatic Board to determine if it is necessary to continue with them. He also recommended that the Council review section 2.02 of the Charter to determine if the language needs to be changed.

Ambuehl informed the Council that the Cemetery Commission has not met for several years. He explained that with a city employee managing it and doing the maintenance there may no longer be a need to continue with it. Motion was made by Peterson, seconded by Tiegs to eliminate the Cemetery Board. All voted in favor.

Ambuehl discussed the need for the MPC Board. Currently they have a team that takes care of the building to include city employees, Hope DAC for the cleaning, scheduling thru Campbell and the budget thru Ambuehl. It was indicated that it would remain City ran with LSS operating out of the facility. Motion was made by Schons, seconded by Thao to eliminate the MPC Board based on Ambuehl's recommendation. All voted in favor.

Ambuehl discussed the Aquatic Center Board. Daniels indicated that their main task was to recommend the fees for the upcoming season which would then get brought to the City Administrator and then the Council. Peterson pointed out that they could seat a board as needed such as they do with the Park Board. It was expressed that there has been a problem filling all of the seats on the various board and the League advised that is an indication that the City has too many boards. Ambuehl would like to see anyone that is one of the boards eliminated apply to serve on another board that is not filled. Motion was made by Tiegs, seconded by Peterson to dismiss the Aquatic Center Board. All voted in favor.

Section 2.02 from the Charter was discussed. The Charter Commission would like input from the Council in regards to board sizes-minimums or maximums or any other requirements in reference to the various boards that should be specified in the Charter. The other option would be to leave it vague which would give the Council the power to handle it as they wish. Tiegs pointed out that those things are already being addressed in the Board By-laws and feels that it should be left vague in the Charter. Who has the authority to establish advisory boards was discussed and re-iterated that the final decision would be the Councils.

Peterson questioned if the Labor Relations Committee should be eliminated as well? It was expressed that committee is no longer in existence.

Motion was made by Peterson, seconded by Tiegs to hold a closed session immediately following the Council meeting for an Administrative review. All voted in favor.

Ambuehl recommended that the Council appoint April Lichty as the Data Usage Representative (DUR) in regards to the Motor Vehicle Services. This is due to the reorganization of job duties within City Hall. Motion was made by Peterson, seconded by Schons to appoint April Lichty as the DUR. All voted in favor.

The consent calendar consisted of the Municipal Accounts Payable and Receivable, the MPC Minutes from 8/20/2018, the Planning Commission minutes from 9/5/2018 and the Charter minutes from 8/16/2018. Motion was made by Tiegs, seconded by Thao to approve the Accounts Receivable, Accounts Payable without Breakthru Beverage and all of the minutes presented. All voted in favor. Motion was made by Peterson, seconded by Schons to approve the Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Mayor Cooreman, Thao and Schons. Abstaining: Tiegs.

Ambuehl informed the Council and the public that the Liquor Store will now be open on Sundays from 11:00 am to 6:00 pm.

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

ATTEST:

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City Administrator

  
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Mayor

# OCTOBER 22, 2018

744

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 22, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels-Public Works Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

The invocation was given By Thor Burntvedt.

Mayor Cooreman asked for the approval of the October 8, 2018 minutes. Motion was made by Tiegs, seconded by Peterson to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the agenda. Motion was made by Tiegs, seconded by Peterson to approve the agenda as written. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Chris Larson with I&S addressed the Council. He indicated that he has a change order for Phase II to swap out the top section of one of the control centers. If it goes in with the 48" on the top it would get narrow on the access roads so they would like to swap it out with a cone. The price he received from Reiner was \$4,348.73. This would be change order #3 and would like it contingent upon Rural Development approval.

Larson informed that they did receive an extension request from Reiner due to all of the rain this summer and fall. They will be asking for a July 26, 2019 substantial completion as well as an August 30, 2019 final completion date. Construction should be done this year; however testing will not be able to start until next spring.

Motion was made by Peterson, seconded by Tiegs to approve a change order in the amount of \$4,348.73 to modify the top structure of CS4 contingent upon Rural Development approval. All voted in favor.

