

January 14, 2019

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The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, January 14, 2019 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, Diane Campbell-Administrative Assistant and incoming Mayor Anthony Dimmers.

Pledge of Allegiance was given to the flag.

An Oath of Office was given to the newly elected Mayor Dimmers and Councilmembers Schons and Thao by City Administrator Ambuehl.

Outgoing Mayor Cooreman thanked the public for the opportunity to serve the City of Tracy.

Mayor Dimmers acknowledged the outgoing Mayor Pam Cooreman and thanked her for her years of service.

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

Mayor Dimmers asked for the approval of the agenda. Ambuehl stated that he would like to add 11A-Purchase Agreement for Residential Properties and 12E-Resolution 2019-5-Receiving Feasibility Report. Motion was made by Peterson, seconded by Thao to approve the agenda with the amendments. All voted in favor.

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

Shirley Anderson addressed the Council during the public comments to remind the public of the open houses that will be held on Tuesday, January 15th, 2019 which includes Phase 3A and Sidewalk Standardization.

Ambuehl presented the wage scale for the Aquatic Center employees for approval. Motion was made by Peterson, seconded by Schons to approve the wage scale as presented. All voted in favor.

Ambuehl presented a Motor Vehicle/Driver's License summary from 2018. He advised that there has been a decline in MV registration as a result of the availability of online registration. There was an increase in DNR registration as some of the rates increased. The revenues from 2018 were very close to 2017 revenues.

The Fire Department 2018 Fiscal Yearend report was presented.

An annual review of Animal License was presented. Campbell informed that currently they have 217 permanent licenses and 23 annual licenses. Of that figure there are two residents with four pets registered.

A Memorandum of Understanding from Attorney Matt Gross was presented for approval. Motion was made by Peterson, seconded by Schons to approve the Memorandum of Understanding for legal services. All voted in favor.

Chris Larson, Project Engineer with ISG gave a slideshow presentation regarding the Phase 3A Improvements and a brief summary of what it involves. Property Owners proposed assessments were presented and explained.

Mayor Dimmers opened up the Phase 3A Improvement Public Hearing to the public.

Seth Schmidt questioned why the cost has been creeping up? Larson explained that the material costs have increased as well as with the plan becoming clearer issues arise that were not foreseen in the preliminary design.

Brian Hayes of Tracy questioned Daniels if he has records going back to 2000 regarding repairs? Hayes indicated that he believes that the street and sewer system was replaced in 2000 by the Zion Lutheran Church on Emory Street. Daniels is to look into it and report back. There was discussion as to what the City will be replacing with Phase 3A versus what would have been replaced in 2000.

Tara Brandl addressed the Council regarding the street width on Hollett Street. She had concerns with that street being narrowed when they are already having issues with the street being too narrow. It was indicated that that street will likely be 2' wider, not narrower. It will be looked into.

A resident addressed the Council questioning if there will be a hookup charge on top of the assessment. Daniels advised that the hookup would be included in the \$7,500.00 unless there is an illegal connection.

Seth Schmidt questioned the sidewalk standardization in Phase 3A. Ambuehl advised that currently it is drawn up so that if sidewalk currently exists it will be replaced as was. No decision has been made as to how to proceed with it as of yet. Cost savings were discussed as well as delays due to the government shut down. Larson indicated that bids should be done by mid to late March. He also suggested breaking it down into two years to get in the realm of good bids.

Mayor Dimmers closed the hearing and turned it over to the council for discussion.

Resolution 2019-5-Receiving Feasibility Report was presented. Motion was made by Peterson, seconded by Thao to approve Resolution 2019-5. All voted in favor.

Resolution 2019-2-Pay app #10 for Duinink Inc -2017 Phase 1 Infrastructure Improvements was presented. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2019-2. All voted in favor.

Jennifer Andries, Executive Director and Neal Ingebriktson, former Vice President of the Lyon County Historical Society addressed the Council. Jennifer gave an update on the 2nd floor of the Historical Society Museum. She advised the Council that the Museum was named as a 2018 recipient of a Minnesota Historical and Cultural Heritage Grant in the amount of \$265,585.00.

Ingebriktson passed out drawings of what the 2nd floor will look like and what exhibits will be displayed.

Motion was made by Schons, seconded by Peterson to appoint Dimmers to the Planning Commission as a Council representative. It was agreed to advertise for the two open spots for this Commission in February when the City advertises for the other boards. All voted in favor.

Setting a Public Hearing date for Sidewalk Standardization was discussed. Motion was made by Tiegs, seconded by Thao to set the Public Hearing for February 11, 2019 at 7:00 pm. All voted in favor.

Setting a Public Hearing date for a Small City Grant was discussed. This needs to be done to move to the second round of this grant. Motion was made by Peterson, seconded by Thao to hold the Public Hearing on February 11, 2019 at 6:45 pm. All voted in favor.

Local Board of Appeals & Equalization training was discussed. Ambuehl advised that Peterson is currently trained; however he would like to see all councilmembers trained. This training will be done online and will need to be completed by February 1, 2019. The link will be sent to all members.

A Leave Donation Policy was presented. The City currently does not have one and Ambuehl would like to see one adopted. Motion was made by Tiegs, seconded by Thao to approve the Leave Donation Policy. All voted in favor.

Jeff Carpenter, EDA Director addressed the Council regarding a purchase agreement for residential properties. He advised that the properties in question are located at 349 2nd Street and 361 2nd Street and the EDA Board has approved the purchase of them. The current owner has agreed to sell the properties to the EDA for the cost of the delinquent taxes in the amount of \$2,856.44. Motion was made by Peterson, seconded by Tiegs to allow the EDA Director to purchase the properties for the amount of the Delinquent Tax. All voted in favor.

Resolution 2019-1 to contract with Dave Tiegs-Breakthru Beverage was presented. Motion was made by Peterson, seconded by Schons to approve Resolution 2019-1. Voting in favor: Peterson, Dimmers, Thao and Schons. Abstaining: Tiegs

Resolution 2019-3-Adopt Annual Fee Schedule for 2019 was presented. Peterson stated that the water and sewer rate should read per unit not per gallon. Motion was made by Peterson to approve Resolution 2019-3 with those corrections. Daniels stated that it is per 1,000 gallons which is a unit; however there is an old unit and a new unit. It was suggested to indicate it as per 1,000 gallons versus unit. Motion was made by Peterson, seconded by Tiegs to approve the Resolution with the per 1,000 gallons correction. All voted in favor.

Resolution 2019-4-Gambling Permit for St Mary's for March 31, 2019, September 6, 2019 and December 15, 2019 was presented. Motion was made by Schons, seconded by Tiegs to approve Resolution 2019-4. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Planning Commission minutes from 12/3/2018 and Library Board minutes from 10/11/2018. Motion was made by Tiegs, seconded by Peterson to approve the Municipal Accounts Payable without Breakthru Beverage and the minutes presented. All voted in favor. Motion was made by Schons, seconded by Thao to approve the Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Dimmers, Thao and Schons. Abstaining: Tiegs.

Mayor appointments included:

1. City Clerk/Administrator-Kris Ambuehl-Motion by Schons, seconded by Tiegs
2. Deputy Clerk-Shane Daniels – Motion by Thao, seconded by Tiegs
3. Public Works Director-Shane Daniels – Motion by Peterson, seconded by Tiegs
4. City Attorney-Matthew Gross from Quarnstrom & Doering Law Office – Motion by Tiegs, seconded by Thao
5. Fire Chief – Dale Johnson III – Motion by Peterson, seconded by Tiegs
6. Assistant Fire Chief – Mike Erbes – Motion by Thao, seconded by Tiegs
7. Assistant Fire Chief – Tony Rolling – Motion by Peterson, seconded by Tiegs
8. Weed Inspector – Barton Meyer – Motion by Peterson, seconded by Tiegs
9. City Forester – Barton Meyer – Motion by Thao, seconded by Peterson
10. Building Inspector – Shane Daniels – Motion by Schons, seconded by Tiegs
11. City Assessor – Lyon County Assessor – Motion by Peterson, seconded by Tiegs
12. Civil Defense Director – Jason Lichty – Motion by Peterson, seconded by Tiegs

All voted in favor to approve the appointments.

Council appointments included:

1. President Pro-Tem (1 member) – Tony Peterson – Motion by Schons, seconded by Tiegs
2. Community Ed Financial Advisory Board –Kou Thao – Motion by Peterson, seconded by Tiegs
3. Planning Commission Member-Anthony Dimmers-Motion by Peterson, seconded by Tiegs
4. Economic Development Authority Member (2 Members) – Dave Tiegs and Tony Peterson – Motion by Schons, seconded by Thao
5. Hospital Advisory Board (1 Member) – Jeri Schons-Motion by Tiegs, seconded by Peterson
6. Labor Management Committee (2 Members) – Tabled until 01-28-2019 Council meeting
7. Wheels Across the Prairie Museum (1 Member) – Dave Tiegs – Motion by Peterson, seconded by Thao

8. Motor Vehicle/Driver's License Appointment – April Lichty – Motion by Peterson, seconded by Tiegs

All voted in favor to approve the appointments with the exception of the Labor Management Committee which was tabled.

Motion was made by Schons, 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 27th, 2019 due to the Memorial Day Holiday and November 11th, 2019 due to Veterans Day. All voted in favor. Motion was made by Tiegs, seconded by Peterson to move the May 27th meeting to Tuesday, May 28, 2019 with the same time and place and the November 11th meeting to Tuesday, November 12, 2019 with the same time and place. All voted in favor.

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

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

Motion was made by Tiegs, seconded by Schons 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.

Ambuehl presented a letter from the Tracy Area United Fund thanking the Council for providing them with the mailing labels to send out their annual fund raiser.

Mayor Dimmers encouraged the public to come and participate in Council meetings.

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

ATTEST:



City Administrator



Mayor

January 28, 2019

758

The regular meeting of the Tracy City Council was called to order at 6:45 p.m., Monday, January 28, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, 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 Dimmers asked for the approval of the January 14, 2019 minutes. Motion was made by Schons, seconded by Thao to approve the minutes as written. All voted in favor.

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

Jason Lichy, Chief of Police addressed the Council with his department head report. A comparison from 2017 to 2018 was explained. He advised that the 2019 squad car will begin production the middle of February and completed by the second or third week of March. Training for officers and staff was discussed as well as a reminder about snow removal and citations associated with it.

Val Quist, Librarian addressed the Council with her Department Head report. Basement plan bids were discussed and explained how they will move forward with it.

Jeff Carpenter, EDA Director addressed the Council with his Department Head report. The EDA has purchase the two homes that the Council approved and will be razing the houses. He also advised that they are working on putting together a job fair to encourage people to stay and work in Tracy. The Trailer Court has sold and the new owners will be doing some cleanup and getting newer trailers in there.

Daniels addressed the Council with his Department Head report. Schons requested that the nixle and FB notifications for snow removal all go out at the same time, specifically the text. Daniels stated that a good rule of thumb is if there is 1-2" of snow chances are they will be plowing and that the public should error on the side of caution.

Ambuehl addressed the Council on behalf of the Liquor Store manager with her Department Head report. He advised the inventory is done, the wine tasting went well and Sunday sales seem to be increasing each Sunday. Co-buying was discussed.

Ambuehl addressed the Council with his Department Head report. He informed the Council on the various meetings that he has and will be attending.

Ambuehl asked the Council for an update as to who has completed the Board of Equalization training. It was indicated that several of the councilmembers were in the process and will have it completed by the deadline.

Ambuehl gave the Council an update on the current status of the Liquor Store. He advised that the Liquor Store is now out of the red with a yearend profit of \$3,409.59. Had they not had to pay out some abnormal payments the profit could have been \$14,988.00. It was indicated that this time last year it was in the red by roughly \$43,000.00 so it is moving in the right direction.

Motion was made by Peterson, seconded by Schons to hold a closed session immediately following the Council meeting to discuss the Fire Department wage scale. All voted in favor.

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

Appointments to the Labor Management Committee and the need for it was discussed. This Committee was set up as a middle sounding board to avoid grievances and is unnecessary. Motion was made by Peterson, seconded by Tiegs to remove this committee from appointments and to dissolve it. All voted in favor.

There was a follow up discussion regarding work done by the Zion Lutheran Church in 2000. Daniels explained that the curb and gutter was put in by the Church itself, not the City.

The sidewalk standardization was discussed. It was indicated that the efforts regarding this and the open house were determined to be inconclusive and provided skewed information. Ambuehl gave several recommendations as to how to resolve this and to potentially hold another public hearing. It would not affect the next phase of improvements providing it is done like in kind and just replace everything that is currently there. Peterson indicated that he would like to keep the character of the city as much as they can as well as providing a safe place for pedestrians to walk and would like to see existing sidewalk replaced as was. Motion was made by Peterson to replace sidewalk that already existed which is consistent with the current policy. This policy would be for all sidewalks going forward. It was also discussed that the Council can make decisions on specific instances that may vary from the like in kind. This will assist the Planning Commission in moving forward with the City Plan. Tiegs seconded the motion. Schons clarified that for newly developed property it would be up to the developer to determine if they want a sidewalk or not at their expense. All voted in favor.

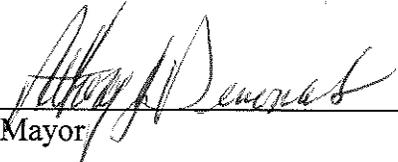
Purchasing the old Food N Fuel building to relocate the Liquor Store was discussed. Ambuehl advised that there is an existing cooler in it that would meet the needs of the Liquor Store with the current owner willing to guarantee that the cooler is operational. He also explained how this would affect the budget and where the dollars would come from. The Liquor Store Committee is recommending to the Council to purchase this building for \$33,000.00 along with construction costs totaling roughly \$108,000.00. Various improvements proposed were discussed including a heated floor and new concrete. Ambuehl would like to see Daniels be the "General Contractor" on this project. Discussion regarding the current Liquor Store building and the plans for it took place as well as snow removal at the proposed site. Ambuehl is to bring back to the Council a construction cost breakout to the next meeting. Motion was made by Tiegs, seconded by Peterson to enter into a purchase agreement for the purchase of the building contingent on Council approval at the February 11, 2019 meeting following the Public Hearing at 7:00 pm. All voted in favor.

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

ATTEST:



City Administrator



Mayor

February 11, 2019

760

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 11, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, 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 Dimmers asked for the approval of the January 28, 2019 minutes. Motion was made by Schons, seconded by Thao to approve the minutes as written. Peterson requested that the wording on page 2 be changed from Truth in Taxation to Board of Equalization. All voted in favor of approving the minutes with the correction.

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

Setting the Local Board of Appeal date was discussed. Ambuehl is to contact the County to see if they are willing to change the date from April 22, 2019 to April 23, 2019 at 7:00 pm as the 22nd is a Council meeting night. Motion was made by Tiegs, seconded by Peterson to approve any date other than April 8th or April 22nd with a suggestion of April 23rd. All voted in favor.

A request from St Mary's school for the City to donate pool passes for their fund raiser was presented. Motion was made by Schons, seconded by Peterson to donate two pool punch cards. All voted in favor.

Boards and Commissions size, make-up and appointments were discussed. Rosemary Martin, Charter Chairman addressed the Council regarding attendance by the committee members. She requested a guideline from the Council as to unexcused absences. Motion was made by Peterson, seconded by Tiegs to allow three unexcused absences within a calendar year and if it is more than that the member would then have to plead their case before the Council to remain on the Board or Commission. All voted in favor.

A Public Hearing for a Small City Grant (2nd round) was opened at 6:45 pm. Jeff Gladis with United Community Action Partnership addressed the Council and explained where they are at with it. He advised that this is for owner occupied rehabilitation projects for low to moderate income housing. This would involve 21 houses in a targeted that would be eligible for this money. There would be matching funds required with this grant. The targeted areas were chosen from the surveys submitted. The time frames were explained and discussed as two when it would open up from target A to target B as well as the income base to qualify for the grant funding and how it would be paid back. The historical preservation requirement was explained and how it would work. The next steps would be to present the application with the minutes from this meeting and once they hear back he will work with Carpenter and Ambuehl and then hold a public hearing. Martin questioned if there will be letters send out or communication with the property owners and it was indicated that they would.

Ambuehl addressed the Council with a slideshow regarding the purchase of the old Food N Fuel building to relocate the Liquor Store. He explained how it would be funded, improvements that would be done as well as the benefits of making the move.

Rosemary Martin, Liquor Store committee member addressed the Council regarding this during the public comment portion of the public hearing. She indicated that the fact that this is not borrowed money is very important. She stated that the City cannot afford to pass up this opportunity and that the added tax value will assist in reducing the tax burden to the residents. She passed out several handouts from other communities and how relocating has benefited them.

Tam Schons, Liquor Store Manager addressed the Council. She advised that she has not heard anything but positive comments about the potential of the LQ Store being moved to the highway.

Diana Campbell Westly addressed the Council. She indicated that she has heard many people say how excited they are about the potential of moving the LQ Store to the highway. It would be a great way to move forward and to make money.

Jan Arvizu, Liquor Store employee addressed the Council. She stated that she has been doing a very informal survey with the customers and all but one was excited and positive about it. The one patron had concerns regarding how it would pencil out. Schons pointed out that any revenues generated by the LQ Store would stay in the general fund and used for the benefit of the City.

Pam Cooreman addressed the Council and indicated that she feels it would be a great idea to move the LQ Store to the highway. She does not want to see a lot of money being dumped into an old building when they could apply it towards the building on Hwy 14.

Mayor Dimmers closed the public hearing and referred it for discussion to the Council. Peterson pointed out that if this venture does not pan out the money would then need to be levied at some point. Schons expressed that she believes that it will pan out and would remain profitable. Those profits would then be put back into the general fund to be used for the operations of the city and could offset levies moving forward. Ambuehl pointed out that it will take 10 years to balance it out. Peterson questioned how that will address the losses that have accrued over the last 11 years. Schons indicated that she does not want the City to be punished for the sins of the past and that they need to move forward. Peterson's concern is that they don't repeat the sins of the past and what they can do to prevent it. Schons stated that she does not want to see the City invest \$60,000.00 into an old building when they could invest it into a newer building with a greater chance of success. She views this decision to be no different than the decision the previous council made to close the on-sale portion of the LQ Store. They look at the decision at hand and what they can currently do to give them the best chance at success. Peterson stated that he feels this decision is being rushed and that all avenues need to be investigated to ensure they are not overlooking anything. If an investor wanted to come in and open a \$1.5 million dollar building and want to put a LQ Store in it their hands will be tied. Schons expressed that it was her understanding that they as a council had already decided to keep the LQ Store as a municipality. It was indicated that they had only decided to have one LQ Store in town – whether it is ran privately or by the City. Upcoming laws were discussed. It was also pointed out that many of the management issues have been corrected including inventory software. Ambuehl suggested that the Council either commit to it or be done with it and move forward. Signage was discussed. Motion was made by Schons, seconded by Thao to purchase the old Food N Fuel building and relocate the Tracy Liquor Store to that location. All voted in favor.

Schons advised that she has had several business owners approach her in regards to allowing non-resident but in town business owners to have an opportunity to be on some of the various boards. It was indicated that it boils down to the Planning Commission that would be the only one that would need to be changed. It was decided to discuss it further at the February 25, 2019 meeting.

Appointing a second Council representative to the Planning Commission was discussed. There was also an application submitted from Mark Seager for the Planning Commission and inquired if the Council would like to wait until March to appoint with the other appointments or if they want to do it now. Motion was made by Schons, seconded by Tieggs to appoint Mark Seager to the Planning Commission. All voted in favor. Motion was made by Tieggs, seconded by Thao to appoint Peterson as a Council Representative to the Planning Commission. All voted in favor.

Ambuehl made some suggested changes to the 2019 Fire Department fee schedule. The suggestions included changing the fire calls from \$750.00 to \$1,000.00, the natural gas hits from \$750.00 to \$1,000.00, the false alarm (after 3rd call) from \$750.00 to \$1,000.00 and creating a fire/service call and to leave it to the Fire Chiefs discretion to lower it from \$1,000.00 to

\$500.00. Motion was made by Peterson, seconded by Schons to approve the above mentioned changes. All voted in favor.

Ambuehl presented information regarding Phase 3A on behalf of Chris Larson from I&S. He indicated that it has to do with the easements and determining that they are working within the right of way. Motion was made by Peterson, seconded by Tiegs to accept the preliminary title opinion from the City Attorney and the engineer. All voted in favor.

Resolution 2019-6-Approving the purchase of the old Food N Fuel building to relocate the Liquor Store was presented. Motion was made by Schons, seconded by Thao to approve Resolution 2019-6. All voted in favor.

Resolution 2019-7-Authorizing un-budgeted money to be spend to purchase the old Food N Fuel building to relocate the Liquor Store was presented. Motion was made by Schons, seconded by Thao to approve Resolution 2019-7. All voted in favor.

Resolution 2019-8-Consenting to a transfer of control of franchise was presented. This is to allow Vast to change their parent company to Clarity Telecom Holdings. Motion was made by Tiegs, seconded by Thao to approve Resolution 2019-8. All voted in favor.

Resolution 2019-9-Approving a Gambling Permit for MN Waterfowl Association was presented. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2019-9. All voted in favor.

Resolution 2019-10-Local Government Application was presented. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-10. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable and Planning Commission minutes from 1-7-19. Motion was made by Tiegs, seconded by Peterson to approve the Accounts Payable without Breakthru Beverage and the Planning Commission minutes. All voted in favor. Motion was made by Schons, seconded by Peterson to approve the Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Dimmers, Thao and Schons. Abstaining: Tiegs.

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

ATTEST:



City Administrator



Mayor

February 25, 2019

763

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, February 25, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, 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 Dimmers asked for the approval of the February 11, 2019 minutes. Motion was made by Schons, seconded by Peterson to approve the minutes. Peterson indicated that there was a typo in the minutes on the last page. All voted in favor of approving the minutes with the correction.

Mayor Dimmers asked for the approval of the agenda. Ambuehl asked that 12D and 12E be moved to the top and that 10A be tabled. Motion was made by Peterson, seconded by Schons to approve the agenda as amended. All voted in favor.

Mayor Dimmers 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 Resolution 2019-14 and 2019-15. Larson indicated this is needed for the Statue 429 process indicating that the City agrees to do the project as well as the plans and spec's. This would be contingent on Rural Development approval and would speed the process up. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-14-Ordering Improvements. All voted in favor. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2019-15-Approving Plans & Specifications and ordering advertisement for bid. All voted in favor.

Jeff Carpenter, EDA Director addressed the Council with his Department Head report. He advised that his goal is to have the two properties on 361 and 349 Second Street across from the park demolished and ready to be built on by April 1, 2019.

Val Quist, Librarian addressed the Council with her Department Head report. She indicated that they have been working on their annual report and pointed the highlights out.

Jason Lichy, Police Chief addressed the Council with his Department Head report. He stated that the new squad car is ready to be shipped within the week by Redwood Falls to the City's installer. He advised that he has only received one application for the Deputy position that is open but will advertise until filled. The number of snow removal parking tickets and the notifications were discussed.

Daniels addressed the Council with his Department Head report. Snow plowing and where they stand with that was discussed as well as the wear and tear on the equipment. Property owners pushing snow across the street onto another property owner's yard and the fact that the state statute does not allow that was discussed. Ambuehl pointed out that those complaints need to go to the PD as the ones doing that are breaking the law.

Ambuehl presented the Liquor Store Department Head report to the Council on behalf of Schons, Liquor Store Manager. He advised that the MMBA are willing the help set things up in the new building when the City gets to that point. He also indicated that there will be a wine tasting event on March 15th from 3:00-7:00 pm.

Ambuehl addressed the Council with his Department Head report. The various meetings that he has attended were discussed. Pre-planning for the melting of all of the snow and how it will be handled was discussed.

The LSS Senior Nutrition Program Site Use Agreement was tabled until March 11, 2019.

Proposed plans for sidewalk snow removal was discussed. This would involve the City doing all of the snow removal rather than the property owner. Budgeting as well as the pros and cons to accomplish this was discussed. It was suggested to look closer at the Ordinance and enforcing that rather than taking this project on at the City level. The Council did not feel that the expense that would be placed on the property owners would be justified. Ambuehl is to look into the ordinance and report back at the next meeting.

A Private Bottle Club License from the Tracy Eagles was presented for approval. Motion was made by Peterson, seconded by Tiegs to approve the license providing all of the fees have been paid. All voted in favor.

A Setup License from Tracy Lanes was presented for approval. Motion was made by Peterson, seconded by Tiegs to approve the license providing all of the fees have been paid. All voted in favor.

An application for the swimming pool manager position from Shannon Benson was presented. Ambuehl recommended that the Council reappoint her for the 2019 season. Motion was made by Tiegs, seconded by Schons to appoint Benson as pool manager for the 2019 season. All voted in favor.

On-Sale Liquor License kitchen requirements were discussed. Ambuehl explained the current ordinance and what it entails. Tiegs suggested removing it to allow a potential business owner to open a bar without having a kitchen. Motion was made by Peterson, seconded by Tiegs to remove the "kitchen" term from the ordinance regarding On-Sale Liquor License and to hold a public hearing on March 11, 2019 at 6:45 pm. All voted in favor.

Motion was made by Peterson, seconded by Thao to hold a public hearing on March 11, 2019 at 7:00 pm regarding City Code 9.20 subd 2 allowing non-resident business owners to be on the Planning Commission. All voted in favor.

Resolution 2019-11-Amend Fee Schedule to account for changes to Fire Department fees was presented. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2019-11. All voted in favor.

Resolution 2019-12-RD and WIF matching grant forms was presented. Motion was made by Peterson, seconded by Schons to approve Resolution 2019-12. All voted in favor.

Resolution 2019-13-Declaring March 2019 Colorectal Cancer Awareness month was presented. Motion was made by Tiegs, seconded by Thao to approve Resolution 2019-13. All voted in favor.

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

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

ATTEST:


City Administrator


Mayor

March 11, 2019

765

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 11, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, 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.

An invocation was given.

Mayor Dimmers asked for the approval of the February 25, 2019 minutes. Motion was made by Peterson, seconded by Thao to approve the minutes. All voted in favor of approving the minutes as written.

Mayor Dimmers asked for the approval of the agenda. Ambuehl indicated that he would like to add 11A-Appr authorized signers for Ehlers Investors, State Farm Bank and Morgan & Stanley, 12D-Resolution 2019-19-Gambling Permit for St. Mary's and 10C5-2 Library openings vs 1. Motion was made by Tiegs, seconded by J. Schons to approve the agenda as amended. All voted in favor.

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

Andrea Lingl and Lisa Gillund from Lutheran Social Services addressed the Council regarding the site agreement for 2019. They explained the need for the senior nutrition program and the benefits that come with it. This program is currently based out of the Multi-Purpose Center and is open to anyone within the community. The current rates for the meals as well as the nutrition of the meals were explained. They are requesting that the rent for the use of the MPC be reduced to \$953.00 which would be .14¢ per meal reimbursement. Kim Kalas, Senior Dining cook is there from 8:00 am to 1:00 pm. They are state and federally funded which usually does not go up which is why they are asking for support from the City. Different ways of promoting this service were discussed. It was indicated that they do ship out 14 meals a week. Ambuehl indicated that he is in support of making sure the City maintains this service for the community. Ownership of the equipment at the MPC and the structure of LSS and Senior Dining were discussed. Motion was made by Peterson, seconded by Tiegs to enter into a contract with LSS (Senior Nutrition) for \$900.00 for 2019 to use the MPC facility. All voted in favor.

Getting the new water meters installed into the remaining properties and implementing a fine was discussed. Ambuehl is proposing that a 90 day warning letter requiring access to change the water meter out which will reduce labor costs as well as recouping missed revenues be sent out. After 30 days if there has been no communication a certified letter would be sent out. At the 90 day mark there would be a \$500 fine imposed to the property owner and at the 120 mark the water would be shut off until the new meter is installed. Currently there are 54 meters that need to be swapped out. Of the 54 there are a few that have frozen curb stops and Public Works would not be able to do it until spring. Peterson suggested just simply turning the water off to expedite the process?

A Public Hearing on the composition of the Planning Commission was called to order at 7:00 pm. There was no one from the public that spoke. Mayor Dimmers closed the Public Hearing and referred it to the Council. The proposed change to City Code 9.20 Subd 2 is as follows: "Members of the Commission may be composed of both residents and non-residents. Non-residents shall demonstrate a vested interest in the City of Tracy, including by not limited to owning a business or property within the city limits or regularly participating in city functions or activities." Mayor Dimmers suggested that not more than 50% of the commission be non-residents. The Council felt that they did not want to limit themselves to that along with the fact that the Mayor is the appointing official and can control that. Motion was made by J. Schons, seconded by Peterson to approve Resolution 2019-17-Approving Ordinance 368 Amending 9.20 Subd 2. All voted in favor.

Discussion continued regarding the remote read water meter fines. Missed revenue was discussed as well as keeping it fair for the property owners who have a new meter installed. The time line to have all of these meters switched out was discussed. Ambuehl would like approval to allow him to have the water shut off after the 120 days as well. An extension would be issued if it is a result of the City preventing it from happening. Motion was made by Tiegs, seconded by Peterson to approve the memo procedures for this that as presented and to include the 120 day shut off approval. All voted in favor.

Nick Leske and Cathleen Amick with United Community Action Partnership Transportation Program addressed the Council. They explained a proposed Lyon County Route and asked the Council for support of this project. An overview of the program was given as well as a slideshow of the route itself. Fare rates were raised this year for the first time since 1997. WCA prides themselves on keeping the fares low and this is proof of that. The route would initiate in Tracy, go to Balaton and then thru Lynd and end in Marshall. The three proposed pickup sites were Sebastian Park parking lot, Park Place on 2nd Street and Veterans Memorial Center. The pros and cons of these sites were discussed. They will offer both dial a rides as well as the site pickups. They would like the City to put signage up and do some stripping at the pickup sites as well as assist with snow removal. The Council was in support of this project.

The Planning Commission has one opening with an application received from Dustin Demuth. Motion was made by Tiegs, seconded by Thao to appoint Demuth to the Planning Commission. All voted in favor.

The EDA Board has two openings with applications received from Sis Beierman and Dennis Fultz. Motion was made by Peterson, seconded by Tiegs to appoint Beierman and Fultz to the EDA Board. All voted in favor.

The Police Commission has one opening with applications received from Rosemary Martin, Dustin Demuth and Valerie Mead. Motion was made by Peterson, seconded by J. Schons to appoint Mead to the Police Commission. All voted in favor.

The HRA Board has one opening with applications received from Sis Beierman and Joe Beierman. Motion was made by Peterson, seconded by Thao to appoint Joe Beierman to the HRA Board. All voted in favor.

The Library Board has two opening with applications received from Trudy Williams and Colleen Schiller. Motion was made by Peterson, seconded by J. Schons to appoint Williams and Schiller to the Library Board. All voted in favor.

The Charter Commission has three openings with no applications received. The Council would like Ambuehl to reach out to people that were not appointed to other boards to see if they would be interested in the Charter Commission. Rosemary Martin, Charter Commission Chairman addressed the Council and indicated there may be a possibility that the time of the Charter meetings may be changed; however there are conflicts regardless of when they have it.

Appointing a Council Representative to the Airport Board was discussed. Motion was made by Tiegs, seconded by Thao to appoint Mayor Dimmers to the Airport Board. All voted in favor.

A list of authorized signers for Ehlers Investors, State Farm Bank and Morgan & Stanley were presented. The changes are as follows:

Morgan Stanley: Anthony Dimmers/Kris Ambuehl/Tony Peterson/Shane Daniels
 State Farm Bank: Anthony Dimmers/Kris Ambuehl/Peggy Zwach/Shane Daniels
 Ehlers Investment Partners, LLC: Anthony Dimmers/Kris Ambuehl/Peggy Zwach/Shane Daniels

These do have to be appointed and a copy of the minutes presented to them. Motion was made by J. Schons, seconded by Peterson to approve the signers as indicated. All voted in favor.

Resolution 2019-16-Approving a Premises Permit Application for Currie Town & Country Booster, Inc. was presented. Motion was made by Tiegs, seconded by Thao to approve Resolution 2019-16. All voted in favor.

Resolution 2019-18-Amending the 2019 Fee Schedule was presented. This was to add a Satisfaction of Mortgage fee of \$100.00, Trash rates to include the .25¢ and to add a Water Meter fine of \$500.00 to those that will not allow access to install a remote read reader. It was indicated that the .25¢ comes off of the garbage bill and is an admin fee. This is not an increase it was just missed on the fee schedule. The other .25 cents (compost) is to facilitate the Citywide Cleanup. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-18. All voted in favor.

Resolution 2019-19-Approving a Gambling Permit for the Church of St. Mary's was presented for July 11, 2019. Motion was made by Peterson, seconded by J. Schons to approve Resolution 2019-19. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable and Library minutes from 1-3-2019. Motion was made by Tiegs, seconded by J. Schons to approve the Municipal Accounts Payable without Breakthru Beverage and the Library minutes. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage accounts payable. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tiegs.

The sidewalk clearing ordinance was presented for discussion. Ambuehl explained the process that currently needs to take place prior to Ambuehl being able to act on it. Different options of addressing it were discussed and what the parameters would be. Previously if the property owners did not clear them within 24 hours they could be billed without the complaint process taking place. Peterson would like to see the least amount of time spent to enforce this. Accumulation amounts that would require the sidewalk to be cleared were discussed. Ambuehl and Daniels are to bring a proposal for this to the Council.

The Public Hearing for the on-sale liquor license kitchen requirement was cancelled as state statute dictates it is there. However; the definition of "kitchen" can be whatever the City Council would like it to be. Different proposals of what a kitchen should consist of were discussed such as a pizza oven as a minimum. Ambuehl is to look at amending the definition of kitchen and present proposals to the Council to include hot food and a food handler's license.

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

ATTEST:


City Administrator


Mayor

March 25, 2019

768

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, March 25, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, 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.

An invocation was given.

Mayor Dimmers asked for the approval of the March 11, 2019 minutes. Motion was made by Peterson, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Ambuehl indicated that he would like to add 10J-Approve Phase 3B Engineering, 10K-Airport Construction Safety Phasing Plan to the FAA (Apron Replacement), 10L-Airport Construction Task Order (Apron Replacement) and 10M-Broad Acres. Motion was made by J. Schons, seconded by Thao to approve the agenda as amended. All voted in favor.

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

There was a presentation of plaques to Ambulance members which included Erin Johnson, Dale Johnson III, Renee Emond and Buddy Baumann for their heroic efforts in the assistance of reviving a 7 year old child.

Todd Hagen with Ehlers and Associates addressed the Council regarding the pre-sale report and Phase 3 Interim Finance Bond. He explained their role in regards to this and how they will proceed in the bidding process. The first bond is an \$8,395,000.00 GO Temporary Bond, Series 2019A which is similar to the 2016 and 2017 bonds that were done. This is a three year bond with interest being paid by the loan proceeds and will then convert to a long term bond. Motion was made by Peterson, seconded by J. Schons to approve Resolution 2019-20-Providing for the sale of \$8,395,000.00 GO Temporary Bond, Series 2019A. All voted in favor. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-21-Authorizing the City to enter into a Credit Enhancement Program Agreement. All voted in favor.

Hagen indicated that the second pre-sale report is to provide for the sale of a \$5,355,000.00 GO Bonds, Series 2019B which is for the in-eligible costs as RD only authorizes funding for certain parts of the project. This is a long term 20 year bond on a 15 year assessment. Hagen again explained the process of this bond and how it will work. Motion was made by Peterson, seconded by Thao to approve Resolution 2019-22-Providing for the sale of \$5,355,000.00 GO Bonds, Series 2019B. All voted in favor. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-23- Authorizing the City to enter into a Credit Enhancement Agreement with MN Public Facilities Authority. All voted in favor.

Tam Schons, Liquor Store Manager addressed the Council regarding her Department Head Report. The various meetings and events she has attended were discussed. Sales from February last year to February this year have increased by \$5,385.00.

Val Quist, Librarian, addressed the Council regarding her Department Head Report. The Library Board has approved an unattended child policy which indicates that children under the age of 8 should be with an adult or older sibling when in the library. It also states that children left alone in the library should have an emergency contact with them. Events and dates coming up were discussed.

Dale Johnson III, Fire Chief addressed the Council with his Department Head Report. Events and upcoming meetings and training were discussed. He advised that the Fire Department is looking into getting a drone thru grants as it would be very beneficial to both the Fire

Department as well as the residents in certain situations. The status of the fire trucks were given which is a month and a half behind but he hopes to have them by May 1st, 2019.

Jeff Carpenter, EDA Director addressed the Council with his Department Head Report. He discussed the state of housing within Tracy. He advised that currently they have eight units at Orchard Lanes with a waiting list of 10. If they had eight more they would all be filled as well as potentially freeing up homes. There is a contractor that is interested in putting units similar to Orchard Lane up that Carpenter is working with. The types of units they would like to build were discussed. There will be an open house on April 4th from 3:00 – 7:00 pm in the Council Chambers for people to come and voice their interests and concerns.

Daniels addressed the Council with his Department Head Report. He discussed the possibility of replacing the salt truck as the floor is rusting thru on the current one. He would like to go with a ton and ¼ with a stainless steel dump body and spreader unit. This replacement is already in the 2019 Budget but is about 3 months out. He is holding off on the plow as he would like time to evaluate it. Daniels is requesting \$69,000.00 for the purchase which includes sales tax. Motion was made by J. Schons, seconded by Tiegs to replace the salt truck as stated in the memo. All voted in favor.

Daniels advised that the 9030 Ford Tractor blew up on them a couple of weeks ago. He indicated that the cost of repairs will exceed the value of the tractor. However, he feels there is a fair amount of salvage value there. He informed that some grass at the airport will need to be left taller which the current mower does not have the capability to do. It would take a tractor to accomplish this and they are looking into grants thru FAA and MN Dot in an effort to fund part of it. The new tractor could be used to mow in the summer and move snow in the winter and they could get rid of the 580 Toro. The budget will need to be looked at to determine how much they have to carry over from previous years. He will look into it and re-present it in a couple of council meetings for approval. Motion was made by Tiegs, seconded by Peterson to allow Daniels to do an RFP to sell the 9030 Ford Tractor. All voted in favor. Where the televising is at was discussed.

Ambuehl addressed the Council with his Department Head Report. He explained the meetings that he and his staff have attended.

An application from Sis Beierman for the HRA Board was presented. It was explained that Glen Suprenant resigned and Joe Beierman will be filling his spot until 2020. Sis Beierman was re-applying and her position would go until 2024. Motion was made by J. Schons, seconded by Peterson to appoint Sis Beierman to the HRA Board. All voted in favor.

Motion was made by Tiegs, seconded by Peterson to set the Spring Cleanup for Saturday, May 18, 2019 from 9:00 am – 4:00 pm. Ambuehl indicated that they are checking with the County to get a Household Hazardous waste trailer. All voted in favor.

A Liability Coverage Waiver was presented. Motion was made by Peterson, seconded by Thao not to waive the Liability Coverage. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to hold a closed meeting at the conclusion of the regular meeting to discuss an employee request for a leave of absence and to do an Administrative review on Ambuehl. All voted in favor.

A request from the Tracy Liquor Store for a Temporary Liquor License for the Women's Expo was presented. Motion was made by Peterson, seconded by Thao to approve the Temporary Liquor License for the Tracy Liquor Store. All voted in favor.

An application from Matt Knakmuhs to serve on the Planning Commission was presented. Motion was made by Peterson, seconded by Tiegs to appoint Knakmuhs to the Planning Commission and remove Peterson as a Council Rep as there was no current opening. All voted in favor.

A request for the approval of Phase 3B Engineering was presented. The width of the new streets were discussed. Motion was made by Peterson, seconded by Tiegs to approve Phase 3B Engineering. All voted in favor.

Airport Construction Safety Phasing Plan to the FAA (Apron Replacement) was presented. The City has been awarded the grant for the Apron Replacement at the Airport. These are the steps that will need to happen in order to move forward and authorize Bollig Engineering to give this information the FAA. The Airport Construction Task Order (Apron Replacement) was also presented. Motion was made by Peterson, seconded by Thao to allow Bollig Engineering to move forward with these two steps. All voted in favor.

Carpenter advised that he is in need of the Council's approval to sell the property that the EDA owns in Broad Acres. Motion was made by Peterson, seconded by J. Schons to allow the EDA Board to sell the property in Broad Acres. There has not yet been a price set for it and the motion was amended to allow the EDA Board to sell it as they see fit. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Municipal Accounts Receivable and the Planning Commission minutes from February 4, 2019. Motion was made by Tiegs, seconded by J. Schons to approve the Accounts Payable without Breakthru Beverage, Accounts Receivable and the Planning Commission minutes. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tiegs.

The ordinance regarding the clearing of sidewalks was discussed. Ambuehl indicated that he will have a drafted ordinance at the next Council meeting or two for the Council to review.

The ordinance changes regarding on-sale liquor license kitchen definition was discussed. Ambuehl indicated that there is not a lot of information regarding changes to it available. Mayor Dimmers questioned why they are looking at doing this at this time as there is not an interested party. Peterson stated that he would like to get out in front of it so when there is an interested party it would be in place. Ambuehl was directed to work on the changes as he can.

Motion was made by Peterson, seconded by Tiegs to close the meeting and move into a closed session. All voted in favor.

ATTEST:



City Administrator



Mayor

APRIL 8, 2019

771

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, April 8, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, 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 Dimmers asked for the approval of the March 25, 2019 minutes. Motion was made by Tiegs, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Ambuehl indicated that he would like to add 9A-Project updates. Motion was made by Peterson, seconded by Tiegs to approve the agenda as amended. All voted in favor.

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

Ambuehl gave a project update from Chris Larson with I&S to include Phase 1 Infrastructure Improvements, Phase 2 Stabilization Ponds, Phase 3A Infrastructure Improvements and Phase 3B Infrastructure Improvements.

Applications for the Charter Commission were received from Seth Schmidt, Matt Knakmuhs and Ken Giles. Motion was made by Peterson, seconded by J. Schons to approve all three applicants for a four year term. All voted in favor.

Resolution 2019-24-Appointing Charter Members was presented. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-24. All voted in favor.

A request from Lyon County Historical Society to place walking tour signage in Tracy was presented. It was indicated that the cost for it would likely tie into a grant. Placement of the signs would be approved by the Council once a plan is in place. The Council agreed that they would be in support of this project.

An update on the old Enderson Building was given. Ambuehl stated that it has been determined that Rose Land Financial Corporation is also tied into this and should be issued an order as well. This would eliminate any issues regarding this down the road. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-25-Ordering the razing of a Hazardous Building located at 157 3rd Street. All voted in favor.

The closing of Runway 624 at the Airport to allow new facilities and hangers to be placed was discussed. The plans that have been drafted require this runway to be vacated as it would hinder the line of site. Ambuehl indicated that if the City would like to receive money from FAA they have no choice but to abandon the runway. The engineer and FAA have both recommended this change. Motion was made by Peterson, seconded by Thao to hold a Public Hearing to close the runway on April 22, 2019 at 6:45pm. All voted in favor.

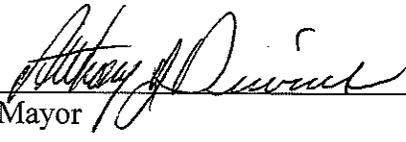
The consent agenda consisted of Municipal Accounts Payable, Planning Commission minutes from March 4, 2019 and Library minutes from March 7th, 2019. Motion was made by Tiegs, seconded by Thao to approve the Municipal Accounts Payable without Breakthru Beverage and the Planning Commission minutes. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tiegs. Motion was made by Tiegs, seconded by Peterson to approve the Library minutes. All voted in favor.

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

ATTEST:



City Administrator



Mayor

May 13, 2019

773

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, May 13, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, 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 Dimmers asked for the approval of the April 22, 2019 and April 23, 2019 minutes. Motion was made by Peterson, seconded by J. Schons to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Ambuehl indicated that he would like to add 10E-Approve On-Sale Malt Liquor License for Tracy Lanes and 10F-Approve Off-Sale Malt Liquor License for Casey's General Store. Motion was made by J. Schons, seconded by Thao to approve the agenda as amended. All voted in favor.

