

Mayor Connie Edwards called the City Council meeting to order at 6:00 p.m. on November 14, 2016 with the Pledge of Allegiance. Present were: Connie Edwards, Kevin Knutson, Cheryl Sanden, Matt Schutte and Tony Schultz. Also present were: Chris Peterson, Audrey Hegland, Randy Thesing, Ed Jacobs, Officer Isaiah Bunke, Marlene Schultz, Eric Leitzen, Dave Olson, Emily Ernest Krage, Chris Lewison, Tom Reay, Attorney Mike Flaherty, and Ellyn Baumann.

Addition to the Agenda: Ice Skating Rink - City Park.

Public Comment: A member of the Houston Money Creek Snowmobile Club questioned why the snowmobile route through Houston has been changed this year. Thesing responded that there were several reasons, including to prevent damage to the street. After discussion, Mayor Edwards directed Thesing, Lewison and Schultz to work together to determine a solution.

Another individual spoke in opposition to the feedlot expansion that is located just east of the city; a request for a variance has been granted by the County to increase the number of livestock permitted from 50 to 134 animal units. His objection was based on the feedlot's close proximity to his home and town, and how it would affect his property values and way of life. He questioned the County's ability to monitor possible pollution and numbers of cattle in the feedlot.

A third individual brought up a previous variance that had been denied by the City, noting there was opposition. She thought that the County should consider the strong opposition to the feedlot variance. Mayor Edwards said that there are three major criteria that each variance request must pass; in the case of the previous City variance, those three things were not met or resolved. She stressed that the letter of the law must be followed.

Election Canvassing Board – Declare Results: The results of the recent election were: David Olson, Mayor; Emily Ernest Krage, Council; Matt Schutte, Council. MOTION BY SCHUTTE, SECONDED BY SANDEN TO APPROVE THE RESULTS OF THE GENERAL ELECTION; MOTION CARRIED UNANIMOUSLY.

Elected Official Training: David Olson and Emily Ernest Krage will attend the 2017 Leadership Conference on January 27-28 in Bloomington, MN. MOTION BY SANDEN, SECONDED BY KNUTSON THAT THE OLSON AND KRAGE ATTEND THIS MEETING, WITH THE CITY SPONSORING THIS ACTIVITY; MOTION CARRIED UNANIMOUSLY.

Drinking Water Treatment Project – Updated Compliance: Peterson explained that the City can secure better funding through the state-level program rather than the USDA; this will mean a delay in compliance with the MDH, but they have been alerted to this and approved resubmitting a request for DWRP Placement on Intended Use Plan in June, 2017. Funding approval and begin the facility design in September 1, 2017. Completion of the project should be done by August, 2019. MOTION BY SCHUTZ, SECONDED BY SCHUTTE TO APPROVE THE AMENDED COMPLIANCE AGREEMENT AS OUTLINED; MOTION CARRIED UNANIMOUSLY.

OHV Easement Appraisal and Advisory Committee Update: The appraised value of the easement on the Schultz property has been received pending DNR approval. The amount will be paid up front by the City then reimbursed from Grant-in-Aid funds. The next step will be to prepare the paperwork for the easement purchase, and brought to the Council for their consideration. MOTION BY SANDEN, SECONDED BY KNUTSON TO PROCEED WITH THE NECESSARY PAPERWORK FOR THE EASEMENT PURCHASE; MOTION CARRIED BY MAJORITY VOTE; SCHULTZ ABSTAINING. Peterson mentioned that at this time there are seven individuals who have expressed interest in serving on the OHV Advisory Committee, and that others interested in serving would be welcomed. Mayor Edwards asked to hold a meeting of the OHV Clubs after the first of the new year.

Police Staffing: The Police Committee met to discuss department staffing. Chief David Breault has indicated he anticipates retiring in two years, so the Committee recommends the Council give Brett Hurley the title of Assistant Chief to begin a transition plan for him to assume the Chief duties when that time comes. Wages will be set at what

he was approximately earning when serving as temporary interim chief when Breault was on leave. There have been many positive comments received on his performance during his time here. MOTION BY SCHUTTE, SECONDED BY SCHULTZ TO PROMOTE BRETT HURLEY TO THE POSITION OF ASSISTANT CHIEF OF POLICE AND CONTINUE TO PAY HIM WAGES THAT ARE COMMENSURATE WITH WHAT HE WAS PAID WHILE SERVING AS INTERIM POLICE CHIEF; MOTION CARRIED UNANIMOUSLY. Officer Isaiah Bunke will continue to work the extra hours he is currently doing for another month.

Custodian Resignation: Jennifer Evenson has resigned her position as custodian; her last day will be November 19. Peterson recommends the position remain a City employee rather than hiring an outside service, and that the position remain part of the Maintenance Department for supervision and scheduling of duties. She will discuss this with the Personnel Committee. Mayor Edwards advised advertising the position as soon as possible so the appropriate person can be in place for Council approval at their December meeting. The position will be for 15 hours per week. The most time-consuming portions of the job will be working with the Nature Center and Community Center. MOTION MADE BY SCHULTZ, SECONDED BY SCHUTTE THAT THE PERSONNEL COMMITTEE DETERMINE STARTING WAGE AND HOURS OF WORK, AND POST THE POSITION AS SOON AS POSSIBLE; MOTION CARRIED UNANIMOUSLY.