Motion was made by Peterson, seconded by Thao to approve Resolution 2018-57-pay app #8 to Reiner Construction in the amount of \$35,154.02. All voted in favor.

Resolution 2018-56-Hearing on Proposed Assessments for State Street was presented. There are 4 properties – one of which is O'Brien Court – that will be affected by this assessment. Larson proposed to hold the public hearing on November 13, 2018 @ 6:45 pm. The proposed assessment on 401 State Street and 201 3<sup>rd</sup> St E is at \$2,411.00, 407 State Street would be at \$2,689.00 and 410 State Street, which is O'Brien Court, would be at \$6,399.00. This is based on 25% of the total cost spread out by square foot. Motion was made by Peterson, seconded by Schons to approve Resolution 2018-56 to hold the hearing on November 13<sup>th</sup>, 2018 at 6:45 pm. All voted in favor.

Resolution 2018-58-Calling Hearing on Improvement and Resolution 2018-59-Ordering Preparation of Report on Improvement, both relating to Phase III was presented. There needs to be a feasibility report and an improvement hearing for this. The process of figuring the assessments was discussed and Larson indicated that he will have estimates at the next Council meeting. Larson pointed out that Empire was struggling to get people to schedule their appointments and discussion was held on how to resolve that. There are currently 46 properties that have not responded or reached out after being notified. The Council directed Larson to put strong verbiage in the notification letters and they will stand behind it. The time frame that Empire would do it was discussed. Motion was made by Tiegs, seconded by Schons to approve Resolution 2018-58 calling for the hearing on the improvement on November 26, 2018 at 6:45 pm. All voted in favor.

Motion was made by Tiegs, seconded by Thao to approve Resolution 2018-59-Ordering Preparation of Report on Improvement. All voted in favor.

Mayor Cooreman opened up the Public Hearing for a Variance request from Jeff & Shari Blegan. No one from the public spoke. Motion was made by Peterson, seconded by Thao to approve the Variance request. All voted in favor.

Jeff Carpenter, EDA Director addressed the Council with his Department Head report. He indicated that they handed out 850 surveys and they received close to 220 of them back. How the potential grant would work was explained.

Tam Schons, Liquor Store Manager addressed the Council with her Department Head report. She indicated that they have started their Sunday hours from 11:00 am to 6:00 pm and it is going well. She switched the credit card machine from the phone line to the internet in hopes of speeding things up. Mike Friesen from Detroit Lakes came down and met with Schons regarding the store as well as training. Paul Zabinski with Zabinski Business Services also came in to assist with the software program.

Daniels addressed the Council with his Department Head report. The various projects that they want to complete before winter were discussed.

Ambuehl addressed the Council with his Department Head report. He explained the various meetings that he has attended as well as the ones that he has coming up to include Banyon training and the League of MN Cities Regional meeting in Marshall.

A Liquor Store Committee application from Sis Beierman was presented. Schons pointed out that if there are other residents that would like to be on the committee that they are welcome to apply. Motion was made by Schons, seconded by Peterson to appoint Beierman to the Liquor Store Committee. All voted in favor.

Ambuehl presented the Council with a job description for the Finance Clerk's positions. He asked that the Council approve it so that it can be sent to the Union for their approval. Motion was made by Peterson, seconded by Tiegs to approve the Finance Clerk job description. All voted in favor.

A waiver request from the Lion Club for the use of the MPC facility for their soup supper was presented. Motion was made by Peterson, seconded by Thao to waive the fees for the use of the MPC for the Lions soup supper. All voted in favor.

An Agreement of Assessment and Waiver of Irregularity and Appeal from Delores Scott, David Scott and Lori Scott was presented. Motion was made by Schons, seconded by Peterson to approve the waiver. All voted in favor.

Ambuehl presented the Council with an estimate work sheet from Greenwood Nursery for potted flowers for 2018. Greenwood is proposing to put 24 baskets next to the light poles on Hwy 14 as they cannot be hung. Discussion took place as to who would pay for what and where they would be placed. There was a \$500.00 increase for the downtown plants from what the City paid in 2019 due to increased costs on Greenwood's end. This would bring it to \$6,555.00 for downtown. If the City decides to put flowers on Hwy 14 as well it is estimated at \$11,115.00 total. Prioritizing the flowers in regards to the budget was discussed as well as the participation by the business owners. Joe Beierman addressed the Council and questioned if anyone has contacted the Chamber of Commerce to help with the flower expense. Motion was made by Tiegs, seconded by Peterson to table it until they can gather more information. All voted in favor.