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

The Ehlers Post-Issuance Debt Compliance Procedures and Ehlers Post-Issuance Debt Compliance Policy updates were discussed. Ambuehl explained that these are a compliance policy that the City will have to accept as part of the terms to accept and sell the bonds. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-34 accepting the Post-Issuance Debt Compliance. All voted in favor.

The SW Health Improvement Partnership grant was discussed. Ambuehl explained that part of the Tracy Active Living Board grant was to put crosswalk signs up. The City now has two signs that were totally funded by the grant which will be rotated around town. Cross walks on Hwy 14 were discussed.

The Airport Maintenance and Operation Grant Contract were discussed. Daniels advised that the M&O contract is renewed every year which is free money to the City. The last three years they have paid 75% of all of the maintenance costs which is reimbursed on a quarterly basis. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2019-32. All voted in favor.

Rural Fire Contracts were presented for approval. Ambuehl advised that Lake Sarah declined to contract with the Tracy Fire Department. Motion was made by Peterson, seconded by J. Schons to approve the Rural Fire Contracts. All voted in favor.

The bids received for the Library basement remodel were presented. They received two bids- one from Daniels Peterson Construction Inc for \$129,988.00 and one from Dale Johnson III Construction for \$138,821.63. This bid is for everything including the electrical, duct work, HVAC etc. Motion was made by Peterson, seconded by Thao to accept the low bid from Daniels Peterson Construction LLC in the amount of \$129,988.00. All voted in favor.

Re-implementing an office manager in the City Office was discussed. Ambuehl indicated that in the past there has always been an office manager; however when the previous administrator took over as Administrator she continued to do the office manager duties. The position was never addressed after she resigned. Ambuehl feels that they are in need of that position and would like to open it up with Council approval. This position would only be offered to current office staff and would not be a newly created position. Motion was made by Peterson, seconded by Tiegs to re-create the position. All voted in favor.

Applications for On-sale Malt Liquor License from Tracy Lanes and Off-sale Malt Liquor License from Casey's General Store were presented for approval. Motion was made by Peterson, seconded by Thao to approve the applications providing the fees have been paid.

Campbell explained that there will be another application coming from Tracy Lanes once the new owners have the paperwork in order. All voted in favor.

Resolution 2019-33 Amending Resolution 2019-26 to waive the mowing special assessment on property located at 173 9th Street was presented. The original resolution included special assessments that were not meant to be waived. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-33. All voted in favor.

The Consent Calendar included the Municipal Accounts Payable and the Airport Board minutes from 7/23/2018. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage accounts payable and the Airport minutes. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tiegs. Motion was made by Tiegs, seconded by J. Schons to approve the Accounts Payable without Breakthru Beverage. All voted in favor.

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

ATTEST:



City Administrator

Mayor

May 28, 2019

775

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, May 28, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels-Public Works Director, Jeff Carpenter-EDA Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Dimmers asked for the approval of the May 13, 2019 minutes. Motion was made by Peterson, seconded by J.Schons to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Ambuehl indicated that he would like to add 12A-Approve payment to Reiner Contracting Inc for work completed on the Stabilization Ponds-Pay App #10. Motion was made by Peterson, seconded by Tiegs to approve the agenda as amended. All voted in favor.

Mayor Dimmers 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 with his Department Head report. He gave a hiring process update for an open officer position. He advised that they had made a selection; however that candidate indicated that he would not accept the position. The second candidate is on another hiring list and is being backgrounded by another department. He also informed the Council that they should be getting the new squad car sometime next week.

Val Quist, Librarian addressed the Council with her Department Head report. She advised that work has begun in the basement and the old heating system has been removed.

Tammara Schons, Liquor Store Manager addressed the Council with her Department Head report. The wine tasting event as well as the seminar that she attended was discussed. It was indicated the move to the new Liquor Store site is targeted to happen by Box Car Days.

Jeff Carpenter, EDA Director addressed the Council with his Department Head report. The housing inadequacy is being addressed with one lot sold and another spoken for in Broad Acres. The goal of the EDA Board is to have two units with a total of 8 family units built by winter of 2019. Offering a first time home owner loan is being worked on to qualified applicant on a low interest loan basis.

Daniels addressed the Council with his Department Head report. He indicated that most of their efforts have been directed toward the swimming pool so that it is ready for opening day on June 6, 2019. He advised that the 9030 Ford Tractor sold for \$6,056.00 and was picked up last Saturday. Ambuehl expressed appreciation to Daniels for repairing a \$4,800 part for the pool rather than just ordering a new one.

Mayor Dimmers opened up a public hearing for a variance permit request from Tam Schons. Ambuehl explained that the variance is to accommodate the setback for the overhang of the new garage which will hang over 2 ½' into the 8 foot setback. The public hearing was closed with no public present to speak. Motion was made by J. Schons, seconded by Peterson to approve the variance request. All voted in favor.

Mayor Dimmers questioned Daniels about Front Street and the repairs that need to be done. Daniels explained that there is a County tile that runs underneath the road that surcharges when it rains. The County is looking into a design to relieve the water as well as assisting the City with increasing the size of the current ditch to divert the water. The financial aspect of the repair was discussed as well as the time frame to get it done.

Daniels gave an update on the Spring Cleanup Day. He advised that the City's portion of the mattress disposal was \$210.00, tire disposal was \$200.75, appliance and electronics disposal was

\$1,860.00 and the general garbage disposal was \$1,328.63. The revenue was \$1,743.00 which would leave a total City expense of \$1,856.38.

Ambuehl addressed the City Council with his Department Head report. The various meetings attended as well as ones coming up were discussed. He advised that there are 3 meters left that need to be switched to a remote read meter, one of which is not going to participate in having it swapped out. He also informed that there should be some FEMA money that will start coming in soon.

Mayor Dimmers opened up a public hearing for a variance permit request from Marlene Meyer. Ambuehl explained that Meyer had a piece of property with a house and a garage on it which abutted her homestead property. The house was torn down earlier in the year; however the garage is still in good shape and was not torn down. The City Code states that if the property does not contain a house there cannot be a standalone garage without obtaining a variance. It was indicated that the Planning Commission is recommending that the variance is granted. The public hearing was closed with no public present to speak. Motion was made by Tieg, seconded by Peterson to approve the variance request from Meyer. All voted in favor.

Ambuehl presented a Notice of Intent to LGUs and Workplan. He explained that the Governmental units in the area need to be notified that it is Tracy's intent to develop a wellhead protection plan. Because of how deep our well is the City is not in any restrictive danger and are sitting good as far as that goes. Motion was made by Peterson, seconded by J. Schons to approve the notice to notify LGU's that the City will be entering into a wellhead protection plan. All voted in favor.

Motion was made by Peterson, seconded by Tieg to go into closed session at the conclusion of the regular meeting for an employee review. All voted in favor.

An invoice from Greenwood Nursery for the watering and maintenance of the downtown plants was presented. Ambuehl advised that this started as a Chamber activity and he has spoken to them about taking it back over. The invoice included the containers in front of City Hall now as well as Holiday containers in December along with the watering and maintenance portion of it. J. Schons questioned the 55 units as there are only 40 light poles. Peterson questioned what the Chambers cost is that they will pick up? Ambuehl stated that the cost of the pot is \$95.00 which is also the cost of the maintenance of them. Peterson expressed that he thinks the \$95.00 is for both the basket as well as the maintenance. Mayor Dimmers suggested tabling it until they can get clarification on the bill and what is covered. Peterson expressed he does not feel that businesses with personal pots should have them water at the expense of the City.

Mayor Dimmers opened up a public hearing for a variance request from Ron Stephens. Peterson indicated that this was for an egress window that would go into the setback footage. The public hearing was closed with no public present to comment. Motion was made by Peterson, seconded by Thao to approve the variance request from Stephens. All voted in favor.

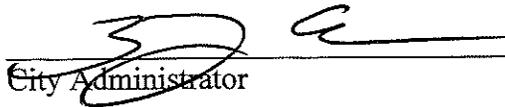
Discussion regarding the flower pots continued. Ambuehl advised that the City paid for the maintenance of 61 pots in 2018 in the amount of \$6,055.00. This included the maintenance, two containers by City Hall as well as two Holiday containers and six hanging baskets that the city sponsored. Greenwood is proposing a \$10.00 increase from \$85.00 to \$95.00 per plant for maintenance in addition to the \$95.00 per plant. This year's bill of \$5,605.00 is less than last year's bill of \$6,055.00 due to the 55 pots this year versus the 61 pots they had last year. He also stated that if they do not get 55 pots sponsored the City would not pay to water 55 pots – they would only pay maintenance for the number of pots they have. Peterson again expressed that he does not believe that City funds should be watering private businesses flowers aside from the hanging baskets. Ambuehl is to get the bill itemized further and present it at the next Council meeting.

Resolution 2019-35-Approve payment to Reiner Contracting Inc for work completed on Stabilization Ponds-pay app #10 was presented. Motion was made by Peterson, seconded by Thao to approve the Resolution in the amount of \$288,958.23. All voted in favor.

The consent calendar consisted of the Municipal accounts payable and the Planning Commission minutes from 4/1/2019. Motion was made by Tiegs, seconded by Thao to approve the Municipal accounts payable without Breakthru Beverage and the Planning Commission minutes. All voted in favor. Motion was made by J. Schons, seconded by Peterson to approve the Breakthru Beverage accounts payable. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tiegs.

Motion was made by Tiegs, seconded by J. Schons to adjourn the regular Council meeting and enter into a closed session. All voted in session.

ATTEST:


City Administrator


Mayor

June 10, 2019

778

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 10, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels-Public Works Director, Jeff Carpenter-EDA Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Dimmers asked for the approval of the May 28, 2019 minutes. Motion was made by Tiegs, seconded by Peterson to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Ambuehl indicated that he would like to add 10D-Request to waive Street Special Assessments-31-100124-0, 12A-Resolution 2019-36-Waiving Street Special Assessment for parcel 31-100124-0. 12B-Resolution 2019-37-approving work change order #10 for Phase 1 Infrastructure Improvement, 12C-Resolution 2019-38-Accepting Deputy Registrar Reimbursement Grant and 13C-Library Minutes from 4-4-2019. Motion was made by Peterson, seconded by Tiegs to approve the agenda as amended. All voted in favor.

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

Appointing Diane Campbell Deputy Clerk was discussed. Ambuehl explained that 90% of her duties are clerk related and this will allow her to complete some of the tasks on her own. Motion was made by J. Schons, seconded by Thao to approve appointing Campbell Deputy Clerk. All voted in favor.

Carpenter discussed the 2019 MN Small Cities Development Program Grant which has been approved in the amount of \$579,000.00. This will be used for low income housing and applications will be received later in the year. Half of these grants will be 100% free money as long as the resident is in the house for 10 years. The conditions of the grants and what they would be used for was discussed. Dale Johnson III, Fire Chief informed that whoever takes advantage of these grants will also receive a free fire detector.

The financial Management Plan utility rate study was discussed. Ambuehl indicated that he is a proponent of having a study done as the City needs to have a financial plan moving forward for upcoming debt. The utility rate study needs to be done so that the utilities can pay for themselves. A bid was received from Abdo, Eick & Meyers for \$23,000.00 and one from Ehlers for \$33,000 - \$36,000. Ambuehl recommends accepting the bid from Abdo, Eick and Meyer which includes a Financial Plan as well as a Utility Rate Study. He also advised that some of the Utility Rate Study cost could potentially be USDA eligible. Motion was made by J. Schons, seconded by Peterson to accept the bid from Abdo, Eick & Meyers to do the Financial Management Plan, Utility Rate and Debt Service Studies. Ambuehl would like to contact USDA to see if there is funds available which would hopefully be the ½ upfront and come back to the council to request unbudgeted funds closer to the completion or budget it for next year. All voted in favor of the motion.

A request to waive street special assessments on parcel 31-100124-0 located at 192 4th Street was presented. Ambuehl advised that taxes have not been paid since the assessment was certified to the County so it would be for the whole amount of \$18,913.36. Dale Johnson III addressed the Council indicating that he was presented with the opportunity to purchase the parcel which his father owned at one time. Different ideas and plans for the building were discussed and he indicated that he has not budgeted for the repairs that will need to be done if the assessment needs to be paid. Motion was made by Peterson, seconded by J. Schons to approve Resolution 2019-36 waiving the special assessments. All voted in favor.

Resolution 2019-37 to approve work change order #10 for Phase 1 Infrastructure Improvement was presented. Daniels informed that Duinick tried to sand fill portions of the old sewer mains and during the processes they discovered other connections that were hooked to old footing tiles so they aborted the mission with the sand. If the pipe is not filled because they go under buildings they could start to lose corners of buildings. Being this is a City owned pipe it would be the Cities liability if something like that were to happen. The solution to this as recommended by the Engineer was discussed which is the reason for the Change Order #10. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-37. All voted in favor.

Resolution 2019-38 to accept Deputy Registrar Reimbursement Grant was presented. Ambuehl advised that the State is pushing out some funding to reimburse Deputy Registrar stations due to the implementation of MNLARS. The City of Tracy is eligible for \$21,206.93 for training and any other costs associated with the MNLARS implementation. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2019-38. It was indicated that there is not a time limit to spend the funds and discussed if it could be used for building upgrades. Ambuehl advised that the funds can be used however the Council sees fit. All voted in favor.

The consent calendar consisted of Municipal Accounts Payable, Planning minutes from 5/6/2019 and 5/15/2019 and Library minutes from 4/4/2019. 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 J. Schons to approve the Accounts Payable for Breakthru Beverage. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tiegs.

An update on the Greenwood Nursery bill for the downtown plants was given. It was suggested that the Council should discuss this at budget time how they would like to handle it going forward for next year. The bill presented included the watering of all the plants as well as four pots for in front of City Hall (two in the summer and two in the winter months). J. Schons expressed that she feels that the City should get out of the flower watering business and that the businesses themselves should be accountable for their own flowers. Ambuehl questioned if the Council, going forward, would like to dedicate money to the 4 pots and the hanging baskets in front of City Hall and the watering of those plants only. The Council advised that they will discuss it further at budget time. Motion was made by Peterson, seconded by Tiegs to pay the bill to Greenwood Nursery to have the plants watered for this year in the amount of \$5,225.00. All voted in favor.

Mosquito spraying was discussed.

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

ATTEST:



City Administrator



Mayor

June 24, 2019

780

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, June 25, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels-Public Works Director, Jeff Carpenter-EDA Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Dimmers asked for the approval of the June 10, 2019 minutes. Motion was made by Peterson, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Ambuehl indicated that he would like to add 12C-Resolution 2019-42 approving payment to Reiner Contracting Inc for work completed on Stabilization Ponds-pay app #11. Motion was made by Tiegs, seconded by Thao to approve the agenda as amended. All voted in favor.

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

Carpenter addressed the Council with his Department Head Report. He advised that the Southeast lot in Broadacres has been sold which is the second to be sold. He also indicated that the old Asian Market is now in the EDA's hands and is for sale. He informed the Council that the EDA Board gave out a \$5,000 business reward to the Tracy Dance Academy. They have received their first installment of \$2,500 with the money being used locally for upgrades to their new building.

Tam Schons, Liquor Store Manager addressed the Council with her Department Head Report. She advised that the May 2018 sales were \$57,874.98 and May 2019 sales were \$63,389.54. She indicated that there will be two different vendors coming in to demo their POS system for her to compare and determine which one would be the best fit for them. There was discussion as to the systems being compatible with Banyon and if the equipment should be replaced.

Jason Lichty, Chief of Police addressed the Council with his Department Head Report. Mayor Dimmers thanked Chief Lichty for the extra hours that he has been putting in.

Daniels addressed the Council with his Department Head Report. The airport grounds have been raked and bailed as it had gotten too long. He explained the various projects that they have been working on as well as upcoming ones.

Ambuehl addressed the Council with the Library Department Head Report. Quist has indicated that the basement remodel is progressing well and they are very excited about it. He also advised that they are looking at putting a sump pump and a dehumidifier in with remaining grant money if it is available.

Ambuehl addressed the Council with his Department Head Report. The various meetings attended as well as upcoming ones were discussed. Holding a planning meeting for the 2020 budget was suggested. He advised that there is only one water meter left to replace once a plumbing issue is resolved and another which will get replaced when the water gets turned back on. An update on the FEMA documents and Frost Boils was given.

Chad Hess with Abdo, Eick and Meyers gave an Audit update presentation. The various funds and their financial state were explained to the Council using slides and graphs. The Financial Statement is prepared by them including the Findings report. Hess informed the Council that there will be GASB changes regarding Leases so if the City Leases anything they should reach out to him for assistance. The Utility Rates were discussed and indicated that the rates are doing ok; however the Utility Rates study will help insure that the City will be able to make future payments.

A request for a closed session to hold the City Administrator annual review was presented. Motion was made by Peterson, seconded by Thao to hold a closed session immediately following the conclusion of the regular meeting. All voted in favor.

The Runway 06/24 Abandonment Grant for the Airport was presented. Ambuehl advised that this a grant that the City received from the FAA and MnDot for the closure of runway 06/24 that the Council approved several meetings back. As a result the City's portion is only \$875.00 with the remaining balance of \$16,625.00 being paid by the FAA and MnDot. Motion was made by Peterson, seconded by Tieggs to approve Task Order Number 8 with Bollig Inc. for \$875.00. All voted in favor.

Resolution 2019-41 to change the Liquor Store name was presented. Ambuehl indicated that the Liquor Store committee is proposing the change to Box Car Liquors in keeping with the Railroad theme. The name change request with the Secretary of State will cost \$50.00 and would require Council action. The other expenses that may incur were discussed and indicated that there really would not be any other additional costs as the sign will need to be designed one way or the other. Motion was made by J. Schons, seconded by Thao to approve Resolution 2019-41 changing the name to Box Car Liquors as well as authorizing the \$50.00 to file it with the Secretary of State. All voted in favor.

The trees located near the current Liquor Store patio were discussed. Ambuehl advised that the root system is starting to intrude into the next door building's basement and causing some potential damage. It would cause more damage to remove the trees verses cutting them down. Motion was made by Peterson, seconded by Tieggs to have the trees cut down along the East side of the LQ Store patio by the Public Works Department at their earliest convenience. All voted in favor.

Resolution 2019-40 to amend Resolution 2019-38 to change the dollar amount of the Deputy Registrar Grant was presented. Ambuehl indicated that the DMV recalculated the grant dollars and changed it from \$21,206.93 to \$21,109.64. Motion was made by Peterson, seconded by Thao to approve Resolution 2019-40. All voted in favor.

Resolution 2019-42-Approving payment to Reiner Contracting Inc for work completed on the Stabilization Pond pay app #11 was presented. Ambuehl advised that the USDA has preliminarily approved the payment as well as the engineers. Cutting some trees down out there was discussed. Motion was made by Peterson, seconded by Tieggs to approve Resolution 2019-42 in the amount of \$49,764.98. (see below) All voted in favor.

The consent calendar consisted of Municipal Accounts Payable and Municipal Account Receivable. Motion was made by Tieggs, seconded by Thao to approve the Municipal Accounts Payable without Breakthru Beverage as well as the Municipal Accounts Receivable. All voted in favor.

Motion was made by Peterson, seconded by Tieggs to amend the dollar amount for the Reiner Contracting payment from \$49,764.98 to \$527,177.75. All voted in favor.

Motion was made by Peterson, seconded by Thao to approve Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tieggs.

Motion was made by Peterson, seconded by J. Schons to adjourn the regular Council meeting and enter into a closed meeting. All voted in favor.

ATTEST:

City Administrator



Mayor

July 8, 2019

782

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 8, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels-Public Works Director, Jeff Carpenter-EDA Director and Diane Campbell-Administrative Assistant.

Pledge of Allegiance was given to the flag.

An invocation was given.

Mayor Dimmers asked for the approval of the June 24, 2019 minutes. Motion was made by Tiegs, seconded by Peterson to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Ambuehl indicated that he would like to add 9A-I&S Engineer Report, 10D-Approval to proceed with the sale of the Asian Grocery Store, 10E-Approval of the sale of Broadacres Property owned by the EDA. Motion was made by Peterson, seconded by J. Schons to approve the agenda as amended. All voted in favor.

Mayor Dimmers asked if the Council members had any conflicts of interest that they would like to identify. There were none indicated. Mayor Dimmers questioned if Councilman Peterson had a conflict of interest with the agenda and he indicated that he did not.

Chris Larson with I&S addressed the Council with an update on the ponds. He indicated that they have started a water balance test on one of the cells and will start on the other ones later this week. This will be the final test to prove that they are not leaking and they will then be able to be put into service. He advised that Duninick is hopeful to start phase 3 late July or early August and that newsletters will go out when they know more. Larson stated that Phase 3 will start at the intersection of Hollett and 3rd Street as it is the lowest point of the sanitary. As they go upstream there will be opportunities for them to branch off.

The renovation of downtown 3rd Street options that the Planning Commission is recommending to the Council was presented. This option included a two way street with bump outs at the curbs with extensions in front of Bonnie & Clydes on the West side and the building on the corner of Morgan St and 3rd Street on the East side. This would hopefully encourage business to put outdoor patios and things like that out there. Also they are recommending putting in an approach into the old masonic lot to be used as an official gravel parking lot so that it can be accessed from two different directions. If the Council chooses to move forward with it the EDA has agreed to pay the \$7,800 engineering costs. J. Schons questioned what the difference in cost would be if they just replaced as is verses making these changes. Larson advised that the main difference would be the concrete on the bump outs verses asphalt. Maintaining the walk thru on the extended bump outs was discussed and indicated that the walkway would be maintained around it. The fence would be removable and at the cost of the property owner. J. Schons also voiced concerns about the bottleneck portion being wide enough. Allowing semi's on this stretch of road was discussed and Peterson indicated that they cannot stop them from doing it. The opportunity to beautify downtown and make changes is now. Snow removal was discussed and Daniels indicated that they could work around it. Motion was made by Peterson, seconded by Tiegs to move forward with the engineers and have Duininck give them an estimate on it including the approach into the parking lot were the old Masonic Building stood. He also stressed that the property owners receiving the extended bump out will be paying a higher assessment. It was stated that the fences would be weighted; no holes would be drilled into the concrete. All voted in favor of the motion.

A request from National Night Out for the City to donate the picnic tables was presented. Motion was made by Peterson, seconded by Thao to approve a \$1,000 donation to be used for the rental of picnic tables for National Night Out-Resolution 2019-42. All voted in favor.

A donation of \$300 from Bollig Engineering was presented. Ambuehl stated that this was for the Airport expense for the fly-in during BCD. Ambuehl would like to send a thank you back on behalf of the Mayor and Council members.

An approval to proceed with the sale of the old Asian Grocery Store was presented. Carpenter stated that the public hearings have been held and would like City Council's approval so that when he has a potential buyer he would have the ability to move forward with it. Motion was made by Tiegs, seconded by Peterson to approve Carpenter to proceed with the sale of the Old Asian Grocery store located at 106 3rd Street. All voted in favor.

Motion was made by Peterson, seconded by J. Schons for Carpenter to proceed with the sale of the Board Acres property. All voted in favor.

Allegations of misconduct of an EDA Board member were presented. Mayor Dimmers stated that the question before them is whether or not to move forward with a hearing; it is not about hearing any of the merits of the case. Mayor Dimmers again asked Councilman Peterson to declare a conflict of interest as he believes that one does exist. The reason he believes that is due to the fact that the person in question is Peterson's employer. Peterson stated that that has nothing to do with the facts of the case. Mayor Dimmers pointed out that it does give the appearance of a conflict of interest and asked that Peterson recuse himself from involvement with this case. Peterson stated that he has no financial gain and was put here by the voters to vote his conscience as well as to look out for the best interests of the City. He has been doing that for ten years and resents the fact that the Mayor assumes that he has a COI. He would not impune his integrity in a manner that Mayor Dimmers is accusing him of. Mayor Dimmers advised that he is not accusing Peterson of anything but he has been advised from the City Attorney that this is a clear COI. Peterson stated that the City Attorney has advised that on numerous other occasions and he has proved him wrong legally. He stands by that in this situation as well. Mayor Dimmers stated that as Mayor he believes that there is a COI and it would be in violation of MN State Statute 609.43 as well as City Code for Peterson to not identify this and abstain. The Council will not hear or count his vote or his input in this matter. Peterson stated that Mayor Dimmers does not have the authority to do that. Mayor Dimmers stated that he believes that he does under MN Statute and City Code and Peterson again indicated that he does not. Mayor Dimmers stated that to do so would constitute malfeasance and could result in further action to include the possibility of a recall. Peterson questioned if that is a threat and Mayor Dimmers indicated that it is not; it is a fact. Peterson stated that it sure strikes him as a threat. Mayor Dimmers stated that he has no intention of threatening him in anyway; it is just a fact of the case is all. J. Schons explained that what is in front of them right now is that they need to decide how they want to act on the allegations. If there is a COI that exists-which she is not saying that there is or isn't-does that affect making a motion to hold a hearing or not? Mayor Dimmers indicated that it is two separate questions. The first question is whether or not they want to hold a hearing to allow the person to be heard. The second question is whether or not there is a COI here as Peterson works for Mr. Salmon. J. Schons stated that if they talked about Sanford business she would not feel that she could not conduct business ethically just because Sanford is her employer. When I am on this Council I am not Sanford's employee, I am a Council person who was voted on. If the lawyer sees differently than that it could be addressed before the hearing. To do this vote today she believes that Peterson could move forward with his vote. It is just her opinion and she does not want to get in between Peterson and Mayor Dimmers. Mayor Dimmers again stated that he does not want to insult Peterson at all but his duties and responsibilities are and what he is being advised by the City Attorney requires him to address it. Being they are only voting on how to move forward he would ask Peterson to abstain from voting and they will get more clarification from the City Attorney as to a COI for the hearing. Peterson stated that it should be tabled. Ambuehl stated that the City Code 2.30 clearly states that if there is a COI that the Councilmember should abstain from voting. The determination is if Peterson feels that it causes a COI. The options are that Peterson could abstain, which it sounds like he does not want to. The City Council could censure Peterson and take a vote on that if they do not want him to or they can vote to allow him to. J. Schons stated that she does not want to table it and that they need to move forward on it. Mayor Dimmers stated that the Council should take a vote as to whether or not Peterson should abstain. Ambuehl stated that they would need a motion for that to occur. J. Schons stated that she is not going to make a motion because she does not agree with it. Ambuehl advised that the proper

way to word it would be to make a motion on whether or not Peterson should abstain from voting due to his employment with Mr. Salmon. Peterson stated that he wanted to give some history on this. Going back to the recall the City Attorney sat in this room and told me that I could not vote on it because it was a COI and when it was all said and done he said "you know I was wrong that wasn't a conflict". Peterson stated that he made the motion to do the recall election and the Mayor sitting next to me told me I couldn't do that. I made it anyway and that was the motion that they passed. If you don't have integrity you don't have anything. He feels that this attitude or opinion that someone is making without him being aware of it or a chance to discuss it impenes his integrity. It offends him, ten years, ten years and never missed a week. Ten years and he has never lost his temper but tonight Mayor Dimmers is making him lose his damn temper. Thao stated that even though they don't want to table it he feels that they really need to get direction from their attorney on how they should go about this. He does not feel comfortable deciding if someone can vote or not. It would just be an opinion and he does not know enough to make that decision. Ambuehl stated that the way they need to look at it is that the City Attorney has stated that there is a COI here and that is Gross's opinion. Whether the Council wants to take that opinion is their choice as a councilmember. The LMC has agreed with that opinion and dictates that you cannot vote on things that have to do with your employment, your employer or direct friends. The current issue is that the Mayor has asked Peterson to abstain from voting and he has declined the offer. This can move forward with a vote, they can table it and ask for more information or they can vote and censure Peterson. Realistically those are the options for moving forward. J. Schons stated that there is another option – move it forward by deciding if they are going to have a hearing and before the date of the hearing there could be a recommendation from the Attorney as to the COI and Peterson needs ample opportunity to rebut it if he doesn't agree. That way it would be clear by the date of the hearing as to the COI. Peterson stated that after reading the four pages from Gross it indicates that an investigation has been done – everyone on this council needs a copy of that. If he sees that and knows it is factual he will abstain. However, if he sees that they don't have any investigation results and he sees that it is a Witch Hunt and that it is sour grapes from someone, hell no he will not abstain. There are things that have gone on with this whole situation that if they are going to chastise one he intends to bring out the rest. The ball is in their court and he indicated that they probably don't want to hear what he has to say, but he is going to say it. Whether he has to walk out that door with his resignation on Ambuehl's desk and come back to stand at the podium to say it then that is what he will do. That's integrity! So now, how deep do you want to dig this hole? Tiegs stated that it goes back to direct friends and the fact that most of the people on the Council have that type of relationship with Mr. Salmon. Peterson stated that the only reason for a COI is for personal gain – he gains nothing from this. Ambuehl indicated that he can provide them with information but he does feel that they can vote on it to determine if they should set a hearing or not and review the evidence. He also stated that a written complaint was presented to him, information was gathered and it was turned over to the City Attorney and the City Attorney has now made the recommendation to the Council to review it and determine if they think that they should hear the evidence and decide if that individual should stay on the EDA Board or not and set a hearing to hear Mr. Salmon's point of view. If they set a hearing than the information will be presented to all Councilmembers and the EDA Board member, Mr. Salmon, so that he is able to review it and defend himself. J. Schons stated that she is confused by the last statement on the Legal Memorandum where Gross states that the City Administrator, City staff and himself do not make any opinion on the truth or verbiosity of these allegations. However, there has been an investigation so he should be able to put his teeth into it a little more than that. Petersons stated that if there has been an investigation that they should be able to see the evidence of it. Ambuehl pointed out that if you see the evidence it would be of public record..... Peterson stated that it is already of public record for Mr. Salmon and that is his point. Ambuehl indicated that it is only the allegations that are public at this point. It is the Councils determination whether or not they see fit.... Peterson stated that is not the way that small towns work. He is already tried and convicted in the minds of most. Peterson stated that he would defend anyone at that table the same way that he is defending Mr. Salmon. It is just not right. Mayor Dimmers stated that that is the purpose of the hearing to give everyone involved an opportunity to be heard. Along with that everyone involved will have all of the material related to the allegations and investigation well before the hearing. All Mr. Gross was saying is that there is no prejudice here and the staff does not have an opinion. The question is do they have a hearing so that they have all of the evidence and so that they can hear from Mr. Salmon and then make a decision. J. Schons stated that she did not think that his name would be brought out at this meeting and Peterson indicated

that he does not think that it should have. Ambuehl pointed out that there was no other legal way to do it. J. Schons stated that she has a problem with that because these things get to such a point that it can affect a person's character or at least put it into question. The last thing that she wanted was..... it was done to Peterson in the past, there were allegations but there wasn't hard evidence presented. It went to a recall, which she voted to hold, and now she thinks that his character and integrity was called into question. She does not want the community to think that all that they have to do is write a letter with allegations and complaints and it will get out there for everyone to hear before it is even known to be factual. She does not want that precedence set which is what she is concerned about. This has happened twice now and has been blown up to such a point that damage has occurred. Ambuehl stated that he will bring up his integrity and his professionalism - he received a complaint in his office, he acted upon it, he sent the information to the City Attorney, it was justified by the City Attorney and deemed serious enough to bring to the Council for review. That is the facts - as far as what the information is - any council member can see it at any time; however it will not become public unless you set a hearing and at that time Mr. Salmon will get a copy of it. J. Schons questioned if they can right now individually come and view the evidence? Ambuehl stated that it was requested by one councilmember today and he e-mailed it to them. He cannot push it out to the Council as a packet agenda item without violating Mr. Salmon's rights. He will not do a wrong to correct a wrong. Mayor Dimmers stated that it was not a matter of someone just throwing out an allegation and then it went public. As Ambuehl stated he looked into it and there is more to it than just someone throwing something out there. That is not what is going on here - they are following the law and the statutes involved and they are trying to keep it as fair as possible. There were efforts made prior to this to discuss it with Mr. Salmon and he flat out refused. Peterson stated that that is not a complete answer. Mayor Dimmers stated that to move forward they would follow statutes - Salmon refused multiple times-which is why they are here now. Ambuehl stated that Mr. Gross will be here if there is a hearing as well as sending the information to Mr. Salmon so that he can defend his position and action it as he sees fit. At that point it would become public knowledge and the Council will receive the information as well. J. Schons stated that she does not feel comfortable to not move forward with a hearing as she feels she needs to see the evidence. Ambuehl cautioned again that this was something that was given to him, he did his due diligence and went forward with the City Attorney and followed MN State Statute. Mayor Dimmers questioned if they trust the City Attorney and the City Administrator to give them.... Peterson stated that the information has already been sent out to one councilmember and the rest of the council needs to have that information as well. It doesn't have to go out in a council packet. This whole allegation thing could have gone out as an FYI and off of the agenda. Ambuehl stated that it went out as an FYI about 2 weeks ago when he sent the Council an e-mail and no one reached out to him except one which thanked him for keeping track of it. If this is an effort to table it and move it down the road that is fine; however he can tell the Council this - when they see the evidence they would not table it a second time - he is that confident. This is not a Witch Hunt; this is him doing his job. Frankly, Peterson talks about integrity, if the Council does not think that this is justified and does not meet the requirement of the MN Statutes then he feels that the Council is questioning his integrity and the City Attorneys as well. Peterson stated that he questions the fact that he was not given the information and he does question the City Attorney. He has questioned him since they first met. Without having the facts in front of me, he finds it hard to make a decision because it smells an awful lot like what happened to him with the recall. He was not allowed to have any of that information and he just took it, but that is him. He volunteered for this position, he could have quit but he stood up there and went thru it. To see it happen to someone else without seeing all of the information.....if you want it to go let's make it go. He just wants to know where it is going before they expect him to make a decision one way or the other as far as whether he should abstain or if this is the right course of action. With that malarkey that Gross put in the legal memorandum, it doesn't tell him anything to make a decision, it just smells bad. His gut says no -that isn't the right way to do it. It may be the legal way but it is not the right way. Mayor Dimmers stated that is the purpose of the hearing - to get all of the information out for everyone. Peterson questioned if Ambuehl indicated that one councilmember has it and the rest of them don't? Ambuehl advised that that councilmember requested it and he referred to the Attorney and Gross indicated that all but one item could be. Ambuehl indicated that there is e-mail proof, witness statements, there is evidence for this. If the Council would like to see it that is fine but that is not how the process goes. Peterson stated that his opinion is that if one person has it the rest of them need to see it. J. Schons stated that she does not want Ambuehl thinking that she is

questioning his integrity because that is not the case. If anything he has shown the Council that he has a lot of integrity. If he indicates that the information in the evidence would convince them that they need to move forward then she is willing to weigh that quite heavily. To be honest, the legal mumble jumble in the Legal Memorandum, there is not a clear direction. Gross just says that you may do this or you may do that and that if the Council chooses not to pursue, no further action needs to be taken. When she asks for a legal opinion, she gets an opinion and she did not see that in there. Based on what Ambuehl is saying she trusts his opinion and will move forward with setting a hearing but would like the information before the hearing so that she knows what they are going in with. She indicated that she does trust Ambuehl, but at the same time she is not saying that the EDA member does not have integrity as well. He deserves that opportunity and as far as the person that filed the complaint she does not know him well enough to have an opinion. Motion was made by J. Schons, seconded by Thao that they move forward with setting a hearing date for July 24, 2019 with the EDA member receiving the information as well as the Council....Ambuehl stated that the information will not become public until it is put in the agenda packet for the hearing. J. Schons questions if they receive the information and choose at the next Council meeting to decline and close the hearing or the member receives the information and decides to not proceed – everyone has options at that point-correct?

Peterson stated that he questions what the desired outcome or the goal of the hearing is? What is the worst case scenario that they are looking at? Do they just want someone removed from the board? Ambuehl stated that it is about holding people accountable for their actions. Peterson stated that he understands that but he would like to know what the end game of all of this is.

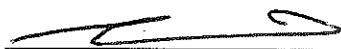
Ambuehl again stated that it is to hold people accountable in their positions. When someone does something that potentially puts the City in jeopardy or violates open meeting laws and other things that were named the Council needs to review that and determine if they want that person on a board representing the City. Peterson stated that he is just questioning what their end game is. He understands the motives and that does not require any explanation on his part but whenever there is an accusation there is always an expectation and he questions the expectations of why they are doing this. Ambuehl advised that the two outcomes could be – 1. The Council decides that there is not enough information and would like to keep Mr. Salmon on the EDA Board or 2. The Council decides that he acted improperly and they remove him from the EDA Board. J. Schons stated that there would be a third option – which the Council is not saying that he is totally innocent and have him do some re-education. You don't just fire an employee because they make a mistake depending on the level of the mistake. There could be a corrective action plan put in place, correct? Ambuehl stated that the Council could make any decision that they see fit. The motion was not complete so J. Schons stated that a hearing would be set for July 24th along with the actions listed above. Tieg's questioned if they should table it until everyone receives the information? He admitted that he was the one that asked for the information so he knows what is in there. Would it be better to table it so that the rest of the Council can review it and know what they are actually voting on? J. Schons stated that they could still cancel the hearing at the July 22nd Council meeting once they have a chance to review it. The number of days needed for the hearing was discussed. Voting in favor of the motion: Tieg's, Mayor Dimmers, Thao and J. Schons. Abstaining: Peterson

Ambuehl is to get information from the Attorney regarding the COI going forward. Peterson stated that if you include friends they will be down to two people voting. Clarification needs to be addressed on that.

The consent calendar consisted of Municipal Accounts Payable and Planning Commission minutes from June 3, 2019. Motion was made by Tieg's, seconded by Peterson to approve the accounts payable without Breakthru Beverage and the Planning minutes. All voted in favor. Motion was made by Peterson, seconded by Thao to approve Breakthru Beverage accounts payable. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tieg's.

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

ATTEST:



City Administrator



Mayor

July 22, 2019

787

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, July 22, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Shane Daniels-Public Works Director, Jeff Carpenter-EDA Director and Diane Campbell-Deputy Clerk/Administrative Assistant.

Pledge of Allegiance was given to the flag.

An invocation was given.

Mayor Dimmers advised that going forward he would like to do a roll call vote for everything that is voted on.

Mayor Dimmers asked for the approval of the July 8, 2019 minutes. Peterson advised of some corrections. Motion was made by Peterson, seconded by Tiegs to approve the minutes as amended. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Ambuehl indicated that he would like to add 12B-Resolution 2019-44-Approving Reiner Contracting-Stabilization Ponds Pay App12 and 12C-Resolution 2019-45-Approving Reiner Contracting-Stabilization Ponds Pay App 13. Mayor Dimmers stated that he would like to move the public comment section to the end of the meeting. Peterson expressed that the public should be heard first. Motion was made by Peterson, seconded by Tiegs to leave the agenda as written. J. Schons indicated that she feels that the public comment should be towards the end of the meeting so that they can get their business done first. Voting in favor of the motion: Thao, Tiegs and Peterson. Voting against: J. Schons and Mayor Dimmers.

Mayor Dimmers asked if the Council members had any conflicts of interest that they would like to identify. J. Schons stated that she would like to error on the side of caution and abstain from approving the Sanford invoices that come thru on accounts payable for tonight. There were no others indicated.

Mayor Dimmers opened up the public comments and indicated that each person will have 3 minutes to speak and the Council will not respond to anything but will take everything under advisement.

Tom Morin addressed the Council indicating that he lives at 772 Harvey Street. He holds a seat on the EDA Board and would like to address some issues that will be coming up at the Wednesday night hearing. He is listed as a potential witness in the Salmon case and would like to clear up some items. He advised that he did meet with Mr. Salmon on June 17th as stated. Prior to the meeting he, Ambuehl and Carpenter had a conversation regarding the old Asian Market building. Salmon came to visit with him that afternoon and they discussed the building. Salmon made it very clear to Morin that he had some concerns as to how the building was being packaged for sale. Morin advised him that he would agree to the terms presented if in fact their due diligence was done to protect the taxpayer money. He stated that Salmon never asked him how he was going to vote or if he would support Salmon in any way. Morin votes according to facts and that is his requirements.

Jamie Mattson from 487 2nd Street, Suite 1 addressed the Council. He indicated that Peterson stated it best in his quote in the paper that this fly by night came into town and acts like the City owes him something. Mattson stated that the City owed him to be treated like anyone else. He wasn't born here but that doesn't mean that he doesn't deserve the same respect as someone who

was. They live in America and everyone should be looking out for the best interest of the City not their self-interests. Given Peterson's success and unsuccessful in the City he knows what it feels like to be bullied. They have wasted a lot of time and effort and had they went down a different road they would be doing good for the City rather than smearing mud.

Kevin Stroup, Mr. Salmons Attorney addressed the Council. He indicated that he understands that there are three complaints against Salmon. The allegations are that he violated the Fair Credit Reporting Act, the open meeting law and that he does not like Mr. Mattson. Stroup sent Mr. Gross an e-mail on Friday pointing out that act does not apply in this situation and there is no violation. He also sent a memo on Friday pointing out that there is no violation of the open meeting act, specifically because you would need a quorum present and no such thing ever occurred. There was one on one meetings but never a meeting of three. Lastly the generic indicating that his client does not like Mr. Mattson which is a question of whether or not that is appropriate; however it certainly is not an appropriate reason to remove someone from an EDA Board for it. This whole matter should be ended and they should move forward without the hearing on Wednesday. He does not feel that the statement claiming that there was an investigation is accurate as an investigation constitutes talking to witnesses and gathering information, none of which occurred.

Lisa Ebert Mattson from 487 2nd Street addressed the Council. She indicated that prior to being a roofer she was a bill collector for 25 years and is very familiar with what the Fair Credit Reporting Act is. What was done was done improperly as it has to be done in a very specific way and it was not done in that manner. She does not care about politics; she cares about how people choose to conduct themselves. There was a very pointed reason as to why this happened, but she is not going to speculate the motives. Maybe it is because Salmon owes them a lot of money, maybe it was because they had a car dealership...she doesn't care. It is what happened afterwards and the attacks made and the things said about her family. If that is what this City is about and who the Council wants to be she can't do anything about that...but they should think about it.

Carpenter addressed the Council with his Department Head report. He indicated that they are not only trying to fill buildings up but also put the right people in them. He advised that right now they have three Cities in the area that has adopted the Reward program.

Tam Schons, Liquor Store manager addressed the Council with her Department Head report. She stated that the June, 2018 sales were \$55,360 and this year they were \$63,380 and in June they had over \$20,000.00 in profit.

Jason Lichty, Chief of Police addressed the Council with his Department Head report. He indicated that they have hired Jordan Markegard who will be starting later this week or early next week. This will still leave him with a part time opening. He indicated that the Hospital is in need of borrowing a radio from his department and would like Council approval to do that. Motion was made by Peterson, seconded by Tiegs to allow Chief Lichty to borrow the radio to the Hospital. All voted in favor.

Val Quist, Librarian addressed the Council with her Department Head report. The work in the basement is progressing and the Council is welcome to stop and see it anytime.

Daniels addressed the Council with his Department Head report. Various projects they have going on were discussed.

Ambuehl addressed the Council with his Department Head report. He explained the various meetings that he has attended including the LMC Conference.

A request from the Chamber for MN Lawful Gambling for BCD Bingo and Booze Wagon was presented. Motion was made by J. Schons, seconded by Peterson to approve the request. All voted in favor.

A change order for the Library basement remodel was presented. The contractor has recommended putting a suspended ceiling rather than a sheetrock ceiling in. They are also

suggesting putting a sump pump in the back corner to help with roof water and dehumidifying. Where the water will be diverted was discussed. Motion was made by Peterson, seconded by J. Schons to approve the change order in Resolution 2019-43. All voted in favor.

Dave Algyer addressed the Council regarding the LYFT Pathways Grant Program and waiving of the rent at the airport. A handout on the equipment and what the Grant will do for them was discussed. The simulator is currently at the High School and he would like to move it out to the Airport and to use the space there at no cost. He would also like a dead bolt put in and the office space cleaned out. Liability of the equipment for the City having it at the airport was discussed. Ambuehl stated that it would cost the City money to change the space and wanted clarification if it would be a school funding operation as there would have to be a supervisor present when students are there. Future funding and sustainability was discussed as well as how much space would be needed for the equipment. Peterson suggested that they work out the contract and details and bring it back to the council at the next meeting. The Council agreed.

