

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. on July 10, 2017 with the Pledge of Allegiance. Present were: Mayor David Olson, Kevin Knutson and Emily Krage. Also present were: Chris Peterson, Audrey Hegland, Brian Malm of Bolton & Menk, Chief David Breault, Randy Thesing, Ed Jacobs, Eric Leitzen, Ellyn Baumann, Marlene Schultz, Sue Weigrefe and Carol Meeks.

Public Comment: None. **Additional Agenda Items:** Peterson added two items; Community Center Kitchen Electrical and Connie Verse Retirement.

2017 Prairie Meadows Improvement Project – Bid Results: Brian Malm of Molten & Menk, presented the report on the bid process for the 2017 Street and Utility Improvements. There were four bids submitted, with Alcon Construction Corporation of Rochester being the lowest. The completion date should be October 31, 2017 for the project except for the final asphalt layer which will be applied in June of the following year to allow time to let the reconstruction settle. It was noted that the low bid was higher than the Engineer's estimate; Malm explained that this was due to a difference in calculating the dewatering required. MOTION BY KRAGE, SECONDED BY KNUTSON TO PASS A RESOLUTION TO ACCEPT ALCON'S BID FOR \$354,103.75 FOR THE 2017 STREET AND UTILITY IMPROVEMENTS; MOTION CARRIED UNANIMOUSLY.

Water Treatment Plant: The water treatment plant project will be delayed due to the State not allocating sufficient dollars this year for all approved projects. The City will be at the top of the list for funding for next year. The City was also approved for funding from the 2017 Minnesota Small Cities Development Program grant (\$600,000 toward the water treatment project) pending the funds being received from HUD. A Conflict of Interest disclosure form is required; this will be signed and submitted by Peterson.

Prairie Meadows Purchase Agreement: There is a buyer for two of the lots in Prairie Meadows; the City's attorney has drafted a purchase agreement for lots 9 and 10 for the price of \$12,000 each; proposing that the closing will take place on or before August 31, 2017. The purchase agreement stipulates that a house must be built within 24 months after signing. Peterson stressed that this purchase price may be adjusted as more lots are sold. The prospective owners would like to get the house built before winter, so construction will have to be coordinated with the street construction project. Peterson requested the Council approve the purchase agreement with the stipulation that a house must be built within 24 months, and that the City will provide FEMA clearance so that the process can move forward.

Question was raised whether this purchase agreement will be the one used for future lot sales in Prairie Meadows; Peterson replied that it can be adjusted as necessary. She stated the original covenants are still recorded at the County Courthouse; now that the City is the owner, the covenants can be altered if the City so chooses. Peterson recommended they be kept in place as is to ensure the quality of the Development remains the same at this time. MOTION BY KNUTSON, SECONDED BY KRAGE TO ACCEPT THE PURCHASE AGREEMENT AS PRESENTED FOR PRAIRIE MEADOWS LOTS 9 AND 10 WITH THE STIPULATION THAT A HOUSE MUST BE BUILT ON THE PROPERTY WITHIN 24 MONTHS; MOTION CARRIED UNANIMOUSLY.

Agenda Item C (Cedar Street Manhole Repair Proposal) was moved to after G on the agenda.

Henderson Street South Closure 8/12/17 – Valley View Foundation Event: The Valley View Healthcare and Rehab will be hosting a special event on August 12 and has requested the City close the south portion of Henderson Street; MOTION BY KRAGE, SECONDED BY KNUTSON TO CLOSE HENDERSON STREET SOUTH FOR THE DAY OF AUGUST 12, 2017 AS REQUESTED BY VALLEY VIEW HEALTHCARE AND REHAB; MOTION CARRIED UNANIMOUSLY.

Small Cities Development Program Grant Award: Along with the \$600,000 approved for the water treatment plant, \$42,900 for Housing Rehab Administration and \$300,000 for Housing Rehab were approved for funding by MnDEED. Up to \$20,000 per qualified household will be available and forgiven in seven years if the homeowner remains in the house. Whatever funds remain can be retained by the City and used toward additional project repairs. Housing repairs must be completed within 30 months after the award.

Property/Liability Insurance – Tort Limit Waiver: Each year the City renews their LMC property/liability insurance and must decide if they will renew the tort liability limit. After discussion, MOTION BY KNUTSON, SECONDED BY KRAGE TO WAIVE THE TORT LIABILITY LIMIT; MOTION CARRIED UNANIMOUSLY.