Setting up a Watershed Committee was discussed. The various reasons for this were discussed. One of the solutions was to have a DNR Hydrologist come in and assist them in coming up with a plan to divert water out of Tracy the correct way. Ambuehl would like to see 7-9 people at the

most on this committee. Motion was made by Tieg, seconded by Thao to accept applications for this committee thru November 13, 2018 at 1:00 pm. All voted in favor.

Resolution 2018-55-MnDOT Agreement #1032556-Adjust Frame & Ring Castings was presented. Daniels advised that there will be a repaving project starting on the East side of 4<sup>th</sup> Street East heading east towards Revere. There is one man hole that will need to be adjusted at the City's cost which is why this agreement is necessary. Motion was made by Peterson, seconded by Tieg to approve Resolution 2018-55. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Municipal Accounts Receivable and Library Board minutes from 6/7/2018. Motion was made by Tieg, seconded by Thao to approve the Municipal Accounts Payable without Breakthru Beverage and the Municipal Accounts Receivable. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage accounts payable and the Library Board minutes. Voting in favor: Peterson, Mayor Cooreman, Thao and Schons. Abstaining: Tieg

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

ATTEST:

  
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City Administrator

  
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Mayor

# November 13, 2018

747

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 13, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels-Public Works Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

The invocation was given.

Mayor Cooreman asked for the approval of the October 22, 2018 minutes. Motion was made by Peterson, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the agenda. Ambuehl stated that he would like to add 12E-Resolution 12E-reschedule improvement hearing. Motion was made by Schons, seconded by Peterson to approve the agenda with the amendment. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

A request from the Tracy Chamber to waive the fees for the use of the VMC for the meet and greet as well as the Halloween event was presented. Motion was made by Schons, seconded by Peterson to waive the fees requested. All voted in favor.

A request from the Tracy Chamber for the Tracy PD to provide a police escort for the parade of lights was presented. Motion was made by Schons, seconded by Tiegs to honor the request. All voted in favor.

A list of delinquent items to be certified to the County for special assessments was presented. Ambuehl indicated that this would include items such as mowing, utility bills and curb stop repairs. There were two names that appeared on this list that should not have. One was for Kendal and Pam Cooreman and another was for Seth & Elizabeth Schmidt and they have both been removed. Motion was made by Peterson, seconded by Thao to approve the list as amended. All voted in favor.

A request to replace the snow truck was presented. Daniels advised that the current snow truck is showing a lot of rust underneath and if it rusts thru again they will be out of a truck. Daniels indicated that they could wait until the next budget cycle to replace it if need be. Different truck options were discussed as well as a price point. Motion was made by Peterson, seconded by Schons to allow up to \$20,000.00 to replace the snow truck. Daniels informed that they would then get rid of the old one. All voted in favor.

Matt Knakmuhs from Knakmuhs Agency in Tracy requested that the special assessments on 213 Elm Street be waived to assist in the sale of the property. Ambuehl advised that the property has sat empty for some time now and it has gone tax forfeit. If the County sells the property the City would have the right to re-assess the assessments that were removed at the time of forfeiture. The potential buyer would be willing to buy the lot and add a two car garage to it if the City is willing to waive the assessments. Peterson suggested placing a contingency on it that if the garage is not built by a certain date the assessments will be re-assessed. Ambuehl is to take it back to Knakmuhs and have them make a suggestion as far as the reasonable time frame. Resolution 2018-60 was tabled.

Mayor Cooreman called the Public Hearing for the proposed State Street assessments to order. Chris Larson with I&S addressed the Council and explained that there are only four properties on the project. The original assessable cost was estimated at \$16,100.00; however they did not have to do as much aggregate base work so the total assessable cost was dropped to \$13,910.00. The allocation and how it was arrived at was explained. Mayor Cooreman closed the public hearing as there was no one from the public present to speak. Motion was made by Schons, seconded by Peterson to pass Resolution 2016-63. All voted in favor.