A waiting list request for a Hanger Loan was presented. This is a grant, local donation and an 80% loan and is divided up by site preparation. This would be a \$1.3 million estimated hanger and they would have to put skin in the game to get the grant. It would be a zero interest loan over 20 years, but it is an expensive building to put up. If the City is willing to put in \$475,000 they could get a \$775,000 grant. Borrowing entitlement money from other cities was discussed. It would be an 8 unit hanger and would be built between the AD building and the current hanger building. The grant can always be declined if the Council desired later on in the process. Motion was made by Tiegs, seconded by Peterson to allow Tracy to enter into the MN DOT Hanger loan waiting list. All voted in favor.

Approval request for the Rural Service District Rate was presented. Ambuehl stated that it is currently set at 30% and suggested to maintain that rate. Campbell explained that the Kor parcel has been removed from the Rural District but their hope is to have part of that parcel put back in for 2020. Motion was made by Peterson, seconded by Tiegs to maintain the Rural Service District at 30%. All voted in favor.

Daniels requested an additional employee for the Public Works Department. He stated that roughly 10 years ago they eliminated an employee due to LGA cuts which has taken a toll on them. They are starting to fall behind on various things and now the part time employees are leaving in August versus September. Funding for this position was discussed. Peterson questioned if the numbers would be better to pick up a couple of part-time employees versus a full time employee. Daniels explained that it is tough to do scheduling for part-time employees. Peterson suggested advertising for two part timers and maybe down the road they could go full time. Motion was made by Tiegs, seconded by Thao to advertise for two part time employees with an option of going full time. All voted in favor.

A LMC Extraordinary Expense Loan was presented. Ambuehl stated that last year after the flood they took out a \$250,000.00 loan from LMC. This was used to pay the gap between the flood and receiving FEMA payments. The Council will need to decide if they want to continue to make payments on that loan at 3% interest or if they want to pay the balance of \$250,000.00. The FEMA money coming in will cover it; however he does not know when it will come in. They could pull the money out of the reserve account or pay the first payment of \$50,000 which is due August 1, 2019. The loan can be paid back whenever they have the money available. They would have roughly \$1 million left in the reserve fund if they paid it off. Motion was made by Peterson, seconded by J. Schons to make the payment to the LMC of \$50,000 by the 1st of August and to take it out of the General Fund. All voted in favor.

A slideshow presentation on the questions that the Council had was given regarding a conflict of interest of an elected official. Ambuehl feels that the Council should make a decision on how to move forward and stick to that decision. Peterson stated that there is that look that there could be a conflict; however a councilmember position is put there by the people. The voters decide if they want that individual to represent them and if the Council can agree on those two things he can go forward. There is a lot of room when acting in the best interest of the City and he personally finds it repulsive when someone tells him that he has a conflict without allowing him to explain his position. He truly finds it repulsive when he is told that he cannot enter into any

conversation about an issue because of a perceived conflict. That not only alienates his voice but it alienates the voice of the people that put him here. In the past, until they had the current City Attorney, the adults at this table would let the rest of the adults at this table know that they feel that they have a conflict. That is the way that it was done until someone got on their high horse and said that another member has a conflict and all of a sudden, low and behold, every, every board now asks if there is a conflict of interest. He can see that on other boards and commissions that have not had the training that they have had. But to sit here and to have someone tell you that you are conflicted without being given a chance to defend yourself, that is not the right way. It just is not the right way. The voters can decide on his conflict. Peterson sent Ambuehl an e-mail earlier and expected a response and did not get one. The e-mail offered that he would refrain from voting and making any motions on this issue if they could come to terms on how to move forward. Having not hearing a response he e-mailed Ambuehl the following day at the same time and rescinded his offer of compromise. Peterson questioned Ambuehl if he shared his e-mail with the Council? Ambuehl stated that he shared portions of it but did not forward the e-mail directly because that could put him in the position of violating an open meeting law. He also sought the advice of the City Attorney and was told that it is not his position to negotiate with Peterson. Peterson stated that he was not asking Ambuehl to negotiate, he was asking him to pass the information along so that he would not be accused of violating an open meeting law. Ambuehl advised that those things should be done in an open forum. Peterson stated that he offered that in order to eliminate what is happening now. They have gotten to the point that they are so worried about who said what and where and who is the bad guy and who is the good guy that we have forgotten to do the peoples work in government properly. They take action without taking time to fully understand all of the information and involve the entire council with the same amount of information as one of them received and make it a gotcha game of politics. It doesn't work, that is not the way to do things. He has always believed that any problem should be solved at the lowest possible level and that particular complaint that Ambuehl acted upon should have involved putting it out to the Board and then to find out in the Tracy paper that he was on there? That is how he found out that he was named in the complaint because he did not have the information. Peterson indicated that he will go back to his original offer, let's all put our big boy and big girl cloths on and act like adults and stop the finger pointing. He will, against his better judgement, restrain himself from voting and making a motion on this issue, but he will not be silenced. And if that is not good enough, he does not know what else he can do. It is up to the Council, but to tell me that he cannot participate in the discussion after he has been elected into office for the third time is offensive. J. Schons questioned if Peterson is willing to declare a conflict of interest and he indicated that he is not. By God no I am not! He is willing to abstain from voting or making a second on this issue but he will be heard. That is his offer. Mayor Dimmers expressed that there is no kind of having a conflict of interest – either there is or there isn't. Peterson stated that in this case there isn't. Mayor Dimmers indicated that he believes that there is. It was spelled out very clearly that due to your employment by Mr. Salmon....Peterson stated that he can bring all kinds of legal opinions that would challenge that to the core. If you carefully read what they said from the League – to legally prove that you have a conflict of interest is almost impossible. Mayor Dimmers pointed out that this is not a court of law and Peterson indicated that he is not saying that it is. Mayor Dimmers expressed that they are not obligated to prove legally, what they are trying to do is make a decision. Peterson stated that is just his point, Mayor Dimmers is making assumptions about people and labeling them before they have a chance to speak because Mayor Dimmers sat there and told him that he has a conflict of interest. Mayor Dimmers pointed out that he had the floor and asked Peterson not to interrupt as he did not interrupt him. The purpose is for them to make a decision as to what is best for the City of Tracy. Whether it is actual or perceived, has already been explained. He believes, whether actual or perceived that there is a conflict of interest. They are not required to prove that beyond a shadow of a doubt but they do need to do what is right for the City and the people that put them there as well. Peterson stated that is what he meant when he indicated that the ball is in their court.

J. Schons stated that what she is going to say is councilperson to councilperson and being very respectful like she would be to anyone. Her question is not that Peterson has a financial interest in this; her concern is because Peterson was mentioned in the same complaint that they were getting into a bias or would possibly be making a decision that could affect him as a subject matter down the road. Those are the concerning things to her, not his integrity, as well as the appearance to the public. She wants Peterson to consider one step further and indicate that there

is a conflict of interest and that he abstains from any of the discussion. Peterson stated that one of Mr. Gross recommendations was that the Council recognizes the potential conflict of interest yet allows the councilmember to participate in the hearing. Ambuehl stated that was actually one of his recommendations based on the e-mail that Peterson sent him. Peterson asked that they don't silence him, just get it over with. Against his better judgement he will not make a motion and he will not vote.

Mayor Dimmer stated that if such a conflict exists that he doesn't vote or make motions, how could he contribute then? Peterson stated that is his offer of compromise – not admitting there is a conflict but not voting. Mayor Dimmers expressed that he appreciates the olive branch, but he feels that if there is a conflict then there is. There is no half a conflict. If Peterson would be allowed to participate then he would also be allowed to vote. There is no half on this. He is not trying to insult Peterson's integrity he just believes that there is a conflict. If that is the case and he is correct then Peterson cannot participate in the discussion. Peterson stated that is his point of view but it is up to the body and he will stay out of it. Mayor Dimmers indicated that that is the decision that they need to make. He guessed that the first option where Peterson would voluntarily abstain... Peterson stated that is not a possibility... Mayor Dimmers continued inquiring if that is not an option anymore. Peterson indicated that he is down to two choices. J. Schons expressed that she would like Peterson to reconsider that option. Peterson advised that he is sorry but he can't. For lack of a better answer when he offered his compromise and did not receive an answer back and then rescinded his motion he has changed his mind for the last time. He can offer his compromise but he cannot go any farther than that. The council can censure him or whatever it is that they choose to do but the ball is in their court. He has said his piece and has made his deal. The easiest way out of all of this is for someone to stand up right now and make a motion to cancel the hearing on the 24th based on the evidence – but he does not see that happening. Unfortunately, if it doesn't – you want to be out of the paper – it ain't gonna be him in the paper from now on.

Mayor Dimmers expressed that it is his opinion that there is a clear conflict here and as he has already stated there is no half way, it either is or it isn't. J. Schons stated that she feels there is just too much evidence – Tony I am sorry – but when it comes to the bias and the self-judgement because he was named in the same complaint she does not feel that he could not have a conflict of interest. She does not think that any of them could not have if they were named and are part of a case. Motion was made by J. Schons that in accordance with Tracy City Code Subd 5 in code 2.30 subd 9 that they censure and suspend Council Member Tony Peterson from commenting or voting on any issues in reference to Jeff Salmon and his position on the EDA Board pending the outcome of the hearing scheduled for July 24, 2019. Thao seconded it but indicated that he would like Peterson to reconsider as well. Looking at the evidence, even though he is not a lawyer he knows what is what. Peterson questioned if he is allowed to discuss and J. Schons indicated that he is. Peterson stated that it appears to him that the writing is on the wall that this will go to a hearing on the 24th. If the defense asks him to testify for the defense – then what will they do? Ambuehl stated that it is up to the Council. J. Schons expressed that she does not feel that the Council could deny him that right which is part of the reason why she made the motion. She knows that he is personally involved so it would not surprise her if the lawyer would call him to testify at the hearing. This will at least take him out and maybe make it easier for him. Peterson stated that that is all of his questions and that the writing is on the wall. Voting in favor: J. Schons, Thao, and Mayor Dimmers. Against: Dave Tiegs. Motion passed to censure Peterson in the matter of Jeff Salmon and the EDA Board position in accordance with the City Code.

Resolution 2019-44 and 2019-45-Approving Reiner Contracting Pay App #12 and #13 for the Stabilization Ponds were presented. Motion was made by Tiegs, seconded by Thao to approve Resolutions 2019-44 and 2019-45. Daniels gave clarification on what the two pay apps consisted of. All voted in favor.

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

made by Peterson, seconded by Thao to approve Breakthru Beverage accounts payable. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tiegs.

Motion was made by J. Schons, seconded by Thao that in accordance with MN State Statute 469.095 to suspend Jeff Salmon from any and all EDA meetings and activities pending the outcome of the hearing. Voting in favor: J. Schons, Thao, and Mayor Dimmers. Voting against: Tiegs. Abstaining: Peterson.

Motion was made by J. Schons, seconded by Thao that Jeff Salmon resigns from the EDA Board prior to the July 24th hearing. If he is not willing to, she will listen to the evidence and the Council will make a decision based on what is presented to them. Peterson stated that Salmon has been asked three different times and he will not resign. J. Schons indicated that is his right. Voting in favor: J. Schons, Thao, and Mayor Dimmers. Voting against: Tiegs. Abstaining: Peterson. Ambuehl suggested that being there are attorney's involved that our City Attorney should contact Salmons Attorney to inform him of that. Peterson questioned Ambuehl if he received the information that Stroup provided to Gross? Ambuehl stated that he would have to look.

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

Attest:



City Administrator



Mayor

SPECIAL COUNCIL MEETING
JULY 24, 2018⁹
HEARING TO CONSIDER REMOVAL OF EDA BOARD MEMBER

793

A Special Council meeting of the Tracy City Council was called to order at 6:30 p.m., Wednesday, July 24, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Jeff Carpenter-EDA Director, Matt Gross-City Attorney and Diane Campbell-Deputy Clerk/Administrative Assistant. (Tony Peterson was censured and suspended from participating in this meeting)

Pledge of Allegiance was given to the flag.

Mayor Dimmers asked for the approval of the agenda. Motion was made by Tiegs, seconded by J. Schons to approve the agenda. All voted in favor.

Mayor Dimmers indicated that the hearing is being televised and requested that everyone would be respectful of each other. He turned the meeting over to City Attorney Matt Gross.

Gross stated that he submitted to the Council a Legal Memorandum dated July 19, 2019 which provides for the procedures on which the hearing should be conducted. Specifically the order in which the proceeding will occur and more importantly the Council's role in the hearing. As he has indicated, the Council is the fact finder and the decision maker of what will ultimately happen tonight. They are to waive the evidence and make a decision based upon the evidence presented. There may be conflicting evidence presented, and it is the Council's role to resolve those conflicts and make a determination based on what the facts are and how it construes with the allegations that have been submitted. Most importantly is the standard of proof and whether there should be a removal or not is a substantial evidence test. There are factors provided on page 3 under the title Standard of Proof. This is what they should consider in making their decision based upon the evidence and the applicable law in regards to removing Mr. Salmon or not in his position as a board member of the Economic Development Authority of Tracy, MN. After all of the evidence is concluded the Council will need to close the hearing and go into a discussion at which time they could entertain any motions as to whether the allegations have been proven or not. What Gross would advise is that after the closing of the hearing the Council would take some time to review the evidence that has been presented to them and discuss it if they feel that is appropriate and entertain any motions on each of the allegations against Mr. Salmon. Gross stated that there are 10 altogether – 1B, 2Bi, 2Bii, 3B, 3C, 3D, 4A, 4B, 5B, 5C and 6B. The Council will need to make a separate motion on each one of the allegations based on if there has been substantial evidence that support each and every one of those allegations. After that the Council can make its determination on whether to remove Mr. Salmon. As indicated in the Legal Memorandum all that the Council will need to find is substantial evidence in one of the charges listed. If the Council finds that none of them have been substantiated, then Mr. Salmon should be re-instated to his position as an EDA Board member and no further hearings shall be conducted in regards to these allegations. If the Council has any questions he could answer them at this time prior to proceeding with the hearing. Mayor Dimmers questioned that if they find that none of the allegations are substantiated, would they have to make an immediate motion to re-instate Mr. Salmon to the EDA Board? Mr. Gross advised that is correct.

Mayor Dimmers opened the Public Hearing on the matter of Mr. Salmon and the removal off of the EDA Board. Mr. Gross stated to put on record that Mr. Salmon's attorney and he have agreed that the Council can review certain exhibits to assist with their determination. Thirteen of these have previously been presented to the Council in the packet that was included with the allegations. There are four additional exhibits that Attorney Stroup has presented and Mr. Gross could present those whenever the Council would like. J. Schons stated that she would rather have them while it is being discussed or afterwards because while people are talking she would like to be able to concentrate on that rather than being split between reading and listening.

Mr. Gross stated that he would like to call Mr. Ambuehl and then Mr. Mattson if he is in attendance and then Mr. Stroup could proceed with his testimony.

Mr. Ambuehl was sworn in. Mr. Gross asked Ambuehl what his position is with the City of Tracy. Ambuehl stated that he is the City Administrator. Gross questioned if he has been involved in the allegations that have been a part of the removal? Ambuehl informed that it was brought to his attention; he investigated the allegations and presented them to Mr. Gross for determination and presentation to the Council. Mr. Gross asked Ambuehl to detail the findings of his investigation to the Council. Ambuehl stated that:

“On June 5, James Mattson came to the EDA Board meeting to request to buy 106 3rd St in Tracy. He also wished to get a loan from the EDA to put a roof on that building. At that meeting Mr. Salmon brought up the fact that Mr. Mattson, who owns a commercial roofing company was in the process of repairing the roof on Salmon’s building. After discussion and rejection of Mr. Mattson proposal Jeff Salmon told Jeff Carpenter “Jeff if you want to tell him that my comments didn’t help him here he has to talk to Robin about his wage information you are welcome”. Jeff is referring to a PACE Loan Application regarding the roof on his building in that statement.

The following Wednesday, June 12th, during discussion about EDA communications to Jeff Carpenter I warned the EDA board about serial communication and violating open meeting laws. During this conversation Jeff Salmon agreed and laughed stating ya. Later in that meeting Mr. Salmon again refers to the PACE loan application and his current conflict with Mr. Mattson. During this meeting the board discussed both the potential sale and loan to Mr. Mattson. The terms of both sales were heavily debated with most board members heavily favoring the protection of the city in the event that Mr. Mattson would default on the loan.

On June 18th board meeting I received an e-mailed background report from Tony Peterson who asked me to share it with the rest of the EDA board. I declined as page two warns against this practice. I substantiated a few items from the report but was unable to verify all items. I was again urged later that afternoon by Council Member Peterson to send the report out to the entire board. I replied to Council Member Peterson that I did not feel comfortable e-mailing it since is not a current EDA loan requirement and did not want to place the City into a possible discrimination situation. And the only info I was willing to share was what I could confirm outside of the report by myself.

On June 19th at the EDA Board meeting Jeff Salmon discusses multiple conversation he has had with other board members outside of the EDA meetings. Mark Seager, EDA board member, discusses items from a report he received from Jeff Salmon. The EDA board did not approve the sale or loan to Mr. Mattson that day.

On June 20th I forwarded an e-mail from Mark Seager, EDA Board member that was drafted by Jeff Salmon on June 18th, 2019. In this e-mail Mr. Salmon included a background check that is not currently an EDA Loan requirement. Mr. Salmon refers to multiple items in this background check that he received from council member Peterson. This background check contained a disclaimer that it may not be used in connection with determining perspective candidate suitability or credit and or loans. The warning in this report goes on further to declare why it is a violation of the fair credit report act. I also received this background check from Council member Peterson in a previous e-mail. In review of the website truthfinder.com, I found a notice that you must click immediately upon entering the site and when pulling a report. This notice states that you may not use the service or information it provides to make decisions about consumer credit, employees, insurance, tenant screening or any other purpose that requires fair credit report act compliance. In an e-mail that I received from Tony Peterson he claims to have paid for this report himself. Later that day he spoke with the Tracy City Mayor to discuss further action and they discussed that they should follow the City Attorney’s recommendation.

On June 23rd James Mattson filed a complaint against Jeff Salmon and Tony Peterson regarding his treatment during EDA Board actions and illegal background check. After gathering more information and discussing with City Attorney Matt Gross I then called Jeff Salmon to ask him if they could discuss the allegations from James Mattson. He was unable to meet that day and stated that he might meet with him Monday, July 1st but he will see how that shakes out. Later that day Mayor Dimmers called Jeff Salmon to again urge him to meet with me and the Mayor. That conversation dissolved into Jeff refusing to meet with the Mayor, which was later confirmed to me by an e-mail I received from Jeff Salmon.

On June 26th I had multiple conversations via e-mail urging me to meet with Jeff Salmon from Councilmember Tony Peterson. I stated to Councilmember Peterson that Jeff Salmon is always welcome to come in and discuss this.

After gathering information and sharing it with the City Attorney on July 3rd, I received a legal memo from Attorney Matt Gross for the possible removal of EDA Board member Jeff Salmon.

On July 8th Mr. Salmon e-mailed multiple council members admitting to meeting with Tom Morin, Dennis Fultz and Mark Seager. He also admitted that he sent the background report to Mark Seager in this e-mail included an unredacted copy of this same background check. I received this e-mail from two councilmembers asking me to have our City Attorney look into it. Since then he has followed the City Attorney's advice."

Mr. Gross question Ambuehl if he routinely attends the EDA meetings and Ambuehl indicated that he does. Mr. Gross question if Ambuehl was aware of what the status was in relation to the proposed loan with Mr. Mattson? Ambuehl questioned if he is asking if he was aware of what the status was. Mr. Mattson was requesting a loan for the building at 106 3rd Street. He wanted to purchase the building for little dollar amount and then used EDA funds to repair the roof on the building. Mr. Gross pointed out that it would be a proposed sale of property and a loan to repair the building located at that property. Ambuehl stated that is correct. Mr. Gross questioned if Ambuehl knows what action the EDA took on those two items? Ambuehl stated that at no time did they approve either item in multiple meetings – from July 5th, July 12th and July 19th. Mr. Gross questioned if the status of that table then by the EDA Board? Ambuehl stated that he believes in some meetings it was tabled and on July 19th it was – I would have to look; I don't know the answer of what day it was declined. Mr. Gross questioned if – ultimately has the EDA approved either the sale of property or the loan to Mr. Mattson? Ambuehl indicated no, they have declined both. Mr. Gross stated that he has nothing further and would open it up to the Council for any questions of Mr. Ambuehl. None were indicated.

Mayor Dimmers questioned if they can ask later and it was indicated by Mr. Gross that if there is relevant information that they believes requires questioning then yes they can. Mayor Dimmers stated that he is iffy as far as when they can hear from the public. Mr. Gross advised that this if for Council only and if they are not called as a witness there is no input.

Mr. Gross questioned if Mr. Mattson is present and it was indicated that he is not. He then deferred to Mr. Stroup for questioning.

Mr. Stroup questioned Ambuehl if he could pull exhibit #17 or have it handed to him. This would be exhibit #17 marked by Mr. Gross attached to the memorandum. Exhibit #17, which was in Mr. Gross packet and provided earlier to the Council is the complaint from Mr. Mattson – is that correct? Ambuehl indicated that is correct. Mr. Stroup questioned if there is any other written complaint from Mr. Mattson and Ambuehl indicated there is not. Mr. Stroup asked Ambuehl to read the complaint into the record. It read as follows:

I James Mattson of MSP Commercial Roofing, Unique Wraps and advertising, Unique Auto Sales, am asking and praying to have the city file a formal complaint against Jeff Salmon of Salmon Auto Sales Located at 1260 Craig Ave, Tracy, MN for malicious character attacks. In addition I am asking and praying he is removed from the EDA for these acts of sabotage of my business and my character with in the City of Tracy. As well I am asking and praying Tony Peterson to be removed for his actions towards me and my company. Signed by James Mattson dated 6/23/2019.

Mr. Stroup again asked if there were any other complaints from Mr. Mattson. Ambuehl indicated there were not. Any mention in there of the Fair Credit Reporting Act? Ambuehl asked to have the question repeated. Mr. Stroup again questioned if there was any mention in the complaint from Mr. Mattson regarding the fair credit reporting act? Your testimony was that he was complaining about it and I am asking where that appears. Ambuehl explained that was Mr. Mattson's verbal complaint to him in his office. He also looked into it himself. Mr. Stroup questioned what he looked into himself. Ambuehl stated that he was referencing the Fair Credit Reporting Act. Mr. Stroup stated that what Ambuehl investigated was based upon the complaint from Mr. Mattson? Ambuehl stated that when Mr. Mattson gave him the complaint regarding- what was the word he used – malicious character attacks – Mr. Stroup indicated yes – Ambuehl call Mr. Mattson and asked him to come in as he wanted a better description of what he was looking for, you know, what was the complaint. Ambuehl asked him for any information to verify his complaint. Mr. Mattson then gave Ambuehl a data request form which requested a background that was – in Mr. Mattson's words – illegally obtained and requested a copy of the signature from him allowing that to be obtained.

Mr. Stroup requested Ambuehl to go to exhibit #15 which is the Tracy Economic Development Authority form where people apply for credit – read the last paragraph about Mr. Mattson's signature, applicant's statement. Ambuehl read:

“The above information is true and correct. You are authorized to verify this information and retain the application whether or not approved. In the case of a credit application you are also authorized to receive additional credit information and answer questions on your credit experience with the applicant(s). Bothe Signatures are only required for a joint account or if the second person will use this account.”

Mr. Stroup questioned if it was signed by both Mr. and Mrs. Mattson? Ambuehl indicated that it was – but he apologizes he does not know her first name. Mr. Stoup stated does that not give authority to run a credit background? In the case of a credit application you are also authorized to receive additional credit information and answer questions on your credit experience with the applicants. Ambuehl indicated that he does not agree with that. Mr. Stroup questioned what Ambuehl thinks that means. Ambuehl questioned – What do I think? Mr. Stroup stated yeah - Since you are giving legal confusions here. Ambuehl stated he does not have an answer for him on that. I don't think that it is in my determination to do that – which is why he reached out to the City Attorney Matt Gross. Mr. Stroup questioned if Ambuehl provided Gross a copy of this at the time you asked him for his opinion? Ambuehl stated that he believes that they discussed it over the phone and Gross's concern was whether James Mattson had signed it as an individual or a corporation and it was determined that it was signed as an individual. Mr. Stroup agreed and asked how the background check that they claim is a violation – how was that done? Ambuehl stated that it was done as an individual. Mr. Stroup pointed out that they have an application as an individual and signed by both parties as individuals giving authority to run a credit report which was done – so the violation was what? Ambuehl stated that it is not for him to determine. Mr. Stroup pointed out that Ambuehl did the investigation and triggered this whole thing – he is asking him the question. Ambuehl stated that Mr. Stroup is incorrect indicating that he triggered the whole thing. Ambuehl received a complaint and he deferred it to Mr. Gross. Mr. Stroup questioned if Mr. Gross is a witness being he is making the decisions on

the prosecution? Ambuehl stated that Mr. Gross is in an advisory capacity for the City of Tracy. Mr. Stroup questioned who was making the decision – you? Ambuehl advised that he presented the information to the Council and the Council made the decision. Mr. Stroup questioned how Mr. Fultz ended up signing his statement requesting an investigation? Ambuehl advised that he read thru the EDA by-laws and one of the things he discussed with Mr. Gross was whether the EDA would investigate this or such. Being the potential removal for a Board member was at stake that was not within the EDA Board's authority. Ambuehl asked Mr. Fultz what his thoughts were on it when he came in and stated that he did not feel that it was fair for him to have to get involved in it or the EDA Board and asked him if he would be willing to state as such. Mr. Stroup questioned who typed the letter for Mr. Fultz to sign? Ambuehl stated that Mr. Fultz sat in front of him and wrote it out about three times, it was very unledgible and he asked Ambuehl to type it for him. Mr. Stroup questioned why Mr. Fultz was not here tonight as the request was made that he be present. Ambuehl questioned if Mr. Stroup would like his opinion or would he like him to state that he doesn't know? Mr. Stroup stated to give his opinion. Ambuehl indicated that he was bullied. Mr. Stroup questioned by whom? Ambuehl advised that it was by some people this morning. Mr. Stroup stated that if Ambuehl is going to allege bullying that he has to tell them who. Ambuehl stated that he thinks that Mr. Fultz is receiving the unfortunate backlash of this incident from certain individuals. Information was presented by Councilmember Peterson this morning at an EDA meeting asking for Mr. Fultz's resignation and filing a complaint against him for the very document that Mr. Stroup asked about earlier that Mr. Fultz signed. Mr. Stroup stated that people are allowed to do that aren't they? Ambuehl indicated absolutely and that would be investigated in the same manner. Mr. Stroup questioned if that is bullying or someone simply filing a complaint? Ambuehl pointed out that he asked Mr. Stroup if he wanted to know his opinion and Mr. Stroup indicated that he did. Ambuehl stated that no – that is someone filing a complaint.

Mr. Stroup stated that they have a whole list of things but as he sees it, it really comes down to three things. There is a claim that there was a violation of the Fair Credit Report Act, a violation of an open meeting law, and the general – I will call it – that Mr. Salmon does not like Mr. Mattson. Is that really what we are fundamentally down to in this case? Ambuehl stated that there are multiple charges that are stated in there. You can determine how you see fit but he does not think at any time that it stated in there that Mr. Salmon does not like James Mattson. Mr. Stroup stated that Mr. Mattson says that. Ambuehl indicated that the City doesn't go after instances based on whether someone likes someone or not. That is not practice of – I'm sure you could find instances of other Cities but that is not a practice in the City of Tracy. Mr. Stroup stated that is good because it should not be. So let's address the two fundamental issues then – the Fair Credit Reporting Act and basis do you claim that Mr. Salmon violated the Fair Credit Reporting Act? Specifically – what did he do that was a violation and why? Ambuehl indicated that it was used by an EDA Board member to be used against Mr. Mattson for the purpose of Mr. Mattson not obtaining that building. That report on page 2 states that it cannot be used for those purposes. It clearly stated that on page 2 and he knows that Stroup has read it. Mr. Stroup questioned if that is a violation of the Fair Credit Reporting Act or a violation of the terms and conditions of the report. As he understands it the report was forwarded with all of the information including that disclaimer so anyone receiving the report also saw that disclaimer. Ambuehl agreed and stated absolutely. Again when you open that report - I'm sorry – truthfinder.com it clearly states that you cannot do that. Then the other person – this attempt to forward it to other individuals in an attempt to smear Mr. Mattson... Mr. Stroup pointed out that that is Ambuehl's opinion and they just stated that they are not going to get into a personal attack. He has used the word smear and the word bully which is inconsistent with that position. Ambuehl indicated that Mr. Stroup should go on... Mr. Stroup indicated that his question is how does – 1st question is was there anything in the report... cuz I have not seen the whole report. Is there anything in this report that is not public information? Ambuehl indicated that he could only verify so much of it so.... Mr. Stroup asked – Anything not public – that is his question.

Anything that Ambuehl is aware of that is not public in that report? Ambuehl advised that again that is not something that he looked into. Mr. Stroup – so you don't know and Ambuehl indicated that he did not. Mr. Stroup questioned if there was anything in the background report that was inaccurate in anyway? Ambuehl stated that there were multiple items in multiple places that he was unable to verify. Mr. Stroup stated that not being able to confirm is different than the report being inaccurate. Was there anything that was verified that you could prove inaccurate? Ambuehl indicated no and that he was looking for absolutes. He was looking for what did he do because that was what was instructed to him by a Councilmember – to find out what out of this is true. Mr. Stroup questioned which Councilmember instructed him on that? Ambuehl indicated that Councilmember Peterson via e-mail asked him to share the entire report with the EDA Board, which he declined to do. He substantiated the information that he could in the time matter that he had. He was forwarded it at 8:08 am on June 18, 2019. Mr. Stroup questioned how that report, which as far as Ambuehl knows is accurate and containing only public information, how does that interface with the credit application which says that the EDA can run a credit background, which is normal anytime that it has to do with someone asking for money? As he understands it, Mr. Mattson was specific that he was asking for a loan. He is trying to find out what is wrong with running a background check when somebody asks for money. Ambuehl stated that it is currently outside of the EDA loan lending principles. Mr. Stroup asked why it is. Why is it not part of the lending principles and what legal council is not cleaning that up so that it is part of the lending principles? Ambuehl agreed and indicated that after this process he will ask the EDA Board to refine their lending principles because of the fact that, in his opinion, it is different from multiple people that they had just issued loans to earlier.

Mr. Stroup stated that the allegations of serial meeting are a violation – is that correct? Ambuehl stated that is correct – serial meetings violate open meeting law. Mr. Stroup questioned if Ambuehl is aware of the case law on that violation? Ambuehl advised that he reviewed some of it but referred to Mr. Gross on most of it. Mr. Stroup asked Ambuehl to go to exhibit #16 – Mr. Stroup quoted the case on point that is crystal clear – we therefore hold the meetings subject to their clients open meeting law are those gathering of a quorum or more members of the governing body or a quorum of a committee, sub-committee, Board, Department of Commissions thereof of which members discuss, decide or receive information as a group on issues relating to the official business of the governing body. Supreme Court decision 1983-Moberg v. Independent School case where the school board members were having a fight and school board members were trying to come to a deal but all member remained under a quorum and there were multiple, multiple meetings. The Supreme Court said you can't mess with that cuz how else could you do public business if people can't discuss. Providing that they do not have a quorum at one time, there is no violation of the open meeting law. That is the law in Minnesota. If you look at the affidavit from Mr. Mattson, which is exhibit #14, the allegation that I say that I thought you were going to claim was that there were three or four people at Salmon Motors at a meeting – Dennis Fultz, Mr. Salmon, Mr. Peterson and Mr. Mattson – I mean Mark Seager. However, Mr. Seager indicated that he wasn't part of it and he didn't see Mr. Peterson part of it – it was only Dennis and Jeff. Mr. Stroup's understanding is, and the affidavit Mr. Seager states, that Mr. Seager was a little upset about this allegation and that Mr. Seager and Mr. Fultz met with Ambuehl and that Mr. Fultz confirmed that the meeting at Salmon Motors was only Mr. Fultz and Mr. Salmon. Ambuehl stated that at an EDA meeting, Jeff Salmon talked about meeting with Denny Fultz on Monday. Mr. Stroup stated – Answer the question! Did Mr. Fultz state to you, with Mr. Seager present, that the meeting at Salmon Motors was only Mr. Fultz and Mr. Salmon? Mr. Seager not involved and Mr. Peterson not involved – yes or no. Ambuehl stated that this is trial – we follow Roberts Rules of Order.... Mr. Stroup stated that this is a hearing! Ambuehl indicated that if he is not going to allowed to finish his answer then he will just decline it because Mr. Stroup is trying to twist him into a situation, we all know that. Mr. Stroup stated that he is not trying to twist Ambuehl – Mr. Seagers affidavit is clear. Ambuehl indicated that Mr. Seager, on that statement, was used to

confirm the fact that Jeff Salmon and Dennis Fultz were having a meeting about that, about the Asian Market, which was later confirmed by Mr. Salmon to multiple board member at an EDA meeting as well as an e-mail that he sent to them. Mr. Stroup stated that Ambuehl did not answer the question at all. Ambuehl indicated that he will answer the question if Mr. Stroup allows him to give the full answer. Ambuehl continued by stated that on the day that Jeff Salmon talked about meeting with Dennis Fultz on Monday, he asked Mr. Fultz afterwards because he was in the middle of checking into this and figuring out what was going on. Mr. Fultz came into his office and Ambuehl questioned if he was out at Salmon Motors talking to Mr. Salmon in his office? Mr. Fultz indicated that he was and that Tony Peterson was there and so was Mark Seager, in fact he walked in and confirmed it to. That is the information that he share with Matt Gross. Mr. Stroup stated that he understands that Mr. Fultz may have told him that and he is not criticizing or questioning that. His question is if Dennis came in later and re-explained what he was talking about? It is one thing to have people present, but it is a question if they were in a meeting with all four together at one time. Mr. Seager's affidavit says No! That the meeting only occurred with Mr. Fultz and Mr. Salmon. Ambuehl indicated that Mr. Jim Keul, Mr. Mark Seager and Mr. Dennis Fultz came into his office. They were worried about – to put it bluntly – blood on the walls was in the e-mail and they were worried about what kind of implication this had on them and they both stated their concerns to him and explained the story first had to him as to what happened – which was exactly what Ambuehl just to Mr. Stroup. If Mr. Stroup's question is did they tell him that ahead of time, yes. In looking thru all of this that was last Wednesday at approximately 10:00, that asked Ambuehl to redact that portion from the packet and he told them that he cannot make any changes to the packet. That was not something that he was able to do and when he talked to Attorney Matt Gross they talked that they would address that issue today. Mr. Stroup indicated that he is not tracking his answer very clearly – are you agreeing that Mr. Fultz has stated that the meeting at Salmon Motors was only two people – Mr. Salmon and Mr. Fultz? Ambuehl answered – yes – he is agreeing to that. Mr. Stroup asked if his claim is that that is still a violation of the open meeting law... Ambuehl stated on the basis of serial meetings. Mr. Gross objected to Mr. Stroup asking Ambuehl legal questions. Mr. Stroup stated that Gross can object to his heart's content but... Mr. Gross stated that he is just placing it on the record that he would advise any legal opinions not to be asked of lay witnesses. Mr. Stroup stated that Ambuehl seems to be testifying to legal matters. He went on to ask if the serial meetings that Ambuehl thinks that Mr. Salmon did – please give a little background explanation. Ambuehl indicated that he asking about legal matters and will refer it to the City Attorney. Mr. Stroup stated that... Mr. Gross stated that besides the answers that he has provided, is he asking if any additional events or occurrences in which he believes a serial meeting occurred. As referred to in charge #B 1, 2 and 3 are the notice of written charges for removal. Gross requested that Mr. Stroup address his questions in relation to 1Bi, 1Bii and 1Biii. Mr. Stroup indicated that is too complicated of a numbering system for him to grasp. Gross stated that it is the occurrences that are listed on count 1. Those are the allegations that have been presented. Mr. Ambuehl, just provided an answer to you for 1Bii and requests that Mr. Stroup proceeds with the additional occurrences. Mr. Strout stated that he will summarize it more simply – who did Mr. Salmon meet with when and how does Ambuehl know that it happened? Ambuehl indicated that Mr. Salmon met with Tom Morin at his residents which were verified in an e-mail sent to the Council which he is sure that Mr. Stroup has received a copy of. Also by Mr. Morin's testimony, or public comment on Monday night. He also admitted to that meeting and that it did occur and he did state that they talked about the Asian Grocery Store, as he called it – Also known as 106 3rd Street. Mr. Stroup expressed that Mr. Morin stated pretty clearly on Monday that there were no decisions on the matter and was not swayed by anyone – is that correct? Ambuehl indicated that is correct and in fact he went further to say that only his wife tells him what to do. Mr. Salmon also met with Dennis Fultz which again was confirmed and he conducted e-mail correspondence with Mark Seager and discussed the background check on James from 2019. Mr. Stroup stated that is three meetings – Fultz,

Morin and Seager. Ambuehl stated that is correct. Mr. Stroup pointed out that they were all separate and Ambuehl indicated that is correct. Mr. Stroup also pointed out that Mr. Fultz was the one that went to see Mr. Salmon. Ambuehl stated that he would assume that is correct. Mr. Stroup questioned who else Mr. Fultz went to see on this matter and Ambuehl indicated he could not tell him as he does not know. Mr. Stroup questioned if he investigated that and Ambuehl stated that he did not investigate Mr. Fultz at that point because he did not receive the complaint for him until about 6:50 this morning. Up until today Ambuehl had not received a complaint regarding Dennis Fultz's activities. Mr. Stroup asked at this point would it be correct in saying that there has been no denial to Mr. Mattson. They did not deny selling real estate to him and they did not deny the loan? Ambuehl stated that they have denied selling real estate to him. Mr. Stroup pointed out that that was not a motion though was it – at the EDA level. Ambuehl stated that he would have to go back to the recording as he does not have it memorized. Mr. Stroup stated that the EDA motion was to not sell the real estate at this time to anybody, which is different than not selling it to Mr. Mattson. Is there any denial of the loan request or just no action taken at this point? Ambuehl again indicated that he would have to review it as he does not have it memorized.

Mr. Stroup stated that the Fair Credit Reporting Act requires a negative action on the basis of report. Just so the Council is clear we do not think that that background report is a credit report, therefore not under the act and more over on the application they believe that there is authority to do that and run a background report if desired because of the application. But aside from that, the next problem is has there been any adverse decision by the EDA and Mr. Mattson's request? Ambuehl indicated yes – Mr. Mattson was denied his request to purchase property at 106 3rd Street. Mr. Stroup stated that he hasn't been denied to purchase it; it was just a no sale to nobody. And there has been no action on the loan request has there? Gross pointed out that it has been asked and answered. Mayor Dimmers asked that they move on please.

Mr. Stroup asked if it would be correct that it is Ambuehl's position that the real estate should be sold only to Mr. Mattson. Ambuehl stated yes and that he used dollars and cents to make that determination. Mr. Stroup questioned if he sent an e-mail to the EDA Board members logging that position? Ambuehl indicated those are your words not mine. Mr. Stroup pointed out that Ambuehl indicated that Jamie could be their best option to purchase the Asian Grocery Store blah blah blah and should be sold to Mr. Mattson. That was your e-mail to the EDA Board. Ambuehl indicated that is correct and you could take his name off of it and put any body's names on it because I based it on dollars and cents. Mr. Stroup question if Ambuehl thinks that anybody asking for real estate or a loan from the EDA should be granted? Ambuehl stated no, no I don't think that it should be. I think the fact that we tried to get a person into a building and it didn't work out, the EDA then decided let's try to acquire the building. The building is dilapidated and the roof is starting to fall in and leak. By Mr. Mattson acquiring the building or any other roofer for that matter, and doing the work themselves the approximate was around \$22,000.00. We since then, and I have researched it myself, it would have been somewhere around \$50,000.00 to accomplish the same work. So when you ask if I was favorable of James Mattson was getting it – I was favorable of somebody sticking \$22,000.00 into it, not \$50,000.00, cuz that is good business. Mr. Stroup questioned if we have spent \$50,000.00 on it? Ambuehl advised that they have not; in fact I am afraid that they will have to tear it down because it is not worth \$50,000.00. Mr. Stroup pointed out that they have not torn it down yet. Ambuehl stated that it has not yet been determined by the EDA which direction to go at this time. Mr. Stroup stated that he has no further questions.

Mr. Gross questioned Ambuehl about the credit report that he reviewed that was forwarded to him from Mr. Peterson – you were asked some questions about non-public information in there – do you remember that question? Ambuehl asked Gross to repeat the question. Gross asked if Ambuehl remembers the question from Mr. Stroup whether there was any non-public information in that credit report. Ambuehl indicated that he does remember that question.

Gross questioned if there were telephone numbers, addresses and names in that report? Ambuehl said absolutely and it talked about everything from sex offenders that live nearby to all sorts of stuff. Gross pointed out that there is other information that is not of public knowledge that you could just access by talking to a court or calling a reputable authority to get that information. Ambuehl indicated that is correct. Gross stated that Ambuehl testified about the EDA Revolving Loan requirements – has the EDA made any prior loans to other individuals other than Mr. Mattson during your time as City Administrator? Ambuehl indicated multiple. Gross questioned if at any point did any member to Ambuehl’s knowledge go out and order a background check for an individual? Ambuehl stated no. Gross questioned if the EDA ever authorized anyone on the Board to pursue or obtain a credit report on an individual? Ambuehl indicated no. Gross stated that the credit report that you answered questions to from Mr. Stroup – did you review the notice requirements on that? Ambuehl questioned if he is talking about the background check or the credit app? Gross indicated the background check. Ambuehl advised that when you initially open the website there is a disclaimer that comes up and you have to click ok. He could read it word for word if you would like. Gross pointed out that it is exhibit 13; the actual background check....there is a disclaimer on that right? Ambuehl advised that there is on page 2, a very in-depth disclaimer. Gross questioned if it indicates that it is an authorized credit report or authorized background by Federal Reporting Consumer Reporting Agency? Ambuehl stated yes. Gross re-iterated that it is not an accredited, prepared by an accredited Consumer Agency? Ambuehl stated that is correct. Gross questioned if that is clearly stated on page 2 of that whole document and Ambuehl indicated that is correct. Gross questioned if the EDA approved or authorized any individual member to obtain that credit or background check on Mr. Mattson? Ambuehl stated no. Gross questioned if he could verify all of the information contained in that report-was it possible for you to do so? Ambuehl advised that he does not have that kind of time. Gross directed Ambuehl’s attention to the Notice of Written Charges for Removal and specifically count #1. He asked Ambuehl to read paragraph a which is from the case that Mr. Stroup quoted – if you could just read paragraph a from charge 1. Mr. Stroup stated that he apologizes but he would like to note an objection – that is not a holding. Gross asked Ambuehl to go ahead and read it. Ambuehl read as follows:

“Pursuant to *Moberg v. Independent School District No. 281*, 336 N.W.2d 510 (Minn. 1983), the Minnesota Supreme Court held that serial or numerous meetings in groups of less than a quorum for the purposes of avoiding public hearings or fashioning agreement on an issue may be a violation of the statute depending upon the facts of the individual case. “

Gross stated that is the basis for count #1 for the serial meetings – is that correct. Ambuehl stated that is correct. Gross questioned if Mr. Salmon, as a member of EDA Board, sign a Committee Member Code of Conduct Agreement? Ambuehl indicated that he had on exhibit #2. Gross pointed out that part of that agreement that he signed to act in his capacity as a board member – did that require him to make decisions that are best for the City and not for he own person interests? Ambuehl indicated that is correct. Gross questioned if it also indicates that you are to abstain entertaining conflicts of interest when voting on those items – more or less in general terms? Ambuehl stated that is correct. Gross questioned in the discussions that the EDA Board had in regards to the Mattson loan – what information did you have that came about that Mr. Salmon had a conflict with Mr. Mattson? What relationship did they have with him? Mr. Stroup objected indicated that the question whether there was a conflict between Mr. Salmon and Mr. Mattson is different than whether there is a conflict of interest. Gross withdrew his question. Gross questioned if Mr. Salmon and Mr. Mattson had any business relationship that Ambuehl is aware of? Ambuehl stated yes. Gross questioned how he became aware of that? Ambuehl advised that it was thru multiple discussions at the EDA meetings as Mr. Salmon referred to it often. Mr. Gross asked in what way? Ambuehl expressed that it was mostly about a PACE Loan Application that he was working on to try and pay Mr. Mattson. Gross questioned if Mr. Salmon hired Mr. Mattson to perform some construction work? Ambuehl

stated yes – a new roof on his-re-roofing his automotive building. Gross questioned if that was on going during the EDA discussions regarding Mr. Mattson's proposed sale and business loan? Ambuehl stated that he is not clear on the date that it was finished but the finishing portion was ongoing during the discussion. Gross questioned – not to get into the details of the dispute or what it involved – was there a dispute between the two of them that you are aware of and Ambuehl stated yes. Gross questioned if Mr. Salmon voted to either table it or decline the application for the sale of the property to Mr. Mattson? Ambuehl indicated yes. Gross questioned if he declared that he had a conflict of interest in regards to Mr. Mattson? Ambuehl stated no. Gross questioned if he voted or abstained? Ambuehl advised that he did not abstain in any case. Gross stated that he believes that it is Ambuehl's testimony that Mr. Salmon received a copy of the background report from Councilmember Peterson – is that correct? Ambuehl stated that was correct. Gross questioned if he subsequently e-mailed that to Mark Seager on June 18th, 2019? Ambuehl indicated that is correct. Gross indicated that is exhibit – Ambuehl indicated it is exhibit #1. Gross questioned if in that exhibit if Mr. Salmon made any comments to look at certain portions of that background check to Mr. Seager? Ambuehl stated that is correct and that Mr. Salmon stated that this is mostly b/s but look at line 117 and goes on from there giving some pages to refer to.

Gross indicated that he has no more questions and would leave any questions to the Council.

Mr. Stroup stated that he has some follow up questions. He questioned Ambuehl what the EDA Board relied on when deciding not to sell the real estate at this time and in essence table making any loan to Mr. Mattson – was it the report or was it their personal experiences with Mr. Mattson which he just testified about? Ambuehl advised that they date that they decided it was based on the information brought forward by Mark Seager from the e-mail that he received from Jeff Salmon. Mr. Stroup pointed out that it was then Mr. Seager that provided the information not Mr. Salmon. Ambuehl stated that is correct – Mr. Seager brought the information that was provided to him by Mr. Salmon. Mr. Stroup stated that Mr. Seager did further follow-up trying to verify information and talked about the follow-up information that he discovered at the EDA meeting correct? Ambuehl indicated that is correct. Much like himself, Mr. Seager tried to verify what he could and in his own words he said he was up all night trying to verify what he could. Mr. Stroup questioned if Mr. Seager thought that the real estate should be sold to Mr. Mattson? Ambuehl stated at that morning, yes that is correct – but would like to point out that previous to that he did thing that they should have sold it to Mr. Mattson. Mr. Stroup pointed out that people can change their minds based on new information – correct? Then the question is what is best for the City? And so the question is what is Mr. Mattson's character, background, financial equity and whether it is best for the City. Is it not the EDA Board's job to determine that? And they made a decision. Ambuehl asked Mr. Stroup to say that again. Mr. Stroup stated that the question is what is in the best interest of the City? Ambuehl stated absolutely – it is always... Mr. Stroup questioned if the EDA Board decided what was best was to not sell at this time and to not yet make the decision on whether or not to make a loan to Mr. Mattson? Ambuehl pointed out that breaking our rules and possibly discriminating against someone is also not in the best interest of the City. Mr. Stroup questioned where discrimination is at in any of the complaints that you guys have brought? You are now adding to the debate – what was discriminatory? Ambuehl stated that it violates the Fair Credit Reporting Act. Mr. Stroup stated that is not discrimination that is a different question. Ambuehl indicated that Mr. Stroup can word it however he would like – it was unethical, it was wrong and it is not something that was normal practice of the EDA in the past. Mr. Stroup questioned how Ambuehl knows that? How do you know that they have not been running background checks? Ambuehl stated that if they have he would love someone to bring that complaint and that information and that person would be investigated in the same manner. Mr. Stroup questioned what the conflict of interest is here regarding Mr. Salmon? Ambuehl questioned if he is referring to Mr. Salmon and Mr. Mattson? As stated it is financial – they have a business dealing – Mr. Mattson was doing work

for Mr. Salmon and Mr. Salmon admittedly stated that he needed items from James Mattson in order to complete the PACE Loan and said the following: Jeff if you want to tell him that my comments didn't help him, because he has to talk to Robyn about the wage information, you are welcome. Mr. Stroup questioned what is wrong with that? What is wrong with having personal knowledge of a person and then making a decision on that basis? The old adage of lending-character, character, character – so if you know someone's character. Ambuehl stated that is his version of it – Ambuehl's version is that he is using his position to try and force James Mattson to work harder for him to get the PACE Loan application done for him. Mr. Stroup questioned what a PACE Loan application is and Ambuehl advised that his client knows more about it than he does. Mr. Stroup stated that he has no further questions.

Gross questioned Ambuehl if in the EDA meetings that he attended if Mr. Salmon spoke despairingly or say anything negative about Mr. Mattson and if so in what way? Ambuehl indicated that he did on multiple occasions – he talked about – I would say it was a character reference – talking about in one instance he indicated that there is not a damn thing he said here today that will come to fruition and multiple unethical conversations about James Mattson throughout the EDA meetings. Gross questioned if Mr. Salmon brought up issues regarding his dispute with Mr. Mattson in those EDA meetings? Ambuehl stated multiple times. Gross indicated that he had no further questions.

Mr. Stroup indicated this will be his final question. Explain what you mean by unethical. If someone says that they have a business dispute and someone says they have questions as to whether they will perform what they say they are going to perform, what is unethical about someone on the EDA doing a business transaction and raising those questions? They might be right, they might be wrong – but what is unethical about bringing that up? Isn't that part of due diligence? Ambuehl advised that what is unethical about it is that when someone says a loan that was potentially going to go thru and then pulled a background check that is not authorized by EDA procedures and tried to present that to the other members. Mr. Stroup stated that in the case of a credit application you are also authorized to receive additional credit information – it is on the credit application that you can run a credit report. The EDA may or may not have been doing that but that is a question as to why you weren't. That is standard business practice. No further questions.

Gross indicated that he has nothing further and asked if the Council has any questions of Mr. Ambuehl?

J. Schons indicated that she has one question. When it comes to running the background checks – forgive me if I need to be directing this to you or to you – but is it the right of any individual EDA member to run background checks or is it the EDA Directors responsibility, or can any member just to on their own and do it? Ambuehl advised that it is currently set up that the person has to provide a credit report and so that person would bring in a credit report and gives it to the EDA. This is something that they have discussed. J. Schons confirmed that the applicant would provide their own and Ambuehl indicated that is correct. J. Schons questioned if we do any investigation to see if what they provide is accurate or not? Ambuehl deferred to Carpenter on that as he was not involved in that portion of it. Peterson attempted to speak and Ambuehl indicated that he is not allowed to comment.

Mr. Gross indicated that Carpenter is not sworn in so if Mr. Stroup would like to call Mr. Carpenter or for clarification... Ambuehl stated that currently the process is that they provide it and that credit report then gets sent on to the EDA Board members. J. Schons questioned if he is referring to the one that the person provided and Ambuehl indicated that is correct. Ambuehl advised that in this case Mattson provided one which was distributed to the EDA Board members. J. Schons inquired if he did provide one and Ambuehl indicated that he had.

Mayor Dimmers questioned if Ambuehl know why the EDA does not pull their own report? Why does the procedure call for the individual to pull their own? Ambuehl advised that that was a practice that was in place before he got here and admittedly it was not something that he had his finger on before this situation. He has actually brought it to their attention and even talked about Carpenter trying to find a certain credit reporting agency to use. In fact, it was discussed that there are three different ones and which one to use to do this. That was brought up at a later EDA meeting. Mayor Dimmers stated that he is not an expert in this but isn't there a very specific procedure that they could look into someone's history or background or gathering information that you know of? Isn't there a specific that you do that? Ambuehl stated that the EDA Loan requirement right now is that they provide a background – I'm sorry not a background check – a credit report and that is where the limit is at right now. Mayor Dimmers questioned if anyone had anything further?

Gross indicated that he will defer to Mr. Stroup on presentation at this time. Mr. Stroup indicated that it would Mr. Carpenter I guess. Carpenter was sworn in. Mr. Stroup asked him to state his name. He indicated that it is Jeff Carpenter, EDA Director. Mr. Stroup indicated that there are questions on the process – there is a loan application signed and the applicant provides their own credit report. Carpenter stated yes. Mr. Stroup questioned if there were concerns that there were missing pages in the credit report provided by Mr. Mattson? Carpenter indicated that there was not a concern on his behalf. Mr. Stroup inquired if there was concern by some of the EDA members? Carpenter stated that one of the questions is – and he asked the question in a meeting – is it going to become practice that he pulls it or will they ask for two reports as opposed to one. It was one of his questions. They tried to get a more stream lined – in one of their last meetings they talked about – ok – what are we going to do from now on. They started talking about those things. Mr. Stroup questioned if he means that they are talking about changing the policy and Carpenter advised that they would look at the policy that is in place. There is an RLF and he could get him a copy of that. Mr. Stroup questioned what an RLF is and Carpenter explained that it stands for Revolving Loan Fund. Mr. Stroup questioned if there was a separate application filed by Mr. Mattson and Carpenter advised that there was just one. It was changed after he was asked by the EDA members that wanted a couple of things changed on there, so he had Mattson change it right on that particular one. Mr. Stroup questioned if exhibit #15 is the only application signed? Carpenter stated that it is if that is the same one. Mr. Stroup explained that on the application they are authorized to verify this information, which I read to give you authority to verify the credit report that Mr. Mattson provided to you – did you do that at all? Carpenter indicated that he did not verify it thru the agency. Mr. Stroup stated that to make sure the record is clear, what was the motion passed by the EDA regarding the real estate? Did they vote to sell it, not sell it? Carpenter stated that there was not a motion – in fact he remembers that there was not a motion on the real estate. The real estate went right along with the loan so there wasn't a motion made – in fact I think it was quiet – when one of the EDA members – I'm not sure who it was – asked if they were going to have a motion to accept this or go thru with this, and there was not a motion made. Mr. Stroup stated so there was no motion to do the sale, no motion to deny the sale, no motion even to table the matter – just no motion. Carpenter asked if he is looking for his opinion and Mr. Stroup indicated that he was. Carpenter advised that is there is no motion it is a no – right? Mr. Stroup questioned if it is a no. Carpenter stated that he took it as that because he was asked to continue to market it. That is what he is doing – that is his job. Mr. Stroup questioned what the motion was on the loan. Carpenter advised that it was the same thing and that he believes that it was brought up and asked both for the real estate and the loan both at separate times and there was not motion given for either one of them. He could be wrong on that and there was a – no there wasn't obviously because there was no – ya it didn't get – I don't believe that it got to a vote. Mr. Stroup questioned what date was the EDA meeting where nothing happened? He is trying to figure a timeline here. Carpenter indicated that they were all in June – he believes that...Ambuehl questioned if he is allowed to comment as he can tell them what the dates were and it was

indicated that he can. Ambuehl advised that it was the 5th, the 12th and the 19th. Mr. Stroup questioned if the 19th would be the last meeting where nothing happened? Carpenter stated that he can't answer for sure as he doesn't know for sure. There were meetings, he believes, three weeks in a row and a lot of that was – you know we called a special meeting to try to get the property sold so that they could get somebody in there and that didn't happen. Mr. Stroup questioned if Carpenter took it at the last meeting on the 19th as to remarket the property and Carpenter indicated that is correct. Put it this way, I don't believe that I ever stopped marketing the property – put it that way. But he did feel that it was a no with....Mr. Stroup stated that you are always trying to sell until it is sold. Carpenter stated that is his job. Mr. Stroup stated – so you are at the meeting – why was this tabled? One of the questions was whether this did not occur because of the background report or this did not occur because of the personal information that the EDA members had – what was the concern? Carpenter indicated that he does not remember it being tabled; I remember that we tabled something this morning, but he does not remember that particular item being tables. There just wasn't a motion to go thru with it. Mr. Stroup asked why? What was the thought process? Why no action? Carpenter advised that it was because there was no motion. There was a motion asked for, and he believes – in fact he knows-that was from Dennis Fultz. He asked do we have a motion to approve the sale of the old Asian Grocery Store, 106 3rd Street to Jamie Mattson and there was no motion made. Mr. Stroup stated that they were running a background for something that did not occur – is that essentially what they are trying to talk about? Carpenter asked him to repeat the question. Mayor Dimmers stated that he thinks that Carpenter has answered the question. Carpenter stated that he is alright – what was the question? Mr. Stroup indicated that he is trying to figure out – I mean – the allegation is that Mr. Salmon acted improperly and that caused the failure to sell the building to Mr. Mattson or make the loan to Mr. Mattson and what he is hearing is that there was no motion and no discussion. I am trying to figure out how they then jumped to the conclusion that this is Jeff's fault and he caused something. You were at the meeting – try to explain this to me. Carpenter stated that he will start by saying that he has tried to stay out of this as much as I can. Mr. Stroup indicated that he understands that. Carpenter stated that he works for the EDA, Ambuehl and the City Council and enjoys all three of those and will not burn any bridges. What he understands is that if Mr. Salmon sent the background check to Mark Seager it upset Seager to no end and Seager was the one in the meeting that morning that spoke up. I don't know – and I still don't know – how that vote would have went if Seager would not receive that report the night before – I don't know. Mr. Stroup questioned what Mr. Seager's concerns were after seeing the report. Carpenter stated that he just read the report. Mr. Stroup questioned what the report indicated? Carpenter advised that he does not know as he did not see it. He asked the question to the EDA Board after this came up – I said are we going to – and I bet if we go back to the things, I am pretty sure about this – are we going to pull up a background check on everybody that does a....is that a part of.....because I asked for a more streamlined of doing things....step one...step two...step three....step four...step five...so that he knows and can be consistent. He can tell them that he has not been consistent in the year that he has been here. Mr. Stroup questioned what inconsistencies there have been? Carpenter advised that two loans ago – I guess – there was no credit application even done and obviously no background check. The one before that was to a local business transfer he believes that he got everything done. You have to realize that an EDA loan – one of the things in there – says that if you get a turn down letter from a bank – so you can't not have great credit to get one of these. Mr. Stroup questioned if the discussion is under way to change the policy and get it more streamlined? Carpenter indicated yes – it just has to be – you know I mentioned to the Board – I don't remember which of those three days – that he has not been pulling up background checks for sure. It does not say in the Revolving Loan Fund loan application that he is supposed to. Mr. Stroup question if he feels that he is authorized by the application to do a background check? Carpenter stated that his opinion is no. Mr. Stroup asked why not? Carpenter stated that a background check and a credit report are two very different things. Mr. Stroup stated ok – then

you would be authorized to do a credit report? Carpenter indicated that he does not know that he is authorized to do it, but in the application process they provide on to him. He honestly couldn't tell him where to go out and find one. He could go on line probably and find one. Mr. Stroup questioned if there has been any discussion at the EDA level on what your application allows you as an EDA to do? I would say that the application would allow you to do a credit report; it also seems to allow you to verify any information provided by the applicant. Carpenter referred back to the point of whatever they put on there – I am not a bank officer and if I get a turn down from a bank on a particular loan, then I assume that there are some credit issues. Not maybe as far as a background check. If that is privy to his rules for a Revolving Loan then I will do it. Mr. Stroup questioned if Mr. Mattson re-applied and Carpenter stated that he has not. Mr. Stroup stated that he can if he wants. Carpenter validated that he can – yes. Mr. Stroup questioned if he has been notified of that. Carpenter stated that he has not notified him of that. He will tell everyone that he was the one that he feels that his job is to grab these types of properties – he believes that his job is to help keep Tracy clean, help keep Tracy from losing a building like that. He totally disagrees with what Ambuehl said a little while ago about knocking down that building, I think that is crazy. Knocking down a building, a perfectly fine building that they can fix. Mr. Stroup questioned if they have knocked it down yet and Carpenter stated that they have not yet. He was in it today and it is not far, sir. Mr. Stroup stated that he has no further questions.

Gross questioned Carpenter if he found Mr. Mattson and located him as a potential buyer and lender for the EDA Loan? Carpenter indicated that he was a part of that. Mattson was brought into town by another individual here in town, Steve Trachtenberg. He was a roofer and seemed like he was trying to take up roots here in Tracy. Gross asked Carpenter if he believes that he was a good applicant for the proposed sale and loan thru the EDA. Carpenter advised good and only. Let me explain that a little bit – he was asked by the EDA and if you go back to the recording he was asked to do his own personal reference thing so I called everyone that was involved that he had done work for here in Tracy. He called all of them and reported it back to the EDA. Mr. Gross questioned if he believes that Mattson was a good fit and applicant for the loan and for the sale of property? Carpenter stated that he believes that what the EDA was asking for was that if anything does go wrong with this applicant – just like any applicant – that they would get their money back out of it. And his biggest thing was to save that building just up the street. He was the only one – he was a roofer and the EDA was not going to give him any money until he had the roof done and it was put right into the purchase agreement that he would not get a dime until it was inspected by the City Inspector. He was the only one – the place has been for sale for five years. He cannot make a qualification on whether he is a good applicant or a bad applicant; he is just looking for applicant's period. Gross indicated that he has no further questions. Are there any questions from the Council?

Mayor Dimmers indicated that Carpenter stated that he found it unusual that there was a background investigation because it had not been done prior – is that correct? Carpenter stated that he will tell him that is why he didn't look at it because it hadn't been done by anybody else. I would hate – well anyone can pull up a background check on me, go ahead – but I would hate for someone to pull up a background check on me if...that's my opinion. But if that is something that the EDA Board wants him to do I will do it. Mayor Dimmers questioned if it occurred to him that the policy was changing or if it needed to be changed? Carpenter stated not really – he is going to follow what was on the Loan report and it wasn't there and he didn't look into it. Mayor Dimmers pointed out that it was said that there is a difference between a background check and a credit check – a credit check would then speak to his credit rating and that is what the EDA is interested in? Carpenter advised that it is, but at the same time – and he has brought this up to Ambuehl and the EDA Board – when someone is being turned down at the bank their credit is not great. Mayor Dimmers inquired if you would find a DUI conviction on a credit report that would be something that you would find on a background report? And would

that have any bearing on his credit ratings? Carpenter stated that it might – the fact is a DWI could be time in jail and possibility of loss of work time which you wouldn't pay your bills which would hurt your credit application. Mayor Dimmers stated that Carpenter said that Mr. Mattson was the only applicant and as far as you knew he possessed the skills and the knowledge necessary to bring the building back up to code and be a good investment for the City. Carpenter expressed – like I said Mayor – I was asked to go to everybody who he had done work for here in town and he could tell him what each one of them said. Mayor Dimmers questioned if he got a good report? Carpenter stated not all the way thru – he did not get a good report from Jeff. Jeff explained to him what his issues were with the whole situation and why he thinks that his job out there did not get done... He didn't ask Jeff what do you think of him, he just asked what the situation is with his roof. He then went to five others. Mayor Dimmers asked if the five others had a problem with Mr. Mattson. Carpenter stated that 3 of the other jobs were for Mark Seager and Mark Seager came back and said that he had – one time he had to have Jamie Mattson come back, twice actually to fix a couple of things. He then went to Dale Johnson and he indicated that on a flat roof you will go back and fix things. He also talked to Bill Chuckuske, he could read the messages from him but he was satisfied with his job. No – it wasn't all clean, he had to go back and fix a couple of things for Mark Seager but all in all Mark Seager hired him again and again. With him talking to Jeff, Jeff is not hiring him again I am sure.

J. Schons questioned if at any time did you make your recommendation or your opinion known to the EDA Board members? That you felt that he was a good applicant as long as the City would be protected and he would not get the money until after the work was done and inspected? Carpenter stated that the EDA put together a make shift purchase agreement as far as what they wanted in it. Tom Morin was the one that wanted the most put into it. He wanted – in his words – damn sure that if anything goes wrong that we get that back. They put that into the purchase agreement that if anything goes wrong they would be the first on it. Mattson was going to have some of the things that he put on his application as collateral but they never quite got that far for anything signed. Here's the deal – I was looking at it and they need to put a roof on it. Dale Johnson and – who else was in there with me – I got a couple of estimates on what it would cost to gut the inside and it was going to be about \$25,000.00. His thoughts – and obviously he didn't do it because nothing went thru – but he was going to put the roof on for whatever amount of money – because we were going to loan him the money – but he wasn't going to get that until it was, until the job was done and Shane – it was actually Shane Daniels the building inspector here in town – went and inspected it. Then he would get the loan. J. Schons asked – in your opinion the EDA Board fashioned an agreement – purchase agreement or whatever – that included the protections for the City and they approved that? Carpenter advised that it was never approved. He got the bullet points and they wanted to get it back if Jamie Mattson leaves town, if he doesn't do the work that he is supposed to, if he doesn't pass inspection none of this would go thru. Not of it would go thru unless he did what they said. J. Schons asked – in Carpenters opinion – what changed from when they directed you to write that to all of a sudden it was just.... I know it wasn't tabled, but being it was just dropped. I thought that when I read one of the minutes she thought it was voted on but ... Carpenter stated that he does not believe that it was. J. Schons stated that she could be mistaken. Carpenter advised that he does not believe that it ever got to a vote after Mark Seagers testimony or whatever you want to call it. That was when he said OK I'll continue to market it. J. Schons stated that somewhere the ship was turned over from developing something to protect the City to now, look for somebody else to buy it. Carpenter stated that in the back of my head do I wish I knew what these seven board members were going to vote on that morning – yes in the back of my head I am very curious to see. I have not asked them individually what they would have voted. I have an idea but I don't know. J. Schons indicated that she is not asking him for that because it would be speculation, I was just asking if in his opinion something happened. She is not saying if it was Jeff or what but something happened. It could be four different things that happened but something happened

that changed that ship. Carpenter agreed that something had to happen to change that ship because he had all of the information he needed. It may not have been completely done but... He has a file upstairs that is sitting there that he and Matt worked on when he asked Matt for some help with drawing up the purchase agreement. Mayor Dimmers asked if there are any other questions.

Gross indicated that Mr. Stroup can call his next witness. Mr. Stroup indicated that because no one else is here he is stuck with Jeff Salmon. Salmon was sworn in. Mr. Stroup asked him to state his name. He indicated Jeff Salmon. Mr. Stroup pointed out that he has heard the line of questioning – please explain your understanding of what happened kind of in a sequence on this EDA Mattson discussion proposal. Salmon stated that from start to finish, more than a few of us I thing, felt that it was a rush to get someone – in this case Mr. Mattson – into that building, right or wrong that was the case. To the question as to some things I said, I did share my business experience with Mr. Mattson, perhaps more accurately than he should have. However, there was nothing said that was not true regarding the way in which my job on my roof was conducted and the way, or lack of way payments were handled etc. etc. Stroup asked him to explain that. Salmon indicated that Mr. Mattson has not been fully paid for the job. The job was not done correctly per the original agreement. He modified some of it in the middle of the stream. His quote unquote professional opinion of how it should be done changed numerous times. It appeared out of convenience to his scheduling going back and forth to Minneapolis for other events. Over all thou, without getting into all of the details the job were not done per the fashion in which he said it would be done or would be done. Another thing that occurred after the job was completed, which was, well after the job supposedly completed by Memorial Day; however it leaked like a sieve, you can walk into my showroom and see that. There is water all over. They came back multiple times, had to take a roof drain out four times and four different groups of, what he found out later, to be subcontractors, not his crew. Mayor Dimmers asked to interject for a minute. I can appreciate.... Mr. Stroup indicated if the subcontractors have been paid and Salmon indicated no. In fact, unless you have another question Anthony I will.... Gross asked that he keep it more relevant to the allegations and Mayor Dimmers indicated that was where he was going. Salmon stated that he is not the one that brought up everything that was in the EDA minutes that I said derogatorily supposedly or inaccurately or unethically towards Mr. Mattson. This group up here in front of me did and put it in the packet of allegations. So to your question, I have the ability and right to speak to those allegations since you brought them into the picture, not me. Mayor Dimmers stated that he is not trying to block you from doing that, he is just stating that the details of the issues that you have with Mr. Mattson is not really applicable. He would like it if he would stick more to the facts of..... Salmon stated that it was brought into the allegations. Mayor Dimmers pointed out that they have already established that you have issues with Mr. Mattson..... Salmon stated so you (inaudible)....allegations. Stroup indicated that they would refocus. You are concerned that Mr. Mattson's ability to run his business and handling of money. Salmon stated that he had two sub-contractors walk into his office from the Cities, they drove out from the Cities, and a month after the job was completed asking me for the \$7,200.00 that they have not been paid by Mr. Mattson. They also informed me that they were going to put a Mechanics Lien on my building should I choose not to pay them. Are any of you aware of what a Mechanics Lien is? It is a lien on the building and you can't sell the building until it is paid off. There were some other issues, I will try to shorten it Mr. Mayor that occurred in between all of this also. I will just leave it at that. But if an individual doesn't have enough money and funds to pay a sub-contractor a month after he got half of the payment for the job on my building, he's obviously probably having some other payments. For what it is worth I was aware of some other people in town that were waiting for money from him. So, as an EDA Board member, and I think somebody brought this up- I can't remember who – it is our job to attempt, to the best of our ability, to make some decisions on who we are borrowing money to and what they are borrowing that money on. Whether the building is hypothetically worth what they are borrowing, if that is the collateral or if the

merchandise in that business is worth the collateral – that’s what the EDA’s job is to do. Somebody said that he was not doing what was best for the City by running a background report. Doesn’t it make sense to know who we are dealing with? This individual wasn’t a local individual who 100 of us knew, who we all knew paid their bills for the most part, and who they all knew had a fairly good reputation. This individual flew into town in the middle of winter, approximately, to do Mr. Trachtenberg’s building roof. They had problems with that roof, I don’t think that was necessarily Mr. Mattson’s issue but he got in the middle of it. After that, Mark Seager obviously had a couple of roofs done. Quite frankly I have issues and I won’t share all of the details – I could see that the more information I had been shared about Mr. Mattson directly, that he probably should not have hired him. His brochure that he presented was inaccurate information. His work comp policy was cancelled just before he started my job. When I did make the decision to hire him I called his work comp policy company to make sure that he had it. What he found out then, that he should have questioned was that he has never had an employee listed on his work comp policy – it was an as needed work comp policy. Are any of you aware of what that is? That is when – if I decide to report that I have an employee – keep in mind what I said – If I as a business owner decide to tell the work comp company that I have an employee I will pay work comp rates. If I choose to pay my employee cash or whatever else that is his decision but the fact is that he has not had any employees on it. The crew that worked on my building, the first crew, is the one that I know for a fact has not been paid. The other thing that occurred to me is that I started getting threatening texts from Mr. Mattson. I would be glad to play a couple of them – a couple voice mails – if you don’t believe me. I received on when I was up in the Cities – two day after you called me Mr. Ambuehl – after the night after you called me – I called Sheriff Steve Telkamp regarding the text messages that I had from Mr. Mattson. Scoping out my father’s address at the lake etc etc. That individual deserved to have a background check done and to know what we were dealing with. The background check was actually run only after the two individual claiming that I owe them the \$7,200.00 walked into my office. Stroup indicated that they will re-focus – who ran the background report? Salmon indicated that it was Tony Peterson who said he was going to run it he felt, right after those two individuals walked into my office and I said Tony I think it is a good idea. We should’ve done something sooner. Quite frankly, at the time that that decision was made, at least to a degree in my mind, this wasn’t necessarily about an Asian Grocery Store sale, it was about a whole litany of concerns. Tony obviously shared it with Ambuehl, I have said that, I share it directly with Mark Seager. Keep in mind that Mark Seager had several roof’s done by Mr. Mattson. Mark Seager was calling me regularly as a friend knowing that I had hired Jamie Mattson also. In fact I called Mark Seager prior to me hiring him. I was scared to death to hire him – my mistake. Mark was frustrated he had leaks but not a lot. I said to Mark – well you can expect a few leaks probably. Mr. Mattson got them taken care of. I am aware – Mark Seager told him the other day that he has some more leaks already. I shared it with Mark Seager because Mark Seager also had some money issues with this individual. Mark Seager obviously chose dig a little deeper. I never did, I pointed out as you saw in that e-mail to Mark Seager – there is a lot of b/s here look at this line, excuse me – this page and this page. The reason I said that for what it is worth, the comment about there being sex offenders nearby, this background report tells in it, 254 pages, any neighbor that you have ever lived next to within five miles. This background report tells you how many sex offenders are nearby. That is why you have to scroll thru the whole thing. Anyway, I only pointed out several items that I felt a person should be aware of. I never looked at the whole background check any more than that at that time. Mark – he is pretty diligent and he dug into it apparently that night when I found out about that at the EDA meeting that morning. Just for what it is worth, I personally thing that Kris, when he sent out that e-mail stating that he thinks Mattson could be a good fit for the Asian Grocery Store still, in spite of the fact that there is an ongoing case in Wisconsin of a business debt of between \$5,000 and \$10,000.00 for Mr. Mattson. Mr. Mattson had an arrest warrant out for his arrest. He stayed out of jail it looks like, and this is all public information, by posting a \$5,000 cash bond on May 26th

of this year. Approximately when Mr. Mattson was looking for money real fast and I know this because Mark Seager was frustrated. Mark Seager was out of town when Mr. Mattson wanted a check on a Friday or a Saturday morning. He is also on probation. Gross asked Mr. Stroup if they could continue to address the allegations. Salmon indicated that was what he was doing. You brought up the issue of what I said over and over again for the last hour. (Inaudible as people were talking over each other). Mr. Stroup stated that you need to tell that to the bank boards that you sit on. Gross again asked that they direct the questions toward the allegations contained in the Notice of Written Charges for Removal. He feels that they have the background between Mr. Salmon and Mr. Mattson, now can we address other matters? Stroup stated – just for the record Mr. Salmon did not run the background report and did no further investigating regarding Mr. Mattson. Salmon indicated no – well that is not totally true – I googled him before I hired him, I just didn't google well enough. Stroup questioned if he did any googling after the report and Salmon indicated that he did not. Stroup questioned if the only person that he provided the report to was Mr. Seager? Salmon stated yes. Stroup asked if it was Mr. Seager that showed up at the EDA meeting and really did not want the sale or the loan to go thru with Mr. Mattson? Salmon indicated – right. And to the effect that the statement that was made earlier that not only did I provide the background report to Mark Seager, it appeared that someone said that he had a meeting with Mark Seager to discuss this. There was never a meeting with Mark Seager. The only thing that occurred with Mark Seager was that e-mail. Stroup stated that there is the allegation of the violation to the open meeting law – let's talk about the alleged meeting of three or four people because, I am unclear, at Salmon Motors. Describe that event. Salmon stated that Dennis Fultz walked into my office himself – keep in mind as you are talking about serial meetings – the impression I got earlier was that you all assumed that I had contacted all of these people to discuss keeping Mr. Mattson from having a loan, that's not accurate. Denny Fultz walked into my office sat down, Jeff has you got a few minutes and I said sure. He kind of beat around the bush for a little bit, made a comment about Mr. Mattson and my problems etc. etc. and finally said – Jeff I am wondering if you are going to do anything to stop the sale of that Asian Grocery Store? I said – Denny I am one vote. I can't stop it. He indicated that Denny said – yeah but I know that you have expressed frustration – and again we have already rehashed that – we talked a little more and I vented at Denny again because I had just received a text from Mr. Mattson a little threatening – I vented about my situation with him and that I definitely felt that he was not a right fit for – well to be honest – for anything in the community. I did say to Denny, right or wrong – and I regret this for a variety of reasons – one of which is because Denny isn't here, even though he signed a letter stating that he thought I should be investigated – that's crap! It's ok to have me run thru the ringer and my wife, my father, my 67 years in business, the \$10,000.00 that my father and I donated to Tracy Development Corporation two years ago that could have been used for a couple of my son's needs – and he is to embarrassed or what have you to come – but he wasn't too embarrassed to come and sign a piece of to say investigate me. That is crap! And he is the only one that tried to manipulate that role. He asked me specifically at that meeting if I would vote in favor and if I would not stop that loan from going thru. The reason that he did that and the minutes that are in the packet that I received – I don't know if any of you read the EDA minutes cover to cover – the minutes from that meeting have been modified from the approved minutes. What I couldn't find in those minutes where Mark Seager stated – we are here today because Jamie Mattson has threatened Jeff Carpenter, Denny Fultz, Jay Fultz and the EDA Board to leave town if we don't approve the sale of that building. Then he isn't going to buy anything – he isn't going to buy the nursing home which Jay Fultz owns – that's where the conflict of interest was. Denny wanted to see that nursing home sold and he had received the threat that if this Asian Grocery Store deal doesn't go thru the nursing home sale isn't going to go thru. J. Schons questioned if Salmon ... Salmon indicated that he just wanted to say one more thing. I said to Denny, and I shared this at the EDA meeting which is where some of you got the impression that I talked to everybody under the sun – and I may have phrased it poorly, I am not sure – I said to Denny, out of respect

for you Denny I will make no motions to the contrary, I will make no motions to agree to sell it. I will feel out the situation and if it looks like the majority is going along with it I will do so. That probably isn't what I should have said but I, again I said it out of respect for Denny. He stood up from that chair, walked to the corner of my office door and turned around and he says to me – you know Jeff, there is no conflict of interest in this because I don't own the nursing home any more, Jay does, my son. Can you imagine me trying to convince all of you up here that I don't have a conflict of interest with father, Dean when we are in business together? You guys would all think I was full of you know what.

J. Schons questioned when Salmon stated that minutes had been changed or whatever – do you know what meeting that was? Salmon stated that he believes that it was the meeting before the 19th. J. Schons inquired if it was the 12th? Salmon stated that I don't have it with me – I am sorry – I tried to – I've had more e-mails to than I can shake a stick at. Basically the minutes that were put in your packet and my packet that was served to me by Jason Lichty eliminate the one sentence prior to Mark Seager beginning to speak to the results of his investigation. Mark Seager gave us a whole list – 38 items I believe – he had a print out that he had verified over 4 hours the night before our EDA meeting. Again, the missing – I felt it was pretty important to the situation at hand here – and I said to Tony last week – I said Tony do you remember Mark Seager saying I don't like threats and Jamie Mattson threatened us. In fact, what isn't in any of the minutes is that Ambuehl agreed that he didn't like being threatened either. He concurred with Mr. Seager. Tony, where can you find them? So he gets on his computer and the next thing you know sitting on the counter, I was looking thru these minutes and I said where did you find this? Tony says – those are the minutes that we approved at EDA Board meeting. Those are the actual approved minutes from our packet. He went to his computer because he keeps them all in order. Somewhere between there and what ended up in my packet, that information was deleted, changed or whatever. Stroup stated so they are clear – the meeting at Salmon Motors, Dennis Fultz came to see you and had discussions with you – was anybody else in discussion with you at that meeting at Salmon Motors? Salmon stated that two weeks ago he would have said no until Mark Seager reminded me that he had walked in to the office – not my office but into the front, he say me and Denny, he walked over and said hey. I said hey. He walked over to Tony and paid for a tire repair bill. He and Tony talked for a bit, he left and Tony was still at the parts counter. Tony never came over to talk to us. Stroup stated that the four of them were in the building but on discussions regarding Mr. Mattson and EDA business the only people that discussed that were Mr. Fultz and yourself? Salmon stated – exactly. Stroup pointed out that that is consistent with Mr. Seagers affidavit which you have seen which is exhibit #14. Stroup question who else Mr. Salmon met that was a yes – could you say it out loud. Salmon stated yes. So who else did you meet with, if anyone, regarding EDA business? You have talked about that you did not meet with Mr. Seager, is there anybody else other than Mr. Fultz that you met with? Salmon indicated Tom Morin and as you heard his explanation on Monday night at the Council meeting what he said is what occurred. Actually, to be more straight forward, I called Tom – Tom is a good friend of mine – he is a good customer of ours – Tom has been borrowing a trailer from me cuz he is trying to put a deck on. I asked him if he would mind if I come up – I've got a couple questions and thoughts. Before he said give me an hour – I had no idea until all of these allegations came out that Tom had come up to your office Kris prior to meeting with me – Tom didn't tell me that that day – Tom keeps things pretty close to the cuff and what Tom says is the gospel. When I got down there I said Tom I have some concerns. What is your feeling on this Asian Grocery Store sale? Tom laid it on the line – I think I shared with Jeff the other day – Jeff kind of asked me what do you think would have happened? I said that I know for a fact that Tom Morin told me he would have voted for it if everything else could have been lined up pretty strong to where the EDA was protected and would have gotten the building back. I said Tom I don't know which way I am leaning right now, I am not really comfortable with the background and some of the other things and then I left. That was as short as it was. J. Schons questioned if he shared specifics about the background? Salmon questioned if she means the background

report and it was indicated yes. Salmon stated that I think I started to show the two pieces that were still current – I don't think I finished. Mr. Mattson is currently on probation for what looks like....J. Schons stated that she just wanted to know if he shared the background report with Tom Morin and Salmon stated no, no, no. The only one that got the background report from me quite frankly was, again, Mark Seager. Geez it was 254 pages – did you guys all get the redacted copy that was sent out? That's a lot of wasted paper man. Stroup questioned if there were any other meetings with anyone else? Salmon stated no. Stroup questioned if Salmons concerns or oppositions to sell the real estate to Mr. Mattson and for lending him money by the EDA were based on what – at the end of the day? Salmon stated that my experience with him, specifically and how he handled that transaction and didn't handle that transaction. At the same time, I would have gone along, had it moved that way, probably I think – it's a little hard to look backwards now because there was a lot of disagreement at that EDA meeting for a variety of reasons. In other words – kind of a rush to get him in it verses the fact that another loan that was just made recently they kind of drug out the process. There were concerns at the whether – we really weren't selling the building, we were going to give it to him for \$400 and then borrow him a bunch of money to put a roof on it. And then hope that the building would get repaired fully afterwards and that would be the collateral. We could argue a million way if that was smart or not but anyway – if some others felt that that was the best thing for the City I very well may have gone along with it that day. But I had reservations based on my business dealings with him. To repeat myself, as an EDA Board member that's our job to know who we are dealing with. I think – how should I say this – well for the reason I probably got in trouble here I will say it again – someone else at that EDA Board meeting stated that we don't need another Darin Horner in Tracy and I felt strongly that that was the direction that we were heading. It took us a year and a half of fighting to get that building taken care of. J. Schons stated – I will be honest, I don't want to hear any more about Darin Horner. He is not the one here and I don't want to be dragging anyone else.... Salmon stated that at least you can develop a picture, that was my point. And that was my point with the other individual. J. Schons stated that she understands but here we do not need to be bringing in other people's names. Stroup questioned if Salmon thinks that knowing individuals that you are doing business with and taking into account personal knowledge of individuals constitutes a conflict of interest in doing business? Salmon indicated absolutely not. That's why banks have bank board's made up of individuals, generally from businesses or farming community that they can sit down and get input from. My father-in-law, Kris's dad, was on the Minnwest Bank Board for 30 years and that's what they did. They would ask – what about this person, what about that person, have you had dealings with them, do you think that they are a good possibility. They didn't talk about who it was when they went out but.... I don't want to sound like I am elevating EDA Board members to banker level but we are put in the position of making some decisions and those decisions need to be based on business knowledge. We can't put the blinders on; otherwise write a check to everybody and cross your fingers. Stroup stated that he had nothing further.

Gross stated that he will try to be brief Mr. Salmon. You had this underlying dispute with Mr. Mattson and your own thoughts and feeling on that and you discussed it with Mr. Seager – is that correct? Salmon stated – no, no, Mark and I never really discussed it. Mark and I – I will repeat what I said earlier – we had a relationship ourselves out side of the EDA. Just because we were both on the EDA Board you and construe it either way. Mark Seager and I – months and months before any of this came to the EDA Board had....well Mark Seager called me the one day asking me if I had hired Mr. Mattson yet and expressed his frustrations because Mr. Mattson was demanding payment on a Saturday when Mark Seager was out of town and had nobody to write a check. Mark Seager got it trans....he got it handled for him. Gross inquired if they both had some knowledge of Mr. Mattson at that point – correct? Salmon stated – yes, small town America. Gross questioned why he forwarded the background check despite the knowledge that you had of Mr. Mattson. Salmon stated – for the same reason, in other words it didn't totally...you know, you get things like that and have been visiting with a friend about this

situation for months and you look at it when you get it. Tony read it, I looked at it and you say holy smokes, there is more to this picture than we thought. This kind of explains who this individual is, even though I have had business dealings with him and we have probably determined some of that already. I shared it with Mark but we did not discuss it. That was shared I believe the day before the EDA meeting I think. Gross questioned if he acknowledges that this background report has a disclaimer that indicated that you can't use it to make any credit decisions or loan decisions correct? Did you look at that? Salmon stated that he did not look at it, no. Gross questioned if he acknowledges that is was in the packet, in that document? Salmon stated that he say it later when somebody brought it up to me, ya. Because I went back and looked at it, but no at the time I had not, no. Gross questioned if he did look into it to see if was accurate and an accredited reporting agency? Salmon stated that it was no a credit report, I did not run a credit report. Gross clarified the document itself, did you confirm it was confirmed by an accredited credit agency. Salmon stated that he did not, no. Gross asked – this relationship with Mr. Mattson, or this dispute that you have with Mr. Mattson, you are saying that that did not affect your ability to have independent of judgement to make a decision regarding any business deal with him as an EDA member? Salmon stated that we have already....I have just shared with you that any knowledge that we as an EDA Board member have about an individual, or the way he conducts himself, or behaves could be pertinent to a decision on borrowing them money. Gross stated that given your prior knowledge with Mr. Mattson are you saying that it didn't affect your decision at all on whether to enter into a purchase agreement or discuss a potential deal with him? Salmon stated – No because we never entered into one. There was never a voted to enter into one. I never made a motion to or to not. Gross stated that you were in the discussion regarding a potentially purchase agreement with Mr. Mattson. Salmon stated – actually for the most part, if I recall Kris and Jeff and Denny Fultz were the ones that negotiated all of that stuff with Mr. Mattson, I believe. Sure they presented it I think but I don't....I can't recall how much detail was in that; I don't think it totally got down to the nuts and bolts of an agreement. I could be wrong there but I don't recall specifically. Gross questioned if a potential deal was discussed at an EDA meeting? Salmon stated – excuse me? Gross repeated that a potential deal with Mr. Mattson was discussed at an EDA Board meeting? Salmon advised that yes, we have already proven that. Gross questioned if this background report contained information that you probably would not have been able to obtain yourself on your own – correct? Salmon state – oh ya, you can google – it will pop up. Gross questioned if anything was confirmed in that background check as accurate? Salmon indicated – Did I? I have already stated that I looked at the background report, I saw a litany of dishonored checks, bankruptcy December 27, 2017, and a year and a half ago – I didn't dig into any deeper than that. Keep in mind, I already had business dealings with him and had knowledge of his....I suppose the thing that I could say is that I should have looked a little closer earlier, for my benefit personally. Mr. Gross asked if the Council has any questions.

Mayor Dimmers questioned when the background information was done? Salmon asked if he means the background report ran. Mayor Dimmers indicated yes. Salmon stated that he believes that it was Tuesday, the 18th....no actually I believe it was....no it would have been Monday night... Ambuehl asked if he could add to this...the front page of the background report says that it was created by Tony Peterson on 6-17-2019. Salmon stated that is what he thought. Mayor Dimmers questioned Salmon if he directed Mr. Peterson to do the background or did he do that on his own? Salmon stated that he did not. He had two sub-contractors walk into my office the afternoon of the 17th, late in the afternoon, basically demanding payment from me for what Mr. Mattson was liable for. Blew my mind because quite frankly I was willing to believe that those people, six individuals were his crew – I had never been lead to believe that they were sub-contractors. So there was a whole bunch of questions that went thru my mind at that moment. I thought what the heck are we dealing with here? Mayor Dimmers asked Salmon if he directed Mr. Peterson to...Salmon stated – did I force him to, no. Mayor Dimmers stated not force but ask? Salmon stated – request, no I just agreed. I agreed – there is no benefit in lying. I thought

it sounded like a good idea. Mayor Dimmers questioned if they have had background checks done on any other applicants in regards to the EDA? Salmon stated that I don't know of, whether, if, and or but. Mayor Dimmers questioned if it was based on his personal feelings, you thought or may have suggested to Mr. Peterson... Salmon stated it wasn't feelings; it had nothing to do with feelings. Mayor Dimmers stated that he believes in his testimony that you said that your personal feelings played a part in this whole thing because of your prior business dealings with him. Salmon stated – my dealings with him, yes. Mayor Dimmers rephrased his question – it doesn't seem like it is normal procedure (inaudible as they were talking over each other). Salmon stated there is no normal procedure and I believe Carpenter shared that. There hasn't been any normal procedure with a lot of loans. In part because – this is my opinion, or feelings – in part because we are in a small community, frequently we know who is borrowing those dollars, there is a number of us around the table that have some inkling as to who they are, whether they are a good person, a bad person or what have you. And I think Carpenter mentioned earlier about credit reports and they perhaps need to seal down a more efficient, accurate and consistent method of doing this. And that wasn't there.

Mayor Dimmers stated that one of the things that Mr. Mattson had said verbally, and I don't believe that it is documented anywhere, is that he felt that he was discriminated against because he was new in town and that he didn't get the same shake that a resident would get. Do you agree with that? Salmon stated – not at all. That was irrelevant. That has nothing to do with this. Mayor Dimmers asked Salmon if he had said that Mattson just flew into town in the middle of winter.... Salmon stated that he did. Mayor Dimmers stated that to apply that nobody knows him in this small town so.... Salmon questioned what Mayor Dimmers was getting at? Mayor Dimmers stated that he is trying to establish if he got the same treatment as a longtime resident would have. Salmon stated – yes. If a longtime resident of Tracy, MN had behaved in doing a roofing job on my building the way that he had, and if my experience with him, that long term resident, was the same as my experience was of Mr. Mattson, I would probably, perhaps done things a little differently. I probably would have picked up the phone and called a.... Duane DeSmet, have you ever had any problems with George or....Ken Schiller...hey I have been trying to figure out why this guy is doing this this way. Is this consistent with the way he has been dealing with you? You couldn't do that with this short person in town. So you can twist that any way you want. Salmon asked if Mr. Mattson is here and Stroup indicated no. Salmon stated – ok does that answer any questions? Let's call a spade a spade, the individual that started this witch hunt, along with Mr. Ambuehl and Mr. Fultz taking and running with it was Mr. Mattson, and he is not here. Personally, to say that I am offended that we are still sitting here at this time of night should be embarrassing to all of you. This thing should have been dropped immediately! When Denny Fultz and Mr. Mattson, the two individuals that signed papers to start this aren't here, you Mr. Mayor should have stopped it right here. But you didn't. And now you are questioning a 67...my father and I own the longest operating third generation business to the community of Tracy, MN, and here I sit being asked the damdest dumb questions that started because of a guy who came into town and feels that he didn't get treated very well. Well – gee-whiz, none of us knew who he was. I wish I would have done a background check before I hired him, because right now, after Buysse Roofing looked at my roof last week, I will probably have to redo half of it at the bare minimum. I won't get into all of the details about what I learned ok. I shouldn't be put thru this; Mr. Mattson should be put thru this. He was not treated – to answer your question – any different than anybody else, except that nobody really knew him. And I had a relationship that went south with him. Anybody want to listen to a voice mail that I received from him? Just to tell you what kind of an individual that we are dealing with. J. Schons advised that to be honest Jeff I really don't because we are here right now to decide on the facts. Salmon indicated that is a fact. J. Schons stated that it doesn't enter into whether he went against the Fair Credit Act or if you violated....it might get into his character...but that is not what they are here to judge. Salmon stated that is fine, Mr. Dimmers brought it up. I would rather not share it anyway. Mayor Dimmers asked, just to be clear, you received this information from Mr.

Peterson and you shared it with other....Salmon stated NO! No – to be clear I did not share it with others, I shared it with Mark Seager. Mayor Dimmers questioned if he e-mailed it out to anybody else? Salmon stated that they have already talked about that – no I did not. Mayor Dimmers questioned if Salmon verified that that information was accurate and correct? Gross indicated that Salmon responded to that poorly. Salmon asked Mayor Dimmers to ask the question again. Mayor Dimmers stated – you did not verify that that information was accurate and correct? Salmon indicated no, but then again I didn't totally use it for giving a loan to Mr. Mattson because there was never a vote to make a loan or to sell the building. Mayor Dimmers indicated that he does not have any further questions.

Gross stated that what he believes the Honorable Mayor is asking is did you in fact e-mail that background report to the Council members except for the Mayor. Salmon stated – Mr. Gross I have answered this question three times, I sent a background report to Mark Seager! My apologizing for stressing but I have been asked it a few too many times. Anybody else that received it had to have received it from Mr. Ambuehl as he was the only one who was shared with it by Tony. Gross questioned if he sent it to Mr. Kou Thao or Jeri Schons? Salmon stated – the background report? No. Gross questioned – not on July 18th by e-mail? Salmon stated no. The background report isn't in there. Gross showed Salmon an e-mail that was....Salmon indicated – yep I sent that. (Inaudible – both talking). Gross stated that the subject includes background of PDF and that did in fact include the background report. Salmon stated that subject is from Kris Ambuehl. That was forwarded...no, no, no...ok. Stroup stated that what they really need to look at is the e-mail from Jeff dated Monday, July 15th at 11:19pm and he has a long e-mail. Are you saying Matt that it was attached to the e-mail to a councilperson? Gross stated yes and that was an e-mail addressed to each councilmember except for the Mayor. Stroup stated it doesn't show that does it and Salmon stated no – the complete background report was not sent. There was just a portion of it. Gross said ok. Salmon stated that this occurred after, keep in mind, after I had already been brought up with charges, after it was moving forward, after I was – if you read it – yes that time I did, but that isn't the complete background report, no. It was just a couple of cases that were public information that you can find on google. Stroup stated that Gross alleged that the whole report was sent and that has turned out to be incorrect so let's pin down what was sent to the Council. Do we know exactly what was sent to the Council so that the record is clear? Ambuehl asked Gross if he would like him to answer that and he indicated yes. Ambuehl advised that there were 92 pages sent to the Council. Stroup questioned which 92 pages? Ambuehl indicated that it is just labeled 1-92 so he cannot tell him without comparing them side by side which one it was but it talks about criminal records.... Stroup asked if it talks about things that are not public information. Ambuehl stated that it will take him a minute here please – NSF checks, dishonored checks, subsequent violations, domestic assault, dog licensure, dishonored check – should I keep going her Mr. Gross or have you made your point? Gross stated that the point was did Mr. Salmon forward that to the Councilmembers except for the Mayor? Stroup stated that he does not see that 92 pages got sent – are we sure about that? Mr. Salmon stated – let me ask as simple question – does it matter what was sent after I was already attempted to be convicted in front of the City Council and they voted to have this hearing? Gross advised that the purpose of his question Mr. Salmon – and I apologize for interrupting you – was did you e-mail and include some comments to the Councilmembers in that e-mail? Salmon indicated that yes, yes I did. I was attempting – quite frankly – to stop this railroad and to share with them some information that I had felt hadn't been shared with them by Mr. Ambuehl or Mr. Fultz prior to them making a decision to move ahead with some things. Stroup questioned if Gross thinks that it is not appropriate for a citizen to communicate with Councilmembers and the Mayor? Gross stated no. Stroup stated – ok, so what is the point of the question? Gross stated that it is because he e-mailed the Councilmembers and in that e-mail, which the Councilmembers are aware of and reviewed, there are statements in there that Mr. Salmon made and that is the only purpose. They received them and reviewed them. Stroup stated – ya they received comments from Mr. Salmon. Gross stated

– correct. Stroup stated that is perfectly appropriate and allowed. Gross advised that there was no allegation of anything improper. Stroup stated – good. Gross stated – in that e-mail and his comments. Gross stated that he has nothing further for Mr. Salmon.

Mayor Dimmers questioned if anyone else had any questions for Mr. Salmon? None were indicated.

Mr. Stroup stated that the only cleanup question that I have – cuz I think that we have a little confusion – so what action did the EDA take regarding Mr. Mattson’s request to purchase real estate and then separately his request for a loan? Salmon stated that at the EDA meeting we had his request. We had not turned it down, we had not agreed to it – either the request for the purchase of the building or the loan. We just chose not to do anything, I believe if you look at the EDA minutes, the vote was to do nothing on that building at that time, requested Carpenter to get bids for the roof and to get a condition report complete of the building to see where they go from there. There was also discussion that I was frankly agreeable to it at that same meeting as to if the EDA fixed it up that they might lease it to Mr. Mattson for a period of time if he wanted to use it for his screen printing business or some of those things. There were several individuals tossing around ideas, but the bottom line is we decided that we weren’t going to do anything at that time and would see what it would cost to repair it fully. I think that is what Carpenter has been doing or did somewhat.

Gross asked Stroup if he had anything further and he indicated that he did not.

Gross indicated that he had a clarifying question – Mr. Ambuehl there was a discussion about modified meeting minutes – can you address that? Ambuehl stated that the minutes that were in there were, as you can see they are highlighted in yellow. I asked my assistant to refine those portions of the minutes in order to validate the exacts of the claims, the exact words in there. I have the minutes here currently if the Council would like to review them. I went thru today and time stamped everything if they would like him to play anything so that you can contest it or so the Council can hear it, he would be happy to play it. Hopefully, in the interest of time, I earmarked everything so that it could be done rather quickly if anybody would like to hear a portion of it. Stroup stated – I am not tracking the answer – so are the EDA minutes in the packet that went to the Council different from the actual EDA minutes as approved by the EDA? Ambuehl stated that these were not intended....Mr. Stroup stated that he didn’t ask about intentions...my question is are they different. Intentions will be a different question. Ambuehl advised that yes they are different. Stroup questioned why we are not filing the correct stuff with the Council? Now we what was your intention...what was your intention of changing that! Ambuehl stated – are you asking me a question? Stroup indicated yes I am! Ambuehl asked Stroup if he wanted to lower his voice and Stroup stated – no I don’t! I don’t get this! You are accusing my client of improprieties and you screwed around with the minutes – why! Is there a motion, what that the intention? Answer that! Ambuehl asked if Mr. Stroup was calmed down and he indicated no. Ambuehl stated I will wait till your....Stroup stated that he may not even be made, it could be an act you know. Ambuehl stated that you are good at it. Stroup stated that I am good at it. Ambuehl indicated – moving on – I shared these minutes with Mr. Gross because of the fact that I needed to substantiate the exact things that were stated by Mr. Salmon. I asked the assistant to go thru and make sure, and at no time have I stated that these minutes are the new minutes for the EDA Board, at no time was it stated that these were changed. The minutes on record with the City of Tracy are the minutes that were approved by the EDA Board, which I believe is where Tony Peterson may have gotten them as you stated earlier. This was clearly to substantiate things that Jeff Salmon said for this situation. And again, I would be more than happy to play the actual content, and I believe that you will avoid that because you know that I am right. Stroup stated – No I don’t think that you are right – the question is that it is not clearly disclosed in the packet that was sent to the Council that these are not the actual EDA minutes. What should have been done is said here is the actual EDA minutes and here is what I

think might be a discrepancy when you listen to the tape recordings. I would have been fine with that but that is not what is in the packets. I read this stuff and I understood that I had the actual EDA minutes, cuz that is the representation in the packet sent to the Council. That is my only point.

Gross questioned Ambuehl if the EDA minutes once approved forwarded to the City Council at their City Council meetings? Ambuehl stated that they are approved by the EDA Board directly. Gross asked if they were then forwarded to the City Council. Ambuehl stated that thru the packets they receive them; Jeff sends them out to the Council. Gross questioned if they are then approve at the City Council meeting? Ambuehl stated that it depends on where the EDA meetings fall. For instance, the meetings this morning were not approved – they were tabled until next time. Gross questioned if his intention was to just condense them in relation to what was being presented in the Written Notice of Removal. Ambuehl stated that is correct – I was just to do that portion of it. Gross stated that he has nothing further.

Mayor Dimmers questioned if it is common practice to paraphrase minutes and not write out every word for word from the recording? Ambuehl stated that it was actually recommended by the League or by a representative of the League to – basically you guys are typing way too much, you can condense this down. As he talked with Mr. Gross, if they were going to put something in, it needed to be exactly word for word what was said, not the condensed version. That is why it was put in there and that is also why it was highlighted in here.

Mr. Gross questioned if Mr. Stroup had any further witnesses or testimony and he indicated that he had nothing. Gross asked if there were any further questions from the Council members and there were none. Gross then advised the Council to close the hearing and then move to a discussion... Mr. Stroup questioned if they were going to give closing arguments? Gross apologized and stated to close the hearing and allow argument at this point. Gross questioned if he would like to go first or second Mr. Stroup?

Mr. Stroup stated that he will go first and handed out, so the Council can see – cuz they had the privilege of your documents – the Affidavit that was signed by Mr. Seager today...Gross indicated that it was included as an exhibit. Stroup stated – right but I don't know if the Council is going to be able to look thru everything. And the other thing is the memo's that were sent to Mr. Gross and our interpretation of the Fair Credit Reporting Act and on the open meeting law. J. Schons questioned if they are the same ones that they received in an e-mail and Stroup indicated yes. Stroup stated that he will make this short as the Council has been more than patient. So I have submitted an affidavit from Mr. Seager verifying that there was no meeting of a quorum of people at Salmon Motors. That is exhibit #14. Exhibit #15 is the application of credit, which I believe, authorizes the EDA to run a credit background or the alternative – if the credit report is being provided by the applicant – to verify any information there on. In this case there is a credit report provided by the applicant. So the EDA had full authority to verify. What was run was a background report, which is not a credit report; however I will tell you most banks will run both so that you can cross index to verify. And so our position is the EDA had full authority to run a background report to verify the credit report that the applicant submitted. That is what Exhibit #15 allows. That would be standard, nothing out of the ordinary. Now the fact that the EDA has not been doing that I would suggest that if is a failure of the EDA policies but certainly authorized by the EDA application. It was signed by both Mr. Mattson and Mrs. Mattson and if you will note the background report is in an individual name and the application was signed in their individual name and they match. The other issue with Fair Credit Reporting is that it is about Consumer Rights, this is a business transaction. EDA transaction is for a business. There are all sorts of reasons why the Fair Credit Reporting Act does not even apply. Mr. Gross provided a big printout of statute and I will tell you that there are a bunch of regulations that go on for pages and pages and then there are a bunch of lawsuits contesting it, it is far beyond us tonight to get into all of that, but our position is that the Fair Credit Reporting

Act does not apply, it does not even remotely apply. But even more importantly, back to the application. You sign an application you give rights to the lender to do verification, and that is what was done. Nothing wrong with it at all. Now, I am a little bit amazed, quite frankly, we start with a handwritten complaint that basically says that he doesn't like Mr. Salmon and Mr. Peterson and from there we get to some very detailed allegations and I am wondering who is complaining here, Mr. Mattson or your City Administrator. I just wonder. Exhibit #16 is a memo on open meeting laws violation, and while we respect Mr. Gross, what was done on the limited meetings – first Mr. Fultz coming to see Mr. Salmon and then the second meeting which is Mr. Salmon visiting with a Mr. Morin. Doesn't even get in the vicinity of the Open Meeting Law, not even close – the law is clear on that. The ruling by the MN Supreme Court is very clear. If we get into this where a city council members can't talk to each other or school board members can't talk to each other, how do you get anything done. Informal discussions are totally appropriate provided that you don't get to a quorum and actually sit there as a quorum and make some hard and fast decisions. The testimony here is you were not in a quorum nor were any decisions made. Concerns were expressed, perfectly appropriate, and perfectly legal. Exhibit #17 is a memo on the Fair Credit Reporting Act again explaining why it doesn't apply and especially at the time we talked about it and had not seen the application. Now that I have seen the application, exhibit #15 – it is waived, it is authorized, it is allowed – nothing inappropriate at all. I would like the Council to take into account, even though Mr. Morin isn't his statement to the Council on Monday, which I thought was clear and eloquent which verified everything that Mr. Salmon and the other witnesses said today. This is an allegation, in essence brought by the City against Mr. Salmon; the burden of proof is on the City. The City needs to find, by substantial evidence that there was wrong doing. This is not a 50/50 and when you get to 51% boom...uh uh.... The burden is on the City, the City needs to show substantial evidence. That is by statute, that is MN Law. Mr. Gross is entirely correction in his memo outlining the procedures on that issue. So we don't have the complaining party here, we don't have Mr. Fultz here – I asked for them to be here. I don't have subpoena power and couldn't force them to be here. Although, by God I would bring them in to question them but I can't do that. But when they don't show up, what do we have. We don't have diddly. We certainly don't have substantial evidence when the complaining parties don't show up. There is a lot of arguing that this disclaimer language regarding the background report – they put it there of course for liability reasons – that's what they do. Now is it really binding? Is it really language that you can't use it? It's not so clear as the complex question in the Fair Credit Reporting Act. More over the testimony here today is not determined...there were concerns about Mr. Mattson. Those concerns are the reasonable discretion of business people on the EDA. That's why you have business people on the EDA to use their experience and their knowledge to make reasoned decisions. Perfectly appropriate – that is what they are supposed to do. Apparently because the City Administrator doesn't like the decision off to the races we go. Who is acting in the best interest of the City I ask? So we are down to three main complaints – despite all of the detail there are three issues. Open meeting violation- does not exist-not even in the vicinity of an open meeting violation, not at all. The Fair Credit Report violation – no – not at all as it is not a consumer transaction – not a violation. But most importantly we have an application saying – verify, verify. It reminded me of President Reagan's statement – trust but verify. That's what bankers do – you verify. Why the EDA wasn't doing it all of this time is beyond me, but I suggest that they should change their policy and do it. The fact that they did it here was perfectly appropriate and allowed. Lastly we have this vague, bizarre I'm going to say allegation of conflict of interest. The question in analyzing a conflict of interest is whether Mr. Salmon has an improper interest in the transaction to gain personal benefit as opposed to looking out for the interests of the City. What pre-tell personal benefit did he have in this transaction when all he got was grief from a complaint and going thru this process? The fact is that his personal business transaction with Mr. Mattson is not a conflict of interest – it is appropriate personal information that can be used in a judgement and make the best decision in the interest of the City. Remember

– Mr. Salmon is not the only one who had concerns about Mr. Mattson. It appears that the whole board, other than Mr. Fultz had concerns which are why no action has been taken. The fact that City people might not like that decision does not lead to wrong doing and should not have led to allegations of wrong doing against Mr. Salmon. This whole conflict of interest schematic that has been set up by the City of Tracy is not consistent with the law and quite frankly is problematic in the extreme because I will tell you everybody on the City Council has a conflict of interest because you all have personal knowledge. If idiot attorney like me shows up in town and starts creating problems for you, you are going to regret it. You should re-think that policy. But the answer is there is no conflict of interest. Nothing done wrong here at all, no harm to the city, looking out for the best interests of the city – Jeff should stay on the Board.

Gross stated – Honorable Mayor, Council – there are disagreements in Mr. Stroup’s and my interpretation in some of the applicable laws and codes but I think that it is important for the Council to remind themselves, and consider that this hearing is for Mr. Salmon and the allegations contained in the Notice of Written Charges for Removal – this is your guiding map. The documents that were attached to that Written Charge for Removal – those are to be taken into consideration along with the oral testimony here today along with the other written documentation in your determination on whether each and every one of the ten charges or allegations contained within that Written Charge for Removal has been proven beyond...substantial evidence. That is for the Council to make that determination and the Council is the fact finder. You have heard the evidence, now you apply that evidence to the law, to the applicable City Codes, Federal statutes and case law. We will start off with number one – the open meeting law. I disagree with Mr. Stroup – when you look at 1a there is a holding from that case. He is correct that Councils need to discuss matters outside the quorum of a meeting; however the MN Supreme Court says you can’t do that serially – you can’t talk to one another outside the Council to discuss matters, form an agreement, discuss how you are going to vote, and then show up and pursue that way. What is Serial? More than one. And what is a serial meeting consist of – a meeting with one or more members at one or more times. What is the evidence that we have in front of us – undisputed? Mr. Salmon met with Tom Morin at his residence, discussed how they were going to vote on the loan to Mr. Mattson. They are at his shop, Mr. Fultz came in – he did come in – he did initiate that. But they did discuss Mr. Mattson and the loan – there was nothing forcing Mr. Salmon to discuss that. That came up and he gave him his opinion. Three – I have an e-mail from Mr. Salmon to Mark Seager himself in which he disclosed the background report and specifically pointed out aspects that he had viewed that he thought Mr. Seager should be aware of. One, two three – serial – more than one time, more than one member. And that is not necessarily a violation but the violation is attempting to form an agreement or form a vote or a coalition with someone else so that when you do go to a meeting that’s in place. Open Meeting violation law is to prevent that. Have matters discussed in public. When you do that serially that’s a violation. That’s what Moberg says in 1a of your packet – that is what you need to consider. Was there more than one meeting and did it happen one or more times with one or more councilmembers. And were they discussing the proposed loan and how to vote. You have heard testimony on that. Number two – a Violation of Committee Member Codes of Conduct. Mr. Salmon signed the Code of Conduct as his position as a board member on the EDA. He agreed to follow those codes of conduct in his capacity as a board member on the EDA. Did he live up to that? Base your decisions regarding what’s best for the City interests and not on personal interests and personal feelings. There was quite a bit of testimony from Mr. Salmon that he had prior dealings with Mr. Mattson, he was unhappy with that. You have to weigh the evidence and determine – could he be free from that dealing that he had with Mr. Mattson in making his determination in discussing or potentially voting, or the terms, or bringing that matter to a vote on that loan, on that application, on that sale to Mr. Mattson. Was that decision to discuss and order the background check and us his own personal dealings in the best interest of the City? Jeff Carpenter stated that it was a great deal, only applicant they had. Kris Ambuehl – in his opinion – it was in the best interests of the City. You have to consider that in

your decision on that charge. Was there a conflict of interest? It is not only a direct financial interest but it is other personal considerations that impairs your independence of judgement. City Code 2.30 – you should be well aware of that. Now you have to weigh Mr. Salmon's testimony – did this dispute with Mr. Mattson impair his independence of judgement. That is the question that you need to determine. He was quite unhappy with that, it needs to be determined – did it rise to the level that impaired his independence of judgment in discussing, deciding and potentially considering this proposed sale and loan. The violation of the Fair Credit Reporting Act – you have that in your packet as Exhibit #8. The application itself was signed by James Mattson – this is a personal loan. There was no Unique Wraps signed by James Mattson and his wife. That is what is signed on the application. No you have to consider – what is a consumer report? The language in the statute is very clear and it reads a Consumer Report is any written report or any communication of any information by a Consumer Reporting Agency based on consumers credit worthiness, credit standing, credit capacity, character, reputation, personal characteristics made for the purposes of determining if someone is applicable or should be granted a loan. Then you have to go into what is the definition of a credit reporting agency. Consumer Reporting Agency means any person, which is defined as a corporation, trust, estate, cooperative, which for a fee – and there is testimony that this was purchased – engages in whole or part in the practice of assembling and evaluating Consumer Credit information or other information on consumers for the purpose of furnishing consumer reports to third parties. This truth finder – what did they do – they gather information on Mr. Mattson, they were paid a fee – their consumer report agency pursuant to the definition of the code. Then you have to look at adverse action – how is that defined? It means an action taken or determination that is –one in connection with an application that was made by or a transaction that was omitted, initiated by a consumer in the connection with a review account adverse interest of the consumer. We have an application by Mr. Mattson, he filled it out, and he submitted it to the EDA for consideration of a loan. Now adverse action – there was discussion that they discussed a vote, they were going to discuss purchase agreement terms and then all of a sudden it fell apart. And now it is tabled with no further discussion. You have to make that determination – is that adverse action. There was discussion in this deal – it was going forward – all of a sudden it fell apart, now there is nothing. Was there adverse action pursuant to the definition? Then you get into the issue of is this an accredited consumer report – it's not. There is a disclaimer on the second page – do not use this for credit or consumer loan purposes. Clearly stated. It is not accredited and you cannot use it for credit loan decisions. Was Mr. Mattson advised that this was obtained – no he wasn't. Was notice was provided to him that it was provided – no he wasn't. Mr. Salmon disseminated it – it's an unaccredited report. That is not allowable under the Fair Credit Reporting Act. Then we dove into City Code 2.30 – that is a broad statute but it basically states that you can't violate any law and that encapsulates the Fair Credit Law, the Open Meeting Law, the Committee Codes of Conduct and the Tracy City Code. Additionally, allegation #5 – 2.30 Subd 3 – Did Mr. Salmon fail to adhere to the rules of work and performance established for his position as an EDA Board member? Did he comply with the Code of Conduct? Lastly, did he breach any of those other laws – City Code or Open Meeting Laws. Those are somewhat duplicated but they are violations that have been brought based upon the evidence that you need to make a decision. And then finally, again with the conflict of interest – when you look at that other personal interest that impairs your independence of judgement. Did Mr. Salmon prior dealings with Mr. Mattson affect his ability to have a clear mind in deciding whether to loan money, to consider it clearly with Mr. Mattson. If he did then why did he forward the report on to Mr. Seager? That's for you to decide. Mr. Stroup had made some comments about law suits and the applicability of the Fair Credit Reporting Act – when you look at the packet the US Equal Opportunity Employment basically says if it meets the definition of a consumer report (audio bad). What is that? It is information compiled for a fee on determination of a person's credit worthiness for a loan, credit and such. That's what happened here. It was obtained for that purpose. You can't forward that report and you can't disclose it – you can't use that. Now when you look at that verification that

Mr. Mattson signed it says that he verifies that information to be acquired – this is an unaccredited consumer report. That doesn't apply to unaccredited consumer reports. That's against the Fair Credit Report Act. You need to take into consideration all of that information and make a decision on whether there is substantial evidence on each and every one of those allegations contained in the notice of written charges for removal. That's your task and you need to weigh that. It is an important decision as it could or could not cause Mr. Salmon's removal from the EDA Board. That is what you are tasked with – consider all the evidence, weigh the conflicts of testimony and arrive at your decision.

Mayor Dimmers closed the public hearing and the Council will deliberate each one of the accusations.

Ambuehl stated that is public as well, correct Mr. Gross. Gross stated that is correct.

J. Schons asked that they take a couple of minutes to read thru the things that they just received. Mayor Dimmers indicated yes.

Mayor Dimmers indicated that they would go in order and discuss each allegation. Each one has to be answered with a motion – is that correct? Gross stated that is correct.

Mayor Dimmers stated item 1B – it is alleged that you conducted non-public, serial meetings with other EDA of Tracy, MN members discussing the EDA's proposed real property sale and loan to James Mattson and his business (collectively, "Mattson"). Specifically, it is alleged that you conducted the following serial meetings for the purposes of fashioning an agreement to deny the sale of real property and lending of money to Mattson. You met with Tom Morin at his residence on June 17th, 2019 to discuss reasons not to approve the sale and loan to Mattson. Mayor Dimmers indicated that he pretty much said that he did as much. Gross stated that it would include i, ii, and iii. Mayor Dimmers read – You met and discussed the proposed Mattson sale and loan with Dennis Fultz, Mark Seager and Tony Peterson at Salmon Automotive. You conducted email correspondence with Mark Seager about Mattson's background report on June 18, 2019. J. Schons stated that with the evidence that has been presented I think ii...Gross stated that 1b is a total and would include i, ii and iii. J. Schons stated that right now ii I think did not occur. I think that enough evidence was presented that with Mark Seager's affidavit and Mr. Morin coming up to the podium last Monday night at the meeting...oh I guess it wasn't that one – it's i. To ii I think with Mark Seager's affidavit and the other evidence I am confident that ii did not occur. Mayor Dimmers questioned if it is all or nothing? Gross indicated that is correct. Mayor Dimmers stated that he is just being clear about what they have to make a decision – it is either all three are true or all three are not and if one of those didn't happen. J. Schons stated that we don't have to say all are true, we can say one and three positive or – it doesn't have to be all or nothing. Gross stated that it is his position that the violation of the Open Meeting Law in conducting serial meetings is one or more meetings with one or more members discussing or fashioning an agreement... Stroup stated – here is my question matt, are we going to continue to allow you to argue to the Council do I get to counter your arguments? Or is this truly a closed meeting? It is one or the other. Gross stated that Mr. Stroup could certainly have his input – that is fair. J. Schons stated that she is just asking for clarification – if they have to find that i, ii and iii are all positive to be able to say that we feel that he violated the MN Open Meeting Law or if we can say we feel he had serial meetings but he did not have this meeting that includes a quorum? I would be happy to have Stroup answer, I would hope that the answer would be the same no matter which one of you answer it – I am just asking for a clarification. Mr. Stroup stated that I agree with Matt – you can find, based upon 1bii and 1biii – you can find that two meetings constitute serial meetings, but I will again tell you that is not consistent with the case law. They have to reach an agreement, they have really gotta do something at these serial meetings. You are not in the vicinity of that based on the testimony....J. Schons stated that she feels that he is now arguing his point like you accused Gross. Stroup stated – I am – that is why

I say neither of us says anything or we are both going to argue. J. Schons asked who is going to answer my question. Gross stated that is their decision to make as the fact finder, as the Council. Tiegs stated that – Tom, on Monday night came up and said that they had talked about it but neither one of them talked about how they would vote, how it was going to go or anything like that – there were both just discussing it. J. Schons stated that they can do this because they can have a discussion. J. Schons stated that she heard what Tom said – her question is that I am trying to figure out how it is interpreted and I know that can't be clarified by either one of the lawyers here right now so it is going to be us and how we clarify and interpret when they state that fashioning and agreement. When you go to multiple people, individually, right or wrong I am saying that it did not occur so I am not even considering that. But when you go to multiple people with the same intent – and maybe I should have asked this during the hearing now that they are having this discussion – it was the same intent to try and influence. Isn't that part of the problem of serial meetings, even if you don't walk out with a handshake saying I'm going to vote no, you vote no – we are shaking on it. But if I'm going to somebody, multiple people saying the same thing to try to convince them of my thinking – I consider that serial. Tiegs stated that part of the problem like with Tom; we don't know what they said. J. Schons stated that she is looking at just intent. Why would he talk to people and share information from the background check.... Tiegs stated that we don't know if he was sharing information of a background check. J. Schons pointed out that he admitted that he did. Tiegs stated – not to Tom. He just went over to Tom and....J. Schons stated that it just needs to be a serial of two. The one person that's never beenabout a meeting was Tony. Mayor Dimmers stated that what he said about Tom was that they discussed the sale of the Market – not necessarily the background check but they did discuss the sale of the Asian Market. That's what he said during the Council meeting Monday night. J. Schons stated – yes he did but...ya he did. Thao stated that he thinks that's what Jeff said to. Mayor Dimmers stated that he agrees that it was not proven but I do believe there were serial meetings that would constitute Open Meeting Law violation. With the e-mail to Mark Seager, the discussion with Denny and with Tom. J. Schons stated that he didn't, he participated but he did not initiate the meeting with Denny, but yes he didn't stop it. Mayor Dimmers agreed that he participated in it e-mails and phone conversations apply. Tiegs stated – but again with Mark he only sent the e-mail. J. Schons stated that counts – he forwarded the e-mail and pointed out specific ones to look at. Mayor Dimmers stated that is applicable just like our correspondence that goes out – we don't hit reply all because that would count. J. Schons stated that she remembers when they went to that meeting in Mankato for new council people...Mayor Dimmers said they were very specific about it. J. Schons stated they were very specific about that. She stated that this is difficult, it is very difficult because – one we are being asked to almost act like we have knowledge of lawyers and we do not have that knowledge. And then we are trying to – so that we don't end up with the same difficulty of a conflict of interest – I'm trying to act like I have not known Jeff since we were in grade school. So it is very, very difficult. I respect Matt and –I sorry I can't remember your first name – Kevin – I am not used to calling lawyers by their first name. I respect you both and I wish that there was a way for us to have more guidance. I know it is not the way these hearings work. Stroup stated that you could give them a copy of the case Matt and let them read it. Gross stated – again that is their interpretation of your comments and my comments. Tony Peterson stated that at the risk of being shot down can I just offer some advice from 10 years on here without naming names or – cuz I sat and listened to everything you guys did – or personal history along this line? Cuz I agree that the League training is very, very – no, no, no, no – I agree with that which is why I told you it was important for you to go. Ambuehl stated that he feels that the Council should stick to their vote....Peterson stated that is fine, I was just asking. Gross stated that for your sake I would just....Peterson indicated that he was just asking and offering. Gross stated – just for your sake. Peterson replied I'm not worried about my sake – trust me. Mayor Dimmers pointed out that their task here is to make a decision as to the facts based on what they have heard and not on our personal knowledge or involvement with people – it's gotta be non-bias and

based on what you have heard and what has been presented. Tiegs questioned if the Open Meeting has to be a quorum? J. Schons and Mayor Dimmers stated – no, not for serial meetings. Thao questioned – under the ii I know that whether all four met or not – we don't know that but there was talk – they met and talked about the Asian Store there – right? J. Schons stated that Dennis and Jeff did. Thao stated that after that we don't know if that is true or not but...and that is why it is hard. J. Schons stated that ultimately we have to make a motion and vote on it and however the vote goes...Gross stated – then you move on to the next allegation. Thao asked if all three have to be true and J. Schons stated no. Mayor Dimmers stated that he would defer to both attorneys. Stroup advised that they both agree that two are sufficient...you don't need ii. If you find i and iii constitute a serial meeting within the definition, keeping in mind my arguments and Matt's different explanation you could find serial meetings in violation of the Open meeting Law. J. Schons stated – that is what is really hard, you have two lawyers with different explanations so I have to choose – which one do I trust. Mayor Dimmers stated that he did not pass the Bar so – I appreciate you cooperating with us to give us a little help here. We want it to be fair completely I appreciate your patience with us and your cooperation. Stroup stated that it is a fact specific issue on serial – if you got a quorum it is a pretty clear violation. But if it is not a quorum and it is serial it is fact specific – what was discussed, what did they agree to, what did they not agree to, what did they not discuss. If, hypothetically, hypothetically Jeff met with all of the EDA members, bang, bang, bang and said vote no, vote no, vote no and they said yes we are going to vote no then you've got him. But I suggest the facts are a little different. Mayor Dimmers question Gross if he agrees with that? Gross stated that if you look at the definition on 1a it's a group less than a quorum for purposes of avoiding public hearings or fashioning agreements. So you don't actually have to fashion an agreement but if your intent or purpose is to fashion an agreement on one or more occasions with one or more members, in my position it is a violation of the Open Meeting Laws and is a serial meeting. Mayor Dimmers stated – ok we have heard from both sides – my interpretation based on what we have heard is that if we find one and three to be factual then we find allegation 1b to be...Ambuehl stated substantiated...Mayor Dimmers stated yes. Tiegs stated that he could give them #3...that #3 happened. I'll give you that one – he sent the e-mail. Number 2 – Dennis came to see him but did they discuss it? Mayor Dimmers stated yes. Tiegs indicated that we don't know, we weren't there! Mayor Dimmers stated that Jeff said they did. Tiegs stated that it came up. (Inaudible). It came up and Denny wanted it to go thru. J. Schons point out that he said he pussy footed around and whatever the word is that he used – beat around the bush. But then he did come and ask and he point blank asked Jeff and Jeff said I wish I wouldn't have even... Mayor Dimmers indicated that he appreciates his comments but he did say directly that they did discuss it. Tiegs indicated that Tom was the same way – they discussed it but we don't know what they discussed. J. Schons indicated that they discussed the Asian Store cuz they said that. He just said that they did not come to an agreement. Mayor Dimmers made a motion that we find item 1b a violation of MN Open Meeting Laws on MN Statute 13D.01 substantiated. J. Schons seconded the motion. Mayor Dimmers stated that they will go to a vote unless there is discussion. Voting in favor: J. Schons, Thao, Mayor Dimmers. Voting against: Tiegs.

Mayor Dimmers indicated the next allegation: Violation of Committee Member Codes of Conduct – it is alleged that you violated or breached the Codes of Conduct as follows: i. You did not make a decision that was best for the City- you based your decision regarding the EDA's proposed sale of real property and loan to Mattson upon your prior business dealings with Mattson and personal feelings towards Mattson, instead of considering the City's interests. (see attached exhibits 3-7) ii – you possessed a conflict of interest with Mattson and failed to disclose this conflict of interest to the EDA. (See attached exhibits 3-7). Mayor Dimmers asked if there is any discussion on this. J. Schons indicated again that this is hard as heck because she feels that Jeff did have the City's best interest in mind, I don't think that he viciously meant to do anything against the City by any means. I honestly don't think that was his intent. But do I think with the problems and the issues he had with Jamie wouldn't affect any of our minds. Yes – I

would have a hard pressed time not to labor ill feelings. Tiegs stated that to go to your best interest of the City – with being on the EDA and all of that – we were all throwing that we wanted to make this iron clad that if anything happens, anywhere along the line, the City is covered. If the roof gets fixed and everything is perfect and worked up inside, Jamie leaves- the business runs for 6 months and goes away – we wanted the building back to make sure that the City was covered. That was everybody on that EDA Board sitting at the EDA table was talking about that. J. Schons stated that she agrees – that is looking out for the City’s best interest. Where I am teetering on yet is listening to Jeff Carpenter and Kris saying that they thought it was in the best interest for the City to get that roof repaired so that the building could be salvaged. Where, if somebody wasn’t in there it was going to continually – you know it doesn’t take long and you get water damage and everything for a building to go down when it is already old. That was the path that you were going down with the EDA – was to get him to make sure that the City was protected so that we didn’t just give money and he defaults on the loan and we not get any money back. That we end up eating it and maybe getting a building back but it was at least going to have a roof on it and be starting to be fixed up and pass inspection by our City Inspector before he would have gotten a dime. Tiegs stated – correct. J. Schons stated – that is where she is wondering if it was in the best interest of the City because we were going to get a building fixed up and everything before we gave a dime to this man. The worst case scenario – he defaults on it and now we have a building that was at least salvageable downtown. Mayor Dimmers stated that he feels that that is in the best interest of the City – I agree with Councilwomen Schons that I don’t believe that there was malicious intent here. J. Schons stated that she knows Jeff well enough to say that there wasn’t. He had, him and his family but I’m not bringing his family into it – this is about Jeff. Jeff has done a lot for this City. He still owns and runs a business in town, he pays taxes in town and so I honestly think – and that is why he is a valuable member of the EDA Board – because he does bring that to the Board. I am going to really veer off here ok – because I need to clarify something – when we are making motions and voting on these – the final motion is what the action is going to be? Stroup stated – no you just voted Jeff off the EDA Board. It’s already done. So when you talk about him being a valuable part of the EDA Board he is not any longer. We are all over. Gross stated that he would advise the Council to go thru each and every one of the allegations though for the record. Stroup stated that if the Council misunderstood that you can revert your prior motion. Salmon stated – it certainly wasn’t explained that way cuz I sat right here. Gross stated that it was explained in the packet (inaudible). J. Schons stated that she opened this can of worms and she is going to close it. It’s not going to matter because I still feel that my motion was the right motion. I was just trying to clarify if that motion meant automatic removal or if there could be different action. I am not going to change the motion because my feelings and the facts have not changed. So I am not going to change my motion and we can just proceed on with.... Salmon asked J. Schons to clarify for his benefit you have chosen to remove me from the Board permanently? J. Schons stated that wasn’t her motion but it is the result of my motion. Salmon questioned even though you didn’t understand that is what you were doing? J. Schons knew that would be a potential thing, but I will tell you right now – I’m not changing it Jeff. Knowing that it has now resulted in your removal of the EDA... Salmon stated that he just wanted to clarify that. I think Matt Gross failed grossly to explain that point to the Council and we will have to address that in a different fashion. Gross stated that he can address that Jeff – in the hearing packet for today’s hearing it details the hearing procedures and on page 3 it says “If the City Council finds that there is substantial evidence for one or more charges or allegations made against Mr. Salmon, it can vote to remove him from his position as board member of the EDA.” Mayor Dimmers stated – I am not sure but I don’t think that it is permanent. As Gross stated we will have to draw up a resolution and they can clarify that. Gross stated – that is correct at a later time. Mayor Dimmers stated that the question at hand is the conflict of interest here and I agree – I don’t think that this was malicious towards the City. Do I think that there is a strong possibility that maybe judgement was impaired I think that is possible. There is no - the failure to disclose – if you had

said that there is a possibility this may be an issue and I brought it up to the Board - I don't think that you were deliberately - I believe that you believed that you were doing right and doing best for the City. But it doesn't change that you had issues with Mr. Mattson prior to the actions with the EDA that should have been disclosed. What is your opinion on that Dave? Tiegs indicated that he always get torn on the conflict of interest. We are all driving around town and we could all see that Jeff was getting his roof done and we probably all knew who was doing it at the time so is the conflict of interest that Jeff didn't come and tell the whole EDA Board. Ambuehl stated that the conflict of interest is on the individual. Mayor Dimmers questioned what Thao's opinion is? He indicated exactly what Mayor Dimmers and J. Schons have already said - he does not feel that Salmon had any malicious intent to the City but with the prior experience with James. He does not know that Salmon would have helped or not. It is the independent of judgement that's....Mayor Dimmers stated that this is really difficult. He stated that he has to look at it factually and not....there's a dispute versus feel. They were having a business dispute at the time of the question of selling the property to Mr. Mattson and making a loan to him when Salmon is in a position to vote on that - is that a conflict of interest? It would seem to me that it is. Tiegs stated that also, it never got to a vote on anything. J. Schons stated that is almost more concerning, I almost wish that it would have went to a vote because I have nothing to put my finger on as to what made that ship turn, other than the discussions that occurred then between Salmon and other members. Otherwise it was heading down, I can't say a road, but it was heading down the stream to do a purchase agreement and to make sure that there were these protections for the City, they weren't going to give him any money until he did the roof and repaired the building and pass City inspection - then he would get the money. It sounds like the EDA was heading down that path and then all of a sudden - boom - it just dropped off the edge of a cliff - what caused that. Tiegs stated that for him it was just the general discussion of the whole day - it's not that Salmon came out and said something, and Seager came out and said something and Moring came out and said something, it was the whole - for me - and I couldn't tell you how I would have voted that day. I was the one sitting at the meeting that day like this trying to figure out what the heck to do cuz to me it was back and forth. Mayor Dimmers pointed out - a lot like we are right now. Tiegs stated - pretty much. From that aspect of it it's like just everybody's comments that day it's like do we - a lot of it was that we figured out our own misgivings that we didn't put all of our ducks in a row on this to make sure that we were doing it all in the right way. Going back to that we didn't have a full credit report, the complete app, we didn't have a refusal from the bank - did we or we did. Going thru it we didn't have all of our ducks in a row and we never had anyone else give us a bid on doing the roof at that point in time. He was saying \$22,000.00 - could we have had someone else come in and do it for \$14,000.00 and not pay them until it is done to. It was one of those things that we didn't have our ducks in a row on this project. J. Schons questioned what made him feel that they had to have all their ducks in a row on this project if you hadn't for the other projects in the past? Tiegs stated that a lot of the other ones were smaller - like for Lights and Beyond it was the building, the whole thing, people were buying what they had in there so we had inventory as collateral and everything. So, it sounded like it was a smaller loan. J. Schons questioned if it was the size of the loan that caused it? Tiegs stated that it was the realization - we were getting into a loan where we didn't have everything all laid out. Mayor Dimmers stated that the question is not why, that not really the question here - the question is should Mr. Salmon have identified that there could be a possible conflict of interest between him and James Mattson. That's the question - not why did the direction that the EDA is going change. J. Schons stated that she is going with that for letter i - you did not make a decision that was best for the City. Double i is about declaring a conflict of interest. Mayor Dimmers points out that i goes onto the second page and it says your business dealings with Mattson and personal feelings towards Mattson, instead of considering the City's interest. Tiegs stated that he believes the City interests were covered on that. Mayor Dimmers stated that the deal that they had already come up, with the City's interests were already covered - yes. Tiegs pointed out that the last meeting that they had

they were still working thru all of that. That's when we – I don't know if I remember right, I think it was Sis that stated that we need to pull this back, get more bids, get all of the information down – Peterson stated that it was Morin – to get everything in order before we do anything else. Part of that was having Carpenter going out and finding bids to fix the roof and all of that part. J. Schons stated – ok that answered a little bit about why the ship... My next one is on ii with the whole conflict of interest because like I said I didn't want to listen to your voice mail or your whatever that he sent you, but if I received something from someone mentioning my father's address or any of my family members or whatever – especially if it was to the point where you felt that you needed to report it to the Sheriff – I don't know how I could not be mad as heck at that person. Salmon stated that he indicated all those things happened after this started. J. Schons asked if that was after the meeting. Salmon stated – right. J. Schons stated that the timeline kind of gets.... Thank you for answering even if he wasn't supposed to. Mayor Dimmers stated that they have to make a decision. Tiegs made a motion on 2B, both one and two that – I don't know how you phrase it – I don't think that there was a conflict there – that it is not substantiated. Mayor Dimmers asked for a second. He asked again for a second. The motion died for a lack of a second. J. Schons asked if she could clarify something. Tiegs stated – have at it. Ambuehl stated to ask the question to see if a councilmember can answer it and then we can refer to.....Do any of you remember when Jeff talked about that there is the – he was notified that there was going to be a lien placed against his business because the sub-contractors had not been paid – was that before the EDA meeting or after? Mayor Dimmers stated that to the best of his recollection it was before. Ambuehl asked Salmon if he is comfortable answering that? Salmon stated that the sub-contractors were before. Mayor Dimmers stated that they had a motion that it was not substantiated but did not get a second. The alternative is to make a motion that it is substantiated and in the interest of time I will make that motion in the question of a conflict of interest that it is substantiated – can I get a second. J. Schons seconded the motion. Voting in favor: J. Schons, Thao and Mayor Dimmers. Voting against: Tiegs. Motion carries in the question of conflict of interest and the member codes of conduct.

Mayor Dimmers stated that the next allegation is the violation of the Fair Credit Reporting Act. B. It is alleged that you used and relied upon a background report (consumer report) of Mattson that was no prepared by an accredited credit reporting agency to take adverse action on a lending decision to Mattson in violation of 604(f) of the FCRA (see exhibit 8-15). C. It is alleged that you disseminated a copy of the background report (consumer report) of Mattson to Mark Seager via email on June 18, 2019 for purposes of persuading Mark Seager to take adverse action on a lending decision to Mattson in violation of 604(f) of the FCRA. D. It is alleged that you did not provide proper notice and disclosure of your adverse action on the lending decision to Mattson in violation of 615 of the FCRA. J. Schons questioned – as far as you guys recall, there was no voted, it wasn't denied – he wasn't denied the loan or the building – Tiegs stated correct....J. Schons continued that it would just be looked into further and get your ducks more in a row before. Tiegs stated right – they were going to stop where they were at, have Carpenter look into more.....if somebody else could do the roof what would the costs be so....I don't think that it ever got tabled we just stopped where they were at – we've got to get all of this information in a row, get more bids and move on. J. Schons stated that – I remember reading the minutes that discussed where the EDA would fix it up and then potentially lease it to Mattson if he was still interested....Tiegs stated right....J. Schons indicated that there would be a potential purchase down the road. Tiegs stated that Carpenter was also instructed to go back to Jamie and say please, please put in a formal bid. It's not like we stopped it and pushed him away, he was one of the first ones that we said to make sure to go and get a bid from him so that we have it documented. Thao stated that he was still in line for that but you guys just wanted to get things in order? Tiegs stated – right – or he still had the opportunity, let's put it that way. J. Schons stated that this is the one that is hard because you two (attorneys) have conflicting opinions and so I don't know – your saying that it doesn't pertain and you said it does pertain – where do I have this magical knowledge all of a sudden come into this brain to tell me – you are just doing

your job for the City, your just doing your job for your client – I mean that’s your job. But does it mean that it can’t be both ways? Mayor Dimmers stated that it means that you used and relied upon a background report – a consumer report – that was not prepared by an accredited reporting agency – and we have established that. Tiegs stated – yeah but it says to take an adverse action on a lending decision....Mayor Dimmers stated that he is getting there. Yeah – to take adverse action on a lending decision to Mr. Mattson. So what was the purpose of sharing it with Mr. Seager? Because that is the part C –disseminating a copy of the background report of Mattson to Mark Seager via email on June 18th for purposes of persuading Mark Seager to take adverse action. So we have established that it was shared but email, but what was the purpose of that? Tiegs pointed out that what Salmon said today was that he sent it to him because of the dealings that Mark had had with Jamie also. Mayor Dimmers stated – but knowing that, why would you send it to him if he already knew, which is what Salmon testified to, that Mark Seager had already known about the possibility of Mr. Mattson being less than stellar let’s say. There was no adverse action that....there is no clear adverse action as a result of this. Tiegs stated – correct. And then as far as the alleged notice of disclosure, when do you have to notify somebody? J. Schons stated that from what she read you have to notify them if you are using a report to make the decision concerning credit or a loan or whatever because that gives them the right to defend or fight. Tiegs stated that I think with (inaudible – talking over each other). Tiegs questioned how soon do they need to be notified, cuz I know when I have applied for credit cards before and you are denied and you get a letter six months later saying that we are not giving you a card – don’t know, is it a week or is it the day after you do it? Mayor Dimmers stated that I kind of think that it doesn’t matter because there was no notice given at all. Tiegs stated – true. J. Schons stated that it says in exhibit #10 – it says that you must be told that the information in your file has been used against you, anyone who uses a credit report or another type of consumer report to deny your applications for credit, insurance or employment or to take another adverse action against you must tell you and must give you the name, address and phone number of the agency that provided the information. And then it states that you have the right to know what is in your file. Tiegs stated – but then you go back to there was no adverse action. Motion was made by J. Schons that allegation #3 – the violation of the Fair Credit Reporting Act is not substantiated. Mayor Dimmers asked if that included b, c and d. J. Schons stated ya. Tiegs seconded the motion. Mayor Dimmers asked for any further discussion. Hearing none they went to vote. Voting in favor: Tiegs, J. Schons, Thao and Mayor Dimmers.

Mayor Dimmers stated that the next allegation is #4-Violation of City Code 2.30, Subdivision 2-b-It is alleged that you did not carry out impartially the laws of the nation, state, and municipality by violating and failing to comply with the laws of the Open Meeting Law, FCRA, the Committee Member Codes of Conduct, and the Tracy City Code, as set forth by allegations 1-3. J Schons stated that she needs a legal.....this is the alleged that we need to vote on. We just voted that we did not think that the FCRA was substantiated and that is in this allegation in the list of the other four things, or three things. Tiegs stated that if you go back to the first one the Open Meeting Law is listed there to. J. Schons stated that she does not feel comfortable making a motion that includes all of them because we have already said no to the one. I can’t put a motion forward saying yes as it would contradict our prior vote. Can they amend this to take the FCRA or not because we can’t amend anything at this point in time? Gross stated that he would advise against amending and leaving it as presented. It would avoid any potential challenges in regards to what was presented and what was decided. J. Schons questioned if she can ask for two opinions as to how to move forward because she does not feel that this is an all or nothing. Gross and Mayor Dimmers stated that it is and Mr. Stroup agreed. J. Schons stated that there should be no further discussion as far as I am concerned because we already voted that he didn’t violate the FCRA so then I don’t think that we can the violation b because it includes that. Mayor Dimmers pointed out that they also voted that it was substantiated that he violated the Open Meeting Laws. Thao agreed and stated that it is all included. Mayor Dimmers stated – here is my concern – if we say this is all substantiated then you are saying on one hand that he

violated Open Meeting Law and two allegations later you are saying he didn't. J. Schons stated that what she wants to say and doesn't know how to say it.....we can't.....this is a no win. Salmon stated that you should be in my shoes. J. Schons pointed out that they have already made their decision – either way – if I say that he did do it then we are going against what we just staid for the fair credit. If we say that he didn't do it we are going against that we said that he did violate the Open Meeting Laws and the Codes of Conduct. I am saying that we vote on each of these individual ones, but I can't vote on an all-inclusive one. Mayor Dimmers stated – here is what I see that is key on this - look at the wording. It is alleged that you did not carry out impartially the laws of the nation, state and municipality by violating and failing to comply with the laws of the Open Meeting Laws, FCRA, the Committee Member Codes of Conduct and the Tracy City Code. So we decided that the violations of the FCRA was not substantiated, but was the use of that background report impartial? And I don't think that...you know...and I am not questioning motives here, I am just saying that I think that goes along with the conflict of interest in that I don't think that it was impartial. J. Schons stated that – I get what you are saying – the word that you are pulling out to emphasis is the impartial. Mayor Dimmers indicated yes. Do we have any discussion on that? Do you have an opinion on that Tiegs? Tiegs stated that its like what Jeri said – you have two opposite ones there and you passed one and you didn't pass the other. J. Schons asked if they are opening themselves up to whatever.....Mayor Dimmers stated – that is what I am saying, it is just my opinion that if it is semantics with the words and that it wasn't impartial. I don't think that it was substantiated that the FCRA was violated because there was no adverse effect – correct? That is kind of the road that we went down, but was it impartial? I don't believe that it was. So in this statement and allegation – you did not carry out impartially – that would be true, the laws of the Nation, State and Municipality. And by violating Open Meeting Laws and the FCRA.....J. Schons stated that we are going to run into the same thing down on 5c. Tiegs stated Yep. Peterson stated –it's called pile it on. Gross indicated that is pulled from the language of the City Code. Mr. Stroup stated that he needs to stretch his back, I shall return. Mayor Dimmers questioned if the need to take a recess perhaps. Ambuehl asked if they are allowed to ask direction questions, Mr. Stroup before you walk out – are they allowed to ask their Attorney Council direct questions. Does anybody have a problem with that? Mr. Stroup questioned – ask who direct questions? Ambuehl stated our Council – Mr. Gross. For clarification purposes..... Peterson stated that they should call a recess. Ambuehl advised that I realize that you don't want him arguing facts, but he is the attorney representing the City, you should be able to ask a direct question. The question was are we opening ourselves up to a potential appeal if you pass this and you didn't pass the FCRA – I can't see why you can't ask your City Attorney that question. Mr. Stroup stated that the problem with this process is that it is not a very clean process. There is all sorts of conflict of interest inherent in the process – first of all the charges have inherent problems in them. We have no input on them and have no right to correct or comment on them. We had to live with them. You have got to live with them. There is inconsistency in them – so to answer your question – yes it is an appeal issue. Not created by us, we didn't get any input into this. But the more that you ask Mr. Gross questions the more that I am going to argue that he is arguing in a closed meeting. Not appropriate. Closed or not closed – we already had that discussion. I'm trying to be cooperative but I tell you that I am starting to lose my patience because the questions are not appropriate in terms of the way that they are phrased. Hence the problems they are having. Ambuehl asked which questions are not appropriate. (Inaudible-talking over each other). J. Schons asked if it were the questions written or the questions being asked. Stroup stated that your questions are good; I'm just saying the way that they are laid out. I am not criticizing Mr. Gross because it's, in my opinion, the inconsistencies and incoherencies in the code that you've gotta live with. And then you see them and you have this trial and then you have this problem. Ambuehl stated that from this point forward he thinks that they should agree that no attorney advice should be given and they should move forward. Is that acceptable to Mr. Gross and to Mr. Stroup? Gross stated that he would advise on that to avoid any potential legal challenges.

Mayor Dimmers stated – here is the other thing – as has been stated, we are not judges and this is not a court of law. We do the best that we can do based on the facts that we have seen. We give it our best shot and intent but we are not perfect or trained and we are doing the best that we can do here. Motion was made by J. Schons that 4b-Violation of City Code 2.30 subd 2 is substantiated because of the impartial and she does think it was bias which comes in with the conflict of interest of what she stated there. Mayor Dimmers stated there is a motion on the floor, is there a second? Thao seconded the motion and indicated that he agrees with Jeri on that. Mayor Dimmers stated that there is a first and a second, is there any discussion? All voted in favor of the motion.

Mayor Dimmers stated the next allegation is #5-Violation of City Code 2.30 subdivision 3 – b. It is alleged that you failed to adhere to the rules of work and performance established for your position as EDA board member by violating and failing to comply with the Committee Member Codes of Conduct, as set forth in allegation 2. c. It is alleged that you breached the law by violating and failing to comply with the Open Meeting Law, FCRA, and the Tracy City Code as set forth by allegations 1, 3, 4 and 6. Mayor Dimmers suggested that they skip to #6 and come back as #5 includes #6. The Council agreed with that.

Allegation #6-Violation of City Code 2.30, subd 5-It is alleged that you possessed a conflict of interest with Mattson based upon you prior business dealings with Mattson which impaired you independence of judgment in determining the EDA's proposed sale of real property and loan to Mattson. I believe that we have already....Motion was made by J. Schons that there is evidence to substantiate allegation #6b-Violation of City Code 2.30, subd 5. Thao seconded the motion. Mayor Dimmers stated that the motion is seconded, any further discussion? Voting in favor: J. Schons, Thao and Mayor Dimmers. Voting Against: Tiegs.

The Council went back to Allegation 5 b & c as stated above. J. Schons stated that she thinks #2 was already with the Codes of Conduct and making the decision based on what was best for the City not for individual interest – that is one of the specific codes – does everyone have this? I don't have that good of memory if you want to look at it as to what the different things are. Tiegs stated that this goes back to the way things have already been voted. Tiegs asked if it can be two separate motions. Mayor Dimmers stated that he does not believe that it can. So 1, 3, 4 and 6 – they voted that 1, 4 and 6 were substantiated. J. Schons asked – didn't he say that they have to make a motion on each one of the allegations – so 5b is one allegation and 5c is another allegation? So we can't split out c but they should have a separate motion for 5b and 5c. Ambuehl indicated that he stated that it was by number 1-6. J. Schons counted up the allegations. Mayor Dimmers stated that they got caught up with the initial i, ii, iii and the next one they....J. Schons stated that is the same for #3 a, b, c and d are all alleged. Mayor Dimmers stated – when we voted this one was specified b, c and d and the voted was no – not substantiated. Tiegs stated that they should be able to do a 5b and a 5c. J. Schons stated yes. Tiegs stated – so then we don't want to lump them together. Tiegs made a motion that 5B was not substantiated and that goes back to the way that I voted on that on the other thing which is was he doing what was best for the City. J. Schons stated that you are not going to get a second – how long do we have to wait. Mayor Dimmers asked if there is a second. Second call for a second. Motion is not seconded. Motion was made by J. Schons that violation #5b is substantiated. Mayor Dimmers asked for a second. Thao seconded the motion. Mayor Dimmers stated that there is a first and a second – any discussion? Voting in favor: J. Schons, Thao and Mayor Dimmers. Voting against: Tiegs.

Mayor Dimmers stated – in the matter of allegation 5c – do I have a motion on that? Motion was made by J. Schons that #5c-for the violation of City Code 2.30 subd 3 has been substantiated. Mayor Dimmers stated that there is a motion on the floor, is there a second? Thao seconded the motion. Voting in favor: Tiegs (only because he voted yes on the #4), J. Schons,

Thao and Mayor Dimmers. Ambuehl stated – Mr. Mayor I would suggest that you possibly look at #3 as you have just decided that everyone that says that it is alleged. #3 was voted in its entirety so you may want to individualize that one. And according to what Mr. Stroup said earlier you can go back to one and change but it would take a motion by the Council to do it, which is what he would recommend. Go back and do them individually by b, c and d being you have done it other ways. Motion was made by Mayor Dimmers to go back and re-examine #3 and the allegations and voted them individually. Thao seconded it. Voting in favor: Tiegs, J. Schons, Thao and Mayor Dimmers. Motion carries to re-exam item 3 b, c and d.

Item 3b-It is alleged that you used and relied upon a background report (consumer report) of Mattson that was not prepared by an accredited credit reporting agency to take adverse action on a lending decision to Mattson in violation of 604(f) of the FCRA (see attached exhibits 8-15). Motion was made by Tiegs that 3b is not substantiated. Mayor Dimmers stated that he has a motion, can I get a second? J. Schons seconded the motion. Mayor Dimmers stated there is a first and a second, is there any second? Voting in favor: Tiegs, J. Schons, Thao and Mayor Dimmers.

Item 3c-It is alleged that you disseminated a copy of the background report (consumer report) of Mattson to Mark Seager via email on June 18, 2019 for purposes of persuading Mark Seager to take adverse action on a lending decision to Mattson in violation of 604(f) of the FCRA. Motion was made by J. Schons that the violation 3c was not substantiated. Tiegs seconded the motion. Mayor Dimmers stated there is a first and a second, any discussion? Voting in favor: Tiegs, J. Schons, Thao and Mayor Dimmers. Item 3c was not substantiated.

Item 3d-It is alleged that you did not provide proper notice and disclosure of your adverse action on the lending decision to Mattson in violation of 615 of the FCRA. Motion was made by Tiegs that 3d is not substantiated. Thao seconded the motion. Mayor Dimmers stated there is a first and a second, is there any discussion? Voting in favor: Tiegs, J. Schons, Thao and Mayor Dimmers.

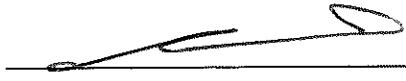
Mayor Dimmers stated that is all of the allegations. Ambuehl stated that since the allegations are completed and voted upon, you can go back to the Council on how to move forward – I am sorry – the City Attorney.

Gross stated that the Council can now vote on whether the removal of Mr. Salmon is supported by the allegations. The allegations have been proven so now the City Council needs to make the formal action to remove Mr. Salmon based upon those allegations. Motion was made by J. Schons that Mr. Salmon is removed from the EDA Board based on the findings and that the allegations were substantiated. Mayor Dimmers pointed out that not all of them were so based on the substantiated items. Thao seconded the motion. Mayor Dimmers asked if there was any discussion. J. Schons stated that there was some question before that this was a permanent thing or if it could be a temporary thing – would I include that in my motion? Gross stated – not at this time. Voting in favor: Tiegs (it's a moot point so yes) J. Schons, Thao and Mayor Dimmers. Mayor Dimmers stated that these will be drawn up into a Resolution for the next Council meeting? Gross stated that is correct your honor, with the finding at the next meeting. To address your question regarding the EDA and whether it is permanent or not – my understanding is that to apply for the EDA you have to present an application to the City Council so that would be the process and then the Council approves those appointments. Mayor Dimmers stated that he thought he had read something that said the removal would be for the length of the term that the individual was serving. If it was a two year term that it would be a two year removal and they would then be able to apply again after two years or whatever the length of the term is. Ambuehl stated – for lack of better words – you are the City Council and you can do what you want. Gross stated that he did not find anything on the permanency of the removal but it is up to the

Council in the application process. Mayor Dimmers will try to find where he read it and forward it to Gross for interpretation.

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

ATTEST:



City Administrator



Mayor

EMERGENCY COUNCIL MEETING

JULY 30, 2019

ACCEPT KRIS AMBUEHL'S RESIGNATION

832

An Emergency Council meeting of the Tracy City Council was called to order at 6:30 p.m., Tuesday, July 30, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Jeri Schons, Kou Thao, Tony Peterson and Dave Tiegs. Also present were Kris Ambuehl-City Administrator, Jeff Carpenter-EDA Director, Shane Daniels-PW Director and Diane Campbell-Deputy Clerk/Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Dimmers stated that the purpose of this meeting is to discuss the resignation of Kris Ambuehl. Ambuehl indicated that he is formally submitting his resignation as City Administrator as of August 9th, 2019. Motion was made by Tiegs, seconded by J. Schons to accept the resignation. All voted in favor.

Carpenter stated that he will excuse himself from the rest of the meeting as he is considering his application for the City Administrator position, although he is not sure that he is going to. In the event that he does, he does not want to be any influence on anything being discussed at this meeting.

The advertisement of the City Administrator position and description was discussed. Ambuehl stated that he felt the last process that was used was a little too lengthy and there are some better processes out there. He would recommend putting it on the LMC website for 2-3 weeks and look at increasing the wage range. He would suggest the top of the scale exceed 6 digits as that would attract better candidates. He would also recommend an open house for the members of the public to attend and provide comments. If the Council follows these guidelines he feels the position could be filled in 30-60 days. The job description was discussed and Ambuehl offered to draft one up and bring it back to the Council for approval. Ambuehl pointed out that the current scale tops out at \$99,207.78 and would suggest changing it to the \$105,000 range. Peterson suggested advertising it as \$80,000 to \$105,000 a year plus benefits based on experience. This would not include the benefit package, it is just salary. Peterson made a motion to have Ambuehl draw up the ad for the Council to approve and in that ad the salary range starting at \$70,000 up to \$105,000.00 per year. J. Schons seconded the motion. All voted in favor.

Timelines of posting and interviewing were discussed. Ambuehl suggested posting it by July 31st thru August 21st, narrow down the applicants by August 22nd, hold an open house and interview on August 23rd and appoint by August 26th. It should state that these are anticipated dates so if they don't have the candidate base they could push the dates out. The Council agreed to move forward with this plan.

Putting an interim in place was discussed. Mayor Dimmers stated that Ambuehl has agreed to help on a part-time basis until a new City Administrator is in place. Ambuehl indicated that he will help out in any manner that the Council requests of him but it will need to be limited to 20 hours a week and cannot go beyond January 1, 2020. St. Joseph's exact words to the Tracy Council were that Cities work together and they want to help out in any way they can. Mayor Dimmer stated that it would also be a good idea to have someone in place to help Ambuehl as his position is part time. Peterson suggested appointing a full time interim and Ambuehl part time to help support him. Ambuehl agreed with that as he will be able to push suggestions etc. to the interim by using the City's laptop computer if the Council agrees to that. Skyping him into the meetings etc. was discussed to save the City driving time compensation. Mayor Dimmers questioned Daniels if he would be willing to accept the interim position and if it would work for his schedule. Daniels indicated that based on the timeline set forth it works fine for him. Motion was made by Peterson, seconded by Tiegs to approve the appointment of Daniels as Interim City Administrator. All voted in favor.

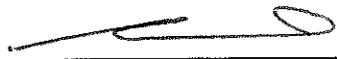
Ambuehl stated that for liability reasons he would have to continue as an employee of the City in some facet and they could go into closed session to discuss that. He cannot do it as a direct consultant and have the liability coverage for the City. Motion was made by Peterson, seconded by J. Schons to appoint Ambuehl as the assistant to the Interim City Administrator for the time necessary until the completion of the transition of hire, on the City payroll and not to exceed 20 hours a week and not to go beyond January 1, 2020. All voted in favor.

The hand off of duties were discussed and indicated that it does not need to be addressed with the motions made above.

It was indicated that they cannot go into closed session to discuss salaries as it was not on the agenda. Discussion took place regarding Ambuehl attending the August 12th Council meeting to hold a closed session to discuss salary. Ambuehl stated that he is willing to work for the same wage as he currently is less the benefits. Daniels stated that he is also willing to do it for the same amount that he did it previously as Ambuehl will be assisting. Motion was made by Peterson, seconded by Tiegs to approve Daniels at an additional \$2,000 per month until such time that a new administrator is hired and Ambuehl at his current wage less the benefits. Both to be effective August 10, 2019. All voted in favor.

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

ATTEST:



City Administrator



Mayor

August 12, 2019

834

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 12, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator, Jeff Carpenter-EDA Director and Diane Campbell-Deputy Clerk/Administrative Assistant.

Pledge of Allegiance was given to the flag.

An invocation was given.

Mayor Dimmers asked for the approval of the July 22, 2019, July 24, 2019 and July 30, 2019 minutes. Motion was made by Tiegs, seconded by J. Schons to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Daniels stated that he would like to remove 12F-Resolution 2019-51-Approve work change order #11-2017 Phase 1 Infrastructure Improvements and 12H-Resolution 2019-53-Payment to Duininck, Inc for work completed on 2017 Phase 1 Infrastructure Improvement #11. Motion was made by J. Schons, seconded by Peterson to approve the agenda as amended. All voted in favor.

Mayor Dimmers asked if the Council members had any conflicts of interest that they would like to identify. None were indicated. Mayor Dimmers stated that 11E applies directly to Peterson and would like him to recuse. Peterson questioned why they would want him to recuse when they are talking about him. Mayor Dimmers stated that he cannot sit in self judgement. Peterson stated that apparently he is conflicted so.... Mayor Dimmers stated that it would not omit him from defending himself as a citizen, it just would recuse him from motions or....Peterson stated that he has no intentions to act on it either way. Mayor Dimmers questioned if he can take that as a recusal? Peterson stated I guess, yeah.

Rosemary Martin addressed the Council during the public comment portion. There was a handout given that she would like add to 11E. The statement read as follows:

Councilman Peterson acted of his own volition by using information provided to the EDA board by Jamie Mattson for the purpose of obtaining an EDA loan for the Asian Market Building. Councilman Peterson made a sworn oath to follow the city code when he took office in January of 2017. City Code 2.10 subdivision 2 specifically states: Councilperson's duties shall be performed, without exception, by the Council as a whole. Councilman Peterson is held to that standard at all levels of city government. Councilman Peterson used the information provided to the EDA board by Jamie Mattson for the sole purpose of obtaining an EDA loan without the board's knowledge also violating the Fair Credit Reporting Act by distributing that same information to another EDA board member. I am requesting that this also be included in Agenda item 11E or addressed at a future time.

Chris Larson with I&S addressed the Council with an update on various phases of the infrastructure improvement projects. Change orders were explained and indicated that they are very minor. On Phase 1 there is an amendment to the Owner-Engineer Agreement which covers some of the additional services that they were involved with. This has already been reviewed and concurred upon by Rural Development and comes to \$22,328.50. The amendment for Phase II and change order due to additional top soil was explained and is in the amount of \$80,482.80 and is change order #6. He indicated that there is also an Owner-Engineer Agreement for Phase II as the project took an additional year and also resulted in some additional services. This is in the amount of \$80,217.00. Change order #1 for Phase 3A would be due to switching sidewalk from the South side of the road to the North side. The status of the ponds and various projects were discussed.

Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-50-Approving Work Change Order #1 on Phase 3A Infrastructure. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-52-Approving Work Change Order #6 on Phase 2 of Proposed Stabilization Pond System. All voted in favor.

Tracy Phases 1 & 2 Infrastructure Loan Closure was discussed. Daniels stated that they have closed on the loan and that loan would pay the interim bonds 2016C and 2017A. That would be the permanent loan for the infrastructure for Phase 1 and Phase 11. The need for a resolution was discussed and was decided to table it until later on in the meeting with hopes of getting a response regarding this from Ambuehl. Larson indicated that the soft closing will be on September 9th and the actual closing date will be September 13th.

Box Car Days license request for On-sale Liquor License for the Softball Fields and the Beer Tent was presented. Motion was made by Peterson, seconded by J. Schons to approve the license requests. All voted in favor.

Box Car Days licenses for a Dance Permit and Carnival License were presented. J. Schons questioned the electricity use bill from last year and it was indicated that it would be a Chamber bill. Motion was made by J. Schons, seconded by Peterson to approve the above. All voted in favor.

Box Car Days request for street closure, Admission of Carnival, use of parking lot and use of vehicles for parade was presented. Motion was made by Peterson, seconded by Tiegs to approve the above. All voted in favor.

The LYFT Pathways Grant Program was discussed. Daniels stated that there was a request to partition the office off to keep their stuff separate from the area needed for the flight simulator. M&O grants will not cover this because it is not a public area so it would have to be 100% City funded. Dave Algyer addressed the Council. He explained how he felt the division could be put in place. Discussion took place on how it could be handled. Airport sales and budgeting was discussed. Information to securing the space and what would be stored there was expressed as well as the proposed price of \$5,000 to accomplish it. The benefits of approving it were addressed as well as the need to do it. Daniels stated that it likely will not be done until December as the contractors in the area are unavailable and the PW Employees are too busy. Drafting an agreement and having it approved by the Council was discussed. Daniels stated that the request should come from LYFT to have this done. Motion was made by Peterson, seconded by Tiegs to remodel the room as necessary not to exceed \$5,000.00 and to draw up the appropriate resolution. Carpenter is to check with the school to see if that could be a project for them. Mayor Dimmers stated that if LYFT comes up with an agreement they will have Gross review it. All voted in favor.

A Plumbers License from JD Plumbing & Heating was presented. Motion was made by Peterson, seconded by Tiegs to approve the license providing the paperwork and fees are taken care of. All voted in favor.

The City of Tracy official e-mail addresses were discussed. Daniels stated that the Data Practices Law is what is driving this. The purpose of this is to activate City e-mail addresses for all of the councilmembers. Motion was made by Peterson, seconded by Tiegs to approve the new e-mail addresses for the Councilmembers. All voted in favor.

Mark Seager's resignation from the EDA Board was presented and a request to advertise for the two available seats. Peterson questioned if he was just resigning from his co-chair position or from the Board all together. Carpenter indicated that it was from the Board all together. Motion was made by J. Schons, seconded by Peterson to accept the resignation and to advertise for the two openings. All voted in favor.

Daniels discussed the city vehicles with the Council. He indicated that he would like to move some of the vehicles around that are currently being used. The 1999 Ford Explorer is in pretty tough shape and would like to put it on a future auction and move the 2004 van to be used as the

airport loaner. Move the 2013 Ford Taurus over to be used as the office vehicle being as it is newer and more reliable and then take the 1114 grass rig and put it into the fleet to replace the 1979 flatbed which will go to auction. Where the funds would go was discussed. Motion was made by Tiegs, seconded by Peterson to go with Daniels plan for moving the vehicles around. All voted in favor.

A Gambling Permit for the Tracy Fireman's Relief Association was presented. Dale Johnson III, Fire Chief addressed the Council regarding the sale of pull tabs as it could generate a decent amount of revenues. This would be run by the Relief Assn but would like the City of Tracy's blessing to do it. Motion was made by Peterson, seconded by Tiegs to allow the gambling permit for the Relief Association raffle. All voted in favor.

Hazardous Properties located at 220 and 236 3rd Street (old Super Value Building-currently Flooring Concepts) was discussed. Daniels indicated that there appears to be mold or moss growth on the floor of the building and the smell is seeping into the neighboring building which is what the complaint is. He also indicated that there is a fairly big hole in the roof as well as graffiti on the outside of the building. It was indicated that both addresses are the same building. Various pictures were display. This process would give the owners 30 day to correct the issue and if there is no reply or compliance there is a judgement placed with the Judge deciding what can be done to it. Dr. Heezan and Nicole Larson, who both own businesses next to it, addressed the Council and explained the health issues they are experiencing as a result of the mold in the building. Heezen also explained that there is now a rodent issue. Expediting the process was discussed. Larson stated that Dr. Heezan has contacted the owners several times to address the issue with no results. J. Schons suggested contacting the Department of Health to see if there is anything that they could do to speed up the process. Motion was made by Peterson, seconded by J. Schons to approve Resolution 2019-47-Order razing or repair of Hazardous Building at 220 and 236 3rd Street. All voted in favor.

Hazardous Property at 157 3rd Street (old Enderson building) was discussed. Daniels indicated that the Council will need to decide what they would like to do with the building. He would recommend razing the building as the repairs would far outweigh the value. Fire Chief Johnson stated that the cost to repair it would not be worth it. Daniels informed that they could go the judgement route which would require the owner to pay for the razing. Motion was made by J. Schons, seconded by Thao that they move ahead with demolishing the property at 157 3rd St and proceeding with the judgement for the cost of it. Daniels stated that he will reach out for bids. All voted in favor.

Jim Keul, President of the TDC Corp addressed the Council regarding a TDC land offer. The purpose, mission and details of the group were expressed as well as what they are trying to accomplish for the City of Tracy. They would like to offer a proposal to the City to purchase a piece of property that would benefit of all the parties. Dale Johnson III stated that what they are proposing is with the purchase of the old Red Rooster that the City would purchase the 14' chunk of land that would be used to access to the back of the City property. The easement holder can cancel the easement so if that property were to be sold and the easement goes along with the sale, the City is really jeopardizing to ability to having access. It would be squared off all the way back to the field if the City were to buy it. This would allow TDC to resurvey a section for the construction company and give the City full access to everything. The Council would decide if it would be a street or alley and would give the City complete access and control over what happens to it. They are proposing \$5,000 for the land and splitting the cost of surveying and closing costs. A timeline of when it should be completed was discussed. Johnson stated that if the Council approves the purchase they could wait until January for the check for budgeting purposes if need be. Motion was made by Peterson, seconded by J. Schons to accept the offer of \$5,000 and split the costs of the surveying and closing and reserving to close at a later date. All voted in favor.

Daniels presented the Airport farm lease with Greg & Dan Lanoue as it is up for renewal. Changes to the lease were explained. Motion was made by Peterson, seconded by J. Schons to approve the farm lease with the Lanoue family. All voted in favor.

Setting a public hearing for allegations of misconduct of EDA board member Anthony Peterson was discussed. Daniels stated that it is up for vote as to whether they would like to move forward with a public hearing or not. Peterson asked that the Council look at the double asterisk paragraph on the second page. J. Schons stated that as of right now they have not heard Peterson's side of it and in order for that to happen they would have to go to a hearing. Peterson stated – not necessarily. All you have to do is ask me. J. Schons stated – and then you can decide if it is something that you would like to talk in public about? Peterson stated yes – he would like it all out in the public. Mayor Dimmers stated that the decision tonight is to decide if they should move forward with a hearing and if it is substantiated or not. The public hearing would require that Peterson receive all the evidence against him at a minimum of 10 days prior to the hearing as well as the public be given notice and have an opportunity to speak. It will also provide Peterson an opportunity to present his side of it. Peterson stated that it is a matter of public record if you ask me any questions tonight that you want to ask me. And if you are going to go back to saying that you want to do a hearing like you did for Mr. Salmon, no one from the public was able to stand up and talk to Mr. Salmon or ask him questions, so why would mine be any different than his? I am tight and find this another huge waste of money for the City Attorney and another hearing is a huge waste of money for the taxpayers. If you truly think and seriously want to know why I did it and why I used the justification ask me and I will be bluntly honest with you. Mayor Dimmers pointed out that would be the purpose of the hearing and is pursuant with MN Statute. Peterson stated – and I will tell you again it is the same thing that Kris told you before the hearing – it is your Council, you decide what you want. Don't put it in the hands of the lawyers. I will go a step further – what I tried to say while you guys were deliberating on the night of the 24th was quite simply this - I have been doing this a little longer than you guys have and I went to training a lot earlier than you guys have. When I went to training there was no-you can't talk to council members, it was just you just can't have a quorum and you can't make decisions, there was no this being afraid to talk to somebody. You have to understand that the League of MN Cities provides our Liability Insurance, and they are a bunch of attorneys, and they will advise you to error on the side of caution and not put yourself at any risk or expose yourself. I operate on the assumption that what I do I do with the best interest of the City based on my judgement and my experience. I don't know if I have to be narrowed down to those rules of declaring a conflict when it is blatantly obvious what one is and declare a conflict when one doesn't really exist. I will use J. Schons example with issues with Sanford. The only issue that we have with Sanford is that we are the keeper of their million dollar pot. It is their money and doesn't make any difference if you are an employee of them or not. We have already given them the money; we just haven't given it to them all at once. That deal was struck long before J. Schons came on the Council. If I was sitting in J. Schons shoes I would say that I have no conflict. It is not going to affect my pay check and Tieg's is the same thing. You do what you want based on your conscious but as someone who has worked for wages and commission do you really think that you are going to make any more money at this liquor store where you have to declare a conflict of interest? Tieg's indicated – nope. Peterson continued - we are all adults here, we need to stop this pettiness and talk to each other – NO ONE reached out and talked to me. No one. An e-mail isn't talking to me, telephones are talking to me. An e-mail was sent out after I made allegations against Fultz on the EDA Board to say, well what's your side of this? Where was my e-mail sent out? Where was my and Salmon's chance to answer all of this stuff before it escalated to this point. So ya, I will answer anything you want right now. You can ask me anything – you may not like the answer – but you can ask me anything. J. Schons stated that she is not afraid of not liking the answer, I am more afraid of you not liking the question that I might ask. Peterson stated – I am not afraid of that either, trust me. I have had people come in for the last two weeks asking me questions. Mayor Dimmers stated that our question right now is proper procedure and by not following proper procedure we will leave ourselves open. J. Schons stated that she wrestles with this whole thing. These hearings....Mayor Dimmers stated that the bottom line is that they protect the Council and Peterson. J. Schons stated that the thing that she is struggling with is that they set precedence because of the hearing with Salmon and is afraid if they treat Peterson's any differently that we will get bit in the butt with that one. The number one violation with the Fair Credit Reporting Act, I would never bring it forward because that it was not substantiated with Salmon so it would not be substantiated with Peterson. The other two violations – when she looks back at what was used to decide on Salmon....Mayor Dimmers pointed out that this is not the hearing so when you state that if we don't do it the same way as we did for Salmon – we followed procedure and statute for Salmon, why would we do it any differently for Peterson? Tieg's questioned if it was

substantiated anywhere along the line? Because it all stems from the Fair Credit Reporting Act and we said that it wasn't violated. If the Fair Credit isn't violated then the other two don't fall into line. Peterson stated that he wished he had a copy of the code in front of him because it says that investigating is a Council responsibility and what I did was investigating....Mayor Dimmers stated that they are getting into the merits of the case that would be heard at the hearing. The question before us is do we schedule a hearing to hear all testimony and see all evidence or do we not? This is not the time to argue the merits of the case. Motion was made by Tiegs to not proceed with any investigation for misconduct. Motion failed for lack of second. Motion was made by Dimmers, seconded by J. Schons to set a date for a hearing to hear all evidence and testimony in this matter. Voting in favor: J. Schons, Thao and Mayor Dimmers. Voting against: Tiegs. The meeting was set for August 28, 2019 at 6:30 pm in the Council Chambers.

Resolution 2019-46-Censure and Suspension of Councilmember Anthony Peterson was presented. This was for Jeff Salmons hearing held on July 24, 2019. Motion was made by J. Schons, seconded by Thao to approve Resolution 2019-46. Voting in favor: J. Schons, Thao and Mayor Dimmers. Voting against: Tiegs. Abstaining: Peterson.

Resolution 2019-48-Accepting Kris Ambuehl's resignation and appointing Shane Daniels Interim Administrator was presented. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-48. All voted in favor.

Resolution 2019-49-Removing Jeff Salmon from the EDA Board of Tracy, MN was presented. Motion was made by J. Schons, seconded by Thao to approve Resolution 2019-49. Voting in favor: J. Schons, Thao and Mayor Dimmers. Voting against: Tiegs. Abstaining: Peterson

J. Schons expressed that through all of this everything was totally based on facts and the people were taken out of it. She would like the community to start focusing on the positives and moving forward – please don't splash negatives on social media, come to the meeting and talk to them or run for office to be part of the solution.

Resolution 2019-51 and Resolution 2019-53 have been tabled.

Daniels explained that 10A-Tracy Phases 1 & 2 Infrastructure Loan Closure is part of Resolutions 2019-54 and 2019-55. They will be closing the temporary bonds on 10A that was skipped earlier in the meeting and will become the 2019C and 2019D bonds. The two bonds in Resolution 2019-54 and 2019-55 are the 40 year bonds for the Wastewater Project for after the grant money is exhausted.

Resolution 2019-54-Tracy RD Water Sewer Store 19C Bond was presented. Motion was made by Peterson, seconded by Thao to approve Resolution 2019-54. All voted in favor.

Resolution 2019-55-Tracy RD Sewer 19D Bond was presented. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-55. All voted in favor.

The Consent Calendar consisted of Municipal Accounts Payable, Planning Commission minutes from 7/1/2019, Library Board minutes from 6/6/2019 and Airport minutes from 4/18/2019. Motion was made by Peterson, seconded by Thao to approve accounts payable without Breakthru Beverage and Sanford Health and the various minutes presented. All voted in favor. Motion was made by Peterson, seconded by Thao to approve Breakthru Beverage accounts payable. Voting in favor: Peterson, Thao, J. Schons and Mayor Dimmers. Abstaining: Tiegs. Motion was made by Peterson, seconded by Tiegs to approve Sanford Health accounts payable. Voting in favor: Peterson, Tiegs, Thao and Mayor Dimmers. Abstaining: J. Schons.

Peterson addressed the Council during the Mayor & Council Communications. He stated that Mayor Dimmers had an article in last week's Headlight Herald and would like to know if he still agrees with some quotes that he made. The first quote read it is just a matter of holding folks accountable for their actions – do you agree with that? Mayor Dimmers indicated yes. The second one was that we have a responsibility to people in town; we have a responsibility to follow and enforce statutes and city codes, and if we don't enforce them there isn't really any point in having them. Do you agree with that? Mayor Dimmers stated that he does. Peterson

stated that a lot of the complaints, a lot of the allegations that were made against Mr. Salmon and myself centered around the code of conduct which follows back to some of the City Codes, 2.3 and 2.4, I spelt it all out in the complaint that I made. The big ones that I took out of there – treat people with respect, respect ideas and opinions, treat one another with dignity and respect both during meetings as well as outside of meetings, be patient and listening to others when they speak and not to interrupt, don't make threats or rude comments, be open to feedback, make decisions based on what is best for the City and not to take advantage of your position on a committee in anyway, declare any conflicts as they arise and represent the City in a professional manner. I don't know if the three new members of the Council, if you are aware of it being out there that it came from Resolution 2017-90 and that has been used extensively, and you agree that is a good policy to operate under and to live by? J. Schons stated that is what we have so we have to live by it. Peterson stated that his question is, using this as a form of conduct, is it in good conduct and good faith of this agreement for a department head and a Board Chairman to sit and down grade and degenerate a City Councilmember during a council meeting? Tiegs stated probably not. J. Schons stated that she agrees with that. Peterson stated that it happens on a regular basis. Is it permissible behavior for a board chairman and a Councilmember to be discussing recall of a City Councilmember at a local bar in earshot of people? Mayor Dimmers stated – I know what you are getting at here...Tiegs stated no....Peterson stated that he is not done yet. Let's go back to the interrupting thing. Is it permissible or good conduct to have a board chairman file a lawsuit, not once but twice against a City Councilmember? Tiegs stated – nope. Mayor Dimmers stated.....Peterson stated I am not finished yet. ... Mayor Dimmers pointed out that he asked a question and I am trying to answer your question Mr. Councilmember. Peterson stated that I have already got the majority of the answers so...Mayor Dimmers stated – so my opinion doesn't count now? Peterson stated that he didn't say that. J. Schons stated that if Mayor Dimmers is going to answer to that specific one that she thinks he should answer to that. Mayor Dimmers stated that the things Peterson is talking about, on the surface, I would agree in general terms, but there are specifics that apply to each one of these situations that you are talking about that you are not bringing to light or discussing so you are asking in general if it is appropriate without knowing specifics of the instance. On the surface of it, no. Peterson stated, ok that is your opinion, I respect that. Mayor Dimmers thanked him for his time. Peterson stated – so now it is a memory question cuz I sat here and told you with conflicts of interest, hearings and everything else that you were going to open a can of worms that you didn't want dumped all over the public. Do you now understand what I am talking about? J. Schons stated that she understands what he is talking about but you know what, we are not the ones that totally opened that can of worms, there have been two sides to this. (Tony interrupted but couldn't hear what he was saying). J. Schons stated that their option was to hold a public hearing or not and the other option was for the person that the allegations were against to resign. To admit wrong doing. There was not that agreement so they were forced to go that route. Was it the route that I wanted to go Tony? I am here to tell you right now, absolutely not. The last thing that I wanted was the Tracy City Council meeting to become the most popular watched show on the second and fourth Monday or on the front page of the papers. It is two handed here; it is not just us Tony. There is the other hand that had opportunity and options and they chose the road that they wanted to go down so the Council chose the road that they had to go down. Peterson stated that he sees where they are coming from, I don't agree with it, but I see where your point of view is. I feel that this whole situation could have been avoided had someone reached out and actually got face to face with Mr. Salmon when this first started and got it hammered out privately, without making threatening phone calls, without smearing it across the paper, with ok I will call you back and not calling back. This was not handled in a proper way whatsoever. To call someone in and have him sign because the initial complaint looked to me like someone coached the individual as to what to write.... So what I am getting at is my intent, and I want to let everyone on the Council know is I will write a letter to the editor explaining my position so the Council has time to gather your facts and read what I have to say as to what happened and why things happened and how they got out of control. I am not going to do it without letting you know first. I am not going to go make an article in the paper using my position to quote somebody as having a cloud over their head as a member of a board was quoted in the paper. I am asking the Council, if this is good for one person, why isn't it good for everybody? Why are we allowing this to continue? And it happened again tonight. As a citizen they have that right, as a board chairman I don't think that they should be doing that. I will have it drafted, I promise I won't take as many columns as you used for the Mayor's unless you as a Council decide that you don't want me to do that. I think that this needs to get out to the public

as soon as possible. The only way to get past it is to just face it and be done with it. I waived my ten days but you are stuck on procedure so... J. Schons stated that she does not feel that they can tell him not to write it, that is your right to write a letter to the editor. I just want this to stop and I want you to think long and hard about if it is stopping it when you personally file an allegation against another member that is just going down a slippery slope. Tony, right or wrong you are pushing stuff down the slope to by bringing forward an allegation. Peterson stated – yes I am. But if it is good enough for one person to go thru then I think all that had a hand in this to suffer the same thing. That’s the difference, that is my mind set, my military mind says if it applies to this person and we can chastise him than anybody else in that pool who committed similar behavior need to go thru the same thing. That’s why I am not fighting this – I would have been happy to answer your questions tonight and suffered whatever fate you put on me. I don’t need all the fufarah but I expect, because I filed a formal complaint with references etc, I want that individual to.... J. Schons stated that it will because it has been filed as a formal complaint, what I am saying is, like you said it could have been handled totally different at the beginning so let’s not continue down this. If you think it was handled incorrectly at the very beginning, let’s not continue down this same negative path. Let’s do some better education for all of the members on these boards and committees and start with a clean slate because we want people to agree to be on these committees. Peterson stated that he agrees. J. Schons stated that they should get better training, look at the codes of conduct and get everything cleaned up and start with a clean slate so that people can feel confident to say yes to being on the boards and commissions. Peterson stated that he appreciates her response.

Per Peterson with the Tracy Headlight Herald addressed the Council and stated that they have referenced the Headlight Herald a number of times, which is fine, but would like it on the record that he approached the Mayor for the story – he did not come to me. I don’t want to give the impression that he came to me – it was me that came to him.

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

ATTEST:



 City Administrator



 Mayor

August 26, 2019

841

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, August 26, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator, Jeff Carpenter-EDA Director and Diane Campbell-Deputy Clerk/Administrative Assistant.

Pledge of Allegiance was given to the flag.

An invocation was given.

Mayor Dimmers asked for the approval of the August 12, 2019 and August 20, 2019 minutes. Motion was made by Tiegs, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Daniels indicated that 11A-RD Financial Paper Work would need to be added to the Agenda. Motion was made by Peterson, seconded by Tiegs to approve the agenda as amended. All voted in favor.

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

Homer Dobson addressed the Council during the public comment section. He voiced his concerns regarding what is going on in the Community. He indicated that his town is very important to him and it is hurtful to hear other people comment that they are glad that they do not live in Tracy. He indicated that they are saying this about Mayor Dimmers, J. Schons and Peterson town as well as his town and he does not like it. There needs to be some bridge building. He gave several more examples of what is being said and done that don't portray Tracy in a good light. The city needs to live in peace as a community without a smear campaign. He stated that he loves Tracy and the people in it and wants the best for the City.

Jamie Mattson addressed the Council. He stated that he loves Tracy and that it feels like home to him. He indicated that Tracy offers an opportunity for him, his family and his employees. He has been drug thru the mud and two individuals have convicted him and put him on trial and it really hurts. He is not a bad guy, he is a family man who loves God and does things pretty darn good. He would like all of this to end and the two people to be held accountable. He apologized to everyone in the City of Tracy for his part in this and would like to just move on.

Mayor Dimmers opened the Public Hearing concerning a variance request from Jody Anderson. Daniels explained that the request is to allow her to keep the garage on an adjacent lot intact. She will be doing some repairs to it to make it eye pleasing and stable. The current dwelling on the lot will be taken down and she would like to keep the parcels separated. Rosemary Martin, Chairman of the Planning Commission indicated that the Commission is recommending the Council move forward with it along with several provisions. Campbell indicated that the provisions included a five year variance to either build or sell on the property and the ability to request an extension at the end of five years. According to the previously passed Resolution regarding special assessments she has 180 days from the time of the Recording of the purchase of the property to raze the building and the 180 day started June 24, 2019. Martin stated that there are ordinances in place for a reason so the Commission felt that there should be a limitation on it. Campbell also indicated that they are recommending an August 1, 2020 deadline to have the repairs to the garage completed. She also stated that this lot is a buildable lot where most of the others that have been approved were not. Anderson stated that her understanding to have the house razed was one year from the purchase date. Peterson stated that the 180 days was to have the assessments waived. If it is not razed within 180 the assessments would be reassessed. Mayor Dimmers closed the public hearing. Motion was made by Peterson, seconded by Thao to authorize the variance with the mentioned stipulations. All voted in favor.

John Coulter addressed the Council. He stated that he loves Tracy and will not be leaving Tracy. He does not know much about what is going on but it seems that the City has been in turmoil for a long time. He stated that he does not feel that this should have been drug out into the public and should have been handled in private. This is a great place with great people and this needs to end.

Tom Morin addressed the Council. He stated that Peterson and Tiegs got on the EDA Board thru appointment by the Mayor so the Mayor has the ability to remove them. Mayor Dimmers stated that is not correct. Morin indicated that there seems to be an undercurrent over the last couple of years to remove Peterson from office; however it is obvious that the members of the community want him on the Council. His suggested that if you don't like Peterson run against him at the next election. He would like to see all of this end.

Chris Larson with I&S addressed the Council. He gave an update on Owner-Engineer Agreements 1 & 2, work Change order #11 and payment to Duininck Inc.

Motion was made by Tiegs, seconded by J. Schons to approve Resolution 2019-56-approving owner-engineer agreement amendment #1. All voted in favor.

Motion was made by Peterson, seconded by Thao to approve Resolution 2019-57-Approving Phase 2 owner-engineer agreement amendment #2. All voted in favor.

Motion was made by Tiegs, seconded by Peterson to approve Resolution 2019-58-Approving work change order #11 for 2017 Phase 1 Infrastructure Improvement. All voted in favor.

Motion was made by Peterson, seconded by Thao to approve Resolution 2019-59-Approving payment to Duininck Inc for work completed on 2017 Phase 1 Infrastructure Improvement. All voted in favor.

Jeff Carpenter addressed the Council with his Department Head report. He indicated that there are a lot of people that want to start the process with the Small Cities Grant. Various real estate projects were discussed.

Tam Schons, Liquor Store Manager addressed the Council with her Department Head Report. The growth and financials of the Liquor Store were discussed.

Val Quist, Librarian addressed the Council with her Department Head Report. She indicated that the basement remodel is looking good and would like to have an open house when it is complete. Various events coming up were explained.

Jason Lichty, Chief of Police addressed the Council with his Department Head Report. He advised that he received a grant for a medication drop off box and it is now permanently mounted to the floor. He also stated that Peter Vue has been hired as a part time officer.

The Mutual Aid agreement was presented. Motion was made by Peterson, seconded by J. Schons to approve the Law Enforcement Mutual Aid Agreement. All voted in favor.

Daniels addressed the Council with his Department Head Report. The various projects that they have been working on were explained. He advised that he has started to work on the budget and would like to set up a date for a budget session.

Jim Accurso with the 2020 Census addressed the Council. He presented a slideshow explaining the process and what will be needed from the City. He would like the Council to consider appointing a liaison to form the committee and they will provide the training for them. Tracy will need 4 or 5 members on the committee based on size and population. Accurso is to meet with the board again in September.

An EDA Board application from Daren Pedersen was presented. Carpenter indicated that Pederson is raising a young family right here in town, he is part of the fire department and the ambulance crew and he would like to become more involved in the City of Tracy. Carptenter is

recommending that the Council appoint Pedersen to the EDA Board. This would be to fill Mark Seagers seat which goes until 2023. Mayor Dimmers appointed Pedersen to the EDA Board. Motion was made by Peterson, seconded by Tiegs to approve the appointment of Pedersen to the EDA Board to complete Seager's term. All voted in favor.

Mayor Dimmers discussed the RD Financial paper work. He stated that he works out of the RD Office in Marshall. Even though he has nothing to do with their products or services he and Jeff VanBuren feel it is best that he does not sign the paperwork for RD just to make sure that there is not even the appearance of a conflict of interest. Mayor Dimmers is requesting it to go on record that either the pro-tem or City Administrator sign the documents. Motion was made by Peterson, seconded by Thao that the City Administrator sign all of the paperwork for the RD funds after the Council has been briefed on what he is signing. All voted in favor.

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

Hazardous properties at 220 and 236 3rd Street were discussed. Daniels stated that he had contacted the Department of Health and they indicated that their process is similar to the one that the Council put in place at their last Council meeting. If there were a separation between the two buildings there would not be much they could do but being it is a shared wall they could.

The TDC Land offer was discussed and pushing off the closing of it due to the budget. Daniels indicated that in looking over the budget based on the current expenditures they would be able to do it now. He suggested that it would come out of the Water Utility budget as there are funds there. Motion was made by Peterson, seconded by J. Schons to purchase the land from TDC adjacent to Public Works building for \$5,000.00 and split the survey cost and pay for it now. All voted in favor.

The LYFT Grant Program was discussed. Carpenter stated that he reached out to LYFT as to the liability of the equipment to be stored and they indicated that they currently do not have a liability policy but will now be looking into one. Chad Anderson is fine with Algyer having a key to the simulator and Anderson will work that out with Algyer. Carpenter informed that the Industrial Arts class would not be able to do the carpenter work until next spring. Doing the separation of the room and different options was discussed. Daniels stated that FAA suggested installing a camera security system being it is in such a remote area which could be done in lieu of the construction. This could be networked to Daniels so it could be monitored remotely. Motion was made by Tiegs, seconded by J. Schons to secure the door and obtain a video surveillance system to cost no more than \$1,000.00. All voted in favor.

An update on the Administrator hiring process was given. Daniels stated that the last ad closed on August 21, 2019 and wanted direction from the Council if they wanted to run with what they have or if they wanted to extend the deadline. The Council instructed Daniels to advertise again thru September 13th, possibly hold an open house on September 27, 2019 from 4-6 and do interviews on the 27th at 6:15. Daniels questioned if the Council wanted to set up an interview committee? Peterson suggested that the whole council look at the applicants and rate them all and bring the top candidates in for an interview. The full Council was in agreement with dates, times and procedures.

Mayor Dimmers read a letter from the League of MN Cities regarding a letter of distinction for Bill Weber.

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

ATTEST:



City Administrator



Mayor

September 9, 2019

845

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 9, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons and Dave Tiegs. Member absent: Kou Thao. Also present were Shane Daniels-Public Works Director/Interim Administrator, Jeff Carpenter-EDA Director and Diane Campbell-Deputy Clerk/Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Dimmers asked for the approval of the August 26, 2019 and August 28, 2019 minutes. Motion was made by Peterson, seconded by Tiegs to approve the minutes as written. All voted in favor.

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

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

Todd Hagen with Ehlers & Associates addressed the Council regarding the Pre-sale Report. This involves refinancing of some bonds that are outstanding and swapping a bond for a lower interest rate. The bond in question is the 2009A bond and he would like to get it down to 2% - 2.5%. This would equate to a saving of \$13,000 to \$14,000 over the remaining 5 years. Markets are closed on Columbus Day but the committee could still meet and approve the Resolution. The Council can set the parameters and what interest rate they would want before moving forward. If approved it would go to a 2019E bond. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-61-Pre-sale-2019E. All voted in favor.

Motion was made by Peterson, seconded by Tiegs to close the meeting after the regular meeting to discuss AFSME & LELS negotiations. All voted in favor.

A request from St. Mary's for an additional bus loading sign was presented. Daniels stated that there is an existing one but the public still parks there so they are requesting to put another sign at the beginning which will match the other sign that is there. The Planning Commission is recommending approval with St. Mary's paying for the sign. Motion was made by Tiegs, seconded by Peterson to approve the request. Cost of the sign was discussed. All voted in favor.

An Archive Social proposal was discussed. Daniels explained that this would capture comments etc by the public on social media before they could be deleted. It was decided that unless the City starts to utilize social media more there would be no need for it.

Ray Sweetman with West Central Sanitation addressed the Council regarding recycling curbside pickup. He indicated that there is lot of changes coming as a result of the bids coming in higher than the County Commissioners anticipated. The County Commissioners have voted to discontinue curbside service but he is hopeful that they will reverse that decision. He is encouraging the Cities to voice their concerns to the County Commissioners at their next meeting. Different options to save money were discussed as well as what the County is considering. Where drop off site would be located was discussed. Curbside service is currently scheduled to cease on October 1, 2019. Sweetman indicated that Lyon County is still the lowest of similar cities in the area and would only be roughly \$1.56 more a year per customer to keep the curbside service. Motion was made by Peterson, seconded by J. Schons to draft a letter to the County Commissioners to support curbside pickup before the September 17th meeting. Mayor Dimmers suggested that Daniels attend the meeting so they are not lost in the pile of letters. All voted in favor.

Daniels presented a request for a tractor purchase as the current one retired itself last spring. He advised that the salt truck has not been paid for yet and they will be about \$40,000 short from the FEMA money. This is an alley tractor so they will have to have it replace. There will also be a front PTO placed on it and will also assist at the airport. The salt truck is at \$60,000 for the box and the truck and has been built and is ready to go. The fund balance was discussed and again indicated that they will be short by about \$40,000. Todd Hagen stated that the Council could include that in the bond and spread it out over 5 years at 2%. Motion was made by J. Schons, seconded by Tieggs to authorize Daniels to move forward with purchasing the 2019 John Deere 6130M which will replace the 9030 tractor. All voted in favor. The life expectancy was discussed and indicated roughly 20 years as it currently only has 15 hours on it.

A request to change the Central Business District to include day care was discussed. The Planning Commission is suggesting that Ordinance #89 be changed to include Licensed Day Care/Preschool in the list of items that the CBD Zoning can be used for. This would need to comply with subd 2 #14 of the City Code. The various concerns were discussed and indicated that there is the appropriate amount of green space available that the potential buyer would need for this. J. Schons stated that there is a Kids World which is not full. She advised that she is on the Kids World Board and would have to abstain from voting on this issue. She stated that she believes competition is good but when it comes to day care and reimbursements and the challenges there, I would hate to spread it so thin in the community that neither facility can make it. Peterson questioned if the DAC is operating under a conditional use permit? Would that be better to go that route? He suggested reviewing the entire ordinance to ensure nothing else needs to be changed if they are going to go to the expense of changing this. Pros and cons of doing a conditional use permit versus changing the ordinance was discussed. Mayor Dimmers stated that it is not listed as conditional use permit use in B-2 so it would have to be added in one way or another. Motion was made by Peterson, seconded by Mayor Dimmers to send it back to the Planning Commission for further review. All voted in favor.

A 3.2 Malt Liquor and setup license from Tracy Lanes (Jeff & Jeanne Knott) was presented. Motion was made by Peterson, seconded by Tieggs to approve the licenses providing the proper paperwork and licensing fees have been paid. Pro-rating the fees to the end of the year were discussed. Pro-rating the fees was added to the motion. All voted in favor.

Resolution 2019-60-Allowing part time police officers for the City of Tracy to be accepted as members of the Public Employees Police and Fire Plan for Peter Vue was presented. Motion was made by J. Schons, seconded by Peterson to approve Resolution 2019-60. All voted in favor.

The consent calendar consisted of the Municipal accounts payable and the Planning minutes from August 5, 2019. Motion was made by Tieggs, seconded by Peterson to approve the accounts payable without Breakthru Beverage or Sanford Health and the Planning minutes. All voted in favor. Motion was made by Peterson, seconded by Peterson to approve Sanford Health accounts payable. Voting in favor: Tieggs, Peterson and Mayor Dimmers. Abstaining: J. Schons. Motion was made by J. Schons, seconded by Peterson to approve the Breakthru Beverage accounts payable. Voting in favor: J. Schons, Peterson and Mayor Dimmers. Abstaining: Tieggs.

Discussion took place to set a Special Council meeting date to go over the 2020 proposed budget. Motion was made by Peterson, seconded by J. Schons to hold the meeting on September 16, 2019 at 5:00 pm. All voted in favor.

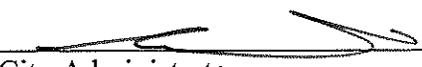
Appointing a census Liaison was discussed. It was suggested to place the position on the city channel and the city Facebook page to see what kind of interest we get.

Peterson thanked Jody Anderson for getting her building taken down.

Daniels thanked the volunteers that helped at the Fly-in breakfast at the airport.

Motion was made by Peterson, seconded by J. Schons to adjourn the regular meeting and go into a closed session. All voted in favor.

ATTEST:



City Administrator



Mayor

SPECIAL COUNCIL MEETING

SEPTEMBER 16, 2019

2020 PROPOSED BUDGET

848

A Special Council meeting of the Tracy City Council was called to order at 5:00 p.m., Monday, September 16, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Jeri Schons, Tony Peterson and Dave Tiegs. Also present were Shane Daniels- Interim City Administrator/PW Director and Diane Campbell- Deputy Clerk/Administrative Assistant. Member absent: Kou Thao.

Pledge of Allegiance was given to the flag.

Mayor Dimmers 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.

The 2020 proposed budget was gone thru and discussed. Daniels indicated that as it sits right now it is at a 8.2% increase with the biggest items being in the Capital Improvement fund for equipment.

Items discussed:

- Training for Council and Board members was discussed.
- Bonding the additional \$40,000 for the Capital Improvement Fund was discussed.
- The Liquor Store Office Supplies went up for a new computer.
- Chief Lichty requested a pay raise as he has not requested a raise in the 8 years that he has been Chief.
- PD account 101-421-201 Office Supplies went up for a new computer
- PD account 101-421-501 Equipment & Improvement went up to cover lighting on new squad car – discussion of putting this in the 800 code.
- FD account 101-424-101 Regular wages – went up do to the increase in firefighters wages that was previously approved
- FD account 101-424-125 Uniform Allowance was discussed at it was at \$0.00
- FD account 101-424-201 Office Supplies dropped because new copier and printer was purchased last year
- FD account 101-424-401 Transfers Out increased based on the Capital Impr Fund
- FD account 101-424-241 Travel Conferences – Stated grants and training explained
- Library account 101-441-101-dollar figure is wrong
- Library account 101-441-222 Maint & Repair-went up due to a tech pointing issue
- LQ Store – Tam Schons requesting a pay raise
- LQ Store account 601-491-241 Travel Conference-questioned if it should be increase as she will be sending employees to training
- LQ Store accounts 601-491-902, 903 and 904-questioned why they went down
- LQ Store account 601-491-251 Publ & Printing-increase advertising for new LQ Store
- LQ Store account 601-491-907 Store Supplies-should be in code 222
- EDA account 303-417-501 Equipment & Impr-expenditures for this would go thru Sandford and the rest would come out of 303-417-401
- EDA account 101-417-321 Other Contractual – no zero because Carpenter is now a City employee
- EDA Orchard Lane 411-417-321 Other Contractual-needs \$12,000.00 to cover mowing and snow removal
- EDA Orchard Lane 411-417-271 Utilities-questioned why it jumped
- EDA account 806-417-241 Travel & Conf-too much budgeted
- EDA account 806-417-251 Printing & Publ-extra signs that needed to be purchased
- EDA account 806-417-331 Misc-discussion as to why the payout is so high for 2019. It included piping, recording fees, back taxes etc.
- EDA account 806-417-501 Equipment & Impr-this included items for the Broadacres project.

- It was indicated that the rewards program should have its own line item.
- Street account 101-431-101 wages was discussed and advertising for a full time position versus two part time position.
- Street account 101-431-401 Transfers Out- would be reduced if they bond the \$40,000.00
- Street account 101-431-103 Temp & Part time wages-the breakouts were disc
- Street account 101-431-104 Stand By Wages-to be looked at as nothing was paid out of there in 2019
- Cemetery account 203-461-321 Other Contractual – discussion as to why it doubled. It was transfer in from this year as it was not used for next year.
- Cemetery account 203-461-461 Wages – there wasn't anything taken out of there in 2019 because the breakout was not correct. It will be changed for 2020
- Airport fund is self-sufficient for next year
- The unallocated fund was discussed and explained that this is a non-departmental fund
- Admin account 101-413-321 Other Contractuals is where the legal fees come out of but is budgeted for 2020 under 101-416-32. Having money in Admin Other Contractuals is to be look at
- Admin account 101-413-291 Subs, Memberships-it was indicated that it was not set right for 2019
- Election fund was discussed as there is a presidential election in 2020. This is to be looked into

The following changes were suggested:

101-411-201 Mayor & Council Travel Conference-from \$5,000.00 to \$2,500.00

- This would give each Councilmember \$500.00 for training

101-421-210 Police Department-Operating Supplies-from \$2,800.00 to \$1,600.00

- This is due to as there was not that much needed

101-421-501 Police Department Equipment & Impr-from \$5,000.00 to \$0.00

- moved to 800 fund

101-424-125 Fire Department-Uniform Allowance-from \$0.00 to \$500.00

601-491-902 LQ Store Liquor Purchases – from \$129,354.00 to \$190,000.00

601-491-903 LQ Store Beer Purchases – from \$225,644.00 to \$280,000.00

601-491-904 LQ Store Mix Purchases – from \$4,100.00 to \$5,800.00

601-491-251 LQ Store Printing & Publ – from \$900.00 to \$2,000.00

- This is due to the additional advertised once the new LQ Store is opened

411-417-321 EDA Orchard Lane-from \$10,475.00 to \$12,000.00

- This is what the mowing and snow removal comes to

411-417-271 EDA Orchard Lane-from \$1,500.00 to \$2016.00

- 8 units X \$21.00 X 12 = \$2,016.00

806-417-241 EDA Travel & Conf-from \$4,432.00 to \$500.00

806-417-251 EDA Printing & Publ-from \$1,650.00 to \$3,000.00

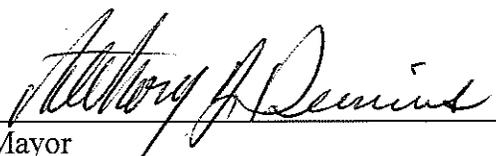
- This is due to additional advertising

The tasks for the September 23rd meeting would be to look at bonding the \$40,000.00 and determine how a full time PW employee would affect the budget. The proposed wages have been increased by 3% across the board. Budgeting for sealcoating etc for the streets was discussed.

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

ATTEST:

City Administrator



Mayor

September 23, 2019

850

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, September 23, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator, Jeff Carpenter-EDA Director and Diane Campbell-Deputy Clerk/Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Dimmers asked for the approval of the September 9, 2019 and September 16, 2019 minutes. Motion was made by Peterson, seconded by J. Schons to approve the minutes as written. All voted in favor.

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

Dave Algyer spoke during the public comment section. He indicated that they have 9 kids in the LYFT program and would like to get the simulator out to the school so they could train on it.

Carpenter addressed the Council with his Department Head report. He explained the various projects and things that he has been working on.

Tam Schons, Liquor Store manager addressed the Council with her Department Head report. The financials were given and various projects for the new Liquor Store location were explained.

Daniels addressed the Council with his Department Head report. He gave an update on the street project that is taking place at the intersection of Center Street and Hollett Street. He also indicated that the apron improvement project will be starting soon. The street projects will be turned back to black top prior to winter.

An update on the Library was given indicating that the basement improvements are complete. There will be an open house sometime in October but have not set the date yet.

The Public Hearing for a Special Use Permit Request from Unique Auto Sales on 384 Craig Ave was opened. No one from the public was present to speak. The public hearing was closed.

An update from the Police Department was given.

Peterson questioned the amount of the special use permit and if Mattson owns the land for this permit. It was also discussed how he will bring the property into compliance with the ordinance. Peterson indicated that he is uncomfortable granting a special use permit if the property is not in compliance. Daniels stated that the LMC indicates that the City generally has no legal basis for denying a Special Use Permit as long as the conditions of the ordinance are met. The applicant does not want to do those things unless the permit is approved. Daniels suggested putting in contingencies to ensure the requirements are met. Motion was made by Tiegs, seconded by J. Schons that the Conditional Use Permit (Special Use Permit) be granted contingent that the property is brought up to City Code prior to using it for the intended use. Peterson questioned what the acceptable product would be for the dust control. Rosemary Martin, Planning Commission Chairman addressed the Council and indicated that he will be using crushed concrete and that the Planning Commission is recommending the Council move forward with it. All voted in favor of the motion.

The proposed 2020 levy and setting a TNT date were discussed. The various recommended changes were discussed and the projected levy increase is at 8.02%. Motion was made by

Peterson, seconded by J. Schons to approve Resolution 2019-63 and to set the TNT date for December 9, 2019 at 6:45. Mayor Dimmers indicated that he would still like to see the training budget increase as there is an obvious need for it. It was decided to leave the budget for this as is as training is not expensive and the LMC training is mainly free. All voted in favor of the motion.

A grant agreement for the airport apron – SP A4204-25 for the FAA was presented. Motion was made by Peterson, seconded by Mayor Dimmers to approve Resolution 2019-62 for the airport improvement. All voted in favor.

Daniels indicated that he would like approval to hire a full time employee versus two part time employees. This was discussed at the budget meeting and is due to the low amount of applicants for the part time positions. This would require a CDL License. Motion was made by Peterson, seconded by Tiegs to authorize Daniels to start advertising for a full time public works worker. All voted in favor.

Rosemary Martin, Chairman of the Planning Commission addressed the Council regarding the re-zoning of the CBD Ordinance. She indicated that any City Code is a living, working document that will continue to change as long as the City continues to breathe and move forward. As of right now there are only two things that apply to the changes – remove B32 which is in reference to the outdoor phone booth and to add daycare/preschool as a permitted use. She is asking that the Council schedule a public hearing for this ordinance change at the next Council meeting on October 14, 2019. Peterson questioned if there is anything on E-commerce being allowed downtown? Martin advised that they already have two of them. Peterson indicated that he wants to make sure that they are included and not excluded. The Planning Commission is to looking into the e-Commerce businesses. Motion was made by Peterson, seconded by Tiegs to call for a public hearing for October 14, 2019 at 6:45 pm to look at re-zoning the CBD. All voted in favor.

The estimate for the Liquor Store point of sale was discussed. T. Schons indicated that the estimate has come in at \$8,057.42 which would include system updates, consultations and training. The first year the on-site visits would be covered and then contracted after that for \$875.00 per year. Motion was made by Tiegs, seconded by J. Schons to approve the purchase of the Liquor Store POS system. All voted in favor.

The potential Loan/Grant for blight property located at 236 3rd Street (old Super Value) was discussed. Carpenter stated that he has been approached by a buyer to see if the City would help to clean it out. Instead of the City going into it alone and putting a lot of money into tearing it down or putting a new roof on it and fixing it up you would be better to sell it and assist thru a loan. Just to clean it out and put a new roof on it they would be looked at around \$72,000.00. That would be without doing anything with it on the inside. What the grant can be used for was discussed. The potential buyer would like to put \$22,000 of his own money into it, borrow \$50,000.00 and when the first \$25,000 of that is paid then the other \$25,000 of that would be forgivable. The benefits of this were discussed.

Dale Johnson III, TDC addressed the Council regarding the grant. They have gained access to the building and would need some TLC inside the building and the roof. They would prefer to find the right buyer and keep the building rather than tearing another building down. The \$25,000 is a lot less than the \$60,000 it would take to tear it down. There will be more money than the \$72,000 that will need to go into it. Carpenter stated that there are a few ideas and plans as to what could go in that building. There is a mortgage on it so if something goes wrong they would then own the building. There is no time restriction as to when the \$25,000 would need to be paid off and once that is paid it would be out of the EDA hands all together. Motion was made by J. Schons, seconded by Tiegs that the EDA enter into the forgivable loan program for the property located at 236 3rd Street. All voted in favor.

Motion was made by Peterson, seconded by J. Schons to go into a closed meeting immediately following the regular meeting to discuss AFSME & LELS negotiations. All voted in favor.

The Phase 3A2 Sidewalk adjustment was discussed. Daniels indicated that there currently is not sidewalk on Emory Street from Jim Donners to the west of that block and on 7th Street alongside of the new liquor store location. The proposal is to add sidewalk to these locations along with a crosswalk. Motion was made by Peterson, seconded by Tiegs to extend the sidewalk in Phase 3A2 as drawn by Daniels. All voted in favor.

Alleged misconduct of the EDA Board Chairman Dennis Fultz was discussed. Peterson stated that he wrote the complaint, but it was the EDA Board that made the recommendation to move it to the investigation. It was the Vice-Chair of the EDA Board that stated emphatically that Fultz needed to go thru the same process that Jeff Salmon went thru. When the board indicated this that is when he signed it and handed it over to Ambuehl. J. Schons stated that looking thru the documents of this investigation the one thing that is strikingly different to her is the legal opinion of the City Attorney. Motion was made by J. Schons, seconded by Mayor Dimmers not to set a hearing date as a hearing is not necessary. Peterson indicated that this is the third time that a package has been developed, but this is the first time that the City Attorney – by his appearance – has made a decision without the Council making it. It is in his opinion that none of this rises to the level and what you are blatantly missing is the Conflict of Interest violation that was admitted to at another EDA meeting. Salmon admitting that he met with Tom and Dave and was nailed down for serial meetings because he was honest and admitted to it and removed from the EDA Board and the same thing happened here. Fultz admitted to having a Conflict of Interest after the fact and the Council is giving him a pass. J. Schons indicated that she does not feel that they are giving him a pass. In the minutes Fultz did make a statement that he did not realize the extent of his conflict and was convinced by other people that there was a conflict. Peterson stated that Gross opinion comes across as a preconceived defense. Mr. Salmon read this today and his intent is to get ahold of his attorney and file a suit against the City's Attorney as a result of this so we are back in the middle of lawyers this and lawyers that. J. Schons stated that is what needs to stop. She is tired of people saying verbally that they are out for the best interests of the city and their actions are saying the total opposite. The best interest of Tracy is to stop all of it. Peterson stated that he agrees with that and if it had been handled differently in the first place this would never have come up. That issue should never have left the Administrators Office. Voting in favor: Thao, J. Schons and Mayor Dimmers. Voting against: Tiegs and Peterson. No Hearing date was set.

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

The Census Liaison was discussed. This was tabled again until the next meeting.

An update on the hiring of a new City Administrator was given. A Special Council Meeting was set for September 27, 2019 at 8:00 am to announce the top 3 candidates. A Special Council meeting was set for October 4, 2019 at 5:00 pm to conduct the interviews. Doing the interviews via skype for any that are far away was approved.

An update on curbside recycling was given. Daniels stated that a letter was sent via e-mail to the County Commission on behalf of the City Council. The County has scheduled a hearing for September 30, 2019 at 6:30 pm and they are looking at different options. Two commissioners reached out to Daniels and indicated that they are looking into it. Daniels stated that there may be a gap in services and it will then hopefully continue on.

The Liquor Store and Airport numbers from BCD was discussed. The LQ Store gross was at \$1,200 and the airport was \$2,300 after expenses.

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

ATTEST:



City Administrator



Mayor

SPECIAL COUNCIL MEETING
SEPTEMBER 27, 2019
ANNOUNCE TOP CITY ADMINISTRATOR CANDIDATES

854

A Special Council meeting of the Tracy City Council was called to order at 8:00 a.m., Friday, September 27, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Jeri Schons, Kou Thao and Tony Peterson. Also present were Shane Daniels- Interim City Administrator/PW Director and Diane Campbell- Deputy Clerk/Administrative Assistant. Member absent: Dave Tiegs.

Pledge of Allegiance was given to the flag.

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

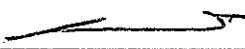
Daniels asked for confirmation that the Council would like to go with the top three candidates. The Council agreed with that. Daniels indicated that the top three candidates in no particular order are Kelly Groskurth, Jeff Carpenter and Michael Quinlivan.

Daniels will send out the applications for the Council to look at again. The questions to be asked were discussed. Daniels will send out the questions at the same time that he sends out the applications. He will also arrange for the times for each candidate to be interviewed. The Council agreed to allow Groskurth to skype in for her interview.

Discussion took place as to who the other candidate would be if Groskurth has already taken a position. It was decided that they would just go to the next ranked candidate. Notifying the candidates that are not in the top three was discussed. The Council is to respond to Daniels by Wednesday at 12:00 pm with input on the questions

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

ATTEST:



City Administrator



Mayor

**SPECIAL COUNCIL MEETING
CITY ADMINISTRATOR INTERVIEWS
OCTOBER 4, 2019**

855

A Special Council meeting of the Tracy City Council was called to order at 5:00 p.m., Friday, October 4, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Jeri Schons, Kou Thao, Tony Peterson and Dave Tiegs. Also present was: Shane Daniels-PW Director/Interim City Administrator.

Pledge of Allegiance was given to the flag.

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

The first candidate interviewed was Jeff Carpenter.

Mayor Dimmers asked Carpenter to tell the Council about himself and why he is interested in the job.

Carpenter stated that he interested in the job because he has been working in the City of Tracy for two years and is a position that he had looked at in the past but did not feel that he was ready for it at that time. He raised his kids in Tracy and he feels that he could make a difference for the City. Mayor Dimmers questioned what has changed that makes him feel ready at this point in time. Carpenter stated that he does not feel that you are ever ready for a new position because there is a learning curve; however he has talked to several City Administrators in hopes of getting an interview for this position and stated that you just need to roll with the punches and do a good job. You need to look at what is happening now as well as what might happen in the future.

Mayor Dimmers questioned why he is considering leaving his current position?

Carpenter indicated that he enjoys what he is doing and the people that he is working with. He likes the direction the City is going in and as the City Administrator he could be a bigger part of that than being the EDA Director.

Peterson questioned if Carpenter thought he would be up to being both the City Administrator and the EDA Director?

Carpenter stated that he has been thinking about this for two months and there are some things that could roll over into both of them. The City of Pipestone has one person doing both of them but it comes down to the supporting cast. He would not know until he was placed into that position and there are some things with the EDA that he cannot walk away from. There would have to be some patience as it is not a turnkey operation if he were to get hired.

Mayor Dimmers asked Carpenter to tell them about one mistake that he has made at a previous job and how he handled it.

Carpenter stated that there have been plenty of mistakes made over 33 years of working. He was with Schwan's for 31 years and 2 years as the EDA Director in Tracy but he will use an example from his years with Schwan's and hiring the wrong person. He is a very good judge of character, which is one of his best traits and he can work with anybody. He can tell you what type of person you are in a short amount of time and he has made mistakes with that before. He hired a manager that had no business being in that position and that is a big mistake. With the current EDA position there have been plenty of things because it was a learning curve as he was coming out of the corporate world with 200 employees working for me and now he is working by himself and was not sure what EDA even meant. You learn from your mistakes and you move on.

Mayor Dimmers questioned how he handled it when he hired the wrong person?

Carpenter indicated that you eventually have to sit down with them as he is a big one on one type of person. If he has a problem with someone he goes to them directly first and put a plan in place. If that doesn't work then you take the next steps to correct it.

Mayor Dimmers questioned if he viewed his management style to be more of a commander or a coach and please explain.

Carpenter indicated that he feels that there needs to be a combination of the two but the first part would have to be a coach. You have to trust your department heads and would need to be able to go in there and help them. However; if you are in charge you have to be able to live with the decisions that are being made so then you would have to be the commander.

What would others that have worked with or for you say about you?

Carpenter expressed that all of the Council knows him well. He does not talk about himself a whole lot and does not take compliments very well but he does like to succeed. People would tell them that he does not like to fail. They would tell them that he is easy to work with until he becomes not easy to work with. He believes in coaching people and in people period. You can get the best out of people with a little bit of sugar as opposed to sticking something down their throat. He could have brought them 200 letters of recommendation that would have bored them but there have been a few people that he has worked with that he did not get along with very well, but 95% would have given him a good recommendation for this job or any other job. Nobody likes to fail and if you treat people well they don't want to fail you and he has instilled that in people.

Mayor Dimmers stated that in this job no two days are alike and even though you have a to do list for the day a telephone call can change everything. How do you handle the phone call and still get your other work done?

Carpenter stated that you have to have a list and you have to put in the time needed to get your list taken care of. I love to be able to cross things off of a list and I have a list every day. There are things that do come up and that is why my desk is not clean. It always has a number of projects on it. You have to stay organized and put in time. You can't have people coming in and out of your office all of the time – you do need private time to get things done. Nobody has ever had to worry about getting my work done.

Mayor Dimmers questioned what his biggest weakness and strengths are?

Carpenter stated that his biggest strength is that he gets people to want to work for him. His biggest weakness is that he sometimes tends to have too much trust in people. You need to give people every benefit of the doubt before you make a decision. I am not slow at making a decision but that is not a weakness that is being more aggressive.

Mayor Dimmers asked how he would handle conflict between staff members and City residents. This is two questions not a conflict between the two parties.

Carpenter stated that he has more experience than most in handling staff members. He believes that everybody has a story and the story that you will get from someone sometimes isn't the same story that you would get if you have two people in an office. You have to get both sides of the story and it needs to be solved. Sometimes you can't sort things out that way and you would have to set them both down in the same room if possible. You can roll that right into the problems with the citizens of Tracy. You have to know what the problem is and then you have to investigate it and find a medium point.

Mayor Dimmers stated that often times when there is a conflict people are very passionate about whatever the subject is and their position. Often times that emotion is what cloud the issue – how do you cut thru that?

Carpenter indicated that first of all someone with passion is not a bad thing as long as the passion goes in the same direction that you need to go. If you take two people that are in some sort of

conflict there has to be some kind of compromise between the two of them. There is a point where the City Administrator would have to make a decision on things but it has to come with communication.

Tiegs asked what requests he would have of the Council.

Carpenter indicated that if he were hired he would like to be a big part of the hiring of the new EDA Director. He would expect that.

Tiegs questioned how long he would want to stay involved with what they are doing?

Carpenter indicated that they would be a department head so he would have to be involved in it weekly any way. There are some things that he would be able to share with them and the direction they are going. They have to continue going forward. He asked when the Council would want him to have his hands off of the EDA. Tiegs stated that he would expect Carpenter to be out of the process within a couple of months. He would have to rely on the City Staff to be patient; however he is not a very patient person himself.

Mayor Dimmers questioned what his experience is with budgets and grants? Can you describe how government accounting works?

Carpenter stated that he has not used the Banyon System that the City uses as he has never had a need to. The different uses of it were explained. He has no experience with public accounting and would need to go to the same training that everyone else has gone to. The budgeting system is different – you have taxes coming in, utilities etc coming in. What he was used to was sales – straight money coming in off of the trucks. The last budget he did was a \$52,000,000.00 sales budget and you had to budget in your trucks and your people expenses – those were the most expensive and then project. Doing a budget would not be an issue. You have to be able to make decisions based on need and situations – the money needs to be found.

Mayor Dimmers stated that one of the things that have been real key lately are the grants – what kind of experience do you have in writing them and applying for them?

Carpenter stated that he tried to write a couple of them and failed. Then he went to the experts – which we have two of them within the City and UCAP that wrote the last grant and having the contacts for that. You have to leave some of the larger grants to the real experts. If you have someone that can write a simple one you have to know exactly how to word it. If I can I will otherwise I will turn it over to the experts. Right now he could not do a detailed grant.

Mayor Dimmers asked what his priorities are for the next three to six months.

Carpenter indicated that if it is him or somebody else one of the main things is that you need to get used to the City itself – the people and the City Council. That is an advantage that he has as he already knows the Council and residents. You would need to sit down the first three months and figure out what direction you want the City to go – whether that is talking to other administrators or what. He would like to sit down with Daniels and look at things together as well as the staff stepping in and assisting. He would like to look out years not just months and you need to start on those things by communicating with department heads. The first 30-60 day will be learning and patience.

Tiegs asked what his plan would be to catch up being he does not have City Administrator background?

Carpenter stated that there is a lot of it that he can learn in house and has already started a year ago by setting up agendas and doing minutes. He indicated that he would use the League of Minnesota Cities as they are not used enough. You have to use your resources regardless of who that may be.

Tiegs questioned why they should hire him over the other applicants?

Carpenter indicated that he has a passion for the City of Tracy and he knows the different personality on all of the Boards. He knows that a City Administrator needs to work with all personalities but does not believe in sides. There is nobody that they could bring in that would know the people as he does. He has proven over the years that he can learn anything, he takes direction and criticism.

J. Schons stated that Carpenter is aware of some of the situations that they are currently experiencing – if you are appointed Administrator how would you propose that they move forward?

Carpenter stated that they need to have everybody on the same page, which is not an easy task. I think that you need to take a look at and work with the City staff first to make sure that everybody understands the direction that you want to go and how to respond to social media – you also need to reach out to people and discuss what is being put out there. You cannot muffle anyone because that is the world that we are in but you can talk to people. You cannot have sides and the Administrator needs to be that middle point. If you do that that is when the City will succeed. Communication is key regardless of the size of the City.

Peterson requested Carpenter to explain the levy to him and how it deals with budgeting.

Carpenter explained that you put your budget together and you have to levy for it. This year it was 8.03% and that is what is handed down to the City. The levy that gets handed down to the City is what they have to take care of the City. The levy is what you pay in taxes.

Peterson questioned if Carpenter plans on moving back to Tracy?

Carpenter indicated no.

Peterson questioned if he could make the emergency response time of 10 minutes indicated in the handbook?

Carpenter stated that if there was an emergency he would stay in town that particular night. He has shown over the last couple of years that he does not have any issues getting here but he will not be moving to town. He loved the time that they lived here but he doesn't think that it is such a bad idea to be able to drive away from it at night.

Thao asked if you have a family member or very close friend working for the City and they need to be disciplined – what do you do.

Carpenter indicated that he does not know that you can do that as it may be a conflict but that sort of thing does come up. You have to let the department handle that first and use good communication. You have to create a team with the staff members and trust your department heads first and then step in.

Mayor Dimmers asked what his approach would be to avoid conflict of interest pitfalls.

Carpenter expressed that you have to talk about it for one thing. It has to be an agenda item and let the people come up first and indicate a conflict. If that doesn't come out the Administrator needs to address it. Don't sit back and wait and let it fester.

J. Schons questioned what his experience is with dealing with unions?

Carpenter stated that he does not have much experience. Everything needs to be documented which he is good at. Things need to be signed off on by everyone involved.

Mayor Dimmers opened up the floor for any questions that Carpenter had of the Council.

Carpenter stated that there are a lot of things going on with the EDA that he would have to be involved in, especially if there isn't anyone else there. They would have to start looking immediately. He feels that he has done a lot of good for the City of Tracy even though he did

not have a lot of EDA experience but would want to be involved with the hiring process. Mayor Dimmers stated that that would be part of his job duties to be involved. Carpenter questioned how patient the Council would be for the first 90 days? It will take him some time to learn all of the ins and outs and would need their patience. J. Schons stated that they would have to be patient with whoever they hire. There are somethings that will require more patience then others and resources would need to be used. Carpenter stated that he surrounds himself with people that are smarter than him. He stated that they will get stability with him as he enjoys the City and the people. Carpenter questioned if there is a concern that he lives 30 miles away? The 70 miles that he puts on every day is nothing compared to what he used to drive? Mayor Dimmers pointed out that he would not have to deal with a lot of the decisions that he would be making. The longevity becomes a concern when the Administrator does not move to town. Carpenter indicated that he loves challenges and thanked the Council.

The second candidate interviewed was Mike Quinlivan.

Mayor Dimmers asked Quinlivan to tell the Council about himself and why he is interested in this job.

Quinlivan indicated that he has spent the best years of his life going to Tracy High School which is one of the reasons that he was attracted to this position. One of the other driving factors is that he has been studying for it since he was 18. He has a political science degree as well as an econ degree and then pursued his master's degree in public administration with a governmental focus. This job is everything he wants in an area he knows with people he loves around. It sparks his interest and is not a skipping point, he wants to land and stay.

Mayor Dimmers asked why he is considering leaving his current position.

Quinlivan stated that it just doesn't hold a lot of interest for him. He enjoys helping people deal with overwhelming situations but it doesn't allow him to flex all of his muscles and intellect of his being.

Mayor Dimmers asked him to tell them about one mistake he has made in his previous job and how he handled it.

Quinlivan indicated that it would be putting himself to much in the client's shoes. If you do that you lose the thread on how you have to control a call or a call within Wells Fargo. One mistake that he made was just trying to calm people down instead of serving them well by saying your fine, let's do this this and this. Just taking care of business is what is needed more often than not. He had to retrain his brain and practice over and over to correct that.

Mayor Dimmers questioned if he considers his manager style to be more like a commander or a coach and explain why.

Quinlivan stated that he is a commanding coach. He is more of a coach than a commander. There are some things that you just do where there is no difference between the two. You will not teach anyone anything by punishing them. So more often than not I am a coach – he wants to teach people to be experts which would serve everyone well.

Mayor Dimmers asked what others that he has worked with or for say about him?

Quinlivan expressed that they would say that he is extremely dedicated, family orientated, he would hate to say insanely driven but driven to the point of "I am going to get it done". If I am given a task it will be completed and at the level that it needs to be done. He is very driven.

Mayor Dimmers stated that in this job no two days are alike – even though you have a to do list a phone call can change everything. How do you take care of that phone call and still get your to do list done?

Quinlivan indicated that looking back to when he managed what seemed like a small city in the Citibank building he would just have to absorb it and rank where the telephone call lands

comparatively to the to do list. He does not view an administrative job as delegating – he needs to be hands on.

Mayor Dimmers asked what his biggest weakness is and what are his biggest strengths.

Quinlivan stated that his biggest weakness would be that he can let a worst case scenario play out in his head before he is even confronted with it. With that being said his biggest strength plays directly to that in that it does not stop him from doing what he needs to do. He may be incredibly nervous or scared by a situation but he will still be there and get it done - 99% of the time I will kill it.

Mayor Dimmers questions how he would handle conflict between staff members?

Quinlivan stated that there are written human resource rules that would need to be followed. There is also the fact that we are all adults and work at the pleasure of the City of Tracy. He believes that you should get one chance to figure out what is going on but simply not getting along – work it out and if you can't after one time – it would depend on the seriousness of the situation – but moving forward with punitive measures from there.

Mayor Dimmers asked how he would handle conflict with City residents.

Quinlivan stated that everyone needs to live by the same code.

Mayor Dimmers questioned what his experience is with budgets, grants and levies? Also please describe how government accounting works.

Quinlivan indicated that he had a lot of studies within the budgeting and grant writing in terms of pen to paper – as much as he hates to admit it he does not have a lot of real world experience. He has always thought of himself as a quick learner and doesn't doubt his abilities to learn it.

Mayor Dimmers asked what his priorities would be for the first three months, six months and year if he were selected.

Quinlivan stated that his year goal would be to have the budget clean as a whistle and everything else he would want to move forward that. He would also like to get to know the staff and Council to see where the town is moving. I would prefer to place goals out 5, 10 and 15 years. The first thing that he would do as a priority would be to put as much time in on the ground or 11 hour days that it would require. Shadow Daniels and the Council and get to know everyone.

Mayor Dimmers questioned if he had a family member or a very close friend working for the City and they need to be disciplined how would you handle that?

Quinlivan expressed that everybody needs to follow the same code. He does not take any joy disciplining anyone, again because we are adults. I would hold them to the same as anyone else. I hold myself to a high set of standards and would want his workers to hold that as well. If you are my mom, son, best friend I don't care – if you have broken that you will be disciplined accordingly.

Mayor Dimmers asked him to explain why he should be hired over the other candidates – what is your advantage?

Quinlivan indicated that they all bring diverse array of talents. He brings a lot of blood and guts and HR Administration experience in terms of moving the office forward – he can hop in and do that just fine. There will be a learning curve for everybody. He has someone that he could lean on 24/7 that he can bounce off troubles and get set straight. The other thing that occurs to him is that the prior gentlemen lasted a year and he will be here for the long term – this is not a step to move back to Sioux Falls – this is where he wants to be.

Mayor Dimmers questioned what is his knowledge of employment laws as it applies to union employees?

Quinlivan stated that he would have to brush up as he has not been in a situation where he needed to apply that. He has read a ton of law recently so he is familiar with administrative and employment law. He would not have trouble interpreting it or understanding it by any means.

Mayor Dimmers asked if he intends to live in Tracy and could he make the emergency response time that applies to the other employees?

Quinlivan indicated that he does intent to live in Tracy.

Mayor Dimmers stated that conflict of interest and open meeting law have plagued the City as of late – what would his approach be to avoid these pitfalls?

Quinlivan stated that he has hit on a scholastic debate in public administration. He views the job as being inherently political but doesn't have to be as he would use the Council to break it down. He would not like to get into situations with people and would like to be friends but he is tight lipped of any managerial workings. He is not interested in politics – he is interest in moving the city forward.

Mayor Dimmers indicated that the Council is regular folks of the City and would be looking to the Administrator for direction – how would you approach conflicts of interest when the Council is looking to him to solve it?

Quinlivan advised that when he hears guidance he hears education and education examples. There are mountains of good and bad in terms of Conflict of Interest that they could educate themselves on. He would prefer to do it that way rather than calling people out. Mayor Dimmers stated that the Council likes to work as a team as that is how you get things done. However, often times the role of the City Administrator is looked at for guidance to keep everyone going in the right direction. Quinlivan stated that he can make friends with people quickly. Mayor Dimmers questioned if he is familiar with the challenges the City has had recently and he indicated somewhat. Mayor Dimmers asked how he would move them forward in these types of events. Quinlivan stated that every city and business needs a clear vision, mission and values and everyone can agree with those you can get things done. I would refocus and move forward from there and use it as a beginning road.

Mayor Dimmers asked him to explain what levy means as it is applied to budgeting.

Quinlivan stated that he would presume that it would mean in terms of levying taxes. To levy taxes would be to set upon. Mayor Dimmers questioned what a levy is – what does it mean? Quinlivan stated that he is not going to try and pull something out of thin air and does not want to take a stab in the dark.

Quinlivan stated that he is honored to be here and that given a little bit of time for growth he would excel at this job. This is a rare opportunity that provides what he and his family needs. He does have a steep learning curve but they will get an incredibly long service from him.

The third candidate that was interviewed was Kelly Groskurth via skype.

Mayor Dimmers asked her to tell the Council about herself and why she is interested in the job.

Groskurth stated that she has an administrative background. She started her own business when she was 14 years old doing gymnastics and started her own dance studio in college which was very successful. She had a major injury which brought her to work at a nursing home doing accounts payable and receivables and payroll. She then worked at a hotel/motel with a restraunt and bar where she did the financials. She then went to the heating and cooling industry and then to Omaha, NE and then to a clerk/finance position in IA. She found her niche in public service. She told a little bit about herself and the fact that she is very creative and can see what things will look like down the road.

Mayor Dimmer questioned why she is considering leaving her current position?

Groskurth indicated that it was for opportunity. She is currently in a community of about 917 people which is a bedroom community. Her goal is to be a city manager of a city of 5,000 and Tracy is half way there.

Mayor Dimmers asked her to tell them about one mistake that she has made in the previous job and how she handled it.

Groskurth stated that she has made a lot of mistakes but one of her largest mistakes was when she worked at the hotel – they had computer systems that she had a good clean accurate grasp of where her checkbook balance was and her boss wanted a hand written document of where their checkbook balance was which she did for a short period of time. One day he came into the office and told her that they were over drafted on the checking account. He went and pulled that binder up- when you are in corporate the boss can write a check – and he wrote a check for \$9,000 that she did not know about. She found out why that binder was important as he would come in at night and make decisions. She has never forgotten it and she has learned from it. Sometimes things don't make sense but you have to do them or find out why you should do them.

Mayor Dimmers questioned if she would consider her management style to be commander or coach?

Groskurth indicated it is more like a coach. She stated that she does not like to micromanage; however she will if she needs to. If she has to that means that someone is not doing their job. Her management style is to give them the tools that they need and if you need help and don't let her know – it needs to be explained to her and what would make the job easier. She would have an open door and if the employee doesn't communicate that is their fault. She is in a very poor city and if someone comes into her office she will drop everything to listen. She currently has one part-time deputy clerk.

Mayor Dimmers asked what others that she has worked with or have worked for her say about her?

Groskurth indicated that they would say that she is honest. She will shoot it straight from the hip. They would say that she is faithful, has empathy – family is very important to her – if you respect your staff they will give you more for it. She likes to say thank you and please to her staff – she will tell them if they do a good job whether it is their job or not.

Mayor Dimmers stated that in this job there are no two days alike. Even though you have a to do list a phone call can change everything. How do you handle that call and still get your to do list done?

Groskurth stated that it would depend on how many phone calls there are like that. If there are a lot of them her to do list would not get done that day but it would get done that evening. There are many times that that is the case that that would happen to her. She is looking forward to having a staff that can fill in some of those things. She is good at multi-tasking and she will get it done but that is when mistakes happen.

Mayor Dimmers asked what are her biggest weakness and her biggest strength.

Groskurth stated that weakness is that she has too much on her plate. She is a jack of all trades, 110% effort and sometimes she needs to minimize that. Her strengths include being a hard worker, honest, faithful and she puts other people first a lot of times.

Mayor Dimmers questioned how she would handle conflict between staff members?

Groskurth indicated that hopefully there is none. Currently her and her staff work together as a team and are able to say it if they disagree. She had a situation where there was a water main

break and one of the individuals does not like overtime decided that he wasn't going to come in and turn the valve on and her main water person could not come back that evening to turn the valves. When it was said and done he turned the valves because it was the right thing to do. They did have a conversation about that. J. Schons indicated that with more staff you increase the chance of conflict – how would you handle a conflict between two employees. Groskurth stated that you need to listen to each one separately and get both of their stories so that they feel comfortable to speak freely. Then you find out from each of them what they think that the problem is and how it can be solved. I would then go on my own and think thru what was said and then bring both of them together to come up with a resolution as a mediator.

Mayor Dimmers asked her to explain what her experience is with grants and budgets and describe how government accounting works.

Groskurth explained that finance is her forte and budget is her favorite time of the year as she enjoys the challenge of it. Budget comes easy when you have a strategic plan and a capital improvement plan. She treats each department as their own business so she knows where they are at by department and a city as a whole. As far as grants she has had some success with local grants go. They have a high income in her city so they score low for state and federal grants. She does write the grants and is the finance manager for those grants.

Mayor Dimmers asked what her priorities would be if selected for the first three months, six months and year?

Groskurth stated that the first three months would be to get to know her staff and what they do. This would include shadowing the department heads so that she knows what they are experiencing. The six month goal would be to look at what needs to be done to grow the school district and downtown businesses as well as the general population of the city. In twelve months she would continue with the above mentioned goals.

Mayor Dimmers questioned if she had a family member or a very close friend working for the city and they needed to be disciplined, how would you handle that?

Groskurth indicated that in IA they are not allowed to hire family members. As far as a very close friend – you will not see me socializing with my co-workers outside of work as it doesn't mix. I will discipline and would not want to be in a situation where I would hire my best friend.

Mayor Dimmers asked her to explain why she should be offered this position over the other candidates?

Groskurth stated that she has 18 years of government experience and has served in every role in the office. She has knowledge and experience in trading of financials but also in doing all of the data entry for accounts payable, utility bills, payroll and receivables. She also has experience with helping with economic development thru tax increment where they have created TIF Districts and Urban Renewal areas by ordinance. She has the developer take all of the risk and pays him with the tax money received thru settlements. They take the loan out, not the city.

Mayor Dimmers asked what her knowledge of employment law are as it applies to union employees?

Groskurth indicated that she has no experience with union; however she likes to learn so she will do the research needed. She would bring in a consultant to go thru the negotiations the first time.

Mayor Dimmers asked her to explain what a levy is as it applies to budgeting.

Groskurth stated that a levy is the amount of dollars that you are going to charge the taxpayers and the related charge that the city charges the citizens. When she is working with the budget she likes to show the Council the tiers of what the current levy is and what the proposed levy is so that everyone knows what to expect. She also puts it on the website so that the citizens know also.

Mayor Dimmers questioned if she intends to live in Tracy and if she could make the emergency response time which is 10 minutes.

Gruskurth indicated that they would definitely be moving and would stay within the 10 minute response time.

Mayor Dimmers pointed out that they have had challenges in Tracy and conflict of interest and open meeting laws have been an issue – what would her approach be to avoid those pitfalls?

Gruskurth stated that she has seen some of the articles and she would get to know her councilmembers and the board members and get to know the businesses they own in town if possible. That way if they have a business that is on the agenda and I will ask how much ownership they have in the business. She will advise that for perceptual reasons they need to leave the table and sit in the audience for that deliberation and discussion for that vote. In a small town everyone would know that there was a conflict of interest. As far as open meetings it would be to educate. The first thing that she does for elected officials is to hand them a booklet explaining it. She also likes to have workshops for the Council to teach them.

Mayor Dimmers questioned that with everything that is going on in Tracy how would you propose to move the city forward?

Gruskurth indicated that she would do a lot of training and workshops and discuss what a conflict of interest is and be very open about agenda items and publish them as well as the minutes. The other thing is to talk to people and discuss the perceptions.

Gruskurth questioned what the potential wage range would be? Daniels stated that it is \$70,000-\$105,000.

Gruskurth questioned what the benefit package is? Daniels stated that there is health insurance as well as a little bit of life insurance, PERA, paid vacation, holidays and sick leave.

Gruskurth asked the Council how they would see Tracy moving forward thru some of the difficulties. Peterson stated that everyone needs to start working together and it is a challenge. There is a vocal minority that celebrates the negative. It is frustrating but you deal with it when you can and work around it most of the other time. Mayor Dimmers stated that he agrees with her on the training tier as that is key so that they are educated on what they are supposed to be doing. He would agree with Peterson on communication as that is the other key area that needs to be worked on as a Council and build the sense of community. J. Schons stated that one of the things that will help is getting a leader at the helm again so that there is someone there to help guide the ship. We are not the Hatfield's and McCoy – Peterson stated they are close – but to start working together again. They will not agree on everything but they need to treat each other with respect, voice our opinions and once a decision is made they walk out in support of that decision. Mayor Dimmers stated that they need a strong administrator to make it happen. Gruskurth asked if the Council would be willing to go thru workshops that focus on team building. That would allow her as City Administrator to also be team building rather than a mediator that puts them thru them. Peterson stated that he is the history guy around here – he is not opposed to team building but as history has shown it has been attempted on a couple of occasions and everything is good and two days after it is done it goes back to how it was. He does not know how to overcome it but that is just how it has worked. Mayor Dimmers stated that would be up to the Council which is why they would need a strong administrator to re-enforce that and hold us to the task. J. Schons stated that they would look to her for guidance and with her experience as to what she would want to see – not just them as a Council but also members from other committees. Mayor Dimmers advised that he does believe that they all want to see the same thing – they just have different ideas on how to do it. You can't walk out and pout if it doesn't go your way – you still have to support each other. Gruskurth stated that if you do training it can't end that day or week – that is where she comes in to hold everybody accountable. Based on the conversation that they just had, it sounds like they need to do some goal setting and gather up the boards to work together on their objective and goals. Mayor

Dimmers advised that over time the boards have separated and they need to pull that back in so that everyone is pulling in the same direction.

Mayor Dimmers stated that they are looking to add a member to the team that can provide strength and leadership as a team.

Peterson stated that Gruskurth indicated that this would be a step in working with a larger community – if you were given the position how long would you stay realistically?

Gruskurth indicated that is a tough question – her goal is 5,000; however she does feel that many of the small towns can get to 5,000 and can be challenge and allow her to continue to grow. Being brutally honest she does not know that he can answer that question because if her parents needed her closer to home she will go.

Mayor Dimmers stated barring that how much time do you think that you can give us?

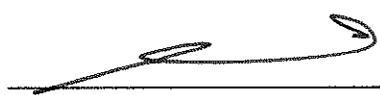
Gruskurth stated that her favorite job she did for 10 years and she wasn't looking for a job when she was approached for the job she is at currently. They wanted her to come and improve things there which take time to do.

Gruskurth asked what their time line is on a potential decision and a start date. Peterson stated yesterday and maybe an hour from now. J. Schons is hoping in the next week as they will have to do references. She would like the new person to come on board as soon as possible. Mayor Dimmers indicated that they would work with her. Gruskurth stated that her contract indicates 30 days. She indicated that her community is still divided as she is the first clerk there.

The Council thanked her for her time.

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

ATTEST:



City Administrator



Mayor

Austin stated that as long as the people sitting across from him has the power to negotiate that is all he asks for. It was decided to call for a closed meeting for the Council to discuss the proposal at the November 12th Council meeting and to set negotiations on November 14th.

A request from Lions Club to waive the fee for the use of the MPC for two events was presented. Motion was made by Peterson, seconded by Tiegs to approve the request. All voted in favor.

Motion was made by Peterson, seconded by Thao to hold a closed meeting after the regular meeting to discuss Liquor Store Manager wage negotiations.

Resolution 2019-67-Approve pay app #1 to Duininck for work completed on Phase 3A infrastructure improvement on Harvey and 3rd Street was presented. Daniels advised that it should be 3A1 and Emory Street. Daniels made a call to Chris Larson for clarification.

The Consent Calendar consisted of Municipal Accounts Payable and Municipal Accounts Receivable. Motion was made by Tiegs, seconded by Thao to approve Municipal Accounts Payable without Breakthru Beverage and Sanford and 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, Thao, J. Schons and Mayor Dimmers. Abstaining: Tiegs. Motion was made by Tiegs, seconded by Peterson to approve Sanford Heath Municipal Accounts Payable. Voting in favor: Tiegs, Peterson, Thao and Mayor Dimmers. Abstaining: J. Schons.

Daniels advised that there was a change order a few months back for swapping the sidewalk between Center St and Second St to make it match. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-67. Mayor Dimmers questioned if the Resolution is correct and it was indicated that it matches the pay app that was sent. It was pointed out that they have not done any work there yet but the project name is right. Mayor Dimmers stated that the title is misleading. Daniels called Larson for clarification. Larson indicated that it is part of the PFA Grant and they require all projects to be designated by an intersection and in this case Harvey/3rd is for Phase 3A which is now Phase 3A1. Once this is approved the City will be able to get their \$4,500 that they paid out in fees back. Peterson amended his motion to approve the corrected resolution and it was seconded by Tiegs. The correction would be to indicate that it is Phase 3A1. All voted in favor.

The application committee for the City Administrator position was discussed. It was tabled until the next meeting.

Mayor Dimmers indicated that with this being a small town and with recent events of Paul DeSmith passing he would like to implement a program where the City sends out condolence cards to residents that has a family member pass. Pros and cons were discussed and suggested to check with the City Attorney to see what the legal ramifications might be.

Motion was made by Peterson, seconded by Tiegs to close the regular meeting and enter into a closed meeting. All voted in favor.

ATTEST:

City Administrator

Mayor



OCTOBER 28, 2019

866

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, October 28, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator and Diane Campbell-Deputy Clerk/Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Dimmers asked for the approval of the October 14, 2019 minutes. Motion was made by Tiegs, seconded by Thao to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Daniels stated that he would like to delete 10D-Airport Flight Simulator. Motion was made by Schons, seconded by Thao to approve the agenda as amended. All voted in favor.

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

Val Quist, Librarian addressed the Council with her Department Head report. She indicated that there will be an open house on November 7, 2019 to showcase the new basement at the library.

Tam Schons, Liquor Store Manager addressed the Council with her Department Head report. She gave the financials and an update on the new sign was discussed.

Jason Licthy, Chief of Police addressed the Council with his Department Head report.

Jeff Carpenter, EDA Director addressed the Council with his Department Head report. He submitted the changes made to the revolving loan application for Council review along with a copy of a resolution that was adopted in 1987 establishing the EDA that needs to be presented to the Council yearly. No changes to the Resolution were made. The small loans grant and an update on Broad Acres was discussed.

Daniels addressed the Council with his Department Head Report. He explained the various projects they are working on including Front Street.

Mayor Dimmers opened the Public Hearing to allow for a day care/preschool in the Central Business District. Daniels stated that Tracy Lanes called with concerns involving their liquor license. Daniels researched it and did not find any issues. Jeff Meyer from Tracy United Methodist Church addressed the Council and questioned what the owners intentions for the building are as they had been contacted about Head Start as well. It was stated that it would be between the church and Head Start, not with the city. Mayor Dimmers closed the Public Hearing.

Motion was made by J. Schons, seconded by Peterson to grant the Special Use Permit. All voted in favor.

Daniels continued with an update on the street project Phase 3A1. FEMA was discussed and Daniels indicated that Ambuehl is now off the payroll as he can now handle things until the new administrator is hired.

Resolution 2019-66-Ratifying the sale of the City's General Obligation Bonds, Series 2019E was presented. Daniels advised that it is at 2.15% with US Bank as indicated on the Resolution. Motion was made by Peterson, seconded by J. Schons to approve Resolution 2019-66. All voted in favor.

Eric Austin, AFSME Union Rep addressed the Council regarding AFSME negotiations. The requested changes were indicated by Austin. The process of negotiating was explained and discussed. It was suggested to assign two Councilmembers and the City Administrator to negotiate the contract and to bring the tentative agreement back to the Council to vote on.

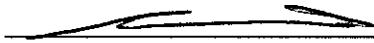
seconded by Thao to approve the Accounts Payable without Breakthru Beverage or Sanford Health and the minutes presented. All voted in favor. Motion was made by Peterson, seconded by Thao to approve the Breakthru Beverage accounts payable. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tiegs. Motion was made by Tiegs, seconded by Peterson to approve the Sanford Health accounts payable. Voting in favor: Tiegs, Peterson, Mayor Dimmers and Thao. Abstaining: J. Schons.

The City Administrator applications committee was discussed to narrow down the applicants. This would speed the process up as there would not be any special meetings. The various ways that the interview process was done in the past was discussed. The deadline for the Council to have the scoring of the applications done was set for November 18, 2019. The committee will meet between November 19th and November 21, 2019 to determine the top two or three to bring to the full council on November 25th 2019. The committee is to consist of J. Schons, Mayor Dimmer and Daniels.

There was a follow up on sending out sympathy cards to city residents given. There was an e-mail from the City Attorney in the packet indicating why this could not be done with taxpayer dollars.

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

ATTEST:



City Administrator



Mayor

NOVEMBER 25, 2019

870

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, November 25, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers, Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator.

Pledge of Allegiance was given to the flag.

Mayor Dimmers asked for the approval of the November 12, 2019 minutes. Motion was made by Tiegs, seconded by Peterson to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Daniels advised that he would like to add 10D-Water Rate study. Motion was made by J. Schons, seconded by Thao to approve the agenda as amended. All voted in favor.

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

Tam Schons, Liquor Store manager addressed the Council with her department head report. The financials were given. There will be a wine tasting on December 20, 2019. She indicated that the POS system is now up and running.

Val Quist, Librarian addressed the Council with her department head report. She indicated that they had a great turnout for their open house. She also advised that they received a \$700 donation from Minnwest Bank and what she hopes to do with it.

Daniels addressed the Council with his department head report. He called attention to the parking ordinance with impending weather on the way as it will be enforced.

The AFSME Contract was presented for approval. Motion was made by Peterson, seconded by J. Schons to approve the AFSME Contract. All voted in favor.

The Chamber requested no parking on 3rd Street during the parade of lights as well as a police escort. Motion was made by Peterson, seconded by Tiegs to approve the request with the PD and Chamber working together to enforce it. All voted in favor.

The Lutheran Social Services annual contract was presented. The contract is for \$984.00 for the MPC facility use for 2020. Motion was made by J. Schons, seconded by Peterson to approve the contract for \$984.00. All voted in favor.

Daniels addressed the Council regarding a water rate study. He advised that Abdo, Eick and Meyers is working on the water rate study and suggested instead of having 10 different rates going to one base fee and everything charged on a usage fee. The base fee rate of \$28.00 was discussed and how it would match up to what they are doing this year. It would range from .40

to \$1.70 a unit more depending on the tier or range. Motion was made by Peterson, seconded by Mayor Dimmers to run the rate study based on the tier group that was presented to see where it is at. A more specific report will be presented at a later date. All voted in favor.

Resolution 2019-71-Payment to Duininck Inc for work completed on Phase 3A-1 Infrastructure Improvement-pay app #2 was presented. This would be the final request for this year. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-71. All voted in favor.

The consent calendar consisted of Municipal Accounts payable and receivable and Charter Commission minutes from January 16, 2019. Motion was made by Tiegs, seconded by Thao to approve the Municipal Accounts payable without Breakthru Beverage or Sanford Health, Municipal Accounts receivable and the Charter minutes. All voted in favor. Motion was made by Peterson, seconded by Mayor Dimmers to approve Breakthru Beverage accounts payable. Voting in favor: Peterson, Mayor Dimmers, Thao and J. Schons. Abstaining: Tiegs. Motion was made by Peterson, seconded by

Tiegs to approve Sanford Health accounts payable. Voting in favor: Tiegs, Peterson, Thao and Mayor Dimmers. Abstaining: J. Schons.

City Administrator applicants and processes were discussed. The applicants were referred to as their applicant assigned number as the names are not public until the interview is accepted. The committee is bringing forth #4, #6 and #9 for interviews. Once the interviews are complete the discussion regarding who they would like to offer the position to would need to be in an open meeting setting. The wages and benefits can be done during a closed session. Motion was made by J. Schons, seconded by Peterson that they approve candidates 4, 6 and 9 for interviews. All voted in favor. Interview are to be held on December 4, 2019 at 6:00pm with a fall back date of December 10, 2019.

There was a follow up discussion regarding the re-certification of assessment to the garden lot on South Street. With no Resolution or condition it cannot be re-certified. The Hospice House assessments will not be certified until the project is completed, likely in 2020.

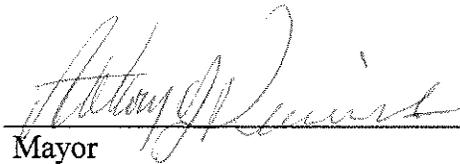
What to budget for flower pots was discussed. Motion was made by Peterson to purchase the City's normal flower pots and maintenance for those pots only. In the past there have been 2 big pots and 6 hanging pots and the Council would like to stick with that. The businesses should pay for their own maintenance. Tiegs seconded the motion. The hanging pots would be roughly \$200 per pot. All voted in favor.

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

ATTEST:



Interim City Administrator



Mayor

DECEMBER 9, 2019

872

The regular meeting of the Tracy City Council was called to order at 6:30 p.m., Monday, December 9, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Antony Dimmers (via skype) Tony Peterson, Jeri Schons, Kou Thao and Dave Tiegs. Also present were Shane Daniels-Public Works Director/Interim Administrator.

Pledge of Allegiance was given to the flag.

An invocation was given.

Mayor Dimmers asked for the approval of the November 25, 2019 minutes. Motion was made by Peterson, seconded by Tiegs to approve the minutes as written. All voted in favor.

Mayor Dimmers asked for the approval of the agenda. Daniels advised that he would like to add ET Heating & Cooling to 10C3, remove 10C4 and add 10F-Close meeting –wage discussion for PW Department which would also carry thru to 17A. Motion was made by Peterson, seconded by Tiegs to approve the agenda as amended. All voted in favor.

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

Elton Jorde addressed the Council in regards to his utility bill. He explained that he had a toilet that ran continuously which affected his bill and his average for sewer. He asked that the Council reduce his sewer usage average back down to 1 unit which is what it would have been had he not had issues. This issue was tabled until the Mayor and Council Communications portion of the meeting.

Chris Larson from I&S addressed the Council regarding two resolutions that are on the agenda. He has not received any comments back from Rural Development regarding Phase 3A2 and would like them prior to starting the assessment process. However being it is so late in the year he would like to keep moving with it which is why he is presenting the resolutions now. Peterson and Mayor Dimmers were appoint to the special assessment committee to determine how to move forward with the assessments for this phase. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-77 to order the report. All voted in favor. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-78 calling for a public hearing on January 27, 2020 at 6:45pm. All voted in favor. It is being considered to hold the public hearing for the assessments the week of February 10, 2020.

Ken Witt spoke during the public comments section of the meeting. He voiced concerns regarding the increased valuation on his property for 2020. It was suggested that he discuss the increase with the County Assessor.

Mayor Dimmers opened up the Truth in Taxation Public Hearing.

The Truth in Taxation public hearing was closed and referred to the Council. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-73-Approving the 2019 Tax Levy Collectible in 2020. All voted in favor.

The Planning Commission year-end report and Charter Commissions year-end reports were presented. Motion was made by Tiegs, seconded by Peterson to approve the reports. All voted in favor.

The 2020 City Licenses were presented as follows:

Cigarette License-Tracy Food Pride, Casey's General Store and Dollar General. Motion was made by Tiegs, seconded by Peterson to approve the licenses providing the appropriate paperwork and payments have been submitted. All voted in favor.

Split Liquor/Sunday License-The Caboose, Bonnie & Clyde's and Tracy Eagles. Motion was made by Peterson, seconded by Thao to approve the licenses providing the appropriate paperwork and payments have been submitted. All voted in favor.

Plumbers License-Sahlstroms Heating and Cooling, Water's Edge, GH Plumbing and ET Heating & Cooling. Motion was made by Tiegs, seconded by Peterson to approve the licenses providing the appropriate paperwork and payments have been submitted. All voted in favor.

On Sale Malt Liquor License-Tracy Lanes. Motion was made by Tiegs, seconded by Peterson to approve the licenses providing the appropriate paperwork and payments have been submitted. All voted in favor.

The appointment of the Motor Vehicle DUR was discussed. Motion was made by Peterson, seconded by Thao to appoint April Lichty as the DUR for calendar year 2020. All voted in favor.

The snow hauling contract for 2019/2020 season was presented in regards to rates. The rates have not changed for two years and will remain the same. Motion was made by Peterson, seconded by Tiegs to approve the snow hauling contract as presented. All voted in favor.

Motion was made by Peterson, seconded by J. Schons to go into closed session at the close of the regular meeting to discuss the wage scale for the PW Department. All voted in favor.

Resolution 2019-74-Approving year-end transfers was presented. Motion was made by Peterson, seconded by J. Schons to approve Resolution 2019-74. All voted in favor.

Mayor Dimmers opened up the Public Hearing for the sale of EDA Property at 106 3rd Street. Jeff Carpenter, EDA Director stated that the purpose of the meeting is to get approval from the Council to sell City owned property.

Mayor Dimmers closed the public hearing. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2019-72 authorizing the sale of real property owned by the EDA. All voted in favor.

Resolution 2019-73-Approving the 2019 tax levy collectible in 2020 was presented. It is an increase of 3.33% in the levy. Motion was made by Peterson, seconded by Tiegs to approve Resolution 2019-73. All voted in favor.

Resolution 2019-75-Approving the 2020 Budget was presented. The "Other" line item and what it includes was discussed. Motion was made by Peterson, seconded by J. Schons to approve Resolution 2019-75. All voted in favor.

Resolution 2019-76-Granting Charter Communications, Inc a franchise extension thru December 31, 2020 was presented. Motion was made by Tiegs, seconded by Thao to approve Resolution 2019-76. All voted in favor.

Resolution 2019-79-Approve Change Order #1 for Apron Improvements was presented. Daniels explained that this was due to a tile that was not draining under the apron that no one was aware of that tied into an existing tile. This would cause frost boils under the new apron if it was not addressed. Motion was made by Peterson, seconded by J. Schons to approve Resolution 2019-79. All voted in favor.

Resolution 2019-80-Approve payment to Duininck, Inc for work completed on Apron Improvements was presented. Motion was made by Tiegs, seconded by Peterson to approve Resolution 2019-80. All voted in favor.

The Consent Calendar consisted of Municipal Accounts Payable and the November 4, 2019 Planning Commission minutes. Motion was made by Tiegs, seconded by Thao to approve the Planning Commission minutes and the Accounts Payable without Breakthru Beverage and

Sanford Health. All voted in favor. Motion was made by Peterson, seconded by J. Schons to approve the Breakthru Beverage Accounts Payable. Voting in favor: Peterson, Thao, J. Schons and Mayor Dimmers. Abstaining: Tiegs. Motion was made by Peterson, seconded by Tiegs to approve the Sanford Health Accounts Payable. Voting in favor: Tiegs, Peterson, Thao and Mayor Dimmers. Abstaining: J. Schons.

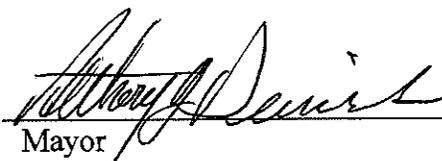
The Council discussed Elton Jorde's request regarding his utility bill. Motion was made by Tiegs, seconded by Peterson to change his average back to one unit for the sewer. All voted in favor.

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

ATTEST:



City Administrator



Mayor

**SPECIAL COUNCIL MEETING
CITY ADMINISTRATOR INTERVIEW
DECEMBER 10, 2019**

875

A Special Council meeting of the Tracy City Council was called to order at 7:00 p.m., Tuesday, December 10, 2019 in the Council Chambers of the Municipal Building. The following Council members were present: Mayor Anthony Dimmers (via skype), Jeri Schons, Kou Thao, Tony Peterson and Dave Tiegs. Also present was: Shane Daniels-PW Director/Interim City Administrator and Diane Campbell-Deputy Clerk/Administrative Assistant.

Pledge of Allegiance was given to the flag.

Mayor Dimmers 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.

The Council introduced themselves to the candidate.

The candidate interviewed was Steve Berkner.

Mayor Dimmers asked Berkner to tell the Council about himself and why he is interested in the job.

Berkner stated that he is a lifelong western MN resident. He grew up in Ortonville and went to Moorhead State University. He was a journalist in NW IA for a period of time and moved back to Ortonville and ran a Pizza Ranch Restaurant for 30 years. Along the way he decided to try three or four other businesses which worked out pretty well over the years. He went back to concentrate on the restaurant business in 2007 which is when he became involved in the Ortonville City Council and Planning & Zoning. He spent 15 years on Planning & Zoning and was on City Council for 5 years and was Mayor for 4 years. During that time they tackled quite a few issues. He did get to Tracy a little early and drove around and it appears that Tracy is dealing with a lot of the same issues that Ortonville is dealing with. He sold his restaurant and went back part time, almost full time, to one of the businesses that he had started with another investor back in 2003. That business is run out of Watertown, SD and is a subsidiary of a Spanish manufacturer. A portion of it has been sold so he has taken a volunteer layoff over the last 4 or 5 months. During that time he has been looking into Public Administration type jobs which is what has brought him here.

Mayor Dimmers asked Berkner to tell them about one mistake that he has made at a previous job and how he handled it.

Berkner stated that with being in the restaurant business for many many years they did some catering. Occasionally things didn't go quite like he would want them to go and the buck stops with the business owner. You have to come up with a solution and make it happen. You have to put all your cards on the table and make it work.

Mayor Dimmers questioned if he views his management style to be more of a commander or a coach.

Berkner indicated he is more of a coach. At one time they had three businesses that they were running with over 30 employees. He enjoyed mentoring kids and working with people trying to find a solution to get thru the day. Deadlines are important and if you don't work as a team you can't get things accomplished.

Mayor Dimmers asked what others that he has worked with or for say about him.

Berkner stated that he is a very honest person and would be the first to work and make sure that everything is ready to go with no surprises. Employees will come to management with personal problems and you have to be flexible and understanding with that. However, there is a reason why they call it work as there is work to be done. People that I have worked with don't see him

as a leader that is yelling and telling people what to do but works with them to accomplish the goals.

Mayor Dimmers stated that in this job no two days are alike and even though you have a to do list for the day a telephone call can change everything. How do you handle the phone call and still get your other work done?

Berkner stated that as involved as he was with City Council and Department Heads – he was a hands on Mayor but had to be careful not to step over the bounds – and being on Planning & Zoning you don't make a lot of people happy. Decisions have to be made so communication is a big thing. In his experience you have to have team work and be responsive to the seriousness of phone calls etc.

Mayor Dimmers questioned how he would prioritize?

Berkner pointed out that with any new job, especially this job, it is going to take some time to learn the routine and things still need to be accomplished. Coming up with a good schedule and maintaining it, whether that means coming in early or staying late. As the day moves forward you may have to shift things forward or backward to accomplish the same goals. He does what is called "tactical decision making" where you just have to make a decision. You would then need to rely on other department heads or staff and work as a team.

Mayor Dimmers questioned what his biggest weakness and strengths are?

Berkner indicated that his biggest weakness is taking on too much and not knowing when to say when. Sometimes it is just too easy to say yes. He likes to see things thru to the end to ensure that it is complete but does not need to take credit for it.

Mayor Dimmers asked how he would handle a conflict between staff members and City residents.

Berkner stated that during his time as Mayor and Councilmember if something goes wrong you have to find out why they are upset and what needs to happen to resolve it. Listening is important as well as remaining calm. Ortonville got caught up in legislation in St. Paul where there was an environmental group that was trying to offset some of the annexations that they were doing and they had to find some common ground. It doesn't do any good to come to a meeting and pound your fist and everyone has to give a little bit. Ordinances need to be followed but you still need to come up with a solution and make sure that they are heard.

Mayor Dimmers questioned what his experience is with budgets and levies?

Berkner indicated that he worked really close with the administrator on the budget and he was on the budget committee for 8 years. There was almost a 20 year span where they did not do any street projects because things were being cut and didn't know where the funds would come from and people were putting their heads in the sand. Over time they started to come up with some solutions instead of relying on bonding. In the mean time they stuck about \$45 million dollars into a new hospital and clinic and the enterprise fund was able to float. They came up with some ideas to help pay for some of the projects and after 15 years they started accomplishing some of the projects and they were able to do them without having to bond at all. However, they are starting to bond to finish some of them but they at least had long term goals. The LGA number goes up and down every year and this year they are talking about 1.6 Billion dollars in excess at the state. Where is that money going to go? In small towns they are not getting much help at all. The lookback is important to see where you can cut etc. J. Schons questioned what the solutions that they came up with were? He indicated that Ortonville runs a private utility and they would go to their reserves and at the same time they had an enterprise fund with the golf course and swimming pool, water, sewer, electric and they created a storm sewer utility. They also added a 15% Administrative fee on all of the utilities. The electrical – the City would sell about 10,000 units a day in utilities, water, sewer and electric-so they started adding 15% to that. When the LGA cutbacks took place they put every bodies needs into one pool and the City Council could make the hard decisions of who gets what. This freed up some funding for them

to do some of the bigger projects. Other Cities always have money figured in the budget for some of the bigger projects so the money is there when they need it. This is called a pay as you go system. After doing this their credit went up 2 steps, which very rarely happens for a town their size. They went from 9% interest to 3% interest because of this. You also have to be aware of property value increases and how it impacts the city.

Mayor Dimmers questioned what his priorities would be for the first three months, six months and one year?

Berkner stated that the first six months would be learning and getting a feel for the department heads and city employees and how things are done. He would not try to re-invent the wheel but getting to know how things work will take some time. With budgets etc. it may even be the first year to figure things out. He would rely a lot on existing staff and using their experience so that customer service etc. are not interrupted. He did get to town early today and drove around. He saw the empty businesses and picked up a paper and spent time on the website and looked at the minutes. He is a believer in economic development and SBA loans; however the city is just trying to provide tools for potential business owners and would be a priority of his. To see that the City is forward thinking with their infrastructure is important and he is happy to see Tracy doing that.

Mayor Dimmers questioned how he would communicate with staff? Would you use e-mails, meetings, memos?

Berkner stated that "team work" is overused a lot but feels that is what it takes. He would like to have weekly meetings with department heads to get everyone on the same page. As the week goes on he would like to touch base. He would e-mail and text message, however that can be overwhelming. He would have to figure out what works best for the department heads and go from there.

Mayor Dimmers asked who he would rely on for guidance. Do you have a mentor?

Berkner indicated that he would ask for advice and opinions from staff; however he would also work closely with the LMC. He was in constant contact with them as Mayor and Planning & Zoning. He would also turn to the state for guidance as that is what they are there for. He would utilize the City Attorney when needed also and other communities.

Mayor Dimmers questioned if he is a detail orientated person?

Berkner stated that he is a detail orientated person. He likes to have a paper trail and to make sure that stuff is getting accomplished. Showing your work is important to follow thru on what went right and what went wrong. It is a team effort but everyone needs to document things. The minutes are very detailed which pays dividends when looking something up.

Mayor Dimmers stated that Berkner is aware of some of the challenges the cities is currently experiencing as a council and city by watching meetings, reading articles etc. If you were hired for this city administrator position, how would you propose moving forward?

Berkner indicated that it appears that between EDA and City Council there were some tumultuous events over the last six months. He does not know the situation but when he was on the Council there was bickering going on and they were not getting anything done and eventually someone needs to take control of that. You have to have an open door policy and take care of somethings before it gets to that level. You also need to do this with city employees and figure out what you need to do to make them happy along with listening to them. If he has connected the dots correctly – he does not know if the City Administrator leaving was a part of this – but he can see there was a level of turmoil and changes and would assume that is taking energy away from getting other things done. You need to bring a level headed approach to that and listen. Don't just turn people down; try to come up solutions to create a feeling of unity. Your administrative staff and employees stay the same; it is the Council that changes.

Mayor Dimmers asked him to explain the risks and benefits of TIF districts and what is needed to create them.

Berkner indicated that they built a hotel in Ortonville in a TIF district and it was an education process and made the other hotel owners upset. There are some downsides to it as instead of giving the city the money back over 8 years it behooved the city to give that money back over 2 years because everyone got some LGA and made it in balance. If you can get the money in the hands of the business owner quickly that is huge. You have to bring in people that understand the pros and cons of it. TIF districts are good but you need to know the downside as well. It is a good tool to use.

Mayor Dimmers questioned what his knowledge of employment law as it applies to Union employees is?

Berkner stated that that would be a new area for him. He does understand a lot of the HR things and what can and cannot be discussed but it would be a learning curve. It should not be us against them but that is what it is. He understands that it has to be a give and take situation as the money does not fall out of the sky.

Mayor Dimmers asked if he intends to live in Tracy.

Berkner stated that he is not going to drive 105 miles every day and drove around to see if anything was for sale. His goal is to be as close to the area as possible but would likely be leasing or renting to start with.

Mayor Dimmers indicated that there have been conflicts of interest and open meeting law issues. What is your approach to avoid these pitfalls?

Berkner indicated that there are sunshine laws regarding that and he would have the City Attorney address it and work with him. You can go into recess at any time as well as closed sessions. He understands the public/paper point of view.

Councilmember Peterson questioned if Ortonville was a charter or statutory city?

Berkner indicated that he was unsure.

Councilmember Tiegs asked what he is looking for salary wise.

Berkner stated that Tracy has a window which fits in his window. He started his masters when his dad became ill. That was followed up with his wife's father becoming ill. He does have a good knowledge of how cities work and has done many aspects of that job. He feels that he should be towards the middle to low end of the scale as he does not have the degree.

Councilmember Tiegs asked if he would continue to take classes.

Berkner explained his experience of the classes that he has taken already. If his schedule allows for it he would do some on-going classes.

Berkner did not have any questions of the Council.

Peterson indicated that he agrees with Berkner as far as the EDA...it is putting the right people in at the right time. Berkner stated that if the street staff has down time they could possible help with building improvements. Tiegs indicated that they are already doing that with the new liquor store.

Airport improvements were discussed.

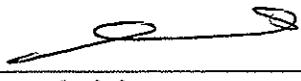
Mayor Dimmers thanked Berkner for his time and gave contact information in the event he did have questions.

The interview was concluded.

J. Schons indicated that having a masters was not top on her list. One red flag for her was how involved he was with the Administrator as Mayor; however if they are a statutory city that would make sense. She would not want to see him overstepping his boundaries. Once it is realized that there is a difference between a Charter City and a Statutory City it will be easier to recognize the boundaries. Peterson stated that experience wise he is right where they need him to be and that they should offer him the job. Tiegs stated that he does not see any reason not to. J. Schons agreed indicated that they will not get someone here with 20 years of experience and a degree. Thao stated that Berkner has a lot of experience with City Council and that he agrees with the rest of the Council to offer him the job.

Motion was made by Peterson, seconded by J. Schons to close the meeting to discuss finances for the offer. All voted in favor.

ATTEST:



City Administrator



Mayor