Budget Update: Peterson provided an overview of the various budget categories; the Water Fund is gaining ground although is not where it should be as yet. The Worker's Comp went up again this year. The Nature Center next year will attempt to budget more to repay the City for past years' deficits. The General Fund report reflects Larry Jerviss' replacement. Next year Peterson will have the preliminary budget ready by September prior to when the November levy FOR 2017 must be set. Peterson stated that on a positive note, the budget looks fairly good overall. Peterson asked that Council members let her know if they have any changes or concerns prior to next month, when she will be meeting with Olson and Knutson.

Cedar Street Manhole Repair Proposal: A proposal has been received to repair the manholes on Cedar Street in Houston that are deteriorating; repair should be done this year or no later than the next. The sanitary sewer on Cedar Street especially needs attention. Peterson recommended the City fix all eight listed. Estimates were received from HK KydroKlean for repair of the manholes for \$37,040. A fund transfer from the Water Fund will be made toward this expense. MOTION BY KRAGE, SECONDED BY KNUTSON TO TRANSFER ADDITIONAL FUNDS NEEDED FROM THE WATER FUND TOWARD THE REPAIR OF EIGHT MANHOLES; MOTION CARRIED UNANIMOUSLY.

Larry Jerviss Resignation Letter: Peterson commended Jerviss, saying that the City has been very fortunate to have had him remain on with the City to serve as a transition resource and to do the City's accounting. MOTION BY KNUTSON, SECONDED BY KRAGE TO ACCEPT LARRY JERVISS' RESIGNATION AS OF DECEMBER 31, 2017; MOTION CARRIED UNANIMOUSLY.

Accounting Position: Peterson will meet with the Personnel Committee regarding filling the vacancy created by Jerviss' resignation. She stressed it is important to have the right person in this important position. The new person would need at least 25 hours per week to do what Jerviss has done, plus added responsibilities.

Community Center Kitchen Electrical: A request has been received from the Lions to add an electrical outlet in the kitchen. They have volunteered to pay half of the \$200 cost. Hoskins will be contacted to do the work. MOTION BY KRAGE, SECONDED BY KNUTSON TO AUTHORIZE THE INSTALLATION OF AN ADDITIONAL OUTLET IN THE COMMUNITY CENTER KITCHEN, WITH THE LIONS SHARING HALF OF THE \$200 EXPENSE; MOTION CARRIED UNANIMOUSLY.

Connie Verse: Connie Verse has submitted her resignation from the Nature Center, effective July 29. She has been working part-time this summer. Peterson expressed her appreciation for how Connie stepped up to fill the gap when Karla Bloem left the Nature Center. MOTION BY KNUTSON, SECONDED BY KRAGE TO ACCEPT THE RESIGNATION OF CONNIE VERSE, EFFECTIVE JULY 29, 2017; MOTION CARRIED UNANIMOUSLY.

Minutes: MOTION TO APPROVE THE JUNE 12 COUNCIL MEETING AND PUBLIC HEARING MINUTES ON THE PRAIRIE MEADOWS IMPROVEMENT PROJECT; MOTION CARRIED UNANIMOUSLY.

Financial: MOTION BY KNUTSON, SECONDED BY KRAGE TO APPROVE THE FINANCIAL REPORT; MOTION CARRIED UNANIMOUSLY. **Review of Bills:** MOTION BY KRAGE, SECONDED BY KNUTSON TO PAY THE BILLS; MOTION CARRIED UNANIMOUSLY.

Department Reports:

Police: As he has done in the past, to assure adequate coverage during Hoedown, he has traded services with neighboring towns so they will assist with this event. With the advent of summer, the town has been busy and there have been increased calls.

Nature Center: Sue Weigrefe presented a July update providing information on number of visitors, programming, collaborations with other local organizations, revenues received, etc. She highlighted a comment received from a visitor who wrote about the fine Trailhead and Nature Center that is here for visitors. Peterson stated that Personnel Committee will be addressing how to get some additional help since Verse is retiring.

Maintenance: With the warm weather, mowing takes up much of the maintenance crew's time. They are also trimming trees and getting the sewer plant registered for another year.

Tree Board: Krage reported that the Tree Board will be meeting this week and she will invite local businesses who have trees in the sidewalk by their location to attend to discuss problems that have arisen from the trees growing too large.

Fire Department: Minutes were enclosed for Council's review.

Adjournment: MOTION TO ADJOURN AT 7:00 PM BY KNUTSON, SECONDED BY KRAGE; MOTION CARRIED UNANIMOUSLY.