Applications were received for the Watershed Management Committee. The proposed composition of the committee was discussed as well as three applicants – Dennis Fultz, Chad Anderson and Rosemary Martin. Ambuehl stated that he would like to keep the committee at seven so they would only need to appoint two of the three applicants. Motion was made by Tiegs, seconded by Schons to appoint Peterson as the Council rep and Fultz and Anderson from the applicants. All voted in favor.

Ambuehl presented two hospital bills that will need to be paid out of the Hospital fund that they City has. That fund was originally at \$1,469,000.00 which was based on the agreement from the sale of the hospital in 2016. Sanford is supposed to request disbursements of these funds and Ambuehl questioned if the Council would like to approve each of them as requested or if they would like to designate Ambuehl to use his judgement. It could delay payment by two weeks if the Council wants to approve all of them was discussed. The Council agreed that Ambuehl should follow the agreement and pay the bills as he sees fit.

Sidewalk standardization was discussed. The Planning Commission has been working on this for the City plan and would like the Council to look at it and recommended to either call for a public hearing or make a decision to move forward with. ISG's proposal was displayed and discussed which included having sidewalks on only one side of the road with exception of around churches, schools and parks. Larson addressed the Council to explain the proposal and how they arrived at their proposal. This would only be implemented as major infrastructure projects take place. This standardization would assist them when moving forward with these projects in the future which would also include street widths. Putting sidewalk in along Hwy 14 was discussed with pro's and con's. How the engineers would determine which side sidewalk should go on was discussed at length. The Council agreed that it would be best to hold a public hearing to get the overall public's opinion. Anthony Dimmers addressed the Council and indicated that they are having the same conversations that the Planning Commission had and the recommendations that they had come up with for the Council. Setting a special council meeting and working it around school activities was discussed and it was suggested to wait until January, 2019. Ambuehl suggested reassessing it at the January 14, 2019 meeting and set the date at that time. Larson suggested holding an open house as he feels people would be more apt to speak up that way. Larson felt that the Public Hearing should be scheduled after the Open House. It was decided to look for a date for the open house at the January 14, 2019 Council meeting.

There was a request to hold a closed session to discuss the EDA Employee status. Motion was made by Peterson, seconded by Tiegs to hold a closed session at the conclusion of the Council meeting. All voted in favor.

The Charter changes that were voted on at the November 6, 2018 election and passed were discussed. Motion was made by Schons, seconded by Thao to implement the charter changes into the City Charter as was voted on. All voted in favor.

Implementing the two additional Councilmembers to the Council were discussed. Ambuehl explained the options that the Council has to accomplish this. Motion was made by Peterson, seconded by Tiegs to fill the vacancies at the next general election. All voted in favor.

Resolution 2018-61-Establishing a polling place location for the 2019 calendar year was presented. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2018-61. All voted in favor.

Resolution 2018-62-Approving 2018 Delinquent bills to be certified to the County as a special assessment for payable 2019 property taxes was presented. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-62 with the changes mentioned previously. All voted in favor.

Resolution 2018-64-Reschedule the Improvement hearing to January 14, 2019 was presented. This was originally scheduled for November 26, 2018. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-64. All voted in favor.

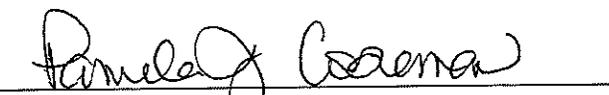
The consent calendar consisted of Municipal Accounts Payable. Motion was made by Tieg, seconded by Thao to approve the Municipal Accounts payable without Breakthru Beverage. All voted in favor. Motion was made by Peterson, seconded by Thao to approve Breakthru Beverage accounts payable. All voted in favor.

Ambuehl proposed to change the office hours to the public to 4:00 pm. This was the closing time originally and due to the DL/MV reporting requirements it is difficult to get it done without going into overtime when closing at 4:30. He would like to go back to shutting the office down to the public at 4:00 to alleviate having to pay overtime as that is not budgeted for. The Council was in agreement to do that.

Motion was made by Peterson, seconded by Tieg to close the Council meeting and go into closed session. All voted in favor.

ATTEST:

  
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City Administrator

  
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Mayor

## November 26, 2018

750

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 26, 2018 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Pam Cooreman, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels-Public Works Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Cooreman asked for the approval of the November 13, 2018 minutes. Motion was made by Peterson, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Cooreman asked for the approval of the agenda. Ambuehl stated that he would like to add 12C-Resolution 2018-67-Approving Gambling Application for Garvin Fireman Relief Association to be held at the Caboose and 12D-Resolution 2018-68-Approving payment to Reiner Construction for work completed on the Stabilization Ponds, pay app #9. Motion was made by Schons, seconded by Peterson to approve the agenda with the amendments. All voted in favor.

Mayor Cooreman asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated.

Val Quist, Librarian addressed the Council with her department head report. She indicated that they have received donations to be used for new books. Upcoming events were discussed. The basement improvements were discussed and indicated that she, Ambuehl and Daniels feel that they should hire an engineer for this project.

Tam Schons, Liquor Store manager addressed the Council with her department head report. She advised that her first sine tasting event went over well. The next one will be held 12/21/2018 from 3:00 to 7:00 pm. Sunday sales and foot traffic were discussed as well as winter hours and holiday hours.

Jeff Carpenter, EDA Director addressed the Council with his department head report. He indicated that the EDA is working on putting together a video that will be attached to the website and Youtube which will show what the City of Tracy has to offer.

Daniels addressed the Council with his department head report. Public works activities over the last couple of weeks were explained. Parking on the street during snow removal was discussed.

Ambuehl addressed the Council with his department head report. He explained the various meetings that he and his staff attended. He also indicated that he is looking at implementing some things such as Department Head meetings and a leave bank policy.

Rosemary Martin, Charter Commission chairman addressed the Council regarding the changes to the Charter due to the election results. She explained that both city questions were voted in and as a result the Charter will need to be updated to reflect this. Motion was made by Peterson, seconded by Thao to accept the recommended wording presented. All voted in favor.

Martin addressed the Council in regards to advertising an open spot on the Charter Commission. She explained that one of the Charter members would like to retire from the Commission once his spot can be filled. Motion was made by Schons, seconded by Tiegs to advertise for the proposed open position with a first review at the January 14, 2018 Council meeting. All voted in favor.

Ambuehl presented the RFP that was received for the 2019 City Attorney. This application came from Matt Gross with Quarnstrom & Doering Law Office, which is the City of Tracy's current legal provider. The rates stayed the same with the Criminal Prosecution added at \$150.00 per hour. Motion was made by Peterson, seconded by Schons to accept the RFP from Quarnstrom & Doering Law Office for 2019 legal services. All voted in favor.

Resolution 2018-65-Canvassing the General Election results was presented. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2018-65. All voted in favor.

Resolution 2018-66-Ordering the razing of a hazardous building at 157 3<sup>rd</sup> St was presented. Ambuehl stated that First United Acceptance Company is claiming Erik Alcocer to be the owner of this building and he will need to receive the same notification that First United Acceptance Company received. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2018-66. All voted in favor.

Resolution 2018-67-Approve Gambling application for Garvin Fireman Relief Assn to be held at The Caboose was presented. This would allow pull tabs, tip boards and bingo to take place. Motion was made by Peterson, seconded by Thao to approve Resolution 2018-67. All voted in favor.

Resolution 2018-68-Approve payment to Reiner Construction for work completed on the stabilization ponds Pay App #9 was presented. Motion was made by Tiegs, seconded by Thao to approve Resolution 2018-68 contingent upon approval from the Engineer and Rural Development. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable and Receivable, Charter minutes from 9/27/2018 and Planning Commission minutes from 10/15/2018. Motion was made by Tiegs, seconded by Thao to approve the Accounts Payable without Breakthru Beverage and the minutes presented. All voted in favor. Motion was made by Peterson, seconded by Schons to approve the Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Mayor Cooreman, Thao and Schons. Abstaining: Tiegs.

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

ATTEST:

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City Administrator

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Mayor