Health Insurance Renewal: The employee health insurance policy is up for renewal in February, 2017; rates are expected to increase 16.2% from 2016, resulting in an estimated monthly premium for 2017 of \$6,370.94. Employees contribute 25% of dependent premiums, which is applied to the total monthly premium. While this is a significant increase, it is not near the increase that is proposed in the individual policy market. MOTION BY SANDEN, SECONDED BY KNUTSON TO RENEW THE CURRENT BLUE CROSS BLUE SHIELD EMPLOYEE HEALTH INSURANCE POLICY WITH THE INCREASE IN PREMIUMS AND DEDUCTIBLES; MOTION CARRIED UNANIMOUSLY.

Dental Insurance: The City has to continue to offer the pediatric dental health insurance to meet requirements of the Health Care Reform. An Adult/Family Plan is available with four different plans, each with a different monthly premium. After discussion, MOTION MADE BY SANDEN, SECONDED BY SCHULTZ TO OFFER THE ADULT/FAMILY PLANS TO CITY EMPLOYEES, PRE-TAX PREMIUMS TO BE PAID BY THE EMPLOYEE; MOTION CARRIED UNANIMOUSLY.

Gambling Permit – Fire Department: Peterson brought forward two additional gambling permits – both for Sheldon Valley Sportsmen’s Club events. MOTION BY SANDEN, SECONDED BY SCHULTZ TO APPROVE THE GAMBLING PERMITS FOR THE HOUSTON FIRE DEPARTMENT AND THE TWO FOR SHELDON VALLEY SPORTSMEN CLUB; MOTION CARRIED UNANIMOUSLY.

Ice Skating Rink: Schutte requested Council approval for the Girl Scouts to place an ice skating rink in the park. They have purchased the 18 inch high boards and plan to use the place for hockey games during the winter months. Randy Thesing had no problem with putting it in the park so MOTION MADE BY KNUTSON, SECONDED BY SANDEN, TO APPROVE THE GIRL SCOUTS HOCKEY RINK BEING PLACED IN THE PARK; MOTION CARRIED UNANIMOUSLY.

Minutes: MOTION BY SCHULTZ, SECONDED BY SCHUTTE TO APPROVE THE NOVEMBER 4 SPECIAL CITY COUNCIL MEETING MINUTES AND THE OCTOBER 11 AND 27 COUNCIL MEETING MINUTES AS PRESENTED; MOTION CARRIED UNANIMOUSLY. Planning Commission minutes were available for Council review.

Financial Report/Review of Bills: MOTION BY SCHUTTE, SECONDED BY SANDEN TO PAY THE BILLS; MOTION CARRIED UNANIMOUSLY.

Department Reports: Maintenance: Thesing reported that he has taken a tree down on Cedar Street that was uprooting the sidewalk and posing a safety hazard. The sidewalk has been replaced. The Tree Board will have to meet to discuss this problem, as there are many other trees growing too large and causing the same problem.

Mayor-Elect David Olson, Randy Thesing and Ed Jacobs toured two water treatment plants in other towns for preliminary information pending the construction of Houston's similar facility. Thesing said the tour went well and was beneficial.

Both Thesing and Jacobs have to upgrade their water treatment licenses to a Class C. They will be studying and working on this.

6:54 p.m. At this time, Mayor Edwards announced the Council will go into closed session with legal counsel (pursuant to MN Statute, section 13D.05, subd. 3 (b) attorney/client privilege) related to the Houston County Board of Adjustment granting of a feedlot expansion variance.

CLOSED SESSION of HOUSTON CITY COUNCIL: 6:54 p.m., November 14, 2016 was held at City Hall, 105 W. Maple Street.

Present: Mayor Edwards, Council Members Schultz, Sanden, Schutte, and Knutson, City Administrator Christina Peterson, Attorney Mike Flaherty.

The purpose of the meeting was to discuss legal strategy regarding a possible appeal of the variance granted to Cody Stuttgen by the Houston County Board of Adjustments. The session was not taped or otherwise electronically recorded.

At 7:55 p.m., Mayor Edwards announced the meeting will return to open session. She stated that the special closed meeting was held to discuss legal strategy regarding a possible appeal of the variance granted to Cody Stuttgen by the Houston County Board of Adjustments.

She further stated that the closed meeting was pursuant to MN Statute attorney/client privilege exception to the Minnesota Open Meeting Law. The need for confidentiality outweighed the purpose served by the open-meeting law in this case based on the following:

- Absolute confidentiality was necessary so that the City Council and legal counsel could have a candid and open discussion to determine the possible litigation, including strategy and any possible areas of resolution.
- The purpose of the closed meeting was not to make a decision behind closed-doors, but instead was to determine the legal options for handling the potential appeal.
- The only business discussed in this meeting was the potential appeal.
- An open session would have been detrimental because it may have taken place in the presence of individuals involved in the potential appeal.
- A closed session benefited the public because the ultimate outcome of the potential appeal may impact the finances and regulatory authority of the City.

Mayor Edwards asked if the Council would like to pose a motion.

COUNCIL MEMBER SCHULTZ MADE A MOTION "To authorize and direct Flaherty & Hood, P.A. to file a summons and complaint in Houston County District Court, challenging the Houston County Board of Adjustments granting of a variance to Cody Stuttgen, allowing him to expand a feedlot within the setback area provided for in the County's zoning code, and take such actions as are necessary and appropriate to prosecute such legal action." MOTION SECONDED BY SCHUTTE. MOTION CARRIED. (For further clarification, THE MOTION CARRIED BY MAJORITY VOTE, WITH SANDEN VOTING NAY).

MOTION BY SANDEN TO ADJOURN, SECOND BY KNUTSON, MOTION CARRIED. Meeting adjourned at 8:00 p